

CHAPTER XXI
THE BEER WARS

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CHAPTER XXI

THE BEER WARS

i. Origins. In the period immediately after prohibition, the former legitimate owners of breweries sought to dispose of their plants. Gangsters were often the purchasers of these breweries or else "fronted"; i. e., assumed ownership in order to face the rigors of the law, for the legitimate owners of breweries and distilleries which continued to run in disregard of the statute.

On February 23, 1923, it was reported that a gigantic conspiracy to control the sale of beer in Chicago had been uncovered. Torrio had, since 1922, already secured ownership or control of three breweries.¹ At the same time another group of men, headed by Terry Druggan and Frankie Lake, late of the Valley Gang, always lieutenants in charge of armed forces in the Eller elections of the Twentieth Ward, also began to come into ownership of breweries. They first purchased the George Hoffman Brewery—the transfer came through the hands of Richard Phillips, who had been a partner in Colosimo's Cafe, after the latter's death. Later Frankie Lake and Terry Druggan were operating five breweries with Joseph Stenson, former co-partner in the Stenson Brewing Company,—The Gambrinus, the Standard, the Hoffman, the Pfeiffer, and the Stege Brewing Companies. There was no war between Terry Druggan and Frankie Lake and John Torrio. They received their protection from the same sources under the first two administrations of William Hale Thompson and they controlled the same orderly organization of beer running.

Then Dever's administration came, with a genuine attack upon bootlegging as well as upon gambling and vice, and the consequent break-up of the feudal city-wide organization of crime and vice and politics. The system of the orderly allotment of territories and protection that had grown up under the Thompson administrations was suddenly destroyed. Even Torrio himself was not powerful enough to ward off arrest in the Sieben Brewery raid already described. Consequently, "the union of each for the good of all" under the leadership of Torrio was over. It was followed by "The war of each against all," in which the chief lieutenant of Torrio, Al Capone, became the leading contender for the overlordship.

The beer war started when the Spike O'Donnells on the south side tried to invade the territorial rights of the Saltis-McErlane gang, established under the Torrio rule.

During the four years prior to October, 1926, the years of the greatest activity for the control of the booze and beer business in Cook County, two hundred fifteen gangsters murdered each other. The police during these same four years, in literally running battle, killed one hundred sixty beer feudists and gangsters. Within the city limits of Chicago forty-two men were slain in the booze war during the ten months subsequent to January

¹ See Chapter XX. *Torrio as Overlord.*

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1, 1926. Within Cook County, for the same period, the total reached fifty-four. Neither of the latter figures includes sixty other deaths which were the result of frays with policemen.

2. *The South Side Beer War.* The campaign of the Saltis-McErlane group was first against the Spike O'Donnell brothers; later against the Ralph Sheldon gang, which split from the Saltis-McErlane gang. The catalogue of the principal casualties in the south side war follows:¹

CATALOGUE OF CASUALTIES IN THE SOUTH SIDE BEER WAR

- Sept. 7, 1923 Killed: Jerry O'Connor, O'Donnell slugger engaged in holding beer trade in line by slugging. Killed by Torrio gang.
- Sept. 17, 1923 Killed: George Meegan and George Bucher, of Spike O'Donnell gang, for threatening to disclose who killed Jerry O'Connor. Indicted: Oct. 30, 1923—Frank McErlane, Thomas Hoban, and Daniel McFall.
- Sept. 18, 1923 Killed: Tony Raymond, victim of south side beer war, possibly Saltis victim.
- Dec. 1, 1923 Killed: Thomas (Morrie) Keane, carrying beer from Joliet breweries. The first "take 'em for a ride" murder. Police theory, "hi-jacking" by McErlane gang. Wounded: William Egan—"hi-jacking." Indicted: Jan. 12, 1924—Frank McErlane, Joe Saltis, Willie Channel, Johnny Hoban, Ralph Sheldon, and Willie Neymoth. Case nolle prossed, April 9, 1924.
- Dec. 5, 1923 Killed: Dominic Armato, killed as one who may have taken part in the Keane killing.
- Dec. 18, 1924 Killed: Homer Finch, by Spike O'Donnell's gang. Was roadhouse owner; possibly *stick-up*.
On May 4, 1924, occurred the murder of Thaddeus Fancher, for which McErlane was later tried. Frank Cochran, the state's main witness, was murdered. After a notable legal contest, McErlane was acquitted. The same year, November 28, in a "hi-jacking" foray in Los Angeles, McErlane was held for a shooting and slugging. These two events are considered extrinsic of the beer war in Chicago.
- July 4, 1924 Killed: Alfred Deckman, slugged by Walter O'Donnell, who on July 23, 1924, was charged with murder. "Identification indefinite."
- Dec. 19, 1924 Killed: Leo Gistinson and Jack Rappaport; killed in revenge for Foley shooting.
- April 17, 1925 Shot: Walter O'Donnell, while "sticking up" a roadhouse. Died May 9.
- July, 1925 Killed: George "Big Bates" Karl, by Saltis-McErlane gang.²

¹ Interspersed with the actual beer war killings it has been necessary to bring in the other killings for which McErlane was tried, in order to bring all the episodes into proper perspective.

² Karl and Dickman were associates of Saltis-McErlane and it was said that the first was killed for his roll, \$12,000, and the second for having knowledge of the murder.

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- August, 1925 Killed: William Dickman. "Knew too much."
- Sept. 26, 1925 Attempt to kill: Spike O'Donnell, by Saltis-McErlane gang.
- Oct. 4, 1925 Raking by machine gun fire of the Ragen Colts Club House, Sheldon headquarters, by Saltis gang. Killed: Charles Kelly, mere hanger-on; Wounded: Thomas Hart, shot in right leg, mere hanger-on.
- Oct. 13, 1925 Killed: Ed Lattyak, Sheldon gangster; by Saltis gang.
- October, 1925 Police were seeking the two McErlanes in the International Harvester Company robbery and murder.
- Oct. 16, 1925 Attempt to kill: Spike O'Donnell, by Saltis-McErlane gang.
- Oct. 22, 1925 Killed: Pasquale Tolizotte, member of Spike's gang; by Saltis gang.
- Nov. 16, 1925 Wounded: Joe Saltis mysteriously wounded in gun battle with O'Donnell gang; shoulder wound.
- Dec. 3, 1925 Killed: Dynamite Joe Brooks, a peddler of "alky;" Edward Harmening, County Highway Policeman, independent; killed by Saltis-McErlane gang.¹
- Feb. 10, 1926 Wounded: William Wilson and John (Mitters) Foley, Sheldon ally.
- April 15, 1926 Killed: Frank De Laurentis and John Tuccello, Sheldon gangsters, independent, cutting in on the McErlanes. McErlane sought by the police.
- July 20, 1926 Attempt to kill: Vincent McErlane.
- July 23, 1926 Killed: Frank Conlon.² Vincent McErlane, brother of Frank narrowly escaped death; the crime was charged to Mitters Foley. Sheldon threatened to kill Saltis if he dared to kill Foley; two days later Foley was killed.
- July 29, 1926 Attempt to kill: Walter Stevens.
- Aug. 6, 1926 Killed: John (Mitters) Foley, of the Sheldon gang, by Saltis gang. Thomas Foley corroborated revenge motive on the part of Joe Saltis; witnesses identified Earl (Big Herb) Herbert, Frank (Lefty) Koncil, and John (Dingbat) Oberta. Indictments returned August 11, 1926; Saltis and Koncil captured; witnesses disappeared August 22, 1926. Trial—October 6, 1926.
- Oct. 11, 1926 Killed: Earl (Hymie) Weiss and Paddy Murray. Wounded: Attorney W. W. O'Brien, Sam Peller and Benny Jacobs. This machine-gunning was attributed to the Capone gang after the failure of the first attempt at peace between that gang and the allied Saltis-McErlane-O'Banion (Weiss) gang.
- Oct. 19, 1926 Bombing: Joseph Kepka's saloon, 4801 Honore Street. The bomb was attributed to Kepka's failure to contribute to the defense fund of Joe Saltis.

¹ It is probable that the split with Sheldon occurred at this time because Brooks was a friend of Sheldon's. No attempts made to kill Sheldon after the break with Saltis-McErlane.

² On August 19, 1926, Vincent McErlane was captured and questioned with regard to the murder of Conlon. On Sept. 15, 1926, Vincent McErlane and Peter Gusenberg, of the O'Banion gang, were arrested for the Grand Trunk train robbery. *This is the first indication of an alliance between the O'Banion gang and the McErlane gang.*

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- Nov. 9, 1926 Saltis and Koncil found "not guilty."
Mar. 11, 1927 Killed: Lefty Koncil and Charles "Big Hayes" Hrubec.
Crime charged to either Sheldon or the O'Donnell brothers.
Nov. 3, 1927 McErlane acquitted in Indiana.

The Saltis-McErlane gang seem to have been pursued most energetically by Captain John Stege. Upon the election of Thompson, in 1927, Stege was removed from the force by a dubious civil service trial. It is widely believed that Joe Saltis was the chief influence behind this discharge.¹

3. *The West Side Beer War.* On the west side the dispute over territory was between the Klondike O'Donnell brothers (the West Side O'Donnells) and Al Capone, the trusted lieutenant of John Torrio, later himself in complete command when Torrio went to jail. The first of a series of murders was involved in the expansion of the west suburban territory and its defense.

The Genna brothers had organized the home industry of distilling in the Taylor Street district (Little Sicily). Their large family was in command of a further intimate group of co-villagers from Marsalla, Sicily, and important politically through their patronage and strength in the Unione Siciliana. In the struggle for supremacy, after the retirement of Torrio, over the booze collecting and distributing rights, the Genna brothers of the west side fought the O'Banion gang on the north side. Between the Gennas and Capone there were many lasting ties—the Gennas had grown up under the protectorate of the old Torrio overlordship; there were racial affiliations and obligations, though Capone is a Calabrian.

With the murder of Dion O'Banion the west side beer war began. Later the raising of the defense fund for Scalise and Anselmi, which was a phase of this war, involved the murders of wealthy Italians and the collectors of the fund. It is fair to conjecture that all of these wealthy Italians had profited by the booze trade with the Gennas and were obligated to contribute to the fund.

Al Capone was in command of the armed forces for the Torrio interests in their expansion in the west suburban area, which he later defended against incursions by the Klondike O'Donnell brothers. Still later he participated in the war for the booze supremacy between the Genna brothers and the O'Banion gang.

CATALOGUE OF CASUALTIES IN THE WEST SIDE BEER WAR

- Apr. 1, 1924 Killed: Frank Capone, in an election battle with the police squad as a phase of the control of elections in the west suburbs.
May 8, 1924 Killed: Joseph Howard, for "talking out of turn" in Capone affairs regarding Capone killings.
Nov., 1924 Killed: Eddie Tancl, popular Bohemian cafe owner in a Bohemian community.

¹ Captain Stege was later reinstated in August, 1928, upon the retirement of Commissioner Hughes and the appointment of Commissioner Russell, and was made Deputy Commissioner in charge of the Detective Bureau.

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Nov. 10, 1924 Killed: Dion O'Banion, safe-blower, florist, "hi-jacker" and bootlegger, chief of the O'Banion gang of the lower north side, politician.

Opening of the Genna-O'Banion series of killings.

Jan. 12, 1925 Attempt: On the life of Capone.
Wounded: Sylvester Barton, chauffeur. Reprisal for O'Banion killing.

Jan. 24, 1925 Attempt: On the life of John Torrio; wounded almost fatally. Torrio served out his sentence in Waukegan and left for Italy soon after.

Mar. 7, 1925 Kidnapped and slugged: Arthur St. John, editor, who was conducting a war of publicity against Capone interests in Cicero.

May 26, 1925 Killed: Angelo Genna, while being chased in auto by Capone gang.

June 13, 1925 Killed: Michael Genna and Policemen Harold Olson and Charles Walsh. Scalise and Anselmi captured. Earlier in the same morning Michael Genna and those in his car had been engaged in a shooting affray with members of the O'Banion gang.

July 8, 1925 Killed: Anthony Genna, shot from ambush.

July 10, 1925 Killed: Tony Campagna.¹

July 15, 1925 Killed: Sam Lavenuto.¹

July 15, 1925 Killed: James Russo.¹

Jan. 10, 1926 Killed: Henry Spingola,² brother-in-law of Angelo Genna.

Jan. 24, 1926 Killed: Augustino and Antonio Moreci;² for refusing to make second contribution to fund.

Feb. 15, 1926 Killed: Orazio Tropea, supposed collector for the Anselmi-Scalise fund; killed almost on the spot where Henry Spingola was killed.

Feb. 21, 1926 Killed: Vito Bascone.³

Feb. 23, 1926 Killed: Eddie Baldelli.³

March 7, 1926 Killed: Tony Finalli.³

Mar. 19, 1926 Killed: Samuzzo Amatuna, who had been engaged in a grim effort to rally the forces of the Genna brothers, now depleted, and to stabilize the chaotic booze production and trade of the Genna brothers. He was the fiance of a girl in the family of Michael Merlo (deceased leader of the Sicilians).

Apr. 27, 1926 Killed: William McSwiggin, assistant state's attorney, James Doherty, and Thomas Duffy. McSwiggin accompanied members of the Klondike O'Donnell gang on the west side, who were engaged in warfare with powers of Cicero.

¹ Independents who made "alky" in Capone territory.

² The Moreci brothers and the Spingolas were of wealthy Italian families and the best available information yielded a theory that they were killed because of their refusal to contribute to the Scalise-Anselmi defense fund. Other deaths during this period were identified as those of collectors of the fund.

³ Collectors for Anselmi-Scalise fund, killed in revenge for killing of Spingola and Morecis.

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- May 21, 1926 Killed: Cremaldi, an Italian booze peddler on the "Gold Coast," out of his territory.
- July 17, 1926 Wounded: Joseph Novello.
- Aug. 10, 1926 Gun battle: On Michigan Avenue; Vincent Drucci of the O'Banion gang, attacked by Capone gangsters; shot it out. Really an attempt at hold-up. Drucci had large bank roll.¹
- Aug. 20, 1926 Killed: Joseph Nerone (Spano, the Cavalier); said to be revenge for the killing of Anthony Genna, or possibly for breaking in on Capone's Chicago Heights territory.
- Sept. 20, 1926 Attack: Hawthorne Hotel, Capone headquarters, raked by machine-gun fire by the north side gang; reprisal for O'Banion killing.
- Oct. 11, 1926 Killed: Hymie Weiss, leader of the O'Banion gang; and Paddy Murray; at the south corner of the Cathedral, across the street from O'Banion headquarters; to break up the Weiss-Saltis alliance.
- Wounded: Sam Peller, Benny Jacobs and W. W. O'Brien. The latter was the attorney for Joe Saltis in the case then pending for the murder of Mitters Foley. Weiss had an exact copy of the information regarding the first jury, which had been completed. The episode bespeaks the antagonism of the Capone-Genna gang to the alliance between the O'Banions and the Saltis-McErlane gang.

4. *The Truce.* The meeting took place at the Morrison Hotel on October 21, 1926, with a complete representation of the leading gangs of Chicago. Vincent Drucci and Big George Moran represented the north side gang; Eddy Vogel, Julian "Potatoes" Kaufman, Frank Citro and Peter Gusenberg joined their interests with Drucci and Moran. Klondike O'Donnell and his brother Myles, of the west side, participated in the conference. Capone, representing Torrio interests, had a representative there, perhaps Antonio Lombardo. Ralph Sheldon, enemy of Saltis-McErlane, was present. Maxie Eisen appeared as mutual peacemaker. Drucci and Moran took the responsibility for securing the approval of Saltis and McErlane, then in jail. The conditions of the peace were that each gang was to stay in its own territory.

The north side gang, with Drucci as chieftain, controlled the territory from the lake on the east and north to the suburbs, on the south and west from the river to the Wisconsin line; each took the exclusive beer and whiskey rights for both wholesale and retail trade and revenues from small gamblers.

Joe Saltis and Ralph Sheldon divided the south side of Chicago, extend-

¹ The first attempt at peace occurred immediately after this machine-gun battle. Antonio Lombardo emerged for the first time as a representative of the Capone interests. He attended a meeting in the Morrison Hotel, at which it was said a police official was present, and made overtures to Hymie Weiss, who insisted that he wanted the attackers of Vincent Drucci "placed on the spot." The refusal of Capone was followed by the masterly plan to establish a machine-gun next door to the headquarters of the O'Banion gang, which resulted in the casualties on October 11, 1926.

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ing south from the river to the Indiana line and from the lake on the east to the townships on the west. Sheldon's position was strengthened by the partisanship of Capone and the fact that Saltis and McErlane were incarcerated.

Capone land included the far west side and the western suburbs.

The truce seems to have held so far as the war of the leaders was concerned, but in the establishment of the exclusive rights in each territory, considerable individual sniping and murder continued through the remainder of the period of the Dever administration and to the present day.

- Jan. 6, 1927 Killed: Theodore Anton, "The Greek," manager of the Hawthorne Hotel, in which Capone headquarters were located. Wanted to retire.
- Mar. 14, 1927 Killed: Alphonse Fiori, Genna henchman. Attempt on the life of Capone at Hot Springs, Arkansas; ascribed to Vincent Drucci in reprisal for the Weiss killing.
- Apr. 4, 1927 Killed: Vincent Drucci, by the police on election day, while being driven to the station for questioning.
- May 3, 1927 Found dead: John Costenaro, saloon-keeper in Cicero, who had disappeared on January 3; tried to be independent.
- July 27, 1927 Killed: Frank Hitchcock, saloon-keeper and distiller, competing with Capone in Burnham.
- Aug. 10, 1927 Killed: Anthony K. Russo and Vincent Spicuzza; small manufacturers of "alky" in Aiello territory.
- Sept. 9, 1927 Bombed: A distillery said to be owned by Anselmi and Scalise, probably one of the Genna interests or possibly explosion by gas.

The death of Drucci further disorganized the north side gang and while Bugs (Big Joe) Moran has attained leadership, he did not go into action until after the beginning of the gambling war during the present Thompson administration when, allied with the Aiello brothers and Bertsche and Ed Zuta, he carried on the war against the Capone-Lombardo interests.

5. *Guerrilla Warfare.* At this time there is a period of comparative quiet, but peace in the beer war did not come from extermination in the struggle of "gangster killing gangster," as many predicted. Indeed, the peace arranged by the chieftains, while it seems to have settled the major points of disputes over territory among the gang leaders, did not and probably could not prevent many conflicts arising among their followers and especially with independent operators. Consequently, the present period of peace might be more accurately described as one of guerrilla warfare. Killings still continue, but they are either reprisals against individual intruders into the territory of a syndicate or they represent some shifting of power in underworld organization.¹

¹One reason why wholesale casualties have not exterminated gangsters may be gained from a description of the present organization and activities of one syndicate in the alcohol traffic as reported in the *Daily News* of March 24, 1928. This article not only indicates the enormous profits of the illegal traffic in alcohol and the large

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6. *Summary.* The extraordinary phenomenon of gang war and gang peace in a modern American city shocked not only the people of Chicago and the United States, but the nations of the world. Few persons, even in Chicago, realize the powerful nature of criminal gang organization, the extent of their political alliances, and the enormous amount of profits from beer-running and booze distribution. Our survey of the beer war leads to certain outstanding findings:

1. The solidified and politically protected organization of former vice lords and younger gunmen and gangsters under the leadership of John Torrio for the manufacture and distribution of alcoholic beverages disintegrated under the prohibition enforcement policy of the Dever administration and the beer war broke out.

2. In the war of rival factions which followed, the gang code of silence and personal vengeance rather than legal redress was so compelling that of the two hundred fifteen murders of gangsters during four years of armed strife, only a handful of arrests and no convictions were secured by the law enforcing agencies. But the police, forced apparently to resort to shooting

number of gangsters who find employment in it, but it also discloses the situation in which conflicts arise between rival syndicates:

"An alcohol traffic of more than \$2,000,000 a year is controlled by the Guilfoyle-Winge-Kolb syndicate on the near northwest side.

"The alcohol traffic, the pet project of *Martin Guilfoyle, slayer of Peter Gentleman*, for net profits, now overshadows the prosperous beer business built up by Al Winge, former police lieutenant, and his ally, Matt Kolb.

"The syndicate's sales, supervised generally by Guilfoyle, are in direct charge of Joey Fisher, who has been active in the 'alky racket' since the Volstead law went into effect. Sales Manager Fisher has a staff of high-pressure salesmen that rises, when business is good, to more than fifty men.

"Fisher's headquarters are at 2009 Division Street, first floor; telephone Brunswick 4943. Daily his salesmen appear at this spot or a distributing point at 3448 Fullerton Avenue, to listen to the current price on alcohol.

"When something of importance is to be said, Mr. Guilfoyle calls his henchmen to his personal headquarters in a building on the northeast corner of Kedzie and Chicago Avenues.

"The quaint expression 'Check your gun at the door' is not a matter for joking on visits to the Guilfoyle headquarters. When the peddler, saloon-keeper or other caller appears, he enters the barroom, steps behind the bar and there checks his gun.

"They troop out of the bar and up the Kedzie Avenue entrance where Guilfoyle is waiting to receive them. A few 'wise cracks' from various hoodlums, then Guilfoyle clears his throat, calls the meeting to order, and the peddlers and saloon-keepers listen respectfully while the 'big shot' has his say.

"The subject of more than one of these meetings has been the activities of Lewis and Max Summerfield, rival alcohol 'racketeers,' sole thorn in the syndicate's side.

"The Summerfields, old-timers on the northwest side, had things pretty much their own way prior to Guilfoyle's advent in the alcohol business. Guilfoyle's organizing ability, Sales Manager Fisher's high-pressure staff, and the Kolb-Winge prestige cut in on the Summerfield's business sadly.

"Stubbornly they fought the syndicate and paid for and got such police protection as they could, and they are still operating in a small way. Repeatedly at these meetings Guilfoyle has warned his henchmen to boycott the Summerfields:

"'You'll only get into trouble if you play with the Summerfields,' Guilfoyle tells his men. 'Don't use their stuff. Don't have anything to do with them. We'll run them out of the district yet.'

"After one of these 'pep' meetings a few months ago, pineapple tossers descended on the Summerfield headquarters at 1910 Milwaukee Avenue. An explosion resounded through the district and the Summerfield headquarters was in need of considerable repair.

"The police rushed up, made their customary investigation and announced to a waiting world that they were confronted with another 'bombing mystery.'"

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it out in running battle, succeeded in killing one hundred sixty gangsters during this same period.

3. While the heavy casualties of the beer war did not lead to the extermination of gangsters, as many law-abiding citizens optimistically expected, they did induce the leading gangsters, for different reasons, to agree to peace terms which defined the territory within which each gang or syndicate might operate without competition and beyond which it should not encroach upon the territory of others.

4. The huge stakes of beer running and whiskey distribution, providing not only enormous profits for gang leaders but a large number of high salaried positions for an army of minor gunmen and gangsters, are, in large part, the explanation for the survival and the growth of beer and whiskey syndicates in spite of the heavy mortality risk of this business.

5. The fact remains for the serious consideration of all the friends of law and order, that even under the very adverse conditions with the federal and city authorities united in a strenuous policy of law enforcement, and with a bitter internecine war between rival factions, the underworld groups and syndicates for traffic in liquor maintain operations on a large, if not increasing, scale, in defiance of the laws of the State of Illinois and the Constitution and laws of the United States.

If this condition were an isolated phenomenon limited to the enforcement of the national prohibition law, it might be explained on the basis of the failure of the Eighteenth Amendment and the Volstead Law to command the support of the majority of citizens in a metropolitan and cosmopolitan city like Chicago. Two facts, however, prevent us from accepting this conclusion. In the first place, other cities have not experienced so violent a disorder in the enforcement of prohibition. In the second place, this defiance of law and order by the gunman and his immunity from punishment by the orderly processes of law are not limited in Chicago to the field of prohibition; on the contrary, they extend into many and diverse situations. This rule of the gangster and gunman in many different fields and their methods of professional violence may best be understood by a rapid survey of bombing and the bomber.