



# Department of Justice

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MONDAY, APRIL 28, 1969

Attorney General John N. Mitchell today urged the American business community to join a united anti-crime organization "which would solicit volunteer manpower, money and other resources from the private sector to engage in anti-crime programs."

"It is our hope," the Attorney General said, "that the American businessman with his enormous technical resources, imagination and money will make an exciting and effective partner--through this private organization--with state and local governments in their efforts to decrease crime."

Among the programs to which the Attorney General said the private sector can be helpful are juvenile training, prison rehabilitation, court reform, and law enforcement reorganization.

The Attorney General also asked financial institutions to give "special attention" to persons who say that their only other alternative for borrowing is the organized crime loanshark.

He also suggested that employee and labor organization credit unions could provide an additional legitimate lending source for prospective victims of gangster-run loan operations.

Claiming that organized crime's usurious loan business is "a problem of the money market," the Attorney General added: "if the borrower appears to be a bad credit risk, I suggest that the financial institution reevaluate his request and even be prepared to absorb minimal loss and the higher servicing charges that normally are involved."

"I am a realist," the Attorney General said. "I am not proposing that any single institution pledge any substantial amount of its stockholders' assets on poor credit applications."

"What I am proposing," he said, "is that competition may be the best way to defeat the usurious loan business managed by organized crime, if the American businessman is prepared to accept some minimal risk in the process -- a risk that if the loan defaults completely, is tax deductible."

"If a bricklayer or a stevedore or a small merchant can manage to pay 20 per cent a week to a loanshark -- which is the standard rate -- certainly a method can be found for him to pay eight or 10 per cent a year to a financial institution. This is the type of ingenuity which has made the American businessman the keystone to our prosperity."

OVER

Speaking on the theme that organized crime is a business and, like any business, it can be substantially diminished by effective competition, the Attorney General offered several other suggestions.

He said that many of organized crime's employees come from the ranks of former convicts and that many of their prospective employees will come from the ranks of juvenile criminals. Perhaps, "the American businessman should make a special effort to compete for this labor pool by offering -- as some corporations do now -- to employ released offenders if they are skilled, to train the unskilled and to cooperate with penal institutions and work release programs."

Referring to juveniles, he said, "in the ghettos especially, dope, gambling and petty crime may appear to be a way to escape from slum life. Here again, the businessman may be able to offer plant training programs to give unskilled juveniles a better alternative than numbers running and selling marihuana."