Graft and gangsters

Harry Gannes
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GRAFT AND GANGSTERS

By

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"Bugs" Moran's beer runners were getting their trucks ready to deliver a load of bootleg to a speakeasy claimed by the Capone gang. They had heard of "Scarface" All Capone's threats to put them out of business in the Chicago North Side District. Capone was rapidly consolidating his power. Millions of dollars worth of business was involved. Despite Capone's growing support among the higher officials of the Chicago city government and police department, a long drawn out fight developed over the spoils. The Moran men kept their hands within easy reach of their automatics. Several machine-guns jutted out of their resting places. They were all set for a surprise attack by the Capone gunmen.

Then without warning the garage doors were flung open. The Moran bunch reached for their revolvers, but were gruffly told to put their hands up, and be quick about it. Why did they obey? Not because of the threatening aspect of the blue steel machine guns and the cluster of revolvers menacingly pointed at them. What struck their eyes was the fact that the raiding crew wore official police uniforms. "Just another pinch," flashed through the Moran henchmen's minds. It wasn't worth a shooting scrape. They would get out of it by fixing it up with the big boys on the inside.

The invaders ordered the Moran gunmen to line up against the wall with their faces scraping the bare red bricks. They turned. A few mumbled words and there came the hiss and tear of the machine guns, as several of the "cops" opened fire. All seven lined against the wall slumped down in an even row. From one end of the wall to the other, there was a criss-cross line like a "Z" marking the movement of the machine gun muzzles. Scarcely a groan escaped from the bullet-riddled gangsters as they sprawled on the cement floor damp with booze, motor oil and now with gullies of streaming blood. The
execution was carried out with the precision of a firing squad. It was like a Chicago stock-yard scene with a row of dead pigs on the moving belt, pervaded by a smell of beer.

**Who Did the Killing?**

Who were the executioners for Capone? Were they policemen or gangsters? None of the capitalist newspapers dared tell the truth. The fact is they were Chicago cops, acting for the police department and the Capone gangsters.

At the head of the police department on this outstanding day in the history of Chicago crime and graft, known as the St. Valentine's Day Massacre, February 14, 1929, were Commissioner William F. Russell, and Deputy Commissioner John Stege. Russell later resigned. Commissioner John Stege became head of the police department and led the assault against numerous unemployed demonstrations, commanding the same gangster-cops in viciously beating up unemployed workers, Negro and white, who organized to demand jobless relief.

**He Gets a "Transfer"**

On February 16th Major Silloway, deputy prohibition administrator for the Chicago district, stated he was convinced not only that policemen with their official uniforms and badges participated in the massacre, but that they even used a regulation detective car equipped with gong and siren. For this bit of information, the Hoover government transferred Silloway to another district and, in sheer chagrin, he resigned. Mellon and Hoover didn’t want the workers to know even a semblance of the truth.

**Kill Negro Workers**

These same police on August 3, 1931 to protect the Chicago landlords shot three Negro workers dead for taking part in a protest demonstration of 5,000 workers on Chicago’s South Side—a protest against the eviction of an
unemployed Negro family. Mayor "Tony" Cermak, who succeeded Thompson as head of the grafting municipal machine, came into office on the slogan "Drive the gangsters from Chicago." Instead, he used the gangster-ridden police department to enforce convictions, going to the extent of murdering Negro workers.

The link between gangsters and police exists in all ranks of the police departments of all capitalist governments. It begins at the top with the chiefs of police and is firmly connected with the mayors, the backers of the political machines, the capitalist exploiters.

In tracing the action of the gangsters, the growing rotten grafting system which is bred in the bone of the present capitalist system in the United States, we will have occasion to show the interlocking directorates of the Capones, the Rothsteins, the "Legs" Diamonds and the Thompsans, Cermaks, Walkers, Lyles, the Republicans, the Democrats and the "Socialists."

Origin of Gangsterism

We must go back somewhat to trace the origin of gangsterism, its roots and its developments. It has a class basis. Graft and murder are integral parts of the capitalist governments. The rise of the powerful modern gangster machines, the ever-spreading system of graft, vice-rings, dope-peddlers, booze-runners must be traced in the history of the growth of American capitalism.

The capitalist system, with profit and the exploitation of the workers as its motive force, is the breeding ground of the "racketeers," gangsters, grafters and gunmen. One of the leading Wall Street publications, the Commercial and Financial Chronicle (March 28, 1931) admits that racketeering is part of the capitalist system, the same system which grinds profits out of the workers. "The 'racketeer,'" said this organ of the leading financial interests in the United States, "is, in a sense, the product of 'organization,' that now permeates all forms of industry and society."
The objective of the gangster, racketeer and capitalist is the same, though the methods might differ at times. Even the methods become more and more indistinguishable, however.

"Glory In Gold"

"The gangster," said Charles Francis Coe, a criminologist and authority on crime, speaking over a nationwide hook-up on WJZ (New York Evening Post, March 30, 1931), "kills for money and dies for money. The entire premise of his existence is cash. He counts life in dollars, measures mind in money and gauges glory in gold."

This is precisely the objective of the capitalist system in the exploitation of the workers. It is for this reason that the gangsters have such a fertile field in the most highly developed capitalist system. Because of the struggle for more profits at a faster rate, the capitalist employs gangsters and gangster methods for the "glory of gold."

In the A. F. of L.

Gangsterism is woven into the whole fabric of the trade union bureaucracy of the American Federation of Labor. To terrorize the workers in the trade unions, to keep the leadership in the hands of the men who collaborate with the bosses against workers, the union misleaders have developed one of the largest groupings of gunmen and gangsters in the United States. The bosses have aided the union bureaucracy in this development, fearing the real organization of the workers in revolutionary unions and dreading the overthrow of the fascist leadership of the A. F. of L.

The American Background

Why gangsterism emerged from the soil of American capitalist more readily than it did in most European capitalist countries can be found in the history of the capi-
talist system in this country. European capitalism grew out of the foundations of feudalism and through a struggle between the rising capitalist class and the feudal landowners. In America capitalism developed without the fetters of feudalism. As Frederick Engels put it, it developed "without any kindly disposed feudal background." Competition reached its highest expression in early American capitalism, with the resulting brutal, violent struggles.

In a letter written on June 3, 1886, Frederick Engels, one of the founders of Marxism, described the origin of capitalism on the American continent as follows:

"For America, after all, was the ideal of all bourgeois, a country rich, vast, expanding, with purely bourgeois institutions unleavened by feudal remnants or monarchial traditions and without a permanent and hereditary proletariat. Here everyone could become, if not a capitalist, at all events an independent man, producing or trading, with his own means, on his own account."

Then there were the unconquered and uninhabited huge tract of land in the great West. There was the constant surge of the pioneers, with its violent struggles, shootings, battles and wars. There followed the gold rush days to California.

"In addition," Engels wrote in a later letter (1892), "there is the indifference to human life succumbing in the struggle of competition on the part of a society grown up on a purely capitalist basis;" the deliberately fostered antagonism and struggles engendered by the capitalists among the immigrant workers who came in large numbers—all leading to the growth of corruption, violence to an extreme degree.

When the capitalist state reached its full bloom, when the "free land" disappeared; when the "colossal energy of the development" had slowed down, and the division between classes had grown sharper, when the capitalist
class had created its state power on a firmer base, it did not eliminate and could not eliminate the corruption, violence, race conflicts and the brutal, gangster element that had grown up in the infancy of this system. These forces were incorporated into the capitalist structure, into its state machinery, and became an inseparable part of it.

Price-Fixing Rackets

Later, with the growth of imperialism, monopoly capitalism, the trustification of industry and the development of price-fixing organizations, the gangsters were drawn into these new forms of American capitalism.

J. P. Morgan’s Gunmen

One of the first American capitalists to use gangsters in the struggle for industry and profit was J. P. Morgan, the elder. In 1869 a furious struggle developed for the control of the important Erie Railroad and the Albany & Susquehanna Railroad. On the one hand there was the Jay Gould and Jim Fisk financial ring seeking to take control; on the other, J. P. Morgan and Joseph H. Ramsey. At first the courts and the legislature were used. They were easily bribed by either side. When Morgan bought one judge who issued an injunction favoring his rule of the railroad, Jim Fisk bought two others who decided the other way. Working for Fisk was Boss Tweed, the patron saint of Tammany Hall grafters in New York. Tweed’s total graft during his administration is known to have amounted to over $200,000,000. But the Morgan group was able to buy enough judges to outweigh the Tweed ring, powerful as it was. Then came open warfare and the introduction of gangsters and gunmen on both sides to take forcible possession of the railroads.

Their Gunmen in Action

Jim Fisk forcibly took possession of the Albany & Susquehanna depot at Binghampton, New York, with the
armed Erie employees assisted by the local sheriff. Fisk then proceeded to Albany, accompanied by his hired gangsters, to seize possession of the Albany & Susquehanna offices there. He ordered the gunmen to rush in and take possession of the place. The superintendent ordered them to get out. Fisk said that this was his twenty-seventh raid, and he proposed to keep the place with the help of his gangsters. Writing of this attack, Lewis Corey, in his book, "The House of Morgan," says:

"Two armed groups were now in possession of the Albany & Susquehanna, Receiver Fisk operating the Binghamton end of the road and Receiver Pruyn the Albany end. The Morgan-Ramsey superintendent determined upon an offensive, and with 450 men marched upon Binghamton while an Erie-Fisk-Gould army (of gunmen) prepared to invade Albany."

Bloody battles ensued in the struggle between the rival financiers and railroad magnates for the control of the road, the courts being evenly divided between them, the grafting politicians lined up on both sides. It was an open war with gangsters doing the job for the capitalists.

Klan Killers

In the South, the slave owners had the power of life and death over their slaves, with but little interference from the state. Following the Reconstruction days (1865-1876), the Ku Klux Klan was organized through a number of secret societies representing white large landowners in the South. A reign of terror was started against the "emancipated" Negro masses, to drive them into new forms of slavery.

The Klan developed a weird type of organization but its main weapons were lynching, beatings, shootings and other forms of terror. In many instances the Klansmen became open bandits, and when the southern landowners achieved their ends, they disbanded the original Klan, retaining its methods of gangsterism and terror to be used,
whenever occasion arose to oppress the Negro masses and to keep them in the new forms of slavery. The Klan with all its gangster methods was revived after the World War with the sharpening class struggle. Its traditions are still carried on by the capitalists and landowners of the South.

As capitalism consolidated itself after the Civil War, the individual ideas of terror and use of private armies that had grown out of the pioneer days were grafted on to the more highly developed capitalist state. Along with this went the wild grafting in the city, state and federal governments. In the North the system of city grafting had become a more dignified process, though gangsters were used to advantage. But in cities like Chicago, which had a more rapid development, the use of gangsters proved of inestimable value to the capitalists in winning elections, in beating down strikers, and in terrorizing the workers.

Breaking Strikes

The feverish advance of American capitalism following the Civil War saw the growth of the labor movement and strike struggles. With this came the introduction by the big companies both in the East and West, of gangsters and provocateurs to break strikes. At first, special agencies were formed to organize and drill the gunmen-strikebreakers for the bosses. Among these were the Pinkerton Detective Agency, the Baldwin-Felts Detective Agency, the William J. Burns Detective Agency. The Pinkertons supplied gangsters, gunmen and stool-pigeons to break the great Homestead steel strike. One of Pinkerton’s famous gunmen, James McFarland, plotted a murder in order to wipe out the Molly Maguires, one of the early American labor organizations, composed of Irish miners in Pennsylvania. McFarland’s deliberate murder frame-up led to the hanging of ten workers, members of the Molly Maguires. The same Pinkerton Agency supplied gunmen for the International Reaper Works, later
the International Harvester Company, the owners of which also publish the Chicago Tribune of Al Capone fame.

In 1914 the Rockefeller interests hired a whole army of gangsters, who together with the state militia, massacred 30 miners and their wives during the course of a strike in Ludlow, Colorado.

Bill Haywood, one of the foremost militant leaders of the American labor movement, in his autobiography, Bill Haywood’s Book, gives a graphic picture of the use of gangsters and gunmen by the bosses in every important strike in the United States. He tells of the wanton and brutal murder of thousands of strikers; the deliberate killings by company gunmen, and then the framing-up of union leaders. The same scabs travelled from strike to strike. They were a part of the bosses’ apparatus in breaking down struggles for wage increases and for better conditions.

The leading killer-recruiting agencies such as Pinkerton and Baldwin-Felts disappeared from the field when the large corporations discovered they could organize their own armies of gunmen. Industry was increasing in size; exploitation and speed-up becoming more severe. The gunmen working with the bureaucracy in the American Federation of Labor and other reformist unions proved to be just as valuable tools as the Pinkertons and the McFarlands. Gunmen and gangsters became a part of the organization of industry, though some of them put on company uniforms, while others were paid by the capitalist state under the guise of state police.

Growth of Racketeers

During the World War over 400 organizations were formed to fix prices in various retail and wholesale trades, particularly in the food industries, such as vegetables, milk, butter, eggs, etc. The capitalists who were interested in forcing their prices up made wholesale use of gangsters in the process. Independent dealers and sellers
were bombed or murdered. Others were terrorized into becoming part of the price-fixing organization. Once in, of course, they became rabid in their desire to wipe out all other competitors through the use of gunmen.

A new name was developed for this type of business, "racketeering," though now the term "racketeering" has a wider use. Soon after the rise of the American Federation of Labor, the misleaders developed the use of gangsters and gangster methods against the rank and file. At first this method of terrorizing the workers and keeping the A. F. of L. unions within the bounds so desired by capitalism to protect the "American institutions" which Samuel Gompers loved so well, was developed on a small scale.

It came into full flower during the war and later extended with the post-war building boom, and now is an integral part of the entire A. F. of L. officialdom. The socialist leaders use it in the trade unions where they hold forth, such as in the Amalgamated Clothing Workers, the furriers and the International Ladies Garment Workers Union, in reality a company union manned by socialists and gangsters.

**Skinny Madden**

William Z. Foster in his book, *Misleaders of Labor*, traces the growth of gangsterism in the American Federation of Labor. He tells of the rise of "Skinny" (Martin) Madden, the earliest of the racketeers to enter the trade union field. Skinny Madden laid the basis for organized graft in the Chicago building trades, collecting graft from union members and building contractors alike. Madden was followed by Simon O'Donnell who taught contractors how to add 20 per cent to their total bill for graft to the gangsters who controlled the building trades unions.

**In the Boss Political Machines**

All these leeches in the trade union movement spread out to broader fields. The capitalist politicians found
them valuable allies, and alliances were made with both the Republican and Democratic machines.

This type of gangster-union leader in the A. F. of L. reached its highest expression in the person of “Big Tim” Murphy. During 1917-18, Murphy turned his hand to politics. He was a Democratic representative in the Illinois State Legislature. Previously in 1912 he had gained his gangster experience for the Hearst newspapers in Chicago, in the war between the Chicago Tribune and the Chicago Examiner, a Hearst paper, for control of the morning newspaper field. The Chicago Tribune, to keep out its rival which had just entered the morning field, hired an army of gunmen to kill news wagon drivers or newsboys who dared to sell the opposing paper. Hearst retaliated by employing his own army of gunmen. It was in this battle that “Big Tim” Murphy learned the game. Gangsters flocked in and were imported. Both capitalist newspapers were the training school for many of the present day leading gunmen in Chicago.

“Big Tim” Murphy Arrives

Tim Murphy, like Rothstein of New York, among other things, turned his hand to big robberies. He engineered the hold-up of the Dearborn Street mail station, netting him $338,000. He controlled five or six unions, several of which he created solely to squeeze contributions from the workers and graft from the employers. Murphy himself told how his type of leader in the post-war period ran the unions: “They don’t use boxing gloves in the labor movement,” he boasted, “they use Smith and Wessons.” Murder was Murphy’s side line. After his release from an accidental jail term he was greeted with open arms by the Chicago capitalist politicians at City Hall. The Chicago Tribune described this reception, saying:

“When Murphy was released from jail in the Enright case he was received with open arms at the City
Hall, where he went to call, followed by a troop of admirers.”

Among those admirers were judges, assistant state’s attorneys and aldermen. He fed them at sumptuous banquets and paid them handsomely. Some time before his death he boasted of his money-making prowess:

“T’m still pretty much of a kid, but I made a million, and spent a million, and I figure I’ll make another million before they plant me.”

_He Didn’t Make It_

A Capone bullet stopped him at the half-million mark. The gangster business was being consolidated with big banking and capitalist support.

Gangsterism among the misleaders in the trade unions in Chicago is not an exception. Chicago in this instance, as in the general description of the connection between the underworld and the upperworld, is just a striking illustration. William Z. Foster’s book gives plentiful details of other cities. “Possibly conditions are somewhat worse in Chicago,” Foster writes, “but not much. The Chicago building trades business agents may be a little quicker on the trigger, or, because of the greater strength of their unions, somewhat more ruthless in their grafting. But their confreres in the building trades in other cities also let no grass grow under their feet.”

While the Fitzpatrick-Nockles faction in the Chicago Federation of Labor won office in 1905 in a struggle against the gangster “Skinny” Madden, it had developed so far on the path charted by Madden himself that by 1930 it engineered the killing of Hertzel Weizenberg, a member of the revolutionary trade union group in the painters’ union. Weizenberg was beaten to death by pro-Fitzpatrick-Nockles men because he distributed leaflets of the Trade Union Unity League calling on the painters to drive out the gangsters aligned with the bosses, struggle against wage cuts and for better union conditions.
The Chicago Federation News, controlled by Fitzpatrick and Nockles gleefully applauded Weizenberg’s murder.

Controlling the A. F. of L. Unions

In the highly skilled trades the gangsters obtained control of the unions where the special position of the skilled workers for a while during the building boom got them a scale of wages above the great mass of unskilled and factory workers.

In this field, the gangsters played a dual role. They tightened the ranks of the skilled unions, preventing organization of all the workers in the trade, and they guaranteed the bosses against strikes. For this they received a double graft—from the union members and from the employers. The usual game is to keep the books of the union “closed” and force prospective candidates for membership to pay sums as high as $500 for the privilege of receiving a union working card. Many of the misleaders who rule through gangsters are silent partners in construction companies in whose favor they operate their union powers. Others receive a regular salary from the bosses as “strike insurance.”

The function of these misleaders and their gunmen in the skilled unions, as is clearly evident, was not to struggle for increased wages or to maintain even the wage scales of the “aristocracy of labor,” but to graft on every occasion and to act as the labor lieutenants of the bosses.

With the growth of the economic crisis, of course, their role became clearer as the attacks against the wage standards of all workers assumed drastic forms.

During 1930, wages of the American workers were cut twelve billion dollars, according to the Standard Statistics Company. In every instance the gangsters and bureaucrats in the trade unions worked with the bosses to prevent strikes against cuts in pay. The foremost action, however, was the meeting of the leading misleaders of the A. F. of L. with President Hoover and the leading bosses and financiers of the United States in the latter
part of November, 1929. At this conference an agreement was reached whereby wages were supposed to be "maintained" and the union bureaucrats agreed to prevent and break strikes.

Not a single industry escaped the wage-cut campaign of the bosses. That a nation-wide organized drive against wages was on was admitted by Hoover in an interview with Washington newspaper correspondents on April 2, 1931.

In the building trades and other highly skilled unions, where the gangsters' control is tightest, the bosses, with the connivance of the misleaders, forced the workers to work at rates 10 to 35 per cent below union scales. Whenever strikes were attempted, the gangsters were called in to smash them. In short, the American Federation of Labor bureaucrats lived up to the strike-breaking agreement with Hoover, using their whole gangster machine effectively, while the bosses carried on their wage-cutting drive.

The fight against wage cuts was led by the revolutionary unions, under the leadership of the Trade Union Unity League. Against this organization, not only the capitalist state, but the A. F. of L. gunmen and misleaders were mobilized in the interest of helping the exploiters put over their wage cuts.

As the battle grows sharper, as wages are slashed daily, the gangsters will be used more frequently against the workers who resist, and especially to combat the revolutionary trade unions affiliated to the Trade Union Unity League.

Against the bosses, their wage-cut drives, their gangsters, the workers will have to organize in solid ranks and under revolutionary leadership.

*Al Capone and the Chicago City Government*

"Scarface" Al Capone's spectacular rise came with prohibition. Gangsterism was a plant firmly embedded in the soil of American capitalism long before Al Capone or
prohibition arrived on the scene. Gunmen found lucrative pickings in the reactionary trade unions; the boss newspapers employed them frequently. All leading capitalist corporations made free use of them.

At the same time all the capitalist political machines found them indispensable during election time. In every large city in the United States voting is done under the careful scrutiny of the killers employed by the capitalist political machines. Their function, however, is not merely to sit and watch.

The earlier American politicians centered their election campaign in the saloons and dives. Here they recruited their assistants. It was an easy way of capturing ward elections. Election thugs and sluggers were used by higher politicians, judges, mayors, governors, on up to the presidents. Once firmly entrenched, gangsterism and rowdism became an accepted and inseparable part of capitalist politics. A capitalist official elected with the help of gangsters repays his supporters by many favors. This fortifies the gangs and makes them more powerful weapons in his hands. Now one of the strongest pillars of the capitalist state is the criminal and gangster element that grew out of American conditions and flourished with the rapid development of capitalism.

**Election Methods**

The election methods used by them are manifold. In Chicago they use the "short pencil" (a stub of a pencil concealed between the thumb and forefinger to mark ballots of an opposing candidate, thus making them invalid); they stuff ballot boxes (throw in enough votes to elect their candidates); gather repeaters (men who vote more than once); slug or kill opposing poll watchers. In New York they are the "mechanics" of the voting machine to see that sufficient votes are registered for either their Republican or Democratic employers. They do plenty of slugging in New York but because Tammany Hall is more
efficient than Thompson and Company or the Cermak crowd of Chicago, they are not so quick on the trigger.

The "Bloody Twentieth"

In Chicago, Morris Eller, one of Thompson's leading cronies, assured his election by the simple process of executing his foremost opponents. In April, 1928, Octavious Grandy, a Negro opponent of the Eller faction, was mowed down by machine gun fire. Eller's ward was the scene of so many murders, kidnappings, beatings and maimings that it is now known as the "Bloody Twentieth." Manny Eller, son of Morris, became a judge in the Criminal Court, where he passed on the crimes of his father's political gunmen. He faithfully performed his duties as a capitalist judge by evicting many workers and jailing thousands of others.

Al Capone started his reign in Cicero, a suburb west of Chicago, where 40,000 workers slave for the Western Electric Co., a Morgan corporation.

Prohibition, however, was like rich manure to the poisonous growth of gangsterism: it fed it, nurtured it, developed it into one of the leading businesses of American capitalism.

At the inception of prohibition the existing gangs in all cities put their hand to earning an extra dollar by bootlegging. At first there was a wild scramble for the spoils. Bribery of government officials was not yet worked out to a system. It was haphazard. The field was crowded. Later there began a process of elimination.

Capone Consolidated

In Chicago the elimination took place first by occasional shootings. Soon the field was reduced to four or five gangs, each with its political alliance, with its big banking support, with its connections in the Federal government prohibition department. Capone decided that greater consolidation would mean greater profits and with the help of
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his forces in the City Hall, the police department, the
criminal court and the state’s attorney’s office, he was
able to liquidate nearly every one of his rivals. Capone’s
followers were the first to use machine guns as an efficient
method of gang killing.

"I Paid Him Plenty"

The "Bugs" Moran massacre was the final act in estab-
lishing Capone’s dominant place in the gangster and po-
litical world in Chicago.

Capone bragged about his payment to the Chicago poli-
ticians. When Assistant State’s Attorney William H. Mc-
Swiggin was killed in Chicago in 1926, and suspicion turn-
ed to Capone, the multi-millionaire gangster replied: "I
was no foe of McSwiggin. I paid him and I paid him
plenty."

Nothing Trivial

"If one thinks there is something trivial about gang
power," said Edward D. Sullivan, authority on gangland,
"let him bear in mind that Capone’s men as early as 1926
netted $70,000,000 that year." (New York Times, June
7, 1930.)

Some put the estimate at $15,000,000 weekly. What-
ever the precise sum, it is a huge one, ranking on a par
with the other big capitalist corporations. Prohibition has
created one of the major industries in the United States,
bootlegging, which according to an ex-Federal prohibition
head, does $3,000,000,000 business a year. Since all pro-
fits smell alike to the exploiters, and because the rate of
returns is particularly high in this field, it has become a
recognized industry with good banking, political and
gang backing.

According to Albert R. Brunker, chairman of the Civic
Safety Committee of Chicago (New York Times, January
30, 1931), "Scarface" Al Capone had 6,000 city,
state and federal officials on his payroll. As a sidelight,
he added that 80 per cent of the judges in Chicago were
criminals and that it was useless to attempt successful prosecution of gangsters. Mr. Brunker, who though a capitalist "crime reformer," is on intimate terms with Capone, went on to relate that he was told by the big shot himself that "$6,000,000,000 graft went to government officials."

Capone estimates that $30,000,000 a year is paid for police protection in Chicago alone. He ought to know as he pays a great share of it.

In 1931, at the pinnacle of his fame, recognized as a successful business man, friend of editors, judges, mayors, millionaires, Capone made a statement about his business principles.

"Prohibition is a business," he said. "All I do is to supply a public demand. I do it in the best and least harmful way I can.

"I can't change conditions. I just meet them without backing up. . . . My customers include some of the finest people in the city, or in the world, for that matter."

Capone was right when he said he was just a business man among business men, working under conditions he did not create, but which grew up out of the very foundations of American capitalism. But he was merely discreet when he said that "some of the finest people" were his "customers." These fine bankers and exploiters are also "stockholders" in Capones' big business.

In the summer of 1931 Al Capone was brought before the Federal Court in Chicago. Was it for the dozens of murders he committed? Not at all. The United States government complained he did not share his loot with the official treasury. He didn't pay income taxes, and besides, he violated—mind you—a few of the provisions of the Prohibition Act. That the government had made a deal with Capone and was doing him a favor by "clearing" up his long list of crimes is the main point in a special story carried by the New York Evening Post, a
pro-Republican and Hoover sheet. Their special Chicago correspondent, Michael W. Strauss, writing on June 18, 1931, says:

"A score of murders of which 'Scarface' Al Capone has been suspected and a half a hundred in which he is said to have been involved will be wiped off the score sheet of justice when Capone stands up before Federal Judge Wilkerson the last day of July and takes a two to five-year sentence for prohibition and income tax violation.

"The gangster, who assured himself sanctuary in a Government cell for a comparatively brief time by his plea of 'guilty' on the prohibition and tax charges thus escapes more serious prosecution for murder. He also gets temporary life insurance, for his many enemies cannot well get to him shoot him while he is in jail."

_The Chicago Tribune, Capone, and the Lingle Murder_

The _Chicago Tribune_, which made such free use of gangsters in attempting to drive out its Hearst rival, boiled over with indignation when its star police reporter, Alfred ("Jake") G. Lingle, a close friend of Al Capone's, was killed on June 9, 1930. The bullet that killed Lingle also ripped open the close connection between the Chicago newspapers, the gangsters, the police department and the leading capitalists as well as the _Chicago Tribune_’s close contact with "Scarface"Al Capone.

When Cermak was elected to replace Thompson as mayor, the _Chicago Tribune_ gave him its full support.

Lingle's murder was sensational. He was on his way to the races, walking in the crowded central subway leading to the Illinois Central Railroad. A gunman stepped up beside him, pumped him full of lead and then ran off. The _Tribune_ raised a sanctimonious howl of protest against the gangsters and gangsterism in general, for killing its upright reporter.
While many of the facts about Lingle’s life never came to light, enough did appear, however, to show that Lingle was the go-between for Al Capone and the police department. The main reason he was hired by the Chicago Tribune was because of his alliance with the strike-break-

C. O. D.  

Drawn by Burek
ing Pinkerton Detective Agency and the Burns Detective Agency, and later because of his close ties with nearly every leading gunman in Chicago, particularly with Al Capone himself. As a mark of friendship, Capone presented Lingle with a diamond belt buckle.

"Jake" Lingle was so intimate with Chief of Police Russell that Russell said, "I looked on Lingle like my own son." But their relationship was much thicker than just that. While Lingle got $65 a week from the Chicago Tribune, his bank account showed deposits of over $60,000 made in less than one year, before he was murdered.

Lingle was the official graft collector for the police department on booze delivered in Chicago’s main business district, the loop. Payment of $5 a barrel was made to Lingle, and Lingle turned it over to Russell and the other heads of the police department.

Price of Police Promotions

The Tribune reporter had been Chief Russell’s pal for twenty years. It was through Lingle that payment was made by policemen for promotions. Regular price scales were worked out. If a cop wanted to become a police sergeant, he paid $1,500; if he desired a captainship, he paid Lingle $5,000. Precisely how much the police officials got and what share went to Lingle, and what the Tribune got out of it, never was made public. The workers can draw their own conclusions. So close was Lingle’s connection with the Chicago police department that he was known as the "unofficial Chief of Police of Chicago."

Not content with reaping thousands in graft through the police department, Chief of Police Russell and Lingle had a joint stock market account that at one time amounted to over $100,000.

Why Lingle was murdered will never be known, as the traces of Lingle’s murderers lead right into the offices of the biggest capitalists in the City of Chicago. It is known, for instance, that the suspected murderer, a man by the
name of Forsyth or Fawcett, was working in the office of City Corporation Council Samuel Ettleson, who is the political lawyer for Insull, the billionaire public utilities magnate in Chicago.

Lingle, too, was not only the collector of graft, but he was the pay-off man for the various police captains. In his accounts, for example, there was a check of $500 payable to Captain Daniel Gilbert, in charge of the Central Police Station in Chicago. It can be taken for granted that many other damaging items of Lingle’s accounts never reached the light of day. The fate of such documents as Lingle’s accounts books, the Rothestein private papers, the Zuta poison box, and other rare gangster documents show they have a way of disappearing.

Lingle used to receive money from such illustrious figures in Chicago as Samuel A. Ettelson, corporation counsel of Chicago, $5,000; Major C. Ames, president of the Civil Service Commission, $5,000; Bert Cronson, member of the City Council, nephew of Ettelson, $5,000.

After the exposure of Lingle’s gangster and political connections, the other capitalist newspapers in Chicago tried to make the workers think that they were free from such ties. In this they were unsuccessful. Proof of the connection of every one of them came out with such startling rapidity that a gentlemen’s agreement between them was reached to kill the whole matter. But such facts as the following did come out. The Chicago Daily News for years had hired the gangster reporter, Julius Rosenheim, who met the same fate as Lingle. Harry Read, city editor of a Hearst newspaper, was a guest at Capone’s palace in Miami.

Soon after Lingle’s death, when the intimacy of other capitalist newspapers with gangsters had been exposed, Donald R. Richberg, a prominent Chicago lawyer, made a speech before the City Club in which he brought out the interlocking directorates between gangsters, capitalists, politicians and the big exploiters. Richberg said:
"Is it possible that the people of Chicago can read their daily papers and yet remain ignorant of the interlocking relations between public utility control and corruption of government and the political protection of crime?"

"The close relationship between Jake Lingle and the police department has been published in the Chicago papers. Out-of-town newspapers described Lingle more bluntly as having been the unofficial chief of police of Chicago. But Lingle was also strangely intimate with Al Capone, our most notorious gangster.

"Surely all Chicago knows that Samuel Ettelson, Mr. Insull’s political lawyer, who is corporation counsel of Chicago, is also the chief operator of the city government. Thompson is only a figurehead."

Startling as these revelations by this liberal lawyer are, his main purpose was to lead the workers to think that "clean government" can be achieved by putting such right-minded capitalist leaders as himself into office, and that capitalism can shed one of its vital organs—crime and gangsterism.

Just before the mayoralty elections of 1931, to cover up the connection of the leading politicians in the murder of Lingle, a St. Louis gangster by the name of Leo V. Brothers was brought to trial and convicted. Whether connected with the murder or not, Brothers was a goat and not the instigator. After his conviction on evidence which had all the earmarks of a frame-up, Brothers issued a statement in which he said: "If I had taken the witness stand I would have been framed further. I have no record. I have no gang connections. I challenge Mr. Roche (police investigator) and Mr. Thabun (assistant prosecutor) to continue this investigation. I'm convicted for fourteen years for something I did not do."

What Gangster Zuta Kept in His Poison Box

To revenge his friend and collaborator, as well as the Chicago Tribune for the loss of one of its important links
with the underworld, the Capone gang set out to kill Jack Zuta, one of the leaders of the Moran-Aiello gang, suspected of complicity in the Lingle killing. Zuta was a crafty individual. He was financier for the Moran-Aiello mob. After the killing of Lingle, Capone pursued Zuta relentlessly. Zuta fled to Kentucky, then to Wisconsin. But less than two months after the murder of Lingle, Zuta was executed in a Wisconsin summer resort. He was feeding nickels into a mechanical piano, telling everybody "this is the life." The Capone gunmen swooped upon him, seated him in a chair and riddled him with machine gun bullets. The Chicago Tribune was revenged; but Zuta’s evil deeds lived after him to plague some of the "finest people in Chicago."

**Zuta Could Write**

Zuta knew how to write, especially names and figures. He kept a complete record of his grafting operations for the fifteen years of his gangster career. "Zuta’s poison box," as his safety deposit vault was dubbed in Chicago gangland, was never made fully public. It included nearly every leading capitalist politician in Chicago. Zuta’s poison box contained records of weekly payments of hundreds of thousands of dollars in protection money.

**$50,000 to Thompson**

Foremost was the payment of $50,000 to the Thompson election campaign. He contributed liberally to the Cermak Cook County political machine. Zuta was a close friend of Thompson’s and accompanied him on many of his frequent pleasure trips. "His boxes were a veritable 'Who's Who' of Cook County politics and crime," said the New York Times. Only a few names of the "who’s who" were published and only those that would do the least harm.

Among the men known to have received checks or money from Zuta were: Judge Joseph W. Schulman, for more
than ten years a judge of the Municipal Court; George Van Lent, former state senator and political leader; Emanuel Eller, son of Morris Eller, a former judge of the Municipal, Superior and Criminal Courts, all republicans. Eller got the money from Zuta for work done while he was judge. Then there was Richard J. Williams, sergeant of police and assistant to Frank D. Loesch, capitalist crime "reformer," who got $500 from Zuta. Checks were also made payable to the Regular Republican Club of Cook County. He contributed heavily to the Democrats as well. These papers contained a card from Chas. E. Graydon, sheriff of Cook County, reading: "To members of the department. The bearer, Jack Zuta, is extended the courtesies of all departments." Another item was membership card number 772 to Jack Zuta in the William Hale Thompson Republican Club with the printed signature of Homer K. Galpin, chairman. Galpin was campaign director for the late Senator McCormick, part owner of the Chicago Tribune and one of the parasites who exploited tens of thousands of workers in the International Harvester Co. Both the Zuta and Capone gunmen did their share in electing McCormick.

How the Courts Treat Them

Capone, Zuta, Moran, Aiello, and every other gang leader in Chicago as well as in every other industrial center in the United States, early in their careers established close connections with the courts. The Chicago courts have a long history of convictions of revolutionary workers. In 1884 the four Haymarket victims were framed up and hanged for organizing the workers to struggle for the eight-hour day. Every day arrests and brutal beatings of the unemployed workers and the members of the Communist Party take place. But the bosses' gangsters get treatment in the Chicago courts of which they seldom complain.

Edward D. Sullivan, author of Chicago Surrenders, a record of gangster activities in Chicago, is very careful
to separate gangsterism from capitalism, but he does intimate that something is wrong with the courts. "Things happen in Chicago courts that are hard to understand," he says. To a worker they are not at all hard to understand. The capitalist courts protect their lackeys and supporters. They persecute the workers as their class enemies.

How do the gangsters get this protection? It is known in Chicago that nearly every lawyer today protecting the gangsters and criminals was at one time an Assistant State's Attorney. They know whom to reach with bribes. Every State's Attorney now in office looks forward to the day when he will collect big fees for defending gangsters. He does them repeated favors, and not without pay. The judges are part of the machine and are well drilled in systematic decisions in favor of the gangsters. Many of the judges were previously lawyers for gangsters. Judge Eller was himself a gangster acting as a judge. But this step the capitalists did not like. It exposed their hand too bluntly.

**How Cermak Helped Thompson Hide Graft**

How the Chicago chief of police used his investigators to list the bawdy houses, new dope dens, gambling joints and speakeasies so the regular share of graft could be collected, was told at a special grand jury investigation that was started on January 19, 1931. Mrs. Shirly Kub, once a $300 a month "investigator" for Acting Police Commissioner Alcock and at another time an employee of the sanitary district, a section of the city government, told how she collected graft. Another witness was a Miss Shaw, former sweetheart of Sergeant Jack Hardegen, who got his job as police sergeant because he paid $5,000 to the gangster, Jack Zuta. His main duties were collection of graft directly for Zuta, through the police department.

**The Disappearing Act**

At first the disclosures seemed so startling that a re-
quest was made for $50,000 to pay the grand jury investigation. Then the usual thing happened. Mrs. Kub "disappeared." Then Miss Shaw could not be found. They were bringing in the names of leading city government officials who got the graft. The whole police department was involved. It was not only the Thompson administration that was being exposed but all the capitalist politicians of the City of Chicago.

It reached into the Civil Service Department. The examination papers on which Sergeant Hardegen was supposed to have obtained his promotion "disappeared." Every time evidence was needed to prove the witnesses' statements, the documents could not be found. Graft started in the house of prostitution and reached on up, ever higher.

_Cermak Comes in_

What became of this grand jury investigation? The $50,000 had been promised. Here we see how all distinctions between capitalist parties disappear in the matter of protecting the exposure of graft and the connection of the entire capitalist city governments with the graft rings. The workers are told that the Big Boss of the Cook County Democratic Party, Anton Cermak, was a bitter enemy of Big Bill Thompson. But they worked together like two fingers on the same hand when it came to the task of killing the grand jury investigation. The money for the special grand jury comes from the County Board. Anton Cermak headed the County Board, other Democrats rule there, too. What did they do about the $50,000? They refused it, and that ended the tale of graft leading up to the high office of the Chicago Police Commissioner, protecting Thompson and all his cohorts.

$12,000 Becomes $7,000,000

Anton Cermak became Mayor Thompson's successor on April 7, 1931. His action in quashing the grand jury investigation shows how closely his interests are tied up
with the grafting police and the Al Capone gang. There will be no difficulty at all for Capone to transfer his business to the Cermak outfit.

Behind Cermak there have lined up the leading capitalists in Chicago. One of his supporters is Melvin Traylor, president of the First National Bank, now the fifth largest bank in the world. Traylor came out in favor of wage cuts for all workers prior to his backing Cermak for mayor. Traylor, of course, knows about Cermak quashing the grand jury investigation which threatened to expose connection between the police department and the gangsters.

Another supporter of Cermak is the McCormick estate, which besides owning the Chicago Tribune, of Lingle fame, is the chief owner of the International Harvester Co., which laid off 7,000 of its 10,000 men in 1930 and uses police to smash meetings of the Communist Party in front of the shop gates.

Cermak knows how to coin money from his political jobs. Although he never held a job paying more than $12,000 a year, his friends admit that "Tony" Cermak is worth over $7,000,000.

They Flock to Him

Cermak had a sizeable gangster machine before he became mayor. Now all the gunmen and grafters who were on the Thompson bandwagon are quickly going over to Cermak's camp. Cermak is building an efficient grafting machine equivalent to Tammany Hall, and in many respects even worse. Maurice A. Hallgren, writing on the Cermak regime in Chicago in an article in the Nation (April 22, 1931) entitled "Chicago Goes Tammany," says of the gangster drift to Cermak:

"I have heard in the last few days from the lips of more than one speakeasy proprietor and more than one Capone henchmen that far from fearing anything in the way of a genuine Cermak offensive against the
gangsters, these men actually supported Cermak on election day in the belief that he is helpless to move against them."

The Communist Party was ruled off the ballot for the 1931 mayoralty election in Chicago. This was done by agreement between the Thompson clique and the Cermak group. Otto Wangerin, Communist candidate for mayor of Chicago, in an article in the Daily Worker, exposed the gangster connections of Cermak. He showed how all the A. F. of L. gangsters who had not lined up with Thompson supported the demagogy of Cermak.

"Among other things," Wangerin wrote, "Cermak has organized a 'Labor Union Club' consisting of about 75 of the most notorious scab officials and racketeer gangsters in the Chicago Federation of Labor, among whom are Martin Durkin, vice-president of the Chicago Building Trades; William Tabor, of the street car men's union (thus showing that Cermak is making a bid for the support of Sam Insull); James D. Ryan, secretary of the Sheet Metal Workers. Of course, all this shows the unity of the big bankers with the fascist officials of the American Federation of Labor who have but one purpose, and that is to carry out the bosses' program of more attacks on the living standards of the workers."

An alliance between the two leading grafting machines in the Democratic Party—Tammany Hall of New York, and the Cermak outfit in Chicago—to play an important role in the selection of the Democratic presidential candidate for the 1932 elections, was announced by the New York Evening Post on June 6. They reported that John F. Curry, the boss of Tammany Hall, formed an alliance with Mayor "Tony" Cermak of the Cook County, Illinois, grafters, to see to it that the next Democratic presidential candidate is approved by the leading grafters.

"Don't Dare Talk About It Yet"

On January 18, 1931, detectives raided the Rex Hotel in Chicago and found two safes full of records linking
police, politicians and capitalist officials with crime, which even the callous Chicago grafters called "astounding." These records were never made public because, like the Rothstein documents and the Zuta poison box, they named capitalist politicians, bankers and rich exploiters who control the government and who have enough power to destroy any such evidence. However, we get a good inkling of what was in these two safes by the following description from the New York Times on January 19, 1931:

"These records cast a shadow of suspicion into every branch of government in Cook County and even into the halls of Congress. They showed illicit dealings between Capone gangsters and policemen, politicians and public officials including what they described as 'names we don't even dare talk about yet.'"

"The names they don't even dare talk about" are the exploiters who wring profits out of the workers, cut wages, and yelp for war against the Soviet Union.

**Graft in New York**

Chicago, with its graft, its murders, its bold links between the underworld and the upper world of the exploiters is not an exception in American cities. The melodramatic trappings and outstanding figures, the raw and new methods, the circus election campaigns of Mayor Thompson, the fakery of Mayor Cermak, make Chicago the symbol of American capitalist city government. But it is not a special type nor is it fundamentally different from every industrial and commercial center in the United States. Chicago has its counterpart in a thousand smaller cities, in towns and villages.

New York, heart of American finance-capital, center of the banking world, has an older history of graft than Chicago. Graft has become more systematic and Tammany Hall, the strongest section of the Democratic Party, is better organized and is "smoother" in its grafting methods.
On October 10, 1930, tens of thousands of unemployed workers, under the leadership of the Trade Union Unity League and the New York Unemployed Council, demonstrated before City Hall, New York, on the occasion of the meeting of the Board of Estimate. They came demanding unemployment relief.

In the Grafters’ Headquarters

The Board of Estimate is in the hands of the Tammany grafters. They shell out millions of dollars in graft. The annual New York budget, which they control, amounts to over $600,000,000. How much actually goes out in graft will never be known precisely, but it is closer to 50 per cent of the yearly budget than 25 per cent.

The Unemployed Council sent a delegation to the Board of Estimate to demand that the 800,000 unemployed be fed at the expense of the city capitalist administration, that the grafting be stopped and that a substantial part of the budget go to the starving families of the workers.

There sat the rulers of the City of New York, “Jimmy” Walker, the mayor, presiding. Sam Nesin, secretary of the Unemployed Council, put forward the demands of the jobless workers. Sharp words passed back and forth and Walker wanted to know whom Nesin represented. “I represent the unemployed of New York,” replied Nesin in a clear firm voice, “and you represent the Tammany grafters, the judges who buy their jobs to evict unemployed and their families!” For this as well as for demanding unemployment relief, Nesin and the rest of the delegation were mercilessly beaten then and there by dozens of police, at the order of Mayor Walker. In the hall stood the Reverend Norman Thomas, Socialist, tacitly giving his approval, as he later stated, because Nesin had no business calling Walker and the Tammany henchmen grafters. Norman Thomas of the Socialist party has gone so far as to praise Mayor Walker’s unemployment program—that is, the policy of blackjacks and breadlines for the jobless, jails and sluggers for their leaders.
"Jimmy Can’t Be a Grafter"

Heywood Broun, another leading light of the Socialist party, their prize Congressional candidate in the 1930 elections, outspoken enemy of the Negro masses in the United States, defends Walker (which is defending the brains and the chief grafter of the New York Tammany grafting machine) with almost passionate fervor.

"I like Jimmy Walker," Broun exclaimed to the world in his putrid column published daily in the New York World-Telegram. "To me his charm seems genuine. To me he is a kindly person. Reporters who cover City Hall assure me of their belief in his personal honesty. The evidence they submit is circumstantial but simple. Jimmy can’t be a grafter,' they explain."

Go, Mr. Walker, and all your ilk, says Broun and the Socialists, graft on with the blessing and defense of the leading lights in the Socialist party. All defenders of capitalism will protect you.

Never before in the history of graft in New York City had anybody dared to stand before the city grafters as Nesin of the Unemployed Council did and tell them to their faces what they really are.

Months after Nesin branded Walker as a grafter, the capitalist papers began to buzz with stories of graft and "investigation" of the Walker government. They did not have to wait, nor did they have to begin with Walker. Graft is built into the foundations of the New York City capitalist government; it will be rooted out only when the capitalist foundations go down with it. "Investigations" only give the grafters a respectable veneer.

It is not necessary to go back to the days of Tweed, Murphy, Crocker and Kelley, famous grafters of old, when the major portions of the city funds went out in graft. Those were the crude days. The modern grafters have learned better.
into the banks

Under the Walker-Smith regime in Tammany Hall, New York graft reached not only into the whole political machine but right into the banks. When a sharp struggle developed in the Tammany organization between the Smith-Roosevelt faction and the Walker clique, cries for probing of "city corruption" became so loud, inspired by the Smith-Roosevelt clique, with support of the Republican grafters, that in March, 1931, Mayor Walker was forced to leave for the Pacific Coast in a hurry.

Previously, the newspapers had published exposes of a new form of grafting devised by the New York Police Department. Not content with collecting graft on prostitution, they speeded up the process by framing up innocent girls and former prostitutes. Special stool-pigeons were hired for this purpose. Most notorious was "Chile" Acuna. Hundreds of thousands of dollars were wrung out of these girls on the threat of jail sentence on fake evidence.

The special attorney "investigating" this form of graft was Isadore J. Kresel, who had himself indulged in wholesale swindling in the Bank of the United States, which crashed in December of 1930.

Two of the girls who told about the frame-ups were murdered. Vivian Gordon, who was closely connected with politicians and gangsters, was strangled on a lonely highway two hundred feet from a police booth because she threatened to talk. Another was poisoned in Bellevue Hospital, a city institution.

Following the usual procedure in these cases, as in the Lingle murder in Chicago, and the Buckley killing in Detroit, the New York police picked a gangster goat to throw into the headlines of the newspapers as the "real murderer." The case was too raw to leave "unsolved," so the police solved it by picking on a gunman by the name of Stein. "Confessions" were obtained from some of his pals — whom he undoubtedly double-crossed in another deal — and the real murderers, whom the police know, will never be embarrassed by appearing before a court.
Not only were the police involved in the vice scandal, but judges got their share. Judge Jean Norris was one who had her hands in this vice ring. She collected money from a bond fixing group as well as from the framing-up of prostitutes and other women.

Why Governor Roosevelt Stopped the Graft 'Investigation'

After Mayor Walker left New York on one of his frequent vacations, early in 1931, the Smith-Roosevelt Tammany faction increased its pressure, not to expose real conditions, though it was necessary to bring out a few of the lesser incidents, but to force the Walker group into line or out of the grafting machine. Retaliating, Charles F. Kerrigan, one of Walker’s henchmen, and assistant mayor, threatened to uncover some grafting in the Bank of United States. Kerrigan’s statement in the New York Times, March 15, 1931, warned the Smith-Roosevelt group that too indiscriminate talk of graft in New York City would be followed by even worse exposures against Al Smith by the Walker outfit. Kerrigan threatened:

“There are some people in high position who will stop at nothing to prevent the orderly disclosure of this failure (Bank of United States) and the punishment of those responsible therefor. These people are working in many ways, but working to the same end, and the end is to prevent an expose which will shake not alone the banking world but some parts of the political world to their foundations.”

Governor Roosevelt, threatening the rebellious Walker regime in Tammany Hall, used as his lever a set of charges drawn up against the Walker administration by a group of faithful supporters of capitalism. The petition for “investigation” of the Walker regime was signed by Dr. Stephen S. Wise and the liberal sky-pilot, John Haynes Holmes. Their language is mild, careful not to scrape beneath the surface, yet they cannot refrain from pointing
out that grafting in some form or another took place in the following city departments:

- The Board of Standards and Appeals.
- The Department of Licenses.
- Condemnation Proceedings.
- Health Department.
- Director of Budget.
- Department of Hospitals.
- The Dock Department and the Sinking Fund Commission.
- Recalcitrant officials and the Grand Jury.
- Magistrates’ Courts.
- Police Department.

$33,000,000 in One Chunk

Through Condemnation Proceedings (taking property for city use) alone $33,000,000 was handed out in graft to “friendly” owners whose property was required for city purposes. As the liberal complainants put it, this was due to the “failure to correct a situation in which property owners represented by political counsel have frequently received in condemnation awards four or five times the assessed valuation of their property.”

Early in April, 1931, Governor Roosevelt declared he would not “investigate” the charges of graft against the Walker administration. The complaints were unceremoniously dropped. The threats of Kerrigan worked and a truce was patched up between the conflicting cliques of grafters in the Tammany machine.

In May, 1931, new revelations of wholesale graft in the Department of Education were brought to light. One little instance was the purchase by the Department of Education for the sum of $340,604 of a lot virtually owned by John H. McCooey, Associate Superintendent of Schools. The amount of graft involved in this deal can be judged from the fact that a few years before McCooey sold the lot to the Department of Public Schools, it could
have been had for $27,000 (New York World-Telegram, Wednesday, May 6, 1931, p. 2). Somebody grafted at least $213,604.

Framing Girls

While the frame-up of girls on charges of prostitution were exposed under Police Commissioner Mulrooney's regime, they extended back into the regime of Grover Whalen, manager for the Wanamaker stores of New York, where prostitutes are created by the low wages paid. "Chile" Acuna, the police stool-pigeon, who did a lot of the framing, said he told Whalen about it frequently.

Grover Whalen was made police commissioner to hide the Rothstein scandal. Before his death, Arnold Rothstein was the Al Capone of New York. While Capone deals mainly in booze, murders and vote-stealing for the political parties, Rothstein's business was more widespread. He engineered a $5,000,000 bond robbery, he bribed policemen, peddled dope, bought judges, and broke strikes. Rothstein paid $20,000 to Tammany Judge Vitale, though after Rothstein's death, Judge Vitale's connection with nearly every other gangster in New York was exposed.

Rothstein was fatally shot in the Park Central Hotel on November 4, 1928. He died shortly afterwards in a hospital. In Rothstein's safety deposit box there was found $7,000,000 worth of dope and a bundle of papers. The documents later disappeared. They were the records of the criminal transactions between Rothstein and the leading politicians and capitalists of New York City. The murderer of Rothstein was known to Tammany Hall, and Grover Whalen, with his "respectable" front, his relations with the upper strata of New York's society, assumed leadership in the police department to cover up the disappearance of the Rothstein documents and to gloss over the failure to "solve" the Rothstein murder.

While Whalen could not produce the missing papers, he readily found some forged documents against the Communist Party and the Soviet Union. These forged papers
formed the basis for the creation of the Fish Committee by Congress to investigate "Red activities" in the United States. Whalen, too, started a vicious drive against the militant workers to hide his gangster dealings, his vice frame-ups.

The economic crisis had come on, and millions were thrown on the streets to starve. During the struggle for bread and against wage cuts, Whalen's cossacks murdered three revolutionary workers: Steve Katovis; the Negro unemployed worker, Alfred Levi; and Gonzalo Gonzalez. Thousands of others were beaten up and jailed. The leaders of the March 6 unemployed delegation were railroaded to jail by order of Walker and Whalen, by Tammany judges of the type who buy their jobs from the Tammany political bosses.

When William Z. Foster, Israel Amter, Robert Minor, and Harry Raymond were sent to Welfare Island for six months for leading the demonstration of 110,000 unemployed in New York demanding "Work or Wages," they found strange company on their prison island. There, in a luxurious cell, was one of the leading figures in the New York City government, Mr. Connolly, former borough president of Queens. That Mr. Connolly ever got to Welfare Island for a year was all a mistake. His sin was not that he stole $15,000,000 through contracts for city sewers, but that he had not learned all the tricks of Tammany Hall in doing it. Then, too, he was one of the rare sacrifices that the modern grafting capitalist politicians must make to protect the hundreds of millions of graft and to mislead the workers as to the real capitalist base of grafting.

New York has its Capones. But Tammany Hall is wiser than to separate the functions of the gunman and grafter. It knows it is cheaper to hire the killers when needed, than it is to let one grafter build up a big machine which may be a bit unwieldy. However, there are many who divide the honor of chief gunman to Tammany. Foremost is Bill Dwyer, who moves in the highest political and financial
circles and is an intimate friend of Mayor Walker's. Dwyer's influence extends far into the confines of City Hall and police headquarters. It was Dwyer who inaugurated the very practical method of running rum into New York on city garbage scows, thereby saving the necessity of sending the scows back on the twenty-mile return trip without a pay load. The capitalist press reported the rum running but it refrained from mentioning some of the further details.

"Legs" Diamond—Strikebreaker

"Legs" Diamond more recently has been in the public eye. He has many killings to his credit. On every occasion that this gunman has appeared in the Tammany courts he has got treatment about which he never complained. Four times he was discharged after being held for murder. Magistrate Andrew J. Macrery, who later was bumped off, freed "Legs" Diamond. Judge George W. Olvany, later head of Tammany, freed Diamond on a robbery charge. "Legs" Diamond is on the inside with Tammany Hall and has done them many services. At one time he was a bodyguard for Arnold Rothstein. Later he became a gorilla for Jacob ("Little Augie") Orgen, gangster hired by the bosses to break strikes.

It is hard to beat the Chicago judges for sheer corruption or for gangland connections. But the New York magistrates have won this honor. Jobs as city magistrate in New York are peddled like so many sacks of potatoes to the highest bidder. Not content with the usual "income" of the bench, the city magistrates and municipal judges in New York invariably have "side-lines." An example is given by Judge Vause's case.

In 1929 Judge Vause started the Columbia Finance Corporation with the huge capital of $128. The company later did business in the millions. It was only through the eventual bankruptcy of the Columbia Finance Corporation that it was discovered. Judge Vause forged a
stranger's name to a note on which he borrowed $2,500. One slip led to another. It was further discovered that he got $250,000 from the United American Lines for negotiating the transfer of Piers 84 and 86 in New York.

Judge Vause is not different, just unfortunate, and a bit careless.

Then there were Judges Ewald and Rosenbluth. Ewald purchased his job too openly. He paid Tammany $12,000 in 1927 for the right to evict workers and send strike pickets to jail. Judge Ewald, for instance, sent 150 pickets to prison. Coaching him on which of the strikers to give jail terms was Samuel Markowitz, lawyer for almost all of the "socialist" unions in New York. Markowitz sat on the bench next to Ewald while the workers were being "tried."

Judge Ewald was a good friend of "Legs" Diamond, and at a dinner given to Diamond on his release after being suspected of killing two other gunmen, one of those present to toast him was Judge Ewald.

Tammany Hall is not content with pulling the strings in the municipal courts alone. The supreme court judgeships likewise are for sale. Hereby hangs a sensational story.

Judge Crater "Disappears"

On August 6, 1930, Justice Crater of the Supreme Court disappeared. Since that day not a trace of him has been found. In questioning some of Judge Crater's intimate friends the justices' social connection led into nearly every dive in the city. But why did he disappear? The fact is he was about to be questioned on the purchase of a judgeship by Magistrate Ewald. Judge Crater withdrew $22,500 from his bank account just before he fled. At the same time, he was about to be questioned regarding his little profit of $850,000 made by acting as receiver in the crooked bankruptcy of the Libby Hotel.

Supreme Court Justice Levy of New York, besides his usual income, took a "loan" of $5,000 from the Bank of
United States just before it crashed and while he was trying a case against the bank. Levy appointed Crater as receiver for the Libby Hotel.

The Seabury Whitewash

The Seabury investigation which is still on at the time this is written will not uncover any grafting that is not already known. The carefulness with which Referee Seabury moves gives the Tammany grafters all the opportunity they want to cover up their tracks. Emanuel H. Lavine, an experienced New York reporter, author of *The Third Degree*, and a comprehensive book on New York graft, *Gimme*, states about this investigation:

"Persons accustomed to the working of the machine will not challenge the following prediction: After the white-washing, our political leaders will emerge slightly smudged angels, but angels (Tammany ones) nevertheless."

Lavine goes on to tell the remarkable story of graft in every department of the city and state government. He says that every city department has its graft charges for any kind of favor. (*Gimme*, p. 5.)

"After every catastrophe, fire, collision, or serious accident there are always investigations and more investigations, but rarely any convictions. . . . As a rule plenty of money is expended in such cases to keep the wheels of justice from functioning properly."

Feed Rotten Food

Tammany graft has gone so far that decayed meats are fed to the sick, and infected milk is given to babies and children in schools and hospitals, Lavine relates in his book on New York graft. About the pettiest type of graft—but an indication of how thorough the grafting system of New York is—is related by this reporter:
"Recently I encountered a cop who during this unemployment crisis was petty enough to shake down peddlers for twenty-five cents, because they had no license."

These are just minute details of grafting in New York. Tammany Hall is able to keep it going and to keep the lid on. The republicans and socialists unite to "investigate" Tammany Hall, but neither of them wants the basis for graft—capitalism—wiped out. The republicans and socialists find graft muck-raking a good vote-catching trick. The socialists hope by "cleaning up" the more crude aspects of Tammany grafting to make capitalism and its city governments more palatable to the workers. Commenting on the Seabury "investigation" in New York and how much the socialists expected from it, Norman Thomas summed up the socialist attitude towards the grafting capitalist system: "Until people have faith in the honesty of government, they will not trust government as their servant," wrote the Reverend Thomas in the New Leader of April 25, 1931. He even asks the workers to believe in the Seabury investigation as a partial means of "cleaning up" graft and thereby instilling "faith in the honesty of (capitalist) government."

**Ford and General Motors In the Graft Scheme**

Detroit is a clearing house for bootleggers who smuggle booze over the Canadian border. Liquor is a rich source of graft as are also the vice dens. The big automobile plants, particularly Ford and General Motors, contribute their share of graft and receive good service from the government and gangsters of Detroit. Most of the Ford workers live in Detroit, but Ford has his factories located in suburbs near Detroit so he will not have to pay taxes to the city of Detroit. In these towns, such as Fordson, River Rouge, Dearborn, etc., Ford rules the town governments. He has an army of private police at his plant who on more than one occasion have murdered workers and
been given the thanks of the Ford officials. Ford though he avoids paying taxes to the city of Detroit, makes heavy contributions in other ways, as to the campaign funds of the city politicians, in loans to the Murphy government, and in outright graft cleverly covered up.

The growth of Detroit is similar to that of Chicago and the development of graft for a while outstripped that of Chicago. Yet in Detroit we have the interesting spectacle of a united front, reaching from Ford through the American Legion, into gangland, and directly into the socialist party.

This process has an interesting history. In November, 1929, Mayor Charles Bowles was elected to office. Bowles was supported by the Ku Klux Klan, the real estate operators and the gangsters of Detroit. Ford contributed his share to the Bowles’ election fund and got plenty of protection against the workers from Bowles.

Graft, crime and vice had always been a source of income for politicians long before Bowles came on the job. But Bowles made up his mind to organize it into a system so that the greatest share would flop right into his pockets. Instead of permitting the 15 police precincts to “clean up” vice—that is, to list the speakeasies, bawdy houses, and collect the graft—he organized a central vice squad, under the direction of Police Commissioner Emmons, a Ford man, so that the main booty would come into the mayor’s office.

Police Commissioner Simmons, who had a “respectable” front, objected when Bowles introduced James D. Witte, head of the slot machine gambling business in Detroit, to the chief of police so that they could do business on a better basis. Emmons finally resigned and an experienced gunman by the name of Wilcox was given the job. Mayor Bowles did all his grafting on a big scale. Frederic L. Smith, writing in the Outlook, in an article entitled “Detroit Apes Chicago,” tells of some of Bowles heavy grafting. Bowles appointed John Gillespie as Commissioner of Public Works.
“Curiously enough,” wrote Smith, “Mr. Gillespie’s private interest coincided closely with the position to which Mayor Bowles has appointed him. Gillespie represented, for example, a certain bond company which accommodated the majority of contractors engaged in construction work for the Department of Public Works of which he was the head. Mr. Gillespie was likewise financially interested in the Detroit Reduction Company which held a $400,000 contract from the city for the disposal of garbage and waste.”

From this connection with Bowles, Gillespie raked in hundreds of thousands of dollars, if not millions — and Bowles got his share.

Gambling, which was run on the quiet before flourished openly. Right from Mayor Bowles’ office you could see one of the largest gambling houses in the city. Murders became more frequent. Crooks from smaller towns flocked in to help Bowles along. In the struggle for the vice proceeds many shootings resulted. Within eleven days ten gang murders occurred. Chief Commissioner Wilcox thought it was a good thing. He knew the killings were ordered from the higher ups to insure the smooth flow of graft to the big officials and capitalists.

“So long as they confine their shootings to their own kind,” he said, “there will be no police drive or any increase in the squad assigned to such cases.” Of course, the police squad to terrorize militant workers and Communists was increased.

**Sharper Graft Struggle**

During Bowles’ reign, the economic crisis came on with tremendous force. Tens of thousands of workers were thrown out of work in the automobile plants. Huge unemployment demonstrations took place. More than 100,000 took part in the March 6 unemployment action. The police beat up and attacked the unemployed.

In this period, the struggle for graft became sharper.
Because of the disintegration of the Bowles regime, the big automobile capitalists engineered the end of the Bowles administration. They did not mind Bowles' grafting, but they required more efficient methods and greater attacks against the workers. On June 20, for the first time in the history of any large American city, a recall referendum was voted, which meant that new elections were to be held, in which Bowles would be a candidate. Henry Ford was against Bowles' recall. He got good service from this grafter. When Bowles was finally recalled, however, Ford supported Mayor Murphy who succeeded the deposed Mayor.

In the election which followed, Raymond, an auto worker, was the candidate for the Communist Party.

Socialists Help Mayor Murphy of Detroit Hide Graft

The leading candidates for the capitalist parties were Bowles, Engel and Judge Murphy. Murphy was an ambitious demagogue who put forward all sorts of fake slogans about "cleaning up" the city, favoring relief for the unemployed, and other phrases to catch the votes of the discontented workers. Behind Murphy was lined up the Socialist Party, big automobile company interests and the fascists of the American Legion.

One of the leading supporters of Judge Murphy, later Mayor Murphy, was Gerald E. Buckley, a radio announcer on station WMBC. Buckley made nightly talks favoring Murphy and exposing the obvious graft of the Bowles regime. Meanwhile, Buckley himself was aligned with the leading bootlegging ring in Detroit. For example, the Detroit Times, a Hearst newspaper, which at first supported Bowles, and later became one of the staunchest defenders of the Murphy regime, charged Buckley was not only a bootlegger but made money from blackmail.

"Buckley also was known as an associate of underworld racketeers," they said, "and had been accused many times of using the radio for blackmail."
On July 24, Murphy was elected. Gerald Buckley had just finished announcing the election returns. He was sitting in the lobby of the Hotel LaSalle when three gunmen walked up to him and shot him dead. A hue and cry went up throughout the city, and Mayor Murphy promised a thorough investigation and clean-up of the gangsters.

Of course, nothing of the kind happened, or could happen. The gangsters continued to reign as before, supporting the Murphy regime.

The Ford Motor Co., and the Ku Klux Klan backed the old experienced grafter, Mayor Bowles, in the election. Ford circulated a petition for Murphy’s nomination in order to divide the opposition to Bowles. But after Murphy proved his grafting ability and his efficiency in fooling the workers as well as his devotion to the interest of the big automobile bosses, Ford made an alliance with the Murphy regime. On June 30, 1931, the Ford Motor Co. loaned the Murphy government $5,000,000—for which Ford was given heavy concessions. The Murphy government was entering a financial crisis, due to graft and the favoritism to the big corporations in taxes. It looked to Ford for help and got it. Ford, despite the fact that he opposed Murphy, because he is a catholic, now is on the inside, getting his share. Ford’s loan was made to Murphy with the understanding relief for the jobless would be cut.

Mayor Murphy promised to find and prosecute the murderers of Buckley. But who were the murderers? It was very clear to everyone in Detroit that the job had been engineered by Mayor Bowles and Police Commissioner Wilcox. They approved openly of killing rival gangsters. Now how did Murphy attempt to solve the murder? First he issued warrants for two Italian gangsters, A. Livechi and T. Pizzano. Instead of directing the fire against the real killers, Murphy turned the whole campaign into an attack on the foreign-born workers of Detroit. He used the occasion of the arrest of Livechi and Pizzano as an
excuse to discharge all foreign-born workers employed by the city. On February 5, 1930, he ordered all foreign-born laborers dismissed. This was how Murphy was going to “solve” the unemployment problem and to revenge the murder of Buckley.

In October, 1930, Murphy called a grand jury together to “investigate” the Buckley murder. We have already seen what happened to the grand jury investigation in Chicago of police graft under Thompson-Cermak regime. The same thing happened in Detroit. The grand jury proceedings brought out piles of evidence linking the police department with graft and gangsters, and for this reason it was ended without any solution of the Buckley murder. However, we get a few interesting sidelights from the investigation, though most of it was kept secret.

One of the witnesses, a convicted crook by the name of Andrews, told of the connection of the police department with kidnappers. Here are extracts from his testimony:

“When I walked the street a certain officer always approached me and said, ‘give me fifty dollars.’ And I had to give it to him, or go to jail whether he had anything on me or not.

“One (police officer) was sore at the other, because he thought he is taking the most of the underworld graft and they had a fist fight over it in Al Thorpe’s saloon.

“I swear that one of the officials of the police department told me once, when I did not give him graft—‘why don’t you pull off some job and spread a little money around and we will not be throwing you in jail all the time.’”

This sort of thing Mayor Murphy did not want the workers to know. So the grand jury investigation ended. There followed in the early part of 1931, the trial of Pizzano for the murder of the radio announcer Buckley. But this too was more than Murphy bargained for, as it threatened to reveal the connection between the Murphy
administration and the criminals, such as existed in the Bowles' regime. In the midst of the trial, the prosecuting attorney, Toy, was stricken with an unexplained "illness" and the trial was suspended indefinitely.

While under the Murphy regime not one jot of the underworld is changed, the Socialists praised Mayor Murphy as the Socialist messiah. This was of inestimable value to the big industrialists of Detroit. The struggles were growing sharper every day. Wage cut followed wage cut. Unemployed workers were being poisoned by rotten food, given out at Mayor Murphy's "charity organizations." Graft was again allotted to the 15 police precincts, but Mayor Murphy was given a "respectable" front.

The New York Socialist paper, the *New Leader*, repeatedly praised Murphy. In this, it was joined by the liberal weekly, the *Nation*. Rev. Norman Thomas, who approved of the grafting head of Tammany Hall in New York, Mayor Walker, took a special trip to Detroit, to pay his compliments to Mayor Murphy. This made it easier for Murphy to cut unemployment relief to help Ford and the Wall Street bankers.

*Mellon's Philadelphia Grafters*

Andrew Mellon, billionaire secretary of the United States Treasury, rules in Philadelphia, and in all leading cities and industrial towns of Pennsylvania. He and the other leading capitalists make full use of the gangster machine in Philadelphia, Pittsburgh, Chester and elsewhere.

Philadelphia is ruled through the William S. Vare political machine, headed by Mellon; Edwin Stotesbury, head of Drexel & Co., bankers; Philadelphia branches of J. P. Morgan & Co.; Albert M. Greenfield, realtor and banker who was involved in the Bankers Trust Co., which failed in 1930, and W. W. Attesbury, president of the Pennsylvania Railroad Co.
The vice districts and the dens of the gangsters are mainly owned by Vare himself. There is comparatively little fighting for the spoils, as the Vare machine has organized its booze, graft and crime so that the profits flow into one main center.

Graft from city construction work is handled by the Vare Contracting Co. and affiliates, and all vice concessions go to the ward leaders who split up with the police.

**Beautification Costs $100,000,000**

In 1927-29 nearly $100,000,000 was spent for the "beautification" of the city (Art Museum, Public Library, parkway beautifications) which proved to be a grand source of booty for the Vare-Mellon machine. Vare got the City Council to erect the Sesqui-Centennial on property owned by him in the South Philadelphia marsh-lands.

The Democratic Party which receives on an average of 5,000 votes is in reality a tail-end of the Vare machine. The vote in all 48 wards is almost solidly Republican. The Republican clubs are the centers for semi-professional and professional gangsters and are the nucleus for handing out patronage in the wards and precincts in return for delivering votes for the machine.

For a while Mellon and Vare fell out, because Vare was ambitious enough to don the Senator's toga, and show that his city grafting ability could be applied with advantage to the Federal government. Vare returned to the Mellon fold in an alliance against the Pinchot attempt to control the Republican machine in Pennsylvania. Mayor Mackey of Philadelphia for a while also broke away from the Vare machine, but this was played up and used to advantage with the "upright citizens." Behind the scenes a truce was patched up and Vare held his own.

All judges are Vare appointees. Judge McDevitt, who issued injunctions against striking hosiery workers, shoe workers, needle trades workers with automatic regularity, is a Vare man and depends for his election to office on the Vare gangster machine.
Later Governor Pinchot of Pennsylvania, the "liberal" showed how effectively he could use state gangsters to starve, shoot and kill striking miners.

**Al Capone's Asylum**

When Al Capone sought to escape death at the hands of the "Bugs" Moran gang in revenge for the St. Valentine Day massacre in Chicago, he came to Philadelphia, arranged to have a concealed weapon found on his person (this job of carrying weapons Capone usually leaves to his personal gunmen) and was given fine treatment for a year in the Philadelphia prison, secreted and protected from his avenging enemies. While the surface indications in Philadelphia, like Boston and some of the other cities where all seems "quiet," are not quite so hectic as those of New York, Chicago and Detroit, the system is the same; the alliance of the gangsters and the big politicians and capitalists is firm throughout the whole structure.

**Small Towns, Big Graft**

The smaller industrial cities and towns have their grafting politicians and gangsters, but it is only natural that the best and most efficient gravitate toward the larger cities.

In Oak Park, Ill., on March 20, 1931, when James M. Feron, police magistrate, was tried for robbing $15,000 from city funds, he was merely told not to graft so openly and placed on probation for six months. During the past year tens of thousands of unemployed workers have been given jail sentences from six months to life for stealing bread or other food! In Buffalo, N. Y., a young unemployed worker was shot dead for taking a loaf of bread. For the crime of being unemployed, workers are arrested on vagrancy charges and sent to the chain gang. But the small town capitalist grafters get a reprimand and their liberty for being so foolish as to dabble in just thousands of dollars.
Typical of conditions in the highly industrialized towns is Chester, Pa. It has a population of 73,000. Many important industries, such as the Sun Ship and Drydock Co., the Viscose Co. (rayon), the Baldwin Locomotive Works, the Ford Motor Co., the General Steel Casting Co., and numerous textile mills are located there.

The McClure Republican machine runs Chester, as well as Delaware County, in which Chester is situated, in the interest of the bankers and these big corporations. As payment for their skillful brutality and terror against the workers, the McClure machine is given free reign to exploit all vice and graft possibilities. The pay of the company gunmen is not all in the checks they get for strike-breaking; they are allowed free reign in running bootleg joints, bawdy houses, dope dens and gambling joints. The city is honeycombed with these places. There is at least one speakeasy to every 73 inhabitants.

McClure gets his weekly percentage from all these places. The city police are paid $5 a night to protect the truckloads of rum taken off the boats. Chief of Police Vance and Mayor Turner, as well as Chief Magistrate Berry get their share. So great is the riot of vice in Chester, that the Vare-controlled Daily News of Philadelphia expressed its disgust with the rawness of the methods use.

Recently several constables and city officials tried to break away from the McClure machine and go into business on their own hook. For their pains they were framed up (again an easy matter) and received short jail terms.

$2.00 For Badges

There are thousands of other small industrial towns where vice runs wide open, where gamblers, gangsters, beer runners and grafters flock. A worse place than Gary, Ind., owned lock, stock and barrel by the United States Steel Corporation, exists hardly anywhere; Hammond, Ind., South Chicago, South Bend, are similar; nearly every city is a cesspool of crime, vice and graft. In
Hackensack, N. J., Sheriff Reilly sells police badges to any crook who wants one at $2 a piece. In Vernon, Cal., near Los Angeles, the prosecuting attorney, Woolwine, had a brother who owned nearly every house of prostitution in the city. It was on this monopoly that the prosecuting attorney based his power. In return he for a long time guaranteed his brother a lone hand in the bawdy house business.

*Graft in Washington*

The story of the graft in the federal government, the central state power of the capitalists in the United States, is a long one. In certain periods enough of the truth cropped out to show that graft reaches into every department of the United States Government. It is not necessary to go back to the regime of President Grant, when jobs were sold openly and when Grant permitted bankers to mulct the treasury of millions. Nor is it necessary to remember the war days under the Wilson regime, when the so-called dollar-a-year men filled their pockets out of government funds while they drove the workers to slaughter in France.

The most glaring example, not because it is unusual, but because it was brought to light spectacularly through the mysterious death of the President, was the Harding regime, in which Andrew Mellon, Secretary of the Treasury, was the leading figure.

The much-talked of Teapot Dome scandal, when the Harding Ohio gang shelled out millions in government oil lands to the Fall-Doheney crowd, was just a small portion of the general grafting, which went on. Gaston B. Means, now used as an anti-Red spy, in his book about the Harding regime in which he took a leading part says that nearly every cabinet officer in the Harding government was a double-fisted grafter. President Hoover was Secretary of Commerce under Harding; Coolidge was vice-president, and both of them had the odor of the Teapot Dome oil scandal clinging to them.
**Hoover Regime Graft**

Under the Hoover regime, Ralph S. Kelley, the director of public lands in Colorado charged the Secretary of the Interior Wilbur with turning over a large share of the government oil shale lands to the Standard Oil Company. He wrote a series of articles in the *New York World* stating that oil lands valued at forty billion dollars were being given away by the Hoover government. For this information he was discharged.

Hoover was not above even petty aid to close friends in the grafting line. The foremost instance is the $75,000 earned by Hoover's personal attorney, Edwin P. Shattuck. Shattuck was paid $75,000 graft because he was closely associated with Hoover and promised to use his influence with Hoover to get lower tariff rates on Cuban sugar for the Cuba Co., a $170,000,000 sugar corporation owning Cuban sugar lands. Cuban sugar barons (that is, Wall Street banks) got the lower tariff from Hoover. Mr. Shattuck got his $75,000 graft. All these matters were brought out in Senate hearings.

A company in which Herbert Hoover, Jr. was an officer was given a government air mail contract. No other company could bid for it.

**The Gangsters and Washington**

The gangsters in the city wards, in the city governments, in the state capitalist political machines contribute liberally to the election of the presidents in the Republican and Democratic parties. Tammany Hall and large interests in Wall Street, were solid behind Al Smith for president on the Democratic ticket; Thompson, with all his gangsters, the Vare Machine in Philadelphia, and Wall Street, were behind Hoover for president. The same gunmen who are employed for city elections are used to insure presidential votes. The line-up begins in the vice dens, as usual, and goes on up. It reaches into the national conventions of the Republican and Democratic
parties, even though the "respectable" elements, directly representing the capitalists who supply the largest share of the campaign funds, guide the proceedings of nominating presidential candidates.

The Capitalists "Investigate" themselves

In all cities when graft becomes so riotous that even the blind begin to see where it leads, a hue and cry for "investigation" arises. Foremost among these crusaders for the purity of capitalism are the Socialists. In New York they want the courts "cleaned," they want the workers to have more faith in capitalist judges.

On March 23, 1931, a two-day conference was called by the State's Attorney of Chicago, John A. Swanson, to consider "means of stemming the rising tide of crime." To this conference came the prosecuting attorneys of many cities. That State's Attorney Swanson of Chicago should tell his fellow-prosecutors how to stem the "rising tide of crime" is indeed presumptuous. Swanson's office is the clearing house for criminals of Chicago.

However, some interesting sidelights were brought out by some of the prosecuting attorneys. Edward J. Goff, County Attorney of Minneapolis, said that the army of criminals in the United States (mainly tied up with the capitalist political machines) numbers 500,000, and is increasing annually at the rate of 25 per cent.

"In one year," he declared, "9,000 men, women and children were murdered in this country and from this holocaust of lawlessness there resulted 4,500 arrests and only 750 convictions." He said there were 325,000 men and women confined in 5,000 penal institutions in the country—of course, none of them are the real leaders of the gangsters or criminals. He said the number in American prisons (most of whom are forced to labor for the profits of private bosses) is "greater than the total sent to Siberia in the Czarist regime."

On top of this seething sewer of graft, crime and mur-
Whitewashed

Drawn by Burek
der the function of the capitalist reformer and investigator of crime is to spread a veneer of lies to fool the masses into believing that capitalism is advancing and is not really a monster based on bloodshed and murder.

_Grafters and Fascism_

Once in a great while one of the more indiscreet gangsters or grafting politicians is forced to serve a short time for his misdeeds—not because he grafted, but because he didn’t abide by the rules. Often, too, when a gangster double-crosses his big chief he is framed-up (this is always easy) and made to pay for his errors. It is these cases that the capitalist reformers hold up as “proofs” of their winning battle against crime and graft.

But there is a more serious result of the campaign “against” the growing gangsterism and graft. The capitalists use it as a weapon against the foreign-born workers. The capitalist papers, to hide the real connections of the underworld, pick out some of the tools of the gang chiefs who happen to be foreign-born and preach long sermons about the necessity for strengthening the deportation laws. It is not even these criminals they are after. The whole force of the deportation laws, worked-up on popular sentiment against the terrorism of the gangsters, is directed against the militant, foreign-born workers who organize with the American workers against wage-cuts; who fight for unemployment insurance and against the worsening of their standard of living.

_Deport Workers_

The drive for deportation of gangsters can never reach the Al Capones, the “Legs” Diamonds, the Bill Dwyers, the “Bugs” Morans—that is, the real leaders, the organizers of the grafting, murdering, booze-running and dope-peddling crews. All of them are 100 per cent Americans who vote regularly and often at all elections. They
are the best supporters of American capitalism, and will become one of its most stalwart protectors when the fascist murderers are needed to mow down revolutionary workers.

The misleaders who have gangster-machines built up by the bureaucrats in the trade unions are the most vicious enemies of the workers seeking to build broad mass revolutionary unions, who fight gangster methods in the American Federation of Labor. Such gangsters as Alderman Nelson, an official of the Chicago Federation of Labor, are among the most rabid supporters of American imperialism.

Thus we see that the roots of gangsterism, graft and crime have their origin in the development of American capitalism. Today it is powerfully interwoven with the enemies of the workers, has become part of the capitalist government machinery and is inseparable from it.

After the stock market crash of 1929, the economic crisis which hit all basic industries and threw 10,000,000 workers out of employment, had its effects on the bootlegging and grafting business. It narrowed the available graft and profits for murders, vote stealing, and other services of the gunmen. This resulted in a struggle for a division of the spoils, sharpening the warfare between the remaining big gangs and capitalist politicians. Particularly is this shown in many features of the city elections in Detroit, when Mayor Murphy was elected after a gang killing; we see it in New York, in the bickering between the Smith-Roosevelt faction and the Walker outfit in the New York Tammany grafting machine; in the Chicago city elections of 1931, following the crooked primaries when Mayor Thompson and Judge Lyle openly charged each other with being representatives of gangsters and grafters. Thompson's history is too well known to need further proof to substantiate these charges. Judge Lyle was the Chicago Tribune's tool, enemy of the unemployed
workers, and spokesman for every gangster in Chicago who resented Capone's virtual monopoly of bootlegging, murdering and police protection.

Preserve Robbery System

The gangsters are interested in the preservation of capitalism, its system of exploitation, robbery and graft. They side with the capitalists on every phase of the struggle against the workers. They are part of the capitalist government and only with its end will they be destroyed.

As the struggle of the workers against increasing unemployment, speed-up, against the lowering of their standard of living grows sharper the capitalists begin to use more fascist tactics—that is open and brutal dictatorial methods in attempting to suppress the workers. The criminal syndicalist laws are used more frequently in jailing workers. Revolutionary workers are jailed on the slightest pretext or on no pretext at all; frame-ups of workers become more frequent.

The gangster element is used against all workers who organize against wage-cuts, speed-up, for unemployment insurance and for a revolutionary fight against capitalism and all its rottenness. When 40,000 miners in Pennsylvania, Ohio and West Virginia struck against starvation, the coal operators combed the dives of Pittsburgh and other graft-ridden cities for gunmen and gangsters to shoot down strikers.

In Germany the fascists have already given an example of the role the American gangster will play as the class struggle grows sharper. The murder of Ernst Henning, Communist member of the Hamburg City Council by three Fascist gunmen in a lonely bus, in March, 1931, was in the fully approved style of Capone and "Legs" Diamond. In organizing their fascist hordes against the workers, the capitalists will use as their storm troops the whole tribe of gunmen, dope-peddlers and gangsters in the United States. They will be invaluable allies for the bosses in
preserving capitalism, and its whole system of graft and boodle; their experience in terrorism will be fully used by the rich against the workers. It will be a labor of love for the gangsters. They, in full sympathy with their capitalist backers, do not want capitalism destroyed, as it will end their basis for existence.

We have already shown how the crisis intensifies the terror against the workers and what function the gangsters play at this period. It is not their friends, the gangsters, who the capitalists are interested in jailing or deporting, but it is the revolutionary workers who lead the struggle for unemployment relief against wage-cuts and against capitalism with all its rotten props.

How Gangsters and Graft Will Be Wiped Out

The capitalist system throughout the world is being shaken to its foundations. The richest country in the world has the largest unemployed army and is in the throes of a drastic pay-cutting drive. In this campaign they use most brutal forms of terror. As the capitalist state increases its suppressive action—it assumes more and more open fascist forms. The courts, which are so kind and considerate to the gangster friends of capitalism, mete out long jail terms wholesale to militant workers. While the cry for deportation of gangsters is raised in the capitalist press, this propaganda is used for deporting revolutionary foreign-born workers. Lynchings grow in number, as do all other forms of violence against the workers. In this development of the capitalist state machine, so firmly rooted in gangland as well as in capitalist exploitation, the exploiters more and more directly employ gangsters against the workers.

In the American Federation of Labor gangsterism and graft had an early start. The officials of the A. F. of L. who already act as the fascist vanguard for the bosses, base their power on the support and bribery of the capitalist class, buttressed by an army of gunmen. We see Will-
iam F. Green, president of the A. F. of L., make a fascist agreement with Hoover and the leading capitalists of the United States in November, 1929, wherein Green and other officials of the A. F. of L. agree that during the crisis there will be no strikes against wage-cuts or for higher pay. It is the gunmen in the local city and state federations, who did their duty to see that this policy was adhered to.

Further still, the American Federationist in 1930 carried an article entitled “How Capitalism Can Save Itself.” The answer given by the American Federation of Labor is that capitalism can save its system of starvation, misery and exploitation of the workers, its system of bribery, graft and corruption by a fascist rule. In this rule the A. F. of L. officialdom offers its services. To the fascist standard will flock every gangster and gunman in the United States. It is to their common interest to keep back the advancing revolutionary tide by every means.

Socialists and Fascism

In this process the socialist party plays a useful role for capitalism. In Germany, the socialists protect the fascist murderers, they preserve capitalism, helping build up fascism as the final bulwark against working-class revolution. In Britain, the British labor party, part of the socialist international, creates within itself the fascist party from its “left” elements, such as Sir Oswald Mosely and J. J. Cook of the Miners’ Federation. It orders the slaughter of Indian, Burmese, African and Chinese workers and peasants to preserve capitalism the world over and its imperialist rule.

It is clear that the crime crusades of the capitalists are not intended to end graft, corruption or gangsterism. They have for their end to make the workers believe there is a division or separation between capitalism and its lawful offspring. Under capitalism it can never be wiped out, as it is born and bred in the flesh of the capitalist system.
In the Soviet Union, where the workers and peasants have established their rule, the cess-pools of crime, graft, corruption and pogroms of the Czarist regime have been wiped out. The few stragglers of the corrupt capitalist regime of Czarism, who have not yet been cleaned out, quickly meet their punishment at the hands of the proletarian dictatorship. Grafting is a crime punishable by death, a crime against the entire working class. In the Soviet Union, where the workers are building a new life and a new society, advancing to Socialism under the Five Year Plan, a Capone, a "Legs" Diamond, a Jimmy Walker or a Cermak, J. P. Morgan, Mellon or Rockefeller are as foreign as a Caligula, a Torquemada or Borgia. They are relics of a past age. In the capitalist lands these black hundreds thrive and grow, and increase in power in the decaying body of capitalism.

As the decay of American capitalism spreads, the fascist elements will grow, strengthening the underworld. It is no accident at all that in the Chicago, New York, Detroit, Pittsburgh, San Francisco and Los Angeles courts, that is, those cities in which the gangster element is most clearly intertwined with the capitalist political machine, the terror against the worker is greatest. The courts in all the capitalist cities are used most effectively against the workers and not against organized criminals.

Organize Workers’ Defense Corps

Against this alliance of the bosses and the gangsters, the workers must organize their forces for struggle in the Trade Union Unity League in the Unemployed Councils. In every strike gangsters will be used more frequently against the workers. Only the Trade Union Unity League, with the support of the Communist Party and the Young Communist League, puts up an effective battle against these black hundreds and the fascist leaders of the American Federation of Labor.
The only force that will effectively smash this gang in the everyday battles against wage-cuts and for immediate jobless relief is the solid organization of the workers in militant trade unions. Against all forms of terror—attacks on the foreign-born and Negro workers, slugging of pickets in strikes, killings of militant union men who urge workers in the A. F. of L. to strike against the wishes of the gangster leadership—the workers must organize their own defense corps. This is an effective means of smashing the gangster attacks as well as the attacks of the police, carried on at the order of the bosses.

The workers in the Soviet Union have shown the way to rid the working class of the entire strata of capitalist parasites under whatever name they appear.

The Communist Party in the United States, in organizing the workers for struggle against wage-cuts, for the building of the mass revolutionary trade unions, against speed-up and for unemployment insurance, at every step in fighting the capitalist masters, carries on a struggle as well against their minions in the A. F. of L., in the capitalist courts and in the police departments.

But it will be the overthrow of the capitalist system under the leadership of the Communist Party, the establishment of the dictatorship of the proletariat and the rooting out of the whole mass of capitalist relations that will finally put an end to gangsterism, graft and the murder reign used by the capitalists against the workers.
Other

Pamphlets and Books

Dealing with Capitalist Violence and Terror Against the Working Class.

Fight Against Hunger, Statement of Communist Party to Fish Committee .................. .05
Lynching Negro Children in Southern Courts, by Joseph North ................................. .05
The Frame-Up System, by Verne Smith ................................................................. .10
Steve Katovis—Life and Death of a Worker, by A. B. Magil and Joseph North ........ .10
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