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Statement of J. L. Robertson, Vice Chairman  
Board of Governors of the Federal Reserve System  
before the  
Senate Banking and Currency Committee  
Subcommittee on Financial Institutions

May 19, 1969

If we had a Truth in Testifying law, I would have to confess that I am not really delighted to be here this morning. I find myself in the awkward position of having little to contribute to this hearing. The Board of Governors of the Federal Reserve System believes, as I suppose everyone here does, that credit information on individuals should be accurate, and that credit reporting agencies should conduct their operations "with fairness, impartiality, and a respect for the individual right to privacy," as provided in S. 823. But the Board is not in a position to help you decide whether Federal legislation is needed or useful in achieving this goal or to recommend the kind of legislation that would be most appropriate if a need exists.

Service as a member of the Board does not equip one to decide whether a Federal law is the answer to the very serious questions raised by S. 823. In carrying out our responsibilities, we have virtually no contact with the credit reporting agencies that would be regulated under the bill, and we would not presume to advise you regarding what may be right or wrong about their existing procedures, or for that matter what their procedures are, since you unquestionably know more about them than we do.

While the Board has no position, therefore, on the merits of the bill, we do have a recommendation as to its administrative provisions. As introduced, S. 823 would direct the Board to prescribe implementing regulations. This is a responsibility the Board is not prepared to assume. The functions vested in the Board by the Truth in Lending Act should not be taken as a precedent for assigning to the Board wide-ranging duties in the general area of consumer protection. Such an assignment would be inconsistent with effective performance of our primary duties in the field of monetary policy. In view of the increasing interest Congress is showing in expanding Federal legislation for the protection of consumers, we strongly recommend that responsibility for implementing such legislation be vested not in the Board but in an agency more familiar with consumer problems and more expert in coping with them.