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FOREWORD

The existence of the term "loan shark" is not accorded even backhanded recognition in our leading dictionary, yet throughout the country it is universally understood and applied. There is no more expressive and concise designation of the unscrupulous lender, operating, as a usual thing, in an unlawful manner, who exacts from necessitous borrowers of small sums an unconscionable return for his loans. The term connotes a moral judgment and condemnation of the lender's activity, rather than a mere charge of law-violation. Having defined the object of attention in this symposium it would be supererogation to explain in detail the belligerent tone adopted in the title. The social importance of curtailing, and insofar as possible eliminating, the activity of loan sharks is taken for granted; and attention, therefore, is centered largely on ways and means of accomplishing what, it is believed, all will accept as desirable.

It is recognized that the urgency of the problems considered in this symposium varies greatly from one locality to another. Some states have had adequate regulatory legislation adequately administered for years and enjoy comparative freedom from the loan shark's depredations. For a large number of states, however, centered largely in the South, Southwest and Northwest, the loan shark is very much a present-day problem. And in many of these states "combating the loan shark" is not just a phrase but a grim reality to legal aid organizations, social agency councils, bar association committees, better business bureaus, and other public-spirited organizations which, of necessity, must do what the title of this symposium suggests. But even under the best-administered laws loan sharks will creep in from time to time. No state can claim to be entirely free. Where administration of a well-drafted law is not as it should be, the loan shark may become almost as active as in states without any legislation. Furthermore, the organized loan sharks are constantly attempting to do away with laws which prevent their operating. The problem can not well be ignored by the people of any state.

Necessarily the symposium does not present detailed studies of the several agencies providing credit for the consumer, although the loan shark is such an agency and certain of the problems discussed are those of the consumer credit field as a whole. The essentials of this consumer credit background are contained, however, in the articles by Mr. Kelso and Mr. Niefeld, which show, respectively, the social and economic conditions which lead to the necessity for borrowing, and the organization and functioning of the agencies operating to provide the consumer with instal-

ment and cash credit. The symposium's focus, however, is on the loan shark, and, in general, the articles attempt to answer the questions: what are the methods of the loan shark, why does he exist, and what may be done to or about him. In many respects Mr. Nugent's introductory article, "The Loan-Shark Problem" provides a bird's-eye view of the whole issue, touching as it does on many matters developed in greater detail in subsequent articles.

Several articles set forth the operative methods of the loan sharks. The numerous devices by which the loan shark may seek to cloak his transactions are described in the article on "Evasion and Avoidance of Usury Laws" by Mr. Collins. The charges, collection tactics and legislative activity of these lenders are shown in the articles of Mr. Simpson, Mr. Birkhead and Mr. Kilgore.

Apart from the articles mentioned the rest of the symposium is devoted to answering the question of what may be done to or about the loan shark. Mr. Horack's background article "A Survey of the General Usury Laws," including in chart form the principal provisions of all state statutes, properly falls in this division, even though it may be concluded that such statutes have proved ineffective. In the articles by Mr. Kelly and Mr. Field an examination is made of the legal techniques, apart from regulatory legislation, available for use against loan sharks.

In any consideration of remedies against the loan shark major attention must be given to the specific first promulgated a quarter-century ago by the Russell Sage Foundation, the Uniform Small Loan Law. Mr. Hubachek treats of the development of the laws patterned after the several drafts of this model. Appendices to his article carry citations to small loan legislation, a table of cases supplementing his *Annotations of Small Loan Laws*, and the complete text of the Sixth Draft of the Uniform Law. The viewpoint of an administrator of regulatory legislation is given in Mr. Sullivan's article and Mr. Foster presents a rather comprehensive view of what happens in states where regulatory legislation has been adopted. His study of the licensed personal finance company, the product of the Uniform Law, and the specific antidote for the loan shark, is important, particularly to those who wish to combat the loan shark by working for legislation which would bring such an agency into being.

Drawing on the lessons learned in anti-loan shark campaigns in several states, Mr. Gisler concludes the symposium with a discussion of practical methods of organizing public opinion for effective measures against loan sharks. Mr. Kilgore's article might well be considered again in connection with this topic.

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