

Senator NELSON. Well, what you are really saying is that if the people wanted to stop the loan sharking, they could stop it. That is the conclusion I would draw from your statement. You say if all the businessmen would chase everybody off their property, and everybody would chase them off their docks, and all the people who were victims of loan sharks would testify, if all these happened, loan sharking would disappear. That does not help us very much. We do not control what business does on their own property.

What would you specifically suggest that the Congress do, since there are some things that are within our jurisdiction, and most of what you have cited is not.

Mr. RUTH. Well, from a statutory standpoint, Senator, I think a loan sharking bill would help. I am not totally enamored of the current version in the conference committee which is being considered as an amendment to the Truth in Lending bill.

If I were to propose a Federal loan sharking bill, I would say simply that anyone who charges over, say, 75 percent on a loan of money is guilty of loan sharking, or gross criminal usury, whatever you call it—a Federal crime. I think that would be constitutional. One of the objections received to that is that some people feel that that makes it look as though the Federal Government is giving a blessing to loans under 75 percent. I do not agree that that is what such a statute would imply, because I think such a statute implies that these loans, that is loans at an interest rate per annum of over 75 percent, are the loans that we have a Federal concern about, because we think these are the loans that are connected with organized crime.

I would also just add—I think we need a general immunity statute. It is hard to get immunity statutes out of the House Judiciary Committee. But I think we need such a statute which can be used in conjunction with an electronic surveillance statute, which is being considered under title III of the Safe Streets Act, now on the floor.

I think if we had those three things it would be a great help.

We also need a Federal gambling statute to replace the one recently declared unconstitutional by the U.S. Supreme Court under the Internal Revenue laws. Again, I see no problem in a general jurisdiction Federal gambling statute. You might want to set a certain limit—you would not want to prosecute unless the take from the gambling was over a certain amount a week. I think such a statute would be constitutional and would be helpful on the Federal level.

Senator NELSON. But would it be. I do not see that your suggestions really strike at the very heart of getting rid of organized crime, do you?

Mr. RUTH. No, sir. I would think we would be able to do better if we had such statutes from a law-enforcement standpoint. I do not know how to change businessmen or change labor leaders. But I agree that you cannot do it by statute. But I also state that until you do that, organized crime continues to be really a social problem—not just a crime problem. I think until our social leaders and our Government leaders become excited about it, we are not going to begin to move.

You cited the poverty program, sir. It seems to me that we started to move on that when our leaders became excited about it, and really pushed the country into it. I think that is what has to happen in connection with organized crime.