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STATEMENT BY

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PRESIDENT,

GENERAL MOTORS ACCEPTANCE CORP.,

For Immediate Release.

On November 1st all Government restrictions on consumer credit, which were formerly imposed by Regulation "W" of the Federal Reserve Board, will end.

This freedom from regulation will present to all concerned an important opportunity to demonstrate that they value the Nation's economic welfare above extremes of selfish interest; and thus preserve and encourage free enterprise in this essential field.

I can recall no period in the history of Modern Consumer Credit activity when the need for wise and far seeing policies and practices was as important as now. It behooves all elements involved, sellers, buyers, finance companies, banks and other financing agencies to use their heads as never before.

To this end, there must be no return of certain practices which were prevalent before the war, such as publishing and advertising of specific long terms and small down payments. Regardless of any competitive provocation, sellers and financing agencies must refrain from competition on the basis of "easy" credit terms.

"Easy" credit terms are not easy. They are expensive. Every instalment buyer or borrower should understand that simple basic fact. As we have pointed out repeatedly in the past: The cheapest way to buy a car is to pay with one's own cash. The next cheapest way is to pay down as much as possible and pay off the balance as soon as possible. The most expensive way is to pay down as little as possible and string out the balance as long as possible. The sound way to buy a car on time payments is to buy it on the most conservative terms one can comfortably afford.

A person who buys more credit than he needs is simply throwing money away. A person who contracts to pay beyond that which he can comfortably afford is begging for trouble and will probably get it. It will be up to dealers and their financing agencies to cooperate in protecting such buyers against their own folly.

As far as GMAC is concerned, the policy we established over 25 years ago will remain in full effect. It is best expressed in the slogan: "Terms to suit your needs." We will neither advertise nor promote any specific terms, nor will we compete with other financing agencies on the basis of high-cost "easy" terms. We are confident that, as in the past, those dealers with whom we do business will adhere to this policy as well.