

congressional committees are fully capable of doing a topnotch job in these studies.

We would also recommend that the effective date of the bill be delayed until 1970.

Mr. ANNUNZIO. Is there anything in H.R. 11601, if we attempted in our judgment to strengthen S. 5, that you would accept so that we could strengthen S. 5?

Mr. WALKER. Yes. I would take the advertising provision if recast to get rid of the ambiguity and the problems which we pointed out in our statement. If you have got to do certain things over the counter, there is no reason at all why your advertisement should not be fully consistent with that. That is constructive information. But the wording gives us a great deal of difficulty.

The question is, who is going to administer the advertising requirements? And the Fed wants the FTC to administer it. The more administrators you get into a given piece of legislation, as we have seen in the banking area, the more administrators you get the more chances we have for disagreement, and so on. And even though I sympathize with the Federal Reserve's idea not to get involved in administering the advertising provision, I think that since it is a credit and financial matter that it would be better to keep it in the Fed, and in fact keep all the regulations of the bill in the Fed.

Also I didn't mention administrative enforcement. We very much prefer S. 5's provision rather than the enforcement provisions of H.R. 11601.

We would also request—and we think it is very important to give the uniform law commissioners time to bring their project to fruition. And believe me, we will push this very, very strongly in State legislatures throughout the country. But please give us until 1970. Our next major legislative year is 1969. The uniform law commissioners approach is to repeal general usury statutes which give you so much trouble and to provide specific ceilings depending on the type of credit, which is a much more viable sort of situation. But if you force us to go in and try to promote this before the uniform law is ready, I think it can set back a valuable project, and might even kill it.

Mr. ANNUNZIO. Do you feel that this legislation, Mr. Walker, after conducting very, very intensive and extensive hearings, will serve to narrow the gap between the middle class and poor people? This is what is causing our trouble, the gap is too great.

Mr. WALKER. Not significantly. I just think—if you are talking about this particular bill—if you are talking about the uniform law commissioners' consumer credit code—this is another ambit—anything you can do to keep these people away from the loan sharks and into legitimate lenders is going to help and this specific usury ceiling approach by type of credit, you are not doing a poor person any good to say that usury is 6 percent. He can't borrow on that basis for an automobile. It is much better to say that he can pay up to 18 percent for an automobile if you really want him to get the credit.

Yes, I think that could help significantly.

Mr. ANNUNZIO. Father McEwen, I wholeheartedly agree with your statement. And I do appreciate your coming before the committee. I feel that a lot of the problems that are caused in large cities, and I