

Senator JAVITS. Is this the point at which you wish to stop?

Mr. METZGER. The question directed to the witness in substance was how did he come to stop paying. I think—

Senator JAVITS. I was much more interested in what happened when he stopped paying. Did anything happen?

Mr. METZGER. I can tell you that certain arrests were made.

Senator JAVITS. You need not tell us anything. I am just asking you whether you wish the question asked.

Mr. METZGER. I would prefer we not go into that area.

Senator JAVITS. What do you suggest we do go into? Have we got the whole story?

Mr. METZGER. I would like to ask this witness one or two questions on behalf of the committee, if I may.

The CHAIRMAN. I understand that this witness did make some other loan. He actually got one from the Small Business Administration. I think we ought to get that on the record. Why did he get it, and what was it used for?

Mr. DOE. Yes. That was in 1966, after the New York City subway strike. That was the time that my wife also, like I mentioned before, went into the hospital, and he had given me that \$500, and said he was going to put it on the end. The following week he came around, he told me, he said "Go over to such and such an office and put in an application for a small business loan."

I told him "How can I get a small business loan with the business I am in?"

He says, "Go over there, you will get it. You won't have any trouble. Then you can straighten yourself out." I went over, put in the application, and received a \$900 loan from the Small Business Administration.

The CHAIRMAN. Did he seem to have some inside knowledge with respect to the operations of the Small Business loan office there?

Mr. DOE. Yes. Well, he told me what to do. He knew exactly what to do. He told me where to go, and everything else.

The CHAIRMAN. After you had made this Small Business loan, what did you do with the proceeds?

Mr. DOE. I put the proceeds into my account. He came around 3 weeks later, asked me if I got the loan. I told him I did. And he says, "All right, you are 3 weeks behind now, I want \$300." So I gave him the \$300, and he says, "Keep that money out of sight, in case you fall behind again, you can catch up."

The CHAIRMAN. In other words, the proceeds of the money which you got from the Small Business Administration was in many ways used to pay him back?

Mr. DOE. Yes, sir.

Senator JAVITS. Did you pay by cash or check to this loan shark?

Mr. DOE. They will never take a check, or they will never take anything in writing, strictly cash.

Senator JAVITS. Now Mr. District Attorney, could I ask you a question. What is really the difference between this operation and extortion? After all, the fellow did not have to lend him anything. He could collect a hundred dollars a week—that has been done plenty of times, in New York and elsewhere—straight extortion. What is really the difference?