it obviously has the capacity for supplying enormous profits with little or any risk, and believe me, Senator, there is no risk involved here, because the underworld will collect one way or another.

The third reason is that loan sharking provides a convenient vehicle for the penetration into legitimate business.

Now, it is clear from those three reasons why the underworld finds loan sharking attractive. The question naturally arises as to why someone would be willing to pay those sort of interest rates, and possibly subject themselves to the difficulties that are inextricably intertwined with such a transaction. The simple answer is that very frequently the loan shark is the only available source of a needed loan. Like his ocean-dwelling namesake, the loan shark feeds upon weak victims. A business in financial trouble is the natural prey of the loan shark.

Now, I want to make it clear that not all loan sharks are affiliated with the organized underworld. These are private loan sharks, just as there are private bookmakers, whose association with the organized underworld is extremely tenuous, if it exists at all.

Private loan sharks rarely survive. They do not have the facilities for collecting on the bad risks, and bad risks are indeed the only people that would be turning to a loan shark.

Obligations incurred by borrowers dealing with unaffiliated loan sharks, as I say, are not collected by extortive methods in most instances, and therefore they are not made as freely. If you could back up your collection efforts with physical violence—then you are going to be much more reluctant to loan out money.

The underworld, on the other hand, has the edge. They are ready, willing and able to use violence to collect delinquent debts.

It is generally agreed that most loan-shark transactions are amicably conducted with both parties being satisfied. These transactions never come to the attention of the authorities in any way, and there are many that look at the local loan shark as a desirable, even necessary institution. However, there are enough situations where the borrower becomes so enmeshed with the shark that he cannot get out from under. Where the shark is affiliated with the organized underworld the consequences of such delinquency are always serious.

In the case where a borrower is a businessman and cannot repay a loan to an underworld shark, the underworld will in most cases take over at least a part if not all of the borrower's business—that is to say, require the businessman whose business is substantial enough to do business with some other firm that may be dominated by underworld interests. And this may be the vehicle by which he can repay the loan.

In any case, the delinquent borrower will wind up aiding and abetting the organized underworld in its various criminal pursuits.

It is almost impossible to be involved in a transaction with a loan shark affiliated with the organized underworld and not yourself become involved in some criminal activity, even if it is as seemingly innocuous as this situation. The businessman will say "Well, I would like to pay you the money now, but Mr. Jones owes me money, and he has not paid me. As soon as Mr. Jones pays me, I will pay you. Why don't you go see him?"

And this businessman is in effect aiding and abetting and is an accomplice in the strong arm collector now going to Mr. Jones and col-