

tion of retail installment sales of consumer goods (S. 316); the Senate—and indeed the Congress of the United States—can in good conscience enact no less.

With the provisions of S. 316 as a floor of consumer protection, then, we would like to discuss briefly several issues on which your bills differ from S. 316.

(1) First, S. 316 essentially incorporates as implementation procedure, requiring the City Council to issue regulations pursuant to the new law. S. 2589 specifically spells out the protection in the legislation itself. While we commend Senator Tydings on his deep concern for the rights of the consumer, we respectfully submit that we favor the implementation procedure spelled out in section 4 of S. 316.

Recently, due to the efforts of the chairman, the entire District Committee of the Senate, and the Congress itself, Washington received a new governmental structure. We now have a Mayor-Commissioner, and a City Council. It is our hope that any consumer credit legislation would provide for the direct involvement of this new government. For this reason, we support title VIII of S. 2589, which would establish a Department of Consumer Protection under the general supervision of the Mayor-Commissioner. Furthermore, it is our belief that the implementation procedure would require the City Council not only to issue regulations, but also to exercise continuing watchdog functions over the implementation of their regulations. Thus, if Congress adopted this procedure, it would in effect allow the government of the city of Washington to exercise local control over local matters—another step in the ultimate realization of our home-rule dream.

(2) A second major point of difference between the two bills lies in their approach to the holder-in-due-course problem. Senator Morse's bill would adopt a certification procedure, whereby a third party taking a retail installment note or contract cannot enforce it as a holder in due course unless the retail installment contract is accompanied by the buyer's certification that he has received the goods purchased and that they appear to conform to that which he contracted to buy. A note—accompanied by a properly signed certificate—is fully negotiable and the assignee enjoys the full protection of a holder in due course. Senator Tydings, your bill would, for all practical purposes, eliminate the holder-in-due-course concept in retail installment sales transactions.

The Jewish Community Council supports the principle that the seller should not be permitted to avoid his responsibility of providing quality goods and services to the buyer. It is to the achieving of this principle that both bills are aimed. We are not entirely satisfied with the certification approach, however; defenses do not always arise when the consumer goods are first delivered. Nor are we confident that the buyer whom we are most eager to protect will truly appreciate what he is signing.

We recognize, however, that the approach taken by S. 2589 is a most controversial one. We believe that elimination of holder-in-due-course protection clearly reflects the opinion of many experts in the field that there is a significant difference between the need for negotiability of commercial paper in the sale of consumer goods and, for example, in