

Mr. Businessman, I am going to come in and make you buy stolen meat, and I am going to have some kangaroo steaks here for you, and I am going to charge you all kinds of money on loans. I am going to bring in an underworld outfit to run your labor relations, and eventually put you out of business, destroy your reputation, take all of your money, threaten you.

Et cetera, he could have thrown him out on their ear. No one would dare come in and make such a proposition—the biggest underworld tough in the world would not walk into one's office and say something like that.

Yet as a result of this loan transaction, and the steady erosion of this man's will and his morale—he voluntarily in the end put himself into the hands of the underworld. His courage and fortitude became virtually nonexistent.

The CHAIRMAN. All right, please proceed.

Mr. METZGER. Now, one of the questions that was asked by this committee generally was the use by loan sharks of legitimate loan institutions to obtain money which would then be loaned out again.

I would like to try this recorder again. I would like to play a conversation for you. This is denominated in the transcripts simply as conversation No. 1 and conversation No. 2, dated May 26 and May 28, 1966. This is a conversation between a loan shark and a strong-arm man. The principal subject matter of the conversations—the first conversation—is a borrower who has become delinquent, and they are talking about what they are going to do with him.

The second conversation, the strong-arm man describes what was done to him.

But during the first conversation, it is interesting to note that reference is made to the use of a particular bank in order to obtain finances which will later be sharked out.

With your permission, Senator, I will play this.

The CHAIRMAN. As I look at this transcript I see that this one probably has more four-letter words than the other one. Why don't you tell us the substance of this transaction. Anybody who wants to read the transcript, of course, is permitted to do so.

So tell us what this is about, what the facts were, what your conclusions are, and let us dispense, if you do not mind, with this recording.

Mr. METZGER. All right, Senator.

The CHAIRMAN. Mr. Metzger, counsel suggests at this point we call Mr. Sackin, and hear what he has to say, and then we will come back to you.

All right, Mr. Sackin, will you come forward?

You have counsel with you, is that right?

Mr. SACKIN. Yes, sir; I do.

The CHAIRMAN. We do not want to infringe on anyone's rights.

I am advised by counsel that you do not expect to testify. You are going to plead the fifth, is that correct?

Mr. SACKIN. That is correct.

The CHAIRMAN. In that case, in order to ask you some questions, I have to swear you in. So if you would stand, and raise your right hand—do you solemnly swear the evidence you shall give before this Senate committee shall be the truth, and nothing but the truth, so help you God?

Mr. SACKIN. I do, sir.