

loans engaged in any phase of money-lending activities—cannot charge more than 45 percent interest annually, under penalty of imprisonment. Perhaps loan applications could include this requirement.

I believe another amendment could be that any person, group, or company convicted of criminal usury in State or Federal court should be ineligible to apply for or receive a loan from the Small Business Administration for the next 10 years.

I think local offices of Small Business Administration should be encouraged to screen questionable loan applicants with the many Federal and State law enforcement and regulatory agencies. This is not done.

The Small Business Act, section 8, provides for the dissemination of information concerning the managing, financing, and operation of small business enterprises. Perhaps the act could be amended to include dissemination of information concerning criminal usury activities in order to encourage small business to apply for loans from Small Business Administration and not go to juice gangsters.

Section 7 of the Small Business Act provides for research grants, I think that could be amended to authorize grants to study existing State usury laws.

The CHAIRMAN. In your experience, your observation, would you not say that it is usually the small businessman or small individual who is usually the victim of this type of thing?

Mr. SIRAGUSA. That is very, very true. There are many more small people than there are big people.

The CHAIRMAN. Right. The big people usually have ways and means of acquiring capital when they need it.

All right, sir.

If you would read your conclusion.

Mr. SIRAGUSA. Yes, sir.

Finally, in conclusion, Senator, I am convinced that juice racketeers seriously encroach upon small businessmen engaged in the legitimate field of money lending. The loan sharks deprive legitimate business of millions of dollars of income. Juice racketeering is on the incline, and there is the present threat of an increasing theft from the pockets of small businessmen—money which should go to businessmen, and not to racketeers.

I think the urgency to suppress the juice loan racket conforms with the policy of Congress as expressed in the Small Business Act, section 1 specifically, which states in part: "The preservation and expansion of competition within free enterprise is basic not only to the economic well-being, but to the security of this Nation."

The CHAIRMAN. All right, sir. Thank you very much.

Mr. SIRAGUSA. Thank you very much.

(The complete prepared statement of Mr. Siragusa follows:)

STATEMENT OF CHARLES SIRAGUSA, EXECUTIVE DIRECTOR, ILLINOIS CRIME INVESTIGATING COMMISSION

IMPACT OF ORGANIZED CRIME ON SMALL BUSINESS—LOAN SHARK ACTIVITIES

I am indebted to Senator Charles H. Percy for his gracious introduction.

Mr. Chairman and distinguished members of your Committee. On behalf of the Illinois Crime Investigating Commission, we compliment you highly for conducting the first nationwide exposé of the degrading, highly profitable, and economically debilitating criminal usury racket. I am so concerned that I am now in the process of writing a comprehensive, non-fiction book on the subject.