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ORGANIZED CRIME
KNAPP, JACK
MEXICO, RACKETEERING AND SUBVERISVIE ACTIVITIES
GUTHRIE, STEVE

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The first seven recordings of this meeting are not transcribed in detail inasmuch as they are not pertinent to this matter but the following brief is set out.

*Meeting betw. P.R. Jones, Guthrie,
Butler on 11/1/46 at
home of Guthrie*

Record 1

Discussion of the new home which GUTHRIE has purchased at cost of \$11,500.00. JONES stated that he had built a house on Blanch Circle which home cost him \$6,500. It is to be noted that this home was purchased from Pollard-Simmons.

Record 2

Discussion of GUTHRIE's German Shepherd dog 2½ months old.

Record 3

JONES discussion of the power of money relating that a few years ago \$50 a week was good money but now was nothing.

Record 4

GUTHRIE stated that he had chance to buy a .357 Magnum revolver and he described to JONES the penetrating power of the weapon stating it would shoot completely through a Packard automobile. PAUL advised GUTHRIE not to buy any kind of gun. He stated friends will give him guns and guns he will confiscate at the Sheriff's Office will more than satisfy his needs. JONES discusses the relative merits of various firearms stating that in his estimation a 32.20 is a gun he believes best suited for his purpose as it will penetrate a bullet-proof vest, however, JONES stated this gun had no shocking power, that it would go through a man and not do much damage. He advised GUTHRIE to carry a firearm with the most shocking force. PAUL says his gun is a Colt.45 automatic with hammer and trigger guard sawed off.

Record 5

He described this gun as being loaded with a clip containing three shells, which clip holds the ejected cartridge case after the bullet has been fired. He relates that this gun is extremely handy inasmuch as it is difficult on a rainy night to crawl around on your hand and knees looking for ejected cartridge cases. He states he knows a man who smuggled in 100 guns from Germany and they are perfect. JONES stated that he never hit a man with a gun in his life and never wants to be hit by one. The only time he had ever taken a gun from his pocket, or would ever take it from his pocket would be for one purpose and that would be to kill someone. A gun to him is a weapon only to be used for murder.

CHICAGO CRIME COMMISSION

5/13/58 - 1cc to Mr. Kelly - McCallan Town

MAR 29 1951

ROUTE 10 _____ FILE _____

Record 6

JONES relates again, my people do not like automatic guns because they eject the shells. If you ever stop in the rain on a dark night and try to pick those things up you will understand what I mean. GUTHRIE ask PAUL if that was a voice of experience speaking, to which he made no reply.

Record 7

Further discussion by JONES, BUTLER, and GUTHRIE of the value of a .357 Magnum and Jones agrees he will give both GUTHRIE and BUTLER a magnum which he will purchase on his trip to Chicago in a few days.

GUTHRIE: Dallas, Texas is the hottest spot in the country and George knows it. I don't have to tell George. I'll bet Dallas is the hottest spot in the United States today, the hottest spot. Not only that, but -----

JONES: Why is it hot?

G. Because they let this vice get out of control. I know there is going to be dice games, bookie joints, and ---

J. Why not control it?

G. That's what they should have done, but they let it get out and the only way to control it is this way now, ----

J. It can be controlled.

G. I'll tell you what Paul. I don't have to tell you who Bennie Binion is, who Ivy Miller is or Dalton, and you know all the big boys in the racket here in this syndicate. Binion takes off one million flat dollars a year, one flat million. On policy alone.

J. What does he get -----

G. Probably two thousand dollars a week peak.

J. They offered the thing to me when the blow up came and Binion and all of them got scared when some of these people were identified here in town, right after Minyard was hit and they came to me and offered me the thing for \$5000 dollars a week. I told them if the town wasn't worth more than \$5000 a week I didn't want it.

- G. Why, that's chicken feed.
- J. They said well, we'll let you have everything for \$5000 a week. I said I don't want it for \$5000 a week. They said how about \$4000. I said you are going the wrong way. I said because you can't do for money what I would want you to do or you would want a hell of a lot more than \$5000 a week.
- G. Well, -----
- J. Because I can show you. I know what they make and that is the reason you laugh about it.
- G. I know it is.
- J. Because they hang out with each other. I can show you Binion and Cauldin in the Century room together.
- G. You mean Dean Cauldin the District Attorney goes with Binion the big gambler. would I be seen on the street with that Bastard; would I be seen on the street with one of those Son-of-a-bitches, Hell no. Here is the deal Paul. Everybody knows the city, the Mayor I guess, the Sheriff's Office I don't know I guess that they are paid off, we know they are paid off but what I want to know is this, how in the Hell they get all the way to Austin and get a pay off down there. You can't pay off a Ranger.
- J. No they tell me they are pretty good.
- G. I have turned down a pretty good offer. I told you what I turned down. Look who I would be bucking, I would be bucking Will Wilson, District Attorney, Conzaullas the Ranger, I would be bucking everybody. How could I get on a ticket like that without knowing something. How in the Hell would I know.
- J. I'll show you how you can do that. Here's what I propose. As I told Mr. Butler, we are not interested in you for two years. I'll tell how we can control Binion. I'll show you. There would be no trial. We won't have to shoot nobody and you won't have to shoot nobody.
- G. Well, now that shooting in Dallas county. I'll tell you right now, I'm fed up with that shooting. I don't care if a man is a gambler he don't have any right to be shot up.
- J. We don't shoot nobody. We don't shoot nobody. There won't be no shooting.
- J. We're not going to bring no more people in here. We need no more than we already have. I propose to use this man as example because he says he is a good friend of yours. During the campaign he came

to me and asked me to support you and he told me he was a very good friend of yours and asked me to make a statement concerning a little action Smoot Schmid took to get a little publicity. He took some pictures and put in the paper saying we ran them out of town, done run them out of town; Benny Goodwin ran them out of town.

G. A publicity stunt for his campaign.

J. I raised Hell about it, and this friend of yours said will you tell a couple of people about it. I said not only will I tell them but I'm going to tell the Federal Judge about it. Before I go any further you tell me whether he is a good friend of yours, CHICK LANCASTER.

G. Chick is a fair friend of mine. I went to school with him. Played football with him. We were good friends and Chicago was a good boy.

P. There is no shooting. No shooting. But here is what I want to do, just like we opened in Charleston, West Virginia the first of the month. Same set up that I propose to you. We operate all over the country, understand.

G. Didn't you all take New Orleans.

J. We put Morrison in town there and paid his father-in-law and supported him in Mexico City.

G. His dad has control of something big in Mexico City doesn't he?

J. That's right.

G. Is that Dean Morrison.

J. Yes.

G. Is he the Chief of Police of ----- no he is Mayor of New Orleans isn't he.

J. That's right. In Mexico City we did something even Capone failed to do. I went down there and there was a little heat on, and I wanted to go to Mexico City for vacation. I met people I had never been able to meet before. If you will live like they live and become one of them, I will grant you they offer you anything. Friendship, that's what I like. I'll show you a card from Chief of Federal Police in Mexico. It's in Spanish. He is Chief of the Federal Highway Patrol. He let me haul anything in Mexico and let me alone.

- G. Is he a German Paul. You don't have to answer this if you don't want to. Isn't any Bastard Communist or Nazis or those crappie guys tied to this deal are they.
- J. With me? No.
- G. I fought for this country and if I take anything or make any deal with anybody ----
- J. Look, you want me to tell you something. We have had more men in service than any one company in the United States. You know Fritz always wanted Marty Ochs but could never find him because he had no criminal record. You know the thing I am burned up about is these people that sit and holler about the Chicago hoodlums. The last three had never been arrested before in their life. I was the only one in the group, two were Masons and Shriners and the other a 22 year old kid. They were held in jail two days and two nights without even being asked their names. When the lawyer came in with writs they released them and ran them out of town, that is they took their pictures and said they ran them out, and I am raising Hell because they didn't have any record.
- G. Who is Tamayo?
- J. He is chief of the Federal Highway Patrol.
- G. I can speak Spanish a little. Eugenio Amellie Tamayo. If you can pronounce that after I spell it I'll kiss your nose.
- J. Tamayo.
- G. If you think this guy is not a German listen to this name. "Maus", who in the Hell is he.
- J. He used to be plant superintendent.
- G. Zassenhaus, that is a pure dee German.
- J. Here it is John Watterman, New Orleans, Walnut 4768.
- G. Casino, I've heard the name.
- J. Mayor's private telephone number, Boco 10 (other numbers not identifiable), Watterman don't live there, he lives in Mexico City. Well I'll tell you what. There was a lot of trouble started down there when Luck Luciano came out. He left Italy headed for Kentucky.

- G. He's still there isn't he?
- J. We didn't help bring Lucky Luciano to Mexico although U. S. Immigration gets the idea that we are responsible for Luciano coming here so they tried to put the heat on us. The Trade Department came down and I had a long talk with them. I explained to them, I told them I'll take your people and show you what our interest is. We operate nearly 100% legitimately. We have a distillery in Mexico. We control nearly 80% of the textile industry.
- G. Are you all the ones that have a controlling interest in the Ice Cream business in Mexico?
- J. We have nearly all the ice cream business in Mexico.
- G. I heard something about that, let's see, if they wouldn't buy their milk from somebody, somebody didn't get something.
- J. Didn't get the machines. We had the machines that made the ice cream.
- J. You don't have to pick him up, we pick him up. Or if anybody robs a filling station in a district, we control. There are districts you do and districts you don't.
- G. Oh, sure.
- J. We understand that. We do that ourselves because if we have a man in office who is co-operating with us it is to our advantage to re-elect him. We have got to keep him in office. We've got to protect him.
- G. Monterrey.
- J. Monterrey, Mexico.
- G. How do you pronounce this, Sutcliff.
- J. Sutcliff, he is an Englishman. That is the name of our company down there, the Textile Company.
- G. Are they Englishmen or -----
- J. All Mexican.
- G. This is a comfortable chair.

G. Do you remember one of the fellows who was in your line-up at Dallas. You remember Breakstone. Here George you can tell me. Supposing, and you damn good and well who controls Dallas now, supposing Binnie Binion and all this bunch, you know they control it, and suppose somebody else comes in here and they happen to buy me off or not buy me off but happen to take care of me, what's going to happen to Binion and them. They are going to do lots of shooting.

B. There ain't going to be no shooting.

J. Hell, there would have to be.

B. In friction like that Paul -----

J. In the first place those people are pretty smart and in the second place they are not as rough as they claim to be. Don't let nobody ever kid you that he wants to invite trouble. Don't nobody want to invite trouble. Now let me tell you something. It is like a lawyer that came to me one time and said he wanted to advise me that there might be some trouble. He says course I want you to know that if you get into any trouble I'm a lawyer and if any of your boys get into any trouble I'll help defend them. I knew he sent for me and I told him that you go back and tell them "that for every hair that is harmed on the head of my people I will put 10 stiffs in your door every morning. Every morning there will be 10 stiffs packed in your door." You can go back and tell them that. We operate awfully funny. In first place we are armed. We are honest. People cannot understand that. We are very very honest. I mean, in other words suppose Butler is with us and we sent him somewhere to see somebody. He tells me who he is to see and who he sees. If anything happens to him we go to see and get the person whom we went to see. Suppose we sent him somewhere to take some money and he don't come back with the money. It may take one month or 6 months but we will eventually know what happened to Butler and what happened to the money, and if Butler was in the wrong, that's all, but if Butler was in the right we will see that Butler's people are taken care of and the people who were on Butler are taken care of. Let me tell you something. Let me show you how we operate as a syndicate. We O.K. a lot of people, people who are in no way at all connected with us. They come to us wanting to know if we will OK them operating place. We investigate them and if OK we let them operate for a piece of the operation. We OK'd Lipski down here. We did not OK him for some things that he said he would like to do and as soon as we knew those things we immediately took our OK off Lipski and ran Lipski out of here.

B. I though Lipski was the head chief.

- J. You know how we get mixed up with Lipski. He was a dairyman in Chicago. Lipski started the Farmers Co-operative Association and he wanted the Dairyman Union, of which we are interested in, and he wanted us to OK him and his Cooperative Union. After while Lipski left the Dairy business and left us. He went into the black market whiskey business with a fellow named Louis Isharo (phonetic) and they made about one million dollars quick. Lipski and Isharo bought the Lockheed factory in Los Angeles. The Internal Revenue moves in on him and he loses everything. Lipski goes to Nick DeJohns and said I am broke. I want to leave Chicago and would like a little help. He had never been to Dallas, Texas in his life. I got him a room and he came to Dallas and just drove around and told me he would like the liquor. "anted to know the law on beer here. He said he had an opening for 5,000 gallons of bonded whiskey in kegs.
- G. 5,000.
- J. Yes, he said I would like to have a store to put it through. I said what's the deal. He told me. He said I have already talked to Nick. I said why don't you go back to Chicago and talk to Nick and I'll call Nick and tel him you'll be down. We opened a store, then a bigger store as the first one wasn't big enough. He said send me two clerks from Chicago. I ask why he didn't hire local clerks and he said he had rather have somebody he knew and could trust. I said OK. He sent 2 fellows whom I did not know. He told them to come to me. They called me and told me they were in room so and so at the Adolphus, so I went down to see them. I look at them and they tell me that Lipski sent them down. They continued living at the Adolphus. Next time I talk to Nick I told him these 2 liquor clerks sent from Chicago were still living at the Adolphus, eating at big places, and opened charge account at Neimans. I said how about it, a little high isn't it. He said move them. I moved them to the Scott Hotel. They didn't like it. One of them said that is a hell of a way to treat me after what my dad did for you. What your dad did for me. He said, yes. I said, who is your dad. He said Dago Mangano. I said sure your dad was a good friend of mine, but what are you and Jimmie doing clerking in a liquor store. He said, clerking in a liquor store, we are going to take over all the whiskey places with Lipski. I call Nick and said come to Dallas and bring Lipski with you. They came that night. I said before I tell you anything I said tell Nick what you told me. He said sure I will tell him. We are going to take over all the retail whiskey stores in Dallas with Lipski, Marty Ochs, Jimmie (the) Bee. Nick says, Lipski, you are out of the whiskey business in Texas. "you are out". I want that store closed down as quickly as possible, liquidated, and you and Jimmie come on back to Chicago. When you arrested them there wasn't a bottle of whiskey in the store.
- G. But they had their orders in.

- J. I want to explain how that happened, because that stinks to high heaven. Lipski said he was going to lose lots of money liquidating the store. He said he would stay here if Nick would let him. Nick said Paul is there anything you can do with him. I said there is a distributorship that can be bought. Lipski said I'll buy it. I said where are you going to get your \$70,000. He said I'll get it from Paul. Paul's night Club, Chicago. Sgt. Akard from the Chicago Police brought \$60,000 and he bought one half interest in Southwestern Amusement Co.
- G. Is Lou Schneider one of his men.
- J. Yes, Lou was one of his men but Lou came later, he was in the Army at this time. Lou says to me I want to operate in Dallas. Lipski says to me, look I'll guy in in Dallas. I say, now Marcus if you want to get in Dallas I'll go to Chicago with you and we'll sit down with the man in Chicago and get their OK. After we did this they said, look Paul whatever you say is OK, we'll hold you responsible you've been at Dallas 6 years and you know how things are.
- G. Paul I thought you were a Dallas man.
- J. No I have been here 6 years.
- G. Are you from Chicago?
- J. Yes, but I have lived here 6 years. My people are from Texas; my cousin is a mechanical engineer in Gainesville. The Chicago people said they would hold me responsible for Lipski's activities in Texas. Lipski says, Paul here is what I want to do. I want to take over all slot machines. I say, all right you tell me how you want to do and we'll see what we can do. Lipski says to me, Paul we'll grab Minion, Miller, Dalton, and Bennie Bickers, those four, and park them in a car in front of the police station. I put a stop to that. I'm not going to spend the rest of my life in the "stir". I told him that I have lived with these people, I have worked with them and played with them and I think I know their reaction. That would be the wrong thing to do. In the first place you're not going to take them over. If the opportunity ever presents itself I'll take them over, not you. We argued for several days. He said well Paul what about the slot machines, how about me taking over all them. I said all right I'll give you the slot machines but you are going to have to buy them and at their terms. I'll get them all together and find out how much money it will take if they want to sell. So I bought out the slot machines and juke boxes in Shreveport, Monroe, Huston, Louisiana, Ft. Smith, Arkansas, Mineral Wells and first oen place and another. I then left for Mexico City and Nick called me in Mexico City and told me to come to Dallas. He had gotten some reports from Dallas and they weren't very good. So I came back and the first

person I ran into was Danny Lardino. So I called Mark. I said Mark I want you to come out to see me, what are you going with Danny Lardino down here? He said Danny Lardino is with me. I said, Danny Lardino is with you, what are you trying to do show power down here. He said, why not, why not. He said, I have all the slot machines and juke boxes down here and will as in New Orleans, why not show a little power down here. I said I am going to show you a little power Mark. I pick up telephone in his presence and I called Nick and I told Nick, I want Mark and "everybody" connected with him out, not only in Dallas but in the South. I want them out quick. Just so there won't be any trouble and that they pack and pack quickly you had better send me some men down here. Nick says who do you want Paul and I say so and so and so and so. Mark says no Paul, wait Paul, wait Paul, I'll get out. I said to Nick, wait a minute Nick maybe it won't be necessary. Nick said he would call Danny Lardino's brother to have Danny to return to Chicago immediately. So they called all Mark's people back home.

G. Is that why they left town?

J.ONES
That's when they left town. Here's what happened to me. My people called me and told me to come here and straighten out this matter. I called Captain Fritz when I came into town, and I found out that everybody had been picked up and questioned and I ask them what they had done. They said nothing Paul, we ain't done nothing. I said to Lipski, what have you been doing. Nothing, not a thing Paul. I said if you are not doing nothing there is not going to be any trouble. But I found he was trying to buy a big building in town they were building for him across from the Ranger Hotel where he was going to open a big bookie house. I told him, I said, look, you are going "back", so I called Fritz, Dallas Police Department. Now this is the thing I hold against Fritz, because Fritz don't need to treat me like a kid. One time Bill Decker called my lawyer and my lawyer called me in Havana, Cuba and said, Paul, Bill Decker wants to talk to you. I caught the first plane out and went to see Bill. That's the way we work. I don't care who you want of my people regardless of where he is he will come in immediately. I called Captain Fritz. I said, Captain Fritz this is Paul Jones. He said, yes how are you. I am a little tired I just flew in. I said Captain Fritz I want to talk to you. He said yes Paul come on down. I said OK I'll be down in a few minutes. I go down and he says sit down. While I am waiting there I kept waiting and waiting and pretty soon I say Captain what is this a small time frame. Pretty soon he says come on in here Paul. He takes me in another room and locks me up and goes out and picks up everybody in town and throws them in jail. We stay in jail until my attorney goes to Lake Dallas and gets the judge to sign a writ to get us out early Sunday morning, and Fritz hasn't talked to me yet.

G. That's pretty damn cheap.

- J. This is what I wanted to tell Fritz. Look Fritz we OK'd some people down here and made a mistake, it was the understanding that they were not to bother anybody and did not want anything other than business they were already in. I'll have them all out of town in a couple of days. I'll send them back to Chicago. I am sorry it happened and promise it will not happen again.
- B. Who did they put in Paul.
- J. Weinberg, Labriola, Breakstone, Hou Schneider, Jimmy Barcella and some others.
- G. Is Schneider still living?
- J. Yes.
- G. I heard he got knocked off.
- J. No, one of Lipski's boys, Conklin, in Houston. Yes it was Conklin. Here is what Conklin tried to do. He went back to Houston and tried to cross us. He beat it from here to Houston. Here is my idea that I am very much interested in. I am going to ask a question. Are you opposed to Joe Cunningham being my lawyer?
- G. I don't know I would have to think it over.
- J. Let me tell you this -----
- G. I like Joe Cunningham.
- J. If I told you Joe Cunningham was my lawyer would Joe Cunningham have your whole-hearted interest.
- G. Well, before you go any further let me tell you something first. I have been a poor man all my life. I know there is going to be gambling in Dallas. I'm not going to be a fool, I don't care who I play ball with regardless of who it is I am not going to be anybody's fool, but T. K. Irwin and Joe Cunningham offered me the measley sum of \$7,500 to buy me out of this race when it is worth one half million dollars a year to a man if he plays it right and I know it. I know what Smoot Schmid has been paid, and I know what Bill Decker has been paid. I don't know exactly what they have been paid but if he wanted me to get out why didn't he offer me some money.
- J. I mention Joe Cunningham because I trust Joe Cunningham to the (nth) degree.

G. Well I wouldn't trust anybody in that office if they just offered me \$7500.

J. Here is my proposition to you. You pick a man, a local man, we will put him in business. We will rent him a building but we will finance it. He will put in some juke boxes, some marble tables, some slot machines. He will get him a mechanic and a pick-up truck. He will start hustling getting him some locations, legitimately, no muscles attached. Somebody that you trust. If you trust him, I trust him. We will furnish him all the slot machines, marble tables, punch boards, etc., we will operate and there will be only one gambling house in the COUNTY.

G. And you will open the Southland and the Blue Bonnet and ----

J. Wait a minute, let me finish. I am talking about when you take office.

T. The county is all you have; you can't mess with the city to begin with.

G. That's what you think

J. Well, I mean to be a good sheriff.

G. Now wait a minute. To be a good sheriff I am over every man in Dallas. I can come in any time I want to.

J. No, but wait a minute. But if you do without having it properly set up everything is going down and nobody will be coming up.

G. In other words, I can close town, I mean the whole town.

J. Yet, you cannot OK somebody to run the town.

G. You are right there it has to come from other sources.

J. Let me get the other sources before you start anything in town. I am going to show you how to get the other sources. Let's just think in terms of the county now. We will immediately open a club. We'll use local men.

G. You want bring in any Chicago men.

J. I will have only one man there who is capable of stopping the money. But he looks like a preacher, he is quite, he is not a Dago, he is not a Jew, and even your man won't know who he is. But he will be there every night shooting dice. He'll lose. He'll win. He'll lose and he'll win. He protects the game.

- G. While we are on this subject I want to get a few things straight. I am a young man at this thing. You know the church people put me on. You know yourself that nobody was behind me. What would they say if I opened up a joint out in the county.
- J. You're not going to open the joint.
- G. Well I mean if a joint is opened. What about Gonzauillas, he'll can my ass off.
- J. You have nothing to do with this joint.
- G. I know, I won't even know it is out there.
- J: The man that you get, this local man, has a place of business, regular business. He will hire local men to run it. In other words I know local men like Bob Fletcher, Tom Cooley, Sherman Little. They will go with me tonight. See what I mean, they are all local men. They will be the ones that are running it, yet your man will handle the money. All I am going to have out there is a man to protect the game to see that the "deals" don't throw the money away. Your man is there to handle the money, and I am going to have a man there to protect him because he is not going to be smart enough, because all he can do is to keep somebody from taking it out of his pocket. And if Jerry New Yorker, Clint Matheson or some of those boys come in, and they will be in with a couple of hundred thousand in their pocket to shoot at you, you want to be able to protect yourself.
- G: I think that is out of the question as to the county.
- J/ Why?
- G: Well you know why, they haven't had it so far.
- J: Why?
- G: The damn state would get on their ass, man/
- J: Why doesn't the state get on "Top of the Hill".
- G: Because Amel Carter takes care of that I imagine. You take Gonnzaulles. I don't know whether he has anything to do with this or not but he is rough.
- J: They take care of Gonzauilles in the City why not in the county.
- G: Yes, but do they take care of him in the city, do they?

- G: Here is what I am trying to get straight. You know you are my friend. I can trust you. How in the Hell are we going to open a place when there hasn't been a place in the county.
- J: That is one reason why the syndicate has no complaint to make, that is why I want to open in the county.
- B: The County, virgin territory.
- G: I know it is virgin territory.
- J: I am not stepping on no bodys toes if we open in the county.
- G: Oh, shit man, you don't know. I am telling you boy, I am scared of thos Rangers. They can get me.
- J: How?
- G: They say, Guthrie, come here we are going out here and put a pad-lock on this joint. Then there goes all the money.
- J: All right, suppose they come out and are caused to close the place. Before they do that, before they come in don't you think it would be smart for you to raid the place once in a while.
- G: But Paul you can't get by those boys. They slip in here without anybody knowing it.
- J: Well maybe if the Rangers get too active, maybe they might be transferred to El Paso or some place like that for their health.
- G: How about Gonzales?
- J: Gonzaulles gets along here allright. He has not bothered anybody. Has he bothered anybody?
- G: Well I don't know that he has bothered anybody but I know he is here 24 hours a day, six days a week.
- J: There is only one man I am not sure of and that is Will Wilson.
- G: Well, I tell you one thing, Will is rough.
- J: I would like to know how we can handle Will Wilson.
- G: Well he is a little rough, Paul.

- J. Your man handles all the money. He hires the people he wants to work. All I can do is give him the facts from the background. I'll advise him. No body is going to know that I am going to have anything to do with it. I am going to show him how to make money. We are going to finance everything 100%.
- G. All right you say you are going to finance everything 100%, how much are you going to put out for Will Wilson?
- J. I would offer Will Wilson _____
- G. I mean an initial proposition. He has got a little money.
- J. I would offer Will Wilson a percentage.
- G. No initial?
- J. No, I'll tell you why. I want you people to see how it is. You have no idea what your take would be, because here it is. You have your payroll, your mechanic, office help, that all comes off the top. You have got to take care of Gonzaulles, you have got to take care of this Vice Squad, that all comes off the top. Then you arrive at the profit. We will divide the profits 50-50. All profits from the gambling, marble tables, slot machines, punch boards, go into the company. When we later take over the city of Dallas it will all go into this company. I will guarantee you that you will have no opposition for re-election.
- G. How much would my take for a week be, give me an idea.
- J. I'll tell you what it should amount for a month. It will take some time to get it organized.
- G. No body else but mine.
- J. You should have \$40,000 a month. Forty or forty-five thousand dollars a month.
- G. I have a question to ask. See my salary is \$7700 a year. I could take \$40,000 a month but where in the Hell would I put it.
- J. I'll show you.
- G. You have to pay the tax.
- J. Yes you do, you can't beat it. The best way to do it is, I'll tell you how we operate. Now if I didn't feel we are going to make a deal I wouldn't tell you.

- J. You wouldn't want me to go around town saying I am negotiating with you. Even after I make this offer if anybody says I said it, it is a damn lie.
- G. Sure.
- B. That's right.
- J. Just let me tell you that when time comes for you to make your income tax out a man will take you to the Income Tax Department and your Income Tax will be made up properly and you want pay on that kind of money but they will settle with you. Each return is a compromise settlement. See what I mean. It is like this, you walk in and say, listen, I made a lot of money, didn't keep no records and don't know where lots of it came from, but my man does the talking. He takes you to the man who knows what it is all about.
- G. You know Paul yourself that you can't spend a pocket full of money.
- J. We are going to worry about you more than you are going to worry about yourself.
- G. I don't know about that.
- J. They are not going to let you do anything that will embarrass you because it is our interest to protect you, we have got to. We do everything possible to keep crime down in the county. You know that when crime is committed the heat is put on you. We can't keep kids from stealing automobiles, but we can keep any known criminal from operating in the county.
- G. I don't think you can get to Will Wilson without an initial offering.
- J. What do you mean an initial offering.
- G. I mean he will have to have some money in advance.
- J. Let me tell you something. From Wilson's standpoint, it would be a mistake for him to do that. Because Wilson is not sure what he can do for us.
- G. You know what he can do for me.
- J. Look, if I go down and give Wilson \$5000 to protect me, but if Wilson is a partner in something all he can do is the best he can. We want you to be a good Sheriff. All we want to know is when this and that is going to happen. When you are going to raid the dice games so we want

have our good equipment out. Come on in and chop up the tables, just let me know. We want Will Wilson to be a good District Attorney. We own in the United States today all the plane enamel wire, that is why there is no more available. We have nearly all the out put of the steel mills tied up. See what I mean. You see all I do for my people is organize the territory. I organize the territory but anything I tell you, only tell you what I can do. See what I mean. You can't see me. I can't be active. I have other business to do. Someone will advise them constantly, and train them. The mechanics will come with the machines. They just aren't available down here.

- G. How will I get tied in. You know there is going to be a new city election in April.
- J. I want you to recommend, Now I tell you one thing about Joe Cunningham ---
- G. No, I like Joe personally, but I ---
- J. No you don't have to worry about Erwin.
- G. You say you don't have to.
- J. No. T. K. will do just what I tell him.
- G. He will?
- J. The reason we use T.K. ---
- G. Did you all run Joe?
- J. We tried to keep him from running and he wanted to run.
- G. You all didn't have anybody in the DA race?
- J. Not no body. Priest offered me for \$10,000 campaign expenses that, that was all I would have to give him for two years.
- G. Now tell me, no you don't have to tell me unless you want to. Did you get tied up in the Sheriff's race?
- J. No, not at all.
- S. I don't think Smoot Schmid is getting anything out of the city of Dallas. Now I tell you where he is getting all that money. His two Deputies who are uniform cruisers in the Sheriff's office, that operate on the Northwest Highway. I know the fellows with slot machines around White Rock Lake, and Roff's Chicken Shack. They pay these men \$25 a week a piece. Now they are cheating on Smoot.

