per week vigorish. It is to be noted that at this point we have two lines of the operation that are insulated from any possible prosecution, since there is no direct contact with the public.

At the third line, we have the soldiers or workers. It is these people who have the responsibility for dealing with the borrower—getting the money out, making the collections, and dealing with any problems that might arise.

The vigorish paid by the borrower is supposedly 5 percent but, in many cases, is anything the traffic will bear. In addition to the vigorish, any delay in payment results in a penalty, which is added to the principal. Once a loan is extended, the loan shark will resort to all sorts of stratagems to keep prolonging the payments.

You have heard the testimony of one witness this morning, who repaid $14,000 on an original loan of $1,900—and was still not out of debt. You have heard how this man was robbed of his business, and how these leeches attempted to, literally, rob the grave. This is not an isolated case—it is repeated time and time again, day in and day out.

The amount of money made in this field staggers the imagination. Some time ago, when Ruby Stein was arrested, it was documented that he had $5 million out in usurious loans. It is attracting more and more of the top echelon of criminals today.

The CHAIRMAN. Who is Ruby Stein?

Mr. COTTELL. He is a New York loan shark arrested by the Federal authorities.

He is a person who the criminals themselves used to put their money to work for them on the street. They would go to Ruby Stein and say "Here is a hundred thousand dollars, put this to work for me." A loan shark's loan shark.

Since we are primarily concerned here with small business, let us consider for a moment how this affects that segment of our society. The small businessman is particularly vulnerable in this area, because his source of credit is limited. He has not the reserve or net worth to carry him through extended periods of economic reversal. He has recourse to his local bank on a limited basis—and that's that.

His first step, naturally, is to that bank. But what happens if business does not show the anticipated upswing in a short time, or if his accounts receivable falter? He needs ready credit—credit which is not available to him. He has no recourse, except to the shylock. And, in most cases, we find that he does not have to go looking for him. The shylock has learned of his predicament and presents himself. This is one of the most effective means of the underworld's gaining control or entry into a legitimate business.

What follows? They move into the business as a partner; they have themselves put on the payroll in an innocuous position, such as field representative, or they take over complete control. We had one investigation involving a wholesale provision business where two hoodlums were on the payroll for $200 a week as "truck spotters."

When questioned, they had absolutely no idea of what their duties were supposed to be. The owner of the business, incidentally, was drawing $150 a week. Whatever the situation, the legitimate owner is either completely tossed out or completely controlled by the mobster.

Why, you might ask, is the underworld so anxious to gain control