Mr. WOLF. I do not think we made that statement.

Senator TYDINGS. Let me read what you say here. You indicated that you did not think we should have a set amount. You state:

> We are concerned, however, with the percentage limitations which S. 2590 places on finance charges. They may be too high a price for the consumer to pay; they may be too low a charge for the merchant to be able to function.

How can you make such a statement, knowing that the merchants in the States of New York and California are able to function?

Mr. WOLF. I do not think we are saying that, Senator Tydings. I think we are saying that it may be too high for the consumer to pay. We leave that to future determination.

Senator TYDINGS. You state:

> We are concerned, however, with the percentage limitation which S. 2590 places on finance charges. They may be too high a price for the consumer to pay; they may be too low a charge for the merchant to be able to function.

How can you make the statement that they may be too low a charge for the merchant to be able to function, knowing that the two largest States in the Union, with between them about an equivalent of 20 percent of the national population, have similar laws under which their merchants are able to function?

Mr. WOLF. We really left it up—we suggested that we leave it up to the local determination.

Senator TYDINGS. You're really then not saying it is too low?

Mr. WOLF. I do not, really. We were trying to offset one statement with the other, trying to point out that we were not taking a specific position on a set percentage.

Senator TYDINGS. What makes you say that they may be too high for the consumer to pay? Do you have any reason to base that on?

Mr. WOLF. I think, from my own business experience, too frequently the merchants depend on profits derived from credit that they extend, while I, personally, believe that a good deal of his profit should be primarily derived from the sale of merchandise.

Senator TYDINGS. Do you not think that if we are to protect the public we might be wise to put in a ceiling to protect the public, and then if the Council wants to lower it that would be up to them, rather than just leaving it unstated?

Mr. WOLF. I think that might be the course, if the Council were permitted to operate within that range. I think so.

Senator TYDINGS. Thank you very much, Mr. Wolf.

You have presented a very clear, precise, and well thought-out statement. It has been a great help to us.

Mr. WOLF. Thank you, sir.

Senator TYDINGS. Our next witness is Mr. Larry Silver, Deputy Director of the Neighborhood Legal Services Project, who is accompanied by a number of associates.

We will be glad to hear from you and your associates, Mr. Silver.

Mr. SILVER. Mr. Chairman, we have some witnesses on the way and some who are unable to come. Miss Halloran will address you in just a few minutes and will indicate what witnesses we have here with us and who will be here this afternoon.

Present with me at the moment is Mr. J. Kirkwood White and, as I have mentioned, Miss Maribeth Halloran, who are counsel, and Mr. Nathaniel Vaughn, Mrs. Josephine Bailey, and Mrs. Maggie Jamison.