

be charged; a Federal statute pertaining to garnishment and confessions of judgment; and the provision giving the Executive Branch new authority of the Regulation W type. It is our firm belief that these matters do not belong in a bill pertaining to full disclosure.

In addition, we can see no reason for the establishment of a National Commission on Consumer Affairs. If S. 5 or a similar bill should pass both Houses, we feel the Federal Reserve Board can sufficiently administer such an Act without creating an additional agency.

It has been suggested by some that we in the finance industry are not concerned about the consumer, that all we really are interested in is making a profit. Anyone who makes such a statement just doesn't understand the business world.

No one is more interested in the consumer than are members of the American Industrial Bankers Association. Our livelihood depends on the consumer being satisfied, on his being treated right, on his being fully informed. If the consumer is unhappy, dissatisfied or doesn't understand what he's doing, he is going to stop dealing with our companies. When this happens, there just won't be any finance business, any finance business profits, or any tax revenues based on such profits.

Everyone is a consumer—without exception—and the consumer is capable of speaking for himself. He does this daily as he goes about buying merchandise and services that he wants. The American consumer is capable of speaking for himself and he does in any many ways.

Nowhere on earth do consumers have access to the quantity, quality, and variety of consumer goods, services and credit as is available to the American consumer—and at prices he can afford. This has come about because the consumer is satisfied. When millions of consumers are buying billions of dollars worth of merchandise and services on time, somebody, someplace, is not too unhappy.

Once more we repeat, we remain opposed to Federal regulation of consumer credit. We are convinced that any problems that may exist in this field can most appropriately be solved at the state level. However, if such legislation is passed by Congress we strongly urge that it be kept as simple as possible and as workable as possible. We firmly believe that S. 5, with the few changes we have outlined above, would be such a bill.

STATEMENT OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION

The National Automobile Dealers Association appreciates the opportunity to present its views on H.R. 11601, the "Consumer Credit Protection Act", and the related bills being considered by this Subcommittee, including S. 5 as approved by the Senate on July 11, 1967.

NADA is a national trade organization whose membership comprises approximately 22,000 franchised new car and truck dealers engaged in the retail sale and service of all makes of new cars and trucks, both domestic and foreign, including farm implement dealers. Dealers in every State and Congressional District in the United States are included in our membership which is composed of 69 percent of the franchised dealers in this country. As such, we are vitally interested in the various legislative proposals presently before this Subcommittee which, if enacted, will directly and significantly affect the daily business operations of our members.

At the outset, we should like to point out that NADA has in the past opposed enactment of so-called "Truth-in-Lending" bills and continues to feel that the proposed legislation is unnecessary for reasons spelled out in detail in its statement of May 12, 1967, on S. 5 to the Subcommittee on Financial Institutions of the Senate Banking and Currency Committee. However, lest our position be misunderstood, it should be emphasized that this Association has always favored a truthful and complete disclosure to a purchaser of all pertinent details of the transaction, including finance charges and a detailed itemization of all other costs and charges. But we have advocated that the full disclosure of the elements making up the total cost should be expressed in the medium which is most comprehensible to the purchaser—in terms of dollars and cents, rather than as a percentage rate.

We believe that S. 5 as passed by the Senate is a more workable measure than the bill as originally introduced. S. 5 could be further improved by amendments which we will outline later in this statement.