

The Committee's attention is directed to the fact that the proposed Uniform Consumer Credit Code contains a broad and relatively far-reaching system for administrative regulations and enforcement at the State level. The Commissioners' approach to the problem of administration and enforcement by the States is more comprehensive than the proposal contained in Section 209.

The provisions in Section 209 are patterned on the enforcement provisions relating to unfair methods of competition contained in the Federal Trade Commission Act, 15 U.S.C. 45. The provisions in question are more directly consistent with the regulatory functions of the Federal Trade Commission than with the functions exercised by the Federal Reserve Board.

Therefore, it is the recommendation of the A.B.A. that the system of self-enforcement through the State and Federal Courts contained in S. 5 should be given the opportunity to operate before any broad enforcement responsibility is imposed upon the Board. It is quite possible that the provisions of S. 5, plus the system of administration and enforcement at the State level which will be ultimately produced by the Uniform Consumer Credit Code, will be entirely sufficient.

THE EFFECTIVE DATE

Section 211 provides that Title II relating to disclosure in credit transactions shall take effect on July 1, 1968. For the reasons elaborated in the comments on this subject regarding S. 5, the A.B.A. urges that the States be given a minimum of at least thirty month lead time in order to adopt the Uniform Consumer Credit Code, or in the alternative, to amend the more than four hundred State statutes which govern consumer credit transactions to conform to the Federal law. This grace period is essential in order to avoid confusion on the part of both creditors and consumers. Therefore, it is recommended that the effective date be no earlier than July 1, 1970.

Mrs. SULLIVAN. Thank you, Mr. Walker.

In view of the time, the committee will recess now until 1:30, at which time you may come back and we will have an opportunity to discuss your testimony and ask questions.

Mr. WALKER. We will be happy to.

(Whereupon, at 12 noon, the subcommittee recessed, to reconvene at 1:30 p.m., the same day.)

AFTERNOON SESSION

Mrs. SULLIVAN. The Subcommittee on Consumer Affairs will resume its hearing.

I ask that all of the witnesses for this morning and afternoon come to the witness table.

STATEMENT OF CHARLS E. WALKER; ACCOMPANIED BY THOMAS L. BAILEY, JOHN F. ROLPH (RESUMED), AND REV. ROBERT J. McEWEN, S.J., CHAIRMAN, DEPARTMENT OF ECONOMICS, BOSTON COLLEGE, CHESTNUT HILL, MASS.

Mrs. SULLIVAN. I am sure the other members will be here shortly but in the meantime, Father McEwen, I would like you to read the part of your statement that you wish to give right now so we can question you later along with the other gentlemen.

I think you know a great deal about how the credit disclosure law works in Massachusetts, since you had so much to do with its enactment.

For the benefit of the members and the audience I might say that in his prepared statement, our next witness, Father Robert J. McEwen,