

Mr. HALPERN. Yes.

Mr. DIXON. This will be a prohibition.

Mr. HALPERN. What is your opinion about that?

Mr. DIXON. I think it would be a good provision, I think it would be helpful. In other words, I don't see anything basically wrong in the purpose—whether it is the Senate version or this version or the many others, that as long as the section is, within a reasonable manner, forcing enough disclosure so that a purchaser is properly apprised of the complete cost of credit and finance charges when he comes into it.

Mr. HALPERN. Do you feel that advertisers could comply with the provisions requiring specification of all credit terms if any terms are mentioned without necessitating highly unwieldy advertisements?

Mr. DIXON. I don't think this will kill advertising, no, sir. I will tell you, I believe in advertising and I don't think truthful advertising hurts anybody.

Mr. HALPERN. I am saying, would the advertising—

Mr. DIXON. They would just not advertise if you had to do all that. I think that business says if you want people to know you have a better product, you better tell them about it.

Mr. HALPERN. How do you feel the advertising could comply with it?

Mr. DIXON. Well—

Mr. HALPERN. Do you think—do you feel the advertising could comply with it?

Mr. DIXON. I do. I think within a reasonable fashion, yes.

Mr. HALPERN. Thank you, Mr. Dixon.

Mr. Greenberg, how have small businesses fared, in general, as a result of the expanded use of credit rather than cash transactions?

Mr. GREENBERG. I couldn't give you the information. I would like to supply it for the record.

(The material referred to follows:)

In general, it appears to SBA that the expanded use of consumer credit has had a beneficial effect upon small business. The availability of consumer credit has helped sustain consumer demand, thereby helping to sustain sales volume of small retailers, distributors, service industries, and manufacturers of consumer goods. There appears little doubt that small businesses extend consumer credit to their customers for competitive reasons, and that the costs of credit selling may cause greater financial strain on the small business than on the large. However, available data indicates that the great bulk of the large increase in consumer credit over the past twenty-five years has been supplied by financial institutions. The extra expenses which small concerns may incur in extending consumer credit are generally more than compensated for in added business receipts.

Mr. HALPERN. I will submit the question to you exactly as I presented it to you and I would appreciate your response.

How do you feel about the exemption of small transactions from the disclosure provisions of truth-in-lending legislation?

Do you think that this might have the effect of exempting many small retail businesses from disclosure altogether?

Mr. GREENBERG. Well, the position of the agency is that we think all credit transactions should be covered. We think they should all be treated alike. We feel, too, excluding this kind of thing would in effect be affecting the very people who we think are most in need of