

# GRAFT AND GANGSTERS

BY HARRY GANNES



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*Capitalism's Twins*

By HARRY GANNES

**B**UGS" 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 henchmens' 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 Thompsons, 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 monarchical 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 Binghamton, New York, with the































































































































