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## THE MYTH OF THE WIDE-OPEN TOWN

Virgil W. Peterson

The following was delivered as an address by the author on June 30 in Miami before the newly-organized Law Enforcement Institute of Dade County, Florida. Mr. Peterson is Operating Director of the Chicago Crime Commission. He is an Associate Editor of this JOURNAL. In our last volume he published two major articles: "Why Honest People Steal," in Number 2 (July-August, 1947) and "Facts and Fancies in Crime Prevention," in Number 5 (January-February, 1948).—EDITOR.

Government consists of institutionalized social relations. And according to some of our most learned scholars on government, all social relations are "myth-born and myth-sustained." In the field of municipal government, a myth has been developed and sustained in many cities that a wide-open town policy is good for business; it increases wealth, prosperity and happiness; the government that pursues the wide-open town policy is a good one and is deserving of public support. Perhaps no myth has ever produced more ruinous consequences or heaped more disgrace upon American democratic institutions than the myth surrounding the wide-open town policy. This was the myth successfully sold to the people of New York by Tammany Hall's William Tweed, Richard Croker and Jimmy Hines. It was the myth of the vice lord and political dictator "Nucky" Johnson of Atlantic City, New Jersey. It was the myth of Big Bill "The Builder" Thompson and the Kelly-Nash machine of Chicago. It is the myth that has made Miami and its environs a mecca for many of the leading gangsters from all parts of the United States.

The organized crime problem in this country with its tremendous political implications is traceable to the wide-open town myth which has been sold to an unthinking citizenry by the leaders of corrupt political machines. The history of municipal government in many cities has been a disgrace to our civilization. And the pattern of corruption is largely the same. In many cities democracy has been perverted for the selfish interests of cunning politicians and ruthless criminals. Chicago got the reputation of its Capone gang; New York City its Murder, Inc.; Kansas City its Union Station massacre.

Several decades ago when citizens of Kansas City began complaining of the numerous burglaries, robberies and murders that were being committed there, the Pendergast machine offered a solution to the public. The people were informed that petty misdemeanors, such as gambling, should be overlooked by the police who could then concentrate on the more serious offenses. It was explained that the gambling profession would even cooperate

with city officials in coping with the robbers and murderers. Many Kansas City businessmen and substantial citizens accepted the wisdom of this homely Pendergast philosophy and it was accordingly adopted. But the machine had not yet established itself as the absolute master of the city and state and occasionally an official not subservient to the local political organization failed to understand the wisdom of the policy of tolerating wide-open gambling. For example, in 1929 and 1930, Major John L. Miles, Chief of Police of Kansas City, had the audacity to raid gambling joints. There was immediate retaliation. The Pendergast-machine-controlled city manager, Henry F. McElroy, tied up the wages of policemen for many months; he interfered with the police benefit fund and wrangled over the police budget. Sterner measures had to be taken and in 1932, Tom Pendergast succeeded in having legislation enacted which gave the Pendergast machine city manager Henry F. McElroy, control over the police department. Gambling was officially tolerated and it flourished. The same was true of every other type of crime and vice. The City Manager of Kansas City was merely an office boy of the Pendergast machine. His control over the police department was to a large extent illusory. One of the real powers in the administration of the police department was John Lazia, the gangster gambling czar in Kansas City. It was John Lazia's voice that was influential in naming the titular heads of the police department. The police personnel turnover was rapid. A word from the gambling czar John Lazia made for success or failure within the police department.

In 1933 Tom Pendergast openly boasted that while gambling and slot machine complaints might be frequent, Kansas City afforded its citizens greater protection from violence and crime than any other American city. But that was only the usual prating of a machine boss. The die had been cast,—wide-open gambling, always a chief pillar of organized crime and political corruption, had resulted in powerful alliances between officialdom and the underworld. Kansas City had become the most wide-open town in the United States,—a haven for the toughest gangsters from every part of America. The officials who had utilized the underworld in maintaining political dominance had created a monster they could no longer control. The underworld was completely out of hand. In May, 1933, the daughter of the city manager, Henry F. McElroy, was kidnaped. John Lazia, the gangster, took over the task of raising the ransom money. She was released. On the morning of June 17, 1933, a brazen attempt was made to liberate the notorious bank robber and escaped federal prisoner, Frank Nash, who had been captured

and was being returned to the federal penitentiary. As officers emerged with Nash from the Kansas City Union Station, machine guns blasted forth. Five persons were killed, including two members of the Kansas City Police Department, a special agent of the FBI, a chief of police from Oklahoma and, ironically, Frank Nash himself. Two other officers were wounded. The massacre had been engineered by the outlaw, Vern C. Miller, who had been placed in touch with the killers, Pretty Boy Floyd and Adam Richetti, by the gambling czar John Lazia. In July, 1933, the kidnaping of the wealthy Charles F. Urschel in Oklahoma attracted nationwide attention. Ransom money paid in the case was traced to a prominent Kansas City criminal gang. In the same year a lieutenant of John Lazia attempted to kill Sheriff Thomas B. Bash.

In the March, 1934, election, fraud was rampant and it was conducted in Hitler fashion. Four people were killed and eleven seriously injured in election violence. The attention of the entire United States was focused on Kansas City. The United States Senate announced its intention to conduct an official investigation. John Lazia was then recognized in Kansas City as one of its most influential and powerful political figures. A short time later, on July 10, 1934, John Lazia fell in a hail of gangland bullets. Tom Pendergast's chief lieutenant and gambling overlord was dead. And, ironically, the gun which fired the fatal bullets had been used a year earlier in the Union Station massacre in which Lazia had figured. Kansas City still had to endure five years of the "rule of ruin" before Tom Pendergast was committed to the federal penitentiary May 29, 1939. Unfortunately, the story of the Pendergast machine is not the story of Kansas City alone. Disgracing the pages of American political history, comparable stories are recorded of many of our large municipalities.

The notorious Capone gang was spawned in Chicago during the regime of Mayor William Hale Thompson. Next to his advocacy of "punching King George in the snoot," Big Bill "The Builder" championed the cause of the wide-open town. And that is what the people of Chicago got;—open gang warfare on the downtown streets of Chicago. At times a virtual state of anarchy existed. A St. Valentine's Day massacre in which seven gangsters were lined up against a garage wall and mowed down like rats by rival gunmen, was neither the first nor the last of similar incidents that gained Chicago world-wide notoriety. Gangsters even surrounded the central police headquarters, lying in wait for a member of some rival gang who was being temporarily detained in custody. The Capone gang became strong and power-

ful. Officials in city, county and state governments owed their positions to this organized group of criminals. The police department completely capitulated to the lawless element. Legitimate businessmen took Al Capone into partnership in order to obtain the protection from violence which the duly constituted authorities were unable or unwilling to provide. A large number of businessmen paid tribute to this gang of outlaws.

Under the Kelly-Nash regime the criminal-political alliances continued to exert tremendous influence in the affairs of local government. Mayor Edward J. Kelly referred to his liberal town policy. This was merely a more refined terminology for Big Bill Thompson's wide-open town. Many streets were lined with handbooks. Policy flourished on Chicago's south side. Racketeers waxed fat. Gang killings were sufficiently numerous to keep alive Chicago's national reputation as a crime capital. Official pronouncements solemnly informed the public that the Capone syndicate did not exist. And official court records proved it;—not a single major member of the Capone gang was ever convicted and committed to prison in the Cook County Criminal Court. But an occasional federal court conviction gave an inkling of the fabulous incomes that were being derived by members of the Capone gang from illegitimate sources. Actually, the Capone syndicate had developed into one of the most powerful criminal organizations in the history of our country. Its base of operations remained Chicago but its insidious influence began to be felt in all parts of the United States. A plot hatched in metropolitan Chicago by members of the Capone gang resulted in a million dollar extortion from the motion picture industry. The ramifications of this criminal project affected businessmen from Hollywood, California, on the west coast to New York City in the east. Labor organizations, both local and national in scope, were taken over and exploited for the welfare of Paul Ricca, Louis "Little New York" Campagna, Frank Nitti and associates. This same group of Chicago gangsters organized a nationwide racing wire news service designed to monopolize handbook operations throughout the United States. The west coast representative of the Capone organization was the notorious gangster Benjamin "Bugsy" Siegel who had powerful affiliations with Frank Costello and his mob from New York City. Siegel, removed by gangland bullets a year ago, had been the gambling czar of Las Vegas, Nevada, where gambling is legal. The Capone gang, nurtured in the friendly official atmosphere of Chicago, had become a national menace. In recent months when four top-ranking members of the Capone syndicate serving federal prison sentences desired

paroles, they demonstrated their power by reaching out into Missouri, Texas and elsewhere to secure paid emissaries with strong political connections in the national government. Outstanding federal tax claims were settled. Pending indictments were dismissed. And these four top-ranking members of Chicago's notorious Capone gang with a history of three decades of murder, extortion and plunder, were released on parole after serving the minimum portion of the ten-year sentences originally imposed upon them.

The crime situation in any municipality today is not the problem of that city alone. Jack Guzik, former business manager of the Capone syndicate during the heyday of Al Capone and for many years the overlord of gambling in Cook County, grew to opulence and power in wide-open Chicago. But he is also a part-time resident of Miami. The same is true of the racketeers Charles and Rocco Fischetti, cousins of Al Capone, and Tony Accardo, frequently mentioned as the No. 1 ranking member of the Capone gang. Robert Larry McCullough, known associate of Ralph Capone, Frank Nitti, Paul Ricca, Charles and Rocco Fischetti, and at one time reputedly strong-arm man and terrorist for the Capone organization, has found Miami Beach as well as Chicago a good source of income. Ralph Buglio, a former Capone gunman, is a Miami Beach property owner. Both McCullough and Buglio were mentioned by police in connection with some of Chicago's much publicized gang killings many years ago. Even some of Chicago's notorious policy racketeers, such as Peter Tremont and Pat Manno, have been part-time residents of the Miami area. Peter Tremont and Pat Manno and other Chicago hoodlums closely affiliated with the Capone organization, were associates of Max Caldwell alias Max Pollock when he was riding high, wide and handsome as business manager of Local 1248 of the Retail Clerks Union in Chicago. Caldwell often transported these friends and other members of the underworld to Miami by airplane, paying all their expenses. When a suit was filed in 1941 for an accounting of union funds, a union representative testified he could find only sixty-two dollars of the nine hundred and ten thousand dollars Caldwell had collected as business manager of the union. Max Caldwell is now a Miami businessman and Peter Tremont as well as Ralph Buglio are Miami Beach property owners. Martin Guilfoyle, once named by the Chicago Crime Commission as a public enemy, divides his attention in the operation of handbooks between Chicago and the Miami area. But the wide-open policy of certain Florida districts has not limited its attraction to Chicago hoodlums. Joe Massei,

a prominent racketeer from Detroit with an arrest record including charges of robbery in 1920 and 1921 and murder in 1925 and 1933, is a resident of Miami Beach. He associates with John and Fred King, Cleveland hoodlums; Joe Adonis, New York gangster; as well as Chicago's Charles Fischetti, Jack Guzik, Ralph Buglio and others. And a few miles north of Miami lie the rich gambling fields controlled by the mob headed by Frank Costello of New York City who is frequently referred to as the lord of the underworld of the entire United States. His stalwarts include Joe Adonis alias Joe Dodo, Vincent Alo alias Jimmy Blue Eyes, Meyer Lansky and Frank Erickson from New York City. They maintain friendly working arrangements with Jack Guzik and Charles Fischetti of Chicago. Miami Beach has become a meeting place for big-time thieves and gangsters from all parts of the country. On June 8, 1948, Lewis Burton, a *New York Journal-American* sports writer, in an article describing the wide-open handbook operations in Miami Beach, said, "It serves as Exhibit A among American cities whose character is shaped and corrupted by the bookie racket." Yes, a wide-open town policy is good for business,—the gambling and racketeering business.

The citizens of any municipality in America obtain exactly the type of government they demand and for which they are willing to labor. They can have a wide-open town *or* good government. They cannot have a wide-open town *and* good government. The hoodlum and criminal element gravitates to those areas pursuing the wide-open town policy with unflinching certainty. And it is just as inevitable that these undesirables will exert tremendous influence in the affairs of government. The notorious gangster Bugsy Siegel of Las Vegas, Nevada, knew whereof he spoke when he said shortly before his death, "We don't run for political office, we own the politicians." The history of corrupt government in the United States proves the accuracy of this statement. During the reign of the notorious Pendergast machine in Kansas City, the city manager and the administration in general eventually fell under the spell of the lawless element headed by the gangster gambling czar John Lazia. Kansas City became a national scandal and it required the combined efforts of the federal government, a courageous governor, an outraged citizenry and the press to restore some semblance of decency.

The press in January of this year carried stories which received nationwide attention regarding the courageous fight being waged at that time in Miami against the lawless elements by the city manager, Richard G. Danner, who had the full backing of the mayor, Robert R. Floyd, and a former mayor, Perrine

Palmer, Jr. The press reported that a movement had been inaugurated to oust the city manager because of his insistence on the enforcement of the gambling laws and his fight against racketeers of all types. Richard Danner, whom I have known for many years as an honorable and courageous man, was waging a fight deserving the support of all citizens interested in good government. A few days ago a news story appearing in Chicago papers attributed the recent removal of Richard Danner, as city manager, to the influence of the gambling fraternity. If that interpretation is a correct one, then the shades of Kansas City of a decade ago are already falling on Miami.

Official encouragement and citizen tolerance of the professional gambling gentry are open invitations to gangster rule. This fact has been fully understood by men in public life who have truly represented our best leadership in municipal affairs. For the greater part of a century, Tammany Hall in New York City has been synonymous with corruption and misrule. And throughout that period the influence of the professional gambling fraternity was enormous. Beginning prior to the Civil War with the regime of Mayor Fernando Wood, himself in the gambling business, through the administration of Jimmy Walker in recent years, the influence on government of such gambling kings as Congressman John Morrissey, Big Tim Sullivan, Al Adams, Arnold Rothstein and Frank Costello to name a few, was of tremendous proportions. When Fiorello LaGuardia took the oath of office as Mayor of New York City, January 1, 1934, municipal affairs were in a sorry plight. Public confidence in government was at a low ebb. During his regime the financial standing of the city was re-established while at the same time a vast number of noteworthy civic improvements were started and completed. City government as a whole became characterized by its efficiency. The New York City Police Department was revitalized and gained nationwide recognition. A courageous commissioner of police, Lewis J. Valentine, long a foe of organized crime and dishonesty within the ranks of the department, was appointed and given a free hand. The old Tammany system, deeply entrenched, was difficult to uproot. But tremendous strides were made. And upon the conclusion of Mayor LaGuardia's tenure of office, it was generally conceded that New York City had been given the best administration in its entire history. Mayor LaGuardia was known as the implacable foe of the gambling interests. His warfare against this group was vigorous and continuous. His critics complained that LaGuardia was incessantly concerned with petty things like gambling. But La

Guardia knew what his critics failed to realize or refused to admit,—that organized gambling is the principal source of revenue of the underworld and the backbone of criminal-political alliances with attending corruption. LaGuardia knew that wide-open gambling and good government cannot exist side by side, and while many of his predecessors, who had been advocates of the wide-open town policy, had left office discredited and in ill repute, LaGuardia had demonstrated that good government could be a reality in the largest of all municipalities in the world. During the closing months of his administration in 1946, the world correspondent John Gunther wrote that LaGuardia was “one of the most original, most useful, and most stimulating men American public life has ever known.”

Today, the people of Chicago, for the first time in many decades, have an opportunity to rid the city of those criminal elements that have written such black pages in its history. Mayor Martin H. Kennelly is truly representative of Chicago's best citizenship. He is a man of unimpeachable character, with honesty and sincerity of purpose. He possesses a high sense of public duty and an intelligent understanding of Chicago's complex municipal problems. And organized crime, which has nourished the Capone syndicate and other criminal groups for many decades, has presented one of the gravest problems requiring a solution. During Mayor Kennelly's first year in office, a major blow has been dealt the underworld by materially shutting off the principal source of revenue of Chicago's organized criminal element. Open and notorious gambling establishments that operated for years with political protection have been shut down. Steps have been inaugurated to reorganize the police department on a sound basis. And there is genuine hope that Chicago is now on the road to achieve a good reputation in the field of civic decency.

Once the hoodlum element becomes firmly entrenched in any municipality, the task of restoring good government becomes a long, arduous one. It has been twenty-four years since the Town of Cicero, Illinois, a suburb of Chicago, was the scene of an armed invasion by gangsters. Al Capone himself led the foray in the interests of the election of a mayor. The entire city was terrorized from dawn until dusk. Citizens, policemen and a few gangsters were slugged, shot and killed. Al Capone's brother, Frank, was slain during the encounter. Another participant in the battle, Charles Fischetti, came through unscathed. Al Capone's candidate was elected and Cicero gained world-wide notoriety as one of the toughest little towns in the entire United States, a headquarters for the Capone gang. For twenty-four

years Cicero continued to operate in the worst traditions of the wide-open town policy. Three months ago a successful businessman of excellent reputation, John C. Stoffel, became town president. A patrolman, Joseph Horejs, without ties with the old regime, was elevated to the position of chief of police. For the first time in over two decades efforts to rid the town of its lawless elements have been stamped with sincerity. Illegal establishments that have operated around the clock for years have been closed. But the organized criminal groups, so long in the saddle, are not capitulating without a struggle. A few weeks after the order was issued to run the lawless element out of town, the president's car was stopped by a sedan load of men near the Cicero-Chicago border. Attempts were made to intimidate him. A brother-in-law of Jack Guzik of the Capone syndicate made an offer of one hundred thousand dollars to the chief of police to take the lid off gambling and vice in Cicero. All these efforts have been in vain. The stronghold of the Capone organization in Cook County has at last been penetrated due to the courage of the present leaders in Chicago and Cicero.

But good government entails much more than courage and high-mindedness on the part of official leadership. In the last analysis, civic decency stems from the people themselves. Where there is misgovernment, where criminals exert tremendous influence in local affairs, where standards of official conduct are low, the people usually have received exactly what they demanded. In every locality the people who want good government far outnumber those who represent the lawless and corrupt elements. But the criminal minority is organized; it is thoroughly familiar with its objectives and it is willing to expend sustained effort as well as money to achieve them. True democracy cannot be had for the asking. The good citizens must have organization; they must have direction; and the effort must be a continuing one. The people of Miami are to be congratulated on the civic leadership that has resulted in the formation of The Law Enforcement Institute of Dade County. This organization, if widely representative of the law-abiding citizenry, can give the sustained effort so imperative and the direction so necessary if the organized criminal minorities are to be prevented from making a mockery out of democratic institutions.

The greatest need in municipal government today is the development of a sense of citizen responsibility. Widespread lawlessness in any city is a mark of government failure. But the failure is one of the people themselves. The responsibility cannot be shifted. The counterparts of rights and privileges are duties and obligations. No privilege is possible nor can it remain secure

without the acceptance of the corresponding responsibility. There is no escaping the truism of Thomas Paine, "Those who expect to reap the blessings of freedom must, like men, undergo the fatigues of supporting it." Some time ago Ralph W. Sockman wrote, "The new era which we are now entering has been called 'the century of the common man.' The implication is that the dignity and value of the plain citizen are about to receive their long-overdue recognition. But this devoutly desired goal cannot be attained without a democratizing of the sense of mission. The common man must accept his Bill of Responsibility as well as claim his Bill of Rights. We cannot healthily have a government for the people unless it is a government by the people."