ORGANIZED CRIME IN URBAN SOCIETY: CHICAGO IN THE TWENTIETH CENTURY

Many journalists have written exciting accounts of organized crime in American cities and a handful of scholars have contributed analytical and perceptive studies.¹ Yet neither the excitement in the journalistic accounts nor the analysis in the scholarly studies fully captures the complex and intriguing role of organized criminal activities in American cities during the first third of the twentieth century. The paper that follows, although focusing on Chicago, advances hypotheses that are probably true for other cities as well. The paper examines three major, yet interrelated, aspects of the role of organized crime in the city: first, the social worlds within which the criminals operated and the importance of those worlds in providing social mobility from immigrant ghettos; second, the diverse patterns by which different ethnic groups became involved in organized criminal activities and were influenced by those activities; and third, the broad and pervasive economic impact of organized crime in urban neighborhoods and the resulting influence that organized crime did exert.

Crime and Mobility

During the period of heavy immigrant movement into the cities of the Northeast and Midwest, organized crime provided paths of upward mobility for many young men raised in ethnic slums. The gambling kings, vice lords, bootleggers and racketeers often began their careers in the ghetto neighborhoods; and frequently these neighborhoods continued to be the centers for their entrepreneurial activities. A careful study of the leaders of organized crime

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in Chicago in the late 1920s found that 31 percent were of Italian background, 29 percent of Irish background, 20 percent Jewish, and 12 percent black; none were native white of native white parents. A recognition of the ethnic roots of organized crime, however, is only a starting point for understanding its place in American cities.

At a risk of oversimplification, it can be said that for young persons in the ethnic ghettos three paths lay open to them. The vast majority became, to use the Chicago argot, "poor working stiffs." They toiled in the factories, filled menial service and clerical jobs, or opened mom-and-pop stores. Their mobility to better jobs and to homeownership was, at best, incremental. A second, considerably smaller group followed respectable paths to relative success. Some of this group went to college and entered the professions; others rose to management positions in the business or governmental hierarchies of the city.

There existed, however, a third group of interrelated occupations which, although not generally regarded as respectable, were open to uneducated and ambitious ethnic youths. Organized crime was one such occupational world, but there were others.

One was urban machine politics. Many scholars have, of course, recognized the function of politics in providing mobility for some members of ethnic groups. In urban politics, a person's ethnic background was often an advantage rather than a liability. Neighborhood roots could be the basis for a career that might lead from poverty to great local power, considerable wealth, or both.

A second area consisted of those businesses that prospered through political friendships and contacts. Obviously, construction companies that built the city streets and buildings relied upon government contracts. But so also did banks in which government funds were deposited, insurance companies that insured government facilities, as well as garbage contractors, traction companies and utilities that sought city franchises. Because political contacts were important, local ethnic politicians and their friends were often the major backers of such enterprises.

A third avenue of success was through leadership in the city's labor unions. The Irish in Chicago dominated the building trade unions and most of the other craft unions during the first 25 years of this century. But persons of other ethnic origins could also rise
to leadership positions, especially in those unions in which their own ethnic group predominated.\textsuperscript{6}

Another path of mobility was sports. Boxing, a peculiarly urban sport, rooted in the neighborhood gymnasiums, was the most obvious example of a sport in which Irish champions were succeeded by Jewish, Polish and black champions. Many a fighter, even if he did not reach national prominence, could achieve considerable local fame within his neighborhood or ethnic group. He might then translate this local fame into success by becoming a fight manager, saloon keeper, politician or racketeer.\textsuperscript{7}

A fifth area often dominated by immigrants was the entertainment and night life of the city. In Chicago, immigrants—primarily Irish and Germans—ran the city’s saloons by the turn of the century. During the 1920s, Greek businessmen operated most of the taxi-dance halls. Restaurants, cabarets and other night spots were similarly operated by persons from various ethnic groups. Night life also provided careers for entertainers, including B-girls, singers, comedians, vaudeville and jazz bands. Jewish comedians of the 1930s and black comedians of our own day are only examples of a larger phenomenon in which entertainment could lead to local and even national recognition.\textsuperscript{8}

The organized underworld of the city, then, was not the only area of urban life that provided opportunities for ambitious young men from the ghettos. Rather, it was one of several such areas. Part of the pervasive impact of organized crime resulted from the fact that the various paths were interrelated, binding together the worlds of crime, politics, labor leadership, politically related businessmen, sports figures and the night life of the city. What was the nature of the interrelationships?

To begin with, organized crime often exerted important influences upon the other social worlds. For aspiring politicians, especially during the early years after an ethnic group’s arrival in a city, organized crime was often the most important source of money and manpower. (By the turn of the century, an operator of a single policy wheel in Chicago could contribute not only thousands of dollars but also more than a hundred numbers writers to work the neighborhoods on election day.) On occasion, too, criminals supplied strongarm men to act as poll watchers, they organized repeat voters; and they provided other illegal but necessary campaign services. Like others engaged in ethnic politics,
members of the organized underworld often acted from motives of friendship and common ethnic loyalties. But because of the very nature of their activities, criminal entrepreneurs required and therefore sought political protection. It would be difficult to exaggerate the importance of organized crime in the management of politics in many of the wards of the city.9

Furthermore, it should not be thought that the politics of large cities like Chicago was peculiarly influenced by organized crime. In a large and heterogeneous city, there were always wards within which the underworld exercised little influence and which could therefore elect politicians who would work for honest government and law enforcement. But in the ethnic and blue-collar industrial cities west or southwest of Chicago, the influence of organized crime sometimes operated without serious opposition. In Cicero, west of Chicago along major commuting lines, gambling ran wide open before the 1920s; and after 1923 Capone’s bootlegging organization safely had its headquarters there. In other towns, like Stickney and Burnham, prostitution and other forms of entertainment often operated with greater openness than in Chicago. This symbiotic relationship, in which surrounding blue-collar communities provided protected vice and entertainment for the larger city, was not limited to Chicago. Covington, Kentucky, had a similar relationship to Cincinnati, while East St. Louis serviced St. Louis.10

The organized underworld was also deeply involved in other areas of immigrant mobility. Organized criminals worked closely with racketeering labor leaders and thus became involved in shakedowns, strike settlements and decisions concerning union leadership. They were participants in the night life, owned many of the night spots in the entertainment districts, and hired and promoted many of the entertainers. (The comedian Joe E. Lewis started his career in Chicago’s South Side vice district as an associate and employee of the underworld; his case was not atypical.11) Members of the underworld were also sports fans and gamblers and therefore became managers of prize fighters, patrons at the race tracks and loyal fans at ball games. An observer who knew many of Chicago’s pimps in the 1920s reported:

The pimp is first, last and always a fight fan. He would be disgraced if he didn’t go to every fight in town... They hang around gymnasiums and talk fight. Many of them are baseball
fans, and they usually get up just about in time to go to the game. They know all the players and their information about the game is colossal. Football is a little too highbrow for them, and they would be disgraced if they played tennis, but of late the high grade pimps have taken to golf, and some of them belong to swell golf clubs.12

However, criminals were not merely sports fans; some ran gambling syndicates and had professional interests in encouraging sports or predicting the outcome of sports events. Horse racing was a sport conducted primarily for the betting involved. By the turn of the century, leading gamblers and bookmakers invested in and controlled most of the race tracks near Chicago and in the rest of the nation. A number of successful gamblers had stables of horses and thus mixed business with pleasure while becoming leading figures in horse race circles. At a less important level, Capone's organization in the late 1920s owned highly profitable dog tracks in Chicago's suburbs.13

The fact that the world of crime exerted powerful influences upon urban politics, business, labor unions, sports and entertainment does not adequately describe the interrelations of these worlds. For many ambitious men, the worlds were tied together because in their own lifetimes they moved easily from one area to another or else held positions in two or more simultaneously. In some ways, for instance, organized crime and entertainment were barely distinguishable worlds. Those areas of the city set aside for prostitution and gambling were the major entertainment districts of the city. Many cabarets and other night spots provided gambling in backrooms or in rooms on upper floors. Many were places where prostitutes solicited customers or where customers could find information concerning local houses of prostitution. During the 1920s, places of entertainment often served liquor and thus were retail outlets for bootleggers. In the world of entertainment, the distinction between legitimate and illegitimate was often blurred beyond recognition.14

Take, as another example, the career of William Skidmore. At age fourteen, Billie sold racing programs at a race track near Chicago. By the time he was twenty-one, in the 1890s, he owned a saloon and cigar store, and soon had joined with others to operate the major policy wheels in Chicago and the leading handbook syndicate on the West Side. With his growing wealth and influence,
he had by 1903 also become ward committeeman in the thirteenth ward and was soon a leading political broker in the city. In 1912 he was Sergeant-at-Arms for the Democratic National Convention and, afterwards, aided Josephus Daniels in running the Democratic National Committee. Despite his success as gambler and politician, his saloon, until well into the 1920s, was a hangout for pickpockets and con men; and “Skid” provided bail and political protection for his criminal friends. In the twenties Skidmore branched into the junk business and made a fortune selling junk obtained through contracts with the county government. Not until the early 1940s did he finally go to prison, the victim of a federal charge of income tax evasion. In his life, it would be impossible to unravel the diverse careers to determine whether he was saloon keeper, gambler, politician or businessman.¹ ⁵

The various social worlds were united not simply by the influence of organized crime and by interlocking careers; the worlds also shared a common social life. At local saloons, those of merely local importance met and drank together. At other restaurants or bars, figures of wider importance had meeting places. Until his death in 1920, Big Jim Colossimo’s restaurant in the South Side vice district brought together the successful from many worlds; the saloon of Michael (Hinky Dink) Kenna, first ward Alderman, provided a meeting place in the central business district. Political banquets, too, provided opportunities for criminals, police, sports figures and others to gather in honor of a common political friend. Weddings and funerals were occasions when friends met to mark the important passages through life. At the funeral of Colossimo—politician, vice lord and restauranteur—his pallbearers included a gambler, two keepers of vice resorts, and a bailbondsman. Honorary pallbearers were five judges (including the chief judge of the criminal courts), two congressmen, nine resort keepers or gamblers, several aldermen and three singers from the Chicago Opera. (His good friend, Enrico Caruso, was unable to be present.) Such ceremonial events symbolized the overlapping of the many worlds of which a man like Colossimo was a part.¹ ⁶

Thus far we have stressed the social structure that linked the criminal to the wider parts of the city within which he operated. That social world was held together by a system of values and
beliefs widely shared by those who participated in crime, politics, sports and the night life of the city. Of central importance was the cynical—but not necessarily unrealistic—view that society operated through a process of deals, friendships and mutual favors. Hence the man to be admired was the smart operator and dealer who handled himself well in such a world. Because there was seen to be little difference between a legal and an illegal business, there was a generally tolerant attitude that no one should interfere with the other guy’s racket so long as it did not interfere with one’s own.¹⁷ This general outlook was, of course, widely shared, in whole or in part, by other groups within American society so that there was no clear boundary between the social world of the smart operators and the wider society.

In a social system held together by friendships and favors, the attitude toward law and legal institutions was complex. A basic attitude was a belief that criminal justice institutions were just another racket—a not unrealistic assessment considering the degree to which police, courts and prosecutor were in fact used by political factions and favored criminal groups. A second basic attitude was a belief that, if anyone cooperated with the law against someone with whom he was associated or to whom he owed favors, he was a stoolpigeon whose behavior was beneath contempt. This does not mean that criminal justice institutions were not used by members of organized crime. On a day-to-day basis, members of the underworld were tied to police, prosecutors and politicians through payments and mutual favors. Criminal groups often used the police and courts to harass rival gangs or to prevent the development of competition. But conflicts between rival groups were also resolved by threats or violence. Rival gambling syndicates bombed each others’ places of business, rival union leaders engaged in bombing and slugging, and rival bootlegging gangs after 1923 turned to assassinations that left hundreds dead in the streets of Chicago.¹⁸ The world of the rackets was a tough one in which a man was expected to take his knocks and stand up for himself. Friendship and loyalty were valued; but so also were toughness and ingenuity.

Gangsters, politicians, sports figures and entertainers prided themselves for being smart guys who recognized how the world operated. They felt disdain mixed with pity for the “poor working
stiffs” who, ignorant of how the smart guys operated, toiled away at their menial jobs. But if they disdained the life of the working stiff, they also disdained the pretensions of those “respectable” groups who looked askance at the world within which they operated. Skeptical that anyone acted in accordance with abstract beliefs or universalistic principles, the operators believed that respectable persons were hypocrites. For instance, when Frank J. Loesch, the distinguished and elderly lawyer who headed the Chicago Crime Commission, attacked three criminal court judges for alleged political favoritism, one politician declared to his friends:

Why pick on these three judges when every judge in the criminal court is doing the very same thing, and always have. Who is Frank Loesch that he should holler? He has done the same thing in his day... He has asked for plenty of favors and has always gotten them. Now that he is getting older and is all set and doesn’t have to ask any more favors, he is out to holler about every one else... There are a lot of these reformers who are regular racketeers, but it won’t last a few years and it will die out.

In short, the world view of the operators allowed them to see their world as being little different from the world of the respectable persons who looked down upon them. The whole world was a racket.19

Ethnic Specialization

Some have suggested that each ethnic group, in its turn, took to crime as part of the early adjustment to urban life. While there is some truth to such a generalization, the generalization obscures more than it illuminates the ethnic experiences and the structure of crime. In important respects, each ethnic group was characterized by different patterns of adjustment; and the patterns of involvement in organized crime often reflected the particular broader patterns of each ethnic group. Some ethnic groups—Germans and Scandinavians, for instance—appear not to have made significant contributions to the development of organized crime. Among the ethnic groups that did contribute, there was specialization within crime that reflected broader aspects of ethnic life.

In Chicago by the turn of the century, for example, the Irish predominated in two areas of organized crime. One area was labor
The second area of Irish predominance was the operation of major gambling syndicates. Irish importance in gambling was related to a more general career pattern. The first step was often ownership of a saloon, from which the owner might move into both politics and gambling. Many Irish saloon keepers ran handbooks or encouraged other forms of gambling in rooms located behind or over the saloon. Those Irishmen who used their saloon as a basis for electoral politics continued the gambling activities in their saloons and had ties to larger gambling syndicates. Other saloon keepers, while sometimes taking important but backstage political positions such as ward committeeman, developed the gambling syndicates. Handbooks required up-to-the-minute information from race tracks across the country. By establishing poolrooms from which information was distributed to individual handbooks, a single individual could control and share in the profits of dozens or even hundreds of handbooks.

The Irish also predominated in other areas of gambling. At the turn of the century, they were the major group in the syndicates that operated the policy games, each with hundreds of policy writers scattered in the slum neighborhoods to collect the nickels and dimes of the poor who dreamed of a lucky hit. They also outfitted many of the gambling houses in the Loop which offered roulette, faro, poker, blackjack, craps and other games of chance. Furthermore, many top police officers were Irish and rose through the ranks by attaching themselves to the various political factions of the city. Hence a complex system of Irish politicians, gamblers and police shared in the profits of gambling, protected gambling interests and built careers in the police department or city politics. Historians have long recognized the importance of the Irish in urban politics. In Chicago, at any rate, politics was only part of a larger Irish politics-gambling complex.21

The Irish politics-gambling complex remained intact until about World War I. By the 1920s, however, the developing black ghetto allowed black politicians and policy operators to build independent gambling and political organizations linked to the Republicans in the 1920s and the Democratic city machine in the 1930s. By the 1920s, in addition, Jewish gamblers became increasingly impor-
important, both in the control of gambling in Jewish neighborhoods and in operations elsewhere. Finally, by the mid-1920s, Italian bootleggers under Capone took over gambling in suburban Cicero and invested in Chicago gambling operations. Gambling had become a complex mixture of Irish, Negro, Jewish and Italian entrepreneurship.2 2

Although the Irish by the twentieth century played little direct role in managing prostitution, Italians by World War I had moved into important positions in the vice districts, especially in the notorious Levee district on the South Side. (Political protection, of course, often had to be arranged through Irish political leaders.) Just as the Irish blocked Italians in politics, so also they blocked Italians in gambling, which was both more respectable and more profitable than prostitution. Hence the importance of prohibition in the 1920s lay not in initiating organized crime (gambling continued both before and after prohibition to be the major enterprise of organized crime); rather, prohibition provided Italians with an opportunity to break into a major field of organized crime that was not already monopolized by the Irish.2 3

This generalization, to some extent, oversimplifies what was in fact a complex process. At first, prohibition opened up business opportunities for large numbers of individuals and groups, and the situation was chaotic. By 1924, however, shifting coalitions had emerged. Some bootlegging gangs were Irish, including one set of O’Donnell brothers on the far West Side and another set on the South Side. Southwest of the stockyards, there was an important organization, both Polish and Irish, coordinated by “Pollack” Joe Saltis. And on the Near North Side a major group—founded by burglars and hold-up men—was led by Irishmen like Dion O’Banion, Poles like Earl (Hymie) Weiss and George (Bugs) Moran, and Jews like Jack Zuta and the Gusenberg brothers. There were, finally, the various Italian gangs, including the Gennas, the Aielloes, and, of course, the Capone organization.2 4

The major Italian bootlegging gang, that associated with the name of Al Capone, built upon roots already established in the South Side vice district. There John Torrio managed houses of prostitution for Big Jim Colossimo. With Colossimo’s assassination in 1920, Torrio and his assistant, Capone, moved rapidly to establish a bootlegging syndicate in the Loop and in the suburbs
south and west of the city. Many of their associates were persons whom they had known during humbler days in the South Side vice district and who now rose to wealth with them. Nor was their organization entirely Italian. Very early, they worked closely with Irishmen like Frankie Lake and Terry Druggan in the brewing of beer, while Jake Guzik, a Jew and former South Side pimp, became the chief business manager for the syndicate. In the bloody bootlegging wars of the 1920s, the members of the Capone organization gradually emerged as the most effective organizers and most deadly fighters. The success of the organization brought wealth and power to many ambitious Italians and provided them with the means in the late 1920s and early 1930s to move into gambling, racketeering and entertainment, as well as into a broad range of legitimate enterprises. Bootlegging allowed Italians, through entrepreneurial skills and by assassination of rivals, to gain a central position in the organized underworld of the city.2 5

Although Jewish immigrants in such cities as Cleveland and Philadelphia were major figures in bootlegging and thus showed patterns similar to Italians in Chicago, Jews in Chicago were somewhat peripheral figures. By World War I, Chicago Jews, like Italians, made important inroads into vice, especially in vice districts on the West Side. In the 1920s, with the dispersal of prostitution, several Jewish vice syndicates operated on the South and West Sides. Jews were also rapidly invading the world of gambling.2 6 Although Jews took part in vice, gambling and bootlegging, they made a special contribution to the organized underworld by providing professional or expert services. Even before World War I, Jews were becoming a majority of the bailbondsmen in the city. By the 1920s, if not before, Jews constituted over half the fences who disposed of stolen goods. (This was, of course, closely related to Jewish predominance as junk dealers and their importance in retail selling.) Jews were also heavily overrepresented among defense attorneys in the criminal courts. It is unnecessary to emphasize that the entrepreneurial and professional services of Jews reflected broader patterns of adaptation to American urban life.2 7

Even within relatively minor underworld positions, specialization by ethnicity was important. A study of three hundred Chicago pimps in the early 1920s, for instance, found that 109
(more than one-third) were black, 60 were Italian, 47 Jewish and 26 Greek. The large proportion of blacks suggests that the high prestige of the pimp among some elements of the lower-class black community is not a recent development but has a relatively long tradition in the urban slum. There has, in fact, long been a close relationship of vice activities and Negro life in the cities. In all probability, the vice districts constituted the most integrated aspect of Chicago society. Black pimps and madams occasionally had white girls working for them, just as white pimps and madams sometimes had black girls working for them. In addition, blacks held many of the jobs in the vice districts, ranging from maids to entertainers. The location of major areas of vice and entertainment around the periphery and along the main business streets of the South Side black neighborhood gave such activities a pervasive influence within the neighborhood.

Black achievements in ragtime and jazz had their roots, at least in part, in the vice and entertainment districts of the cities. Much of the early history of jazz lies among the talented musicians—black and white—who performed in the famous resorts in the Storyville district of New Orleans in the 1890s and early 1900s. With the dissolution of Storyville as a segregated vice district, many talented black musicians carried their styles to Chicago’s South Side, to Harlem, and to the cabarets and dance halls of other major cities. In the 1920s, with black performers like King Oliver and Louis Armstrong and white performers like Bix Beiderbecke, Chicago was an important environment for development of jazz styles. Just as Harlem became a center for entertainment and jazz for New Yorkers during prohibition, so the black and tan cabarets and speakeasies of Chicago’s South Side became a place where blacks and whites drank, danced and listened to jazz music—to the shock of many respectable citizens. Thus, in ways that were both destructive and productive, the black experience in the city was linked to the opportunities that lay in the vice resorts, cabarets and dance halls of the teeming slums. In the operation of entertainment facilities and policy rackets, black entrepreneurs found their major outlet and black politicians found their chief support.

Until there has been more study of comparative ethnic patterns, only tentative hypotheses are possible to explain why various
ethnic groups followed differing patterns. Because many persons involved in organized crime initiated their careers with customers from their own neighborhood or ethnic group, the degree to which a particular ethnic group sought a particular illegal service would influence opportunities for criminal activities. If members of an ethnic group did not gamble, for instance, then ambitious members of that ethnic group could not build gambling syndicates based upon local roots. The general attitude toward law and law enforcement, too, would affect opportunities for careers in illegal ventures. Those groups that became most heavily involved in organized crime migrated from regions in which they had developed deep suspicions of government authority—whether the Irish fleeing British rule in Ireland, Jews escaping from Eastern Europe, Italians migrating from southern Italy or Sicily, or blacks leaving the American South. Within a community suspicious of courts and government officials, a person in trouble with the law could retain roots and even respect in the community. Within a community more oriented toward upholding legal authority, on the other hand, those engaged in illegal activities risked ostracism and loss of community roots.

In other ways, too, ethnic life styles evolved differently. Among both Germans and Irish, for instance, friendly drinking was part of the pattern of relaxation. Although the Irish and Germans by 1900 were the major managers of Chicago’s saloons, the meaning of the saloon was quite different for the two groups. German saloons and beer gardens were sometimes for family entertainment and generally excluded gambling or prostitution; Irish saloons, part of an exclusively male social life, often featured prostitution or gambling and fit more easily into the world of entertainment associated with organized crime. Finally, it appears that south Italians had the highest homicide rate in Europe. There was, in all probability, a relationship between the cultural factors that sanctioned violence and private revenge in Europe and the factors that sanctioned the violence with which Italian bootleggers worked their way into a central position in Chicago’s organized crime.31

There were, at any rate, many ways that the immigrant background and the urban environment interacted to influence the ethnic experience with organized crime. For some ethnic groups,
involvement in organized crime was not an important part of the adjustment to American urban life. For other groups, involvement in the organized underworld both reflected and influenced their relatively unique patterns of acculturation.

Economic Impact

The economic role of organized crime was an additional factor underlying the impact of organized crime upon ethnic communities and urban society. Organized crime was important because of the relatively great wealth of the most successful criminals, because of the large numbers of persons directly employed by organized crime, and because of the still larger numbers who supplemented their income through various parttime activities. And all of this does not count the multitude of customers who bought the goods and services offered by the bootleggers, gambling operators and vice lords of the city.

During the first thirty or forty years after an immigrant group’s arrival, successful leaders in organized crime might constitute a disproportionate percentage of the most wealthy members of the community. (In the 1930s at least one-half of the blacks in Chicago worth more than $100,000 were policy kings; Italian bootleggers in the 1920s may have represented an even larger proportion of the very wealthy among immigrants from southern Italy.3 2 ) The wealth of the successful criminals was accompanied by extensive political and other contacts that gave them considerable leverage both within and outside the ethnic community. They had financial resources to engage in extensive charitable activities, and often did so lavishly. Projects for improvement of ethnic communities often needed their support and contacts in order to succeed. Criminals often invested in or managed legitimate business enterprises in their communities. Hence, despite ambiguous or even antagonistic relations that they had with “respectable” members of their ethnic communities, successful leaders in organized crime were men who had to be reckoned with in the ethnic community and who often represented the community to the outside world.3 3

In organized crime, as in other economic activities, the very successful were but a minority. To understand the economic
impact of crime, it is necessary to study the many persons at the middle and lower levels of organization. In cities like Chicago the number of persons directly employed in the activities of organized crime was considerable. A modest estimate of the number of fulltime prostitutes in Chicago about 1910 would be 15,000—not counting madams, pimps, procurers and others in managerial positions. Or take the policy racket. In the early 1930s an average policy wheel in the black ghetto employed 300 writers; some employed as many as 600; and there were perhaps 6,000 policy writers in the ghetto. The policy wheels, in this period of heavy unemployment, may have been the major single source of employment in the black ghetto, a source of employment that did not need to lay off workers or reduce wages merely because the rest of the economy faced a major depression. Finally, during the 1920s, bootlegging in its various aspects was a major economic activity employing thousands in manufacture, transportation and retailing activities.$^3$ 

Yet persons directly employed constituted only a small proportion of those whose income derived from organized crime. Many persons supplemented their income through occasional or parttime services. While some prostitutes walked the streets to advertise their wares, others relied upon intermediaries who would direct customers in return for a finder's fee. During certain periods, payments to taxi drivers were sufficiently lucrative so that some taxi drivers would pick up only those passengers seeking a house of prostitution. Bellboys, especially in the second-class hotels, found the function of negotiating between guests and prostitutes a profitable part of their service. (Many of the worst hotels, of course, functioned partly or wholly as places of assignation.) Bartenders, newsboys and waiters were among the many helpful persons who provided information concerning places and prices.$^3$ 

Various phases of bootlegging during the 1920s were even more important as income supplements. In the production end, many slum families prepared wine or became "alky cookers" for the bootlegging gangs—so much so that after the mid-1920s, explosions of stills and the resulting fires were a major hazard in Chicago’s slum neighborhoods. As one observer reported:

During prohibition times many respectable Sicilian men were employed as "alky cookers" for Capone’s, the Aiello’s or for personal use. Many of these
people sold wine during prohibition and their children delivered it on foot or by streetcar without the least fear that they might be arrested. . . . During the years of 1927 to 1930 more wine was made than during any other years and even the "poorest people" were able to make ten or fifteen barrels each year—others making sixty, seventy, or more barrels.

Other persons, including policemen, moonlighted as truck drivers who delivered booze to the many retail outlets of the city. Finally, numerous persons supplemented their income by retailing booze, including bellboys, janitors in apartment buildings and shoe shine boys.36

The many persons who mediated between the underworld and the law were another group that supplemented its income through underworld contacts. Large numbers of policemen, as well as bailiffs, judges and political fixers, received bribes or political contributions in return for illegal cooperation with the underworld. Defense attorneys, tax accountants and bailbondsmen, in return for salaries or fees, provided expert services that were generally legal.37

For many of the small businessmen of the city, retailing the goods or services of the underworld could supplement business income significantly. Saloons, as already mentioned, often provided gambling and prostitution as an additional service to customers. Large numbers of small businesses were outlets for handbooks, policy, baseball pools, slot machines and other forms of gambling. A substantial proportion of the cigar stores, for example, were primarily fronts for gambling; barber shops, pool halls, newsstands, and small hotels frequently sold policy or would take bets on the horses. Drug stores often served as outlets for cocaine and, during the 1920s, sometimes sold liquor.38

The organized underworld also influenced business activity through racketeering. A substantial minority of the city's labor unions were racketeer-controlled; those that were not often used the assistance of racketeer unions or of strongarm gangs during strikes. The leaders of organized crime, as a result, exercised control or influence in the world of organized labor. Not so well known was the extensive racketeering that characterized small business organizations. The small businesses of the city were generally marginal and intensely competitive. To avoid cutthroat competition, businessmen often formed associations to make and
enforce regulations illegally limiting competition. The Master Barbers Association, for example, set minimum prices, forbid a shop to be open after 7:30 P.M., and ruled that no shop could be established within two blocks of another shop. Many other types of small businesses formed similar associations: dairies, auto parts dealers, garage owners, candy jobbers, butcher stores, fish wholesalers and retailers, cleaners and dyers, and junk dealers. Many of the associations were controlled, or even organized, by racketeers who levied dues upon association members and controlled the treasuries; they then used a system of fines and violence to insure that all businessmen in the trade joined the association and abided by the regulations. In return for control of the association’s treasury, in short, racketeers performed illegal services for the association and thereby regulated much of the small business activity of the city.39

Discussion of the economic influence of organized crime would be incomplete without mentioning the largest group that was tied economically to the underworld, namely, the many customers for the illegal goods and services. Like other retailers in the city, some leaders of organized crime located their outlets near the center of the city or along major transportation lines and serviced customers from the entire region; others were essentially neighborhood businessmen with a local clientele. In either case, those providing illegal goods and services usually attempted to cultivate customer loyalty so that the same customers would return on an ongoing basis and advertise among their friends. Organized crime existed because of wide customer demand, and a large proportion of the adult population of the city was linked to organized crime on a regular basis for purchase of goods and services.

Heroism and Ambiguity

Because of the diverse ways that successful criminal entrepreneurs influenced the city and ethnic communities, many of them became heroes—especially within their own communities. There were a variety of reasons for the admiration that they received. Their numerous philanthropies, both large and small, won them reputations as regular guys who would help a person in need. Moreover, they were often seen as persons who fought for their
ethnic communities. They aided politicians from their communities to win elections in the rough and often violent politics of the slums and thereby advanced their ethnic group toward political recognition. Sometimes they were seen as fighters for labor unions and thus as friends of labor. And, on occasion, they fought directly for their ethnic group. There was, for instance, the case of the three Miller brothers from Chicago’s West Side Jewish ghetto. In typical ghetto pattern, one became a boxer, one a gangster and one a policeman. The boxer and gangster were heroes among Jews on the West Side, where for many years Jewish peddlers and junk dealers had been subjected to racial slurs and violent attacks by young hoodlums from other ethnic groups. “What I have done from the time I was a boy,” Davy Miller told a reporter,

was to fight for my people here in the Ghetto against Irish, Poles or any other nationality. It was sidewalk fighting at first. I could lick any five boys or men in a sidewalk free-for-all.

When the Miller brothers and their gang protected the Jews of the West Side, the attacks against them abated.4

Particularly for youngsters growing up in the ghettos, the gangsters were often heroes whose exploits were admired and copied. Davy Miller modestly recognized this when he said:

Maybe I am a hero to the young folks among my people, but it’s not because I’m a gangster. It’s because I’ve always been ready to help all or any of them in a pinch.

An Italian student at the University of Chicago in the early 1930s remembered his earlier life in the Italian ghetto:

For 26 years I lived in West Side “Little Italy,” the community that has produced more underworld limelights than any other area in Chicago....

I remember these men in large cars, with boys and girls of the neighborhood standing on the running board. I saw them come into the neighborhood in splendor as heroes. Many times they showered handfuls of silver to youngsters who waited to get a glance at them—the new heroes—because they had just made headlines in the newspapers. Since then I have seen many of my playmates shoot their way to the top of gangdom and seen others taken for a ride.41

Nevertheless, despite the importance of gangsters and the world
within which they moved, their relations to ethnic groups and the city were always ambiguous. Because many of their activities were illegal, they often faced the threat of arrest and, contrary to common belief, frequently found themselves behind bars. Furthermore, for those members of the ethnic community who pursued respectable paths to success, gangsters gave the ethnic group a bad name and remained a continuing source of embarrassment. St. Clair Drake and Horace R. Cayton, in their book on the Chicago black ghetto, describe the highly ambiguous and often antagonistic relations of the respectable black middle class and the policy kings. In his book on Italians in Chicago, Humbert S. Nelli explains that in the 1920s the Italian language press refused to print the name of Al Capone and covered the St. Valentine’s Day massacre without suggesting its connection with bootlegging wars.42

The respectable middle classes, however, were not the only ones unhappy about the activities or notoriety of gangsters. Organized crime sometimes contributed to the violence and fear of violence that pervaded many of the ghetto neighborhoods. Often local residents feared to turn to the police and lived with a stoical acceptance that gangs of toughs controlled elections, extorted money from local businesses and generally lived outside the reach of the law. Some immigrant parents, too, resented the numerous saloons, the open prostitution and the many gambling dens—all of which created a morally dangerous environment in which to raise children. Especially immigrant women, who watched their husbands squander the meager family income on liquor or gambling, resented the activities of organized crime. Within a number of neighborhoods, local churches and local leaders undertook sporadic campaigns for better law enforcement.43

Organized crime, then, was an important part of the complex social structure of ethnic communities and urban society in the early twentieth century. For certain ethnic groups, organized crime both influenced and reflected the special patterns by which the groups adjusted to life in urban America. Through organized crime, many members of those ethnic groups could achieve mobility out of the ethnic ghettos and into the social world of crime, politics, ethnic business, sports, and entertainment. Those who were successful in organized crime possessed the wealth and
contacts to exercise broad influence within the ethnic communities and the city. The economic activities of the underworld provided jobs or supplemental income for tens of thousands. Despite the importance of organized crime, however, individual gangsters often found success to be ambiguous. They were not always able to achieve secure positions or to translate their positions into respectability.

FOOTNOTES


I use the term "organized crime" for those activities involving the sale of illegal goods and services. Prostitution, gambling and bootlegging were the major types during the early twentieth century (“juice” and heroin came later). Because labor racketeering and small business racketeering were closely tied to organized crime, I also discuss them in the paper.


6. Royal E. Montgomery, Industrial Relations in the Chicago Building Trades (Chicago, 1927), passim; Italian involvement in labor leadership discussed in Nelli, Italians in Chicago, pp. 78-85.


9. Discussions of the relationship of organized crime and politics in Chicago are numerous: Landesco, *Organized Crime*, ch. 8; Lloyd Wendt and Herman Kogan, *Lords of the Levee: The Story of Bathhouse John and Hinky Dink* (Indianapolis, 1943); Ovid Demaris, *Captive City* (New York, 1969); or the various issues of *Lightnin*’, an occasional newspaper published by the Rev. Elmer L. Williams in the 1920s and 1930s.


13. Good social histories of horse racing and betting, like social histories of other sports, still need to be written. Perhaps the best general picture of the interrelations of betting and racing can be gotten from Hugh Bradley, *Such was Saratoga* (New York, 1940); see also Josiah Flynt, “The Pool-Room Vampire and Its Money-Mad Victims,” *Cosmopolitan Magazine*, XLII (Feb. 1907), 368-370. For information about Chicago, see Wendt and Kogan, *Lords of the Levee*, especially pp. 28-30 and 50-58; *New York World*, Oct. 6, 1901; Citizens’ Association of Chicago, *Bulletin* No. 14 (May 24, 1905); and various stories in Chicago newspapers.

14. There are numerous descriptions of entertainment and vice areas of Chicago, by newspaper reporters and by other investigators. See, for example, the investigators’ reports in the Committee of Fifteen files and the many reports on commercialized entertainment commissioned by the Juvenile Protective Association and now deposited in the Association’s files. For relations of the Capone organization to the North Side
entertainment district in the early 1930s, see R. H. Sayler, "Capone Faction," undated, typewritten research paper in Burgess papers, II-A, Box 14.


16. For discussions of Colosimo's life, see McPhaul, Johnny Torrio, pp. 69-115; Kobler, Capone, ch. 3 and 4; and Charles Washburn, Come Into My Parlor: A Biography of the Aristocratic Everleigh Sisters of Chicago (New York, 1936), especially ch. 11; his funeral is described in Landesco, Organized Crime, ch. 9. Some of the local political and criminal hangouts are described in investigators' reports, Charles E. Merriam papers, Boxes 87 and 88. Political banquets are described in Landesco, Organized Crime, pp. 176-78, and in Lightnin', I, No. 3, p. 2, and No. 5, pp. 1 and 3-4.

17. The philosophy is best described in Landesco, Organized Crime, ch. 10, but the same philosophy is expressed whenever gangsters were asked about themselves; see, for example, [anon.], "A Good Hoodlum," typewritten term paper, 1933, Burgess papers, II-A, Box 72. For reminiscences of a person raised on the periphery of the subculture, see Joseph Epstein, "Coming of Age in Chicago," Commentary, XLVIII (Dec. 1969), 61-68.


19. Quotation from confidential report in Chicago Crime Commission, File No. 11170, Chicago, Ill. Al Capone echoed the same view when he explained to a lady reporter: "They talk about me not being on the legitimate. Why, lady, nobody's on the legit. You know that and so do they. Your brother or your father gets in a jam. What do you do? Do you sit back and let him go over the road, without trying to help him? You'd be a yellow dog if you did. Nobody's really on the legit, when it comes down to cases, you know that." See Kobler, Capone, pp. 268-69.

20. For discussions of Chicago labor racketeering, see Montgomery, Industrial Relations, passim; John Hutchinson, The Imperfect Union: A History of Corruption in American Trade Unions (New York, 1970), especially chs. 4 and 9; and the extensive correspondence and printed material in the Victor A. Olander papers, folders 115 and 266-68, in Library of University of Illinois at Chicago Circle.

21. Discussion of the Irish politics-gambling complex based primarily on Herman F. Schuetttler, Scrapbook of Newspaper Clippings . . . 1904-1908, 2 vols., in Chicago Historical Society; see also Citizens' Association of Chicago, Bulletin No. 11 (July 31, 1903), and Landesco, Organized Crime, ch. 3.


23. For descriptions of Italian involvement in South Side vice, see McPhaul, Johnny Torrio, pp. 69-155; Kobler, Capone, chs. 3 and 4; and investigators' reports, Merriam papers, Boxes 87 and 88.

24. Most accounts of Chicago bootlegging concentrate upon Capone and slight the contributions of other groups. The development of the other groups can be followed,
however, in the extensive files of the Chicago Crime Commission dealing with each of
the leading bootlegging gangs.

25. Of the many accounts of the rise of the Capone organization, the best are Kobler, 
Capone, and McPhaul, Johnny Torrio; see also Fred D. Pasley, Al Capone: The 
Biography of a Self-Made Man (New York, 1930). The movement of the Capone 
organization into racketeering can be followed in the Olander papers, folders 266-68; a 
series of stories in Chicago Tribune, March 19-27, 1943; and Demaris, Captive City , pp. 
22-29. Despite their success in crime, Italians did not displace the Irish from politics; in 
1929, out of 99 ward committeemen in Chicago, 42 were Irish and only one was Italian;
see Ogburn and Tibbitts, “Memorandum on Nativity,” p. 45.

26. On the role of Mike de Pike Hetler and other Jews in West Side vice before World 
War I, see Murray, Madhouse on Madison Street, ch. 30; and investigators’ reports in 
Merriam papers, especially Box 88, folders 1 and 6. On Jewish syndicates in the 1920s,
see the following investigative reports in the Juvenile Protective Association papers:
“Law Enforcement and Police,” Nov. 29, 1922, and Dec. 3, 1922, folder 94, and
“Commercialized Prostitution,” Dec. 10, 1922, folder 92. For Jewish gamblers, see
Chicago Crime Commission File No. 65; also Demaris, Captive City , pp. 104-107.

27. Bradstreet reports on 30 major bailbondsmen are attached to letters of Assistant 
Corporation Counsel to Harry J. Olson, April 9 and 29, 1913, in Chicago Municipal 
Court papers, folder 24, Chicago Historical Society. Ethnicity could be established for
eighteen, of whom nine were Jewish. Half of the thirty bailbondsmen were saloon 
keepers. By the late 1920s, Jews constituted 51 per cent of bailbondsmen (out of 158 
studied); see Ogburn and Tibbitts, “Memorandum on Nativity,” p. 48. Figures on Jewish 
fences and defense attorneys in ibid., pp. 15 and 47-48.


29. The interrelationship of blacks and vice districts is discussed in Chicago Commission 
on Race Relations, The Negro in Chicago (Chicago, 1922), pp. 342-48; Reitman, Second 
Oldest Profession , ch. 11; Walter C. Reckless, Vice in Chicago (Chicago, 1933), passim;
and the many investigators’ reports in Committee of Fifteen papers.

30. For the migration of jazz to Chicago and its development there, see Nat Shapiro and 
Nat Hentoff, eds., Hear Me Talkin’ to Ya: The Story of Jazz as Told by the Men Who 
Made It (New York, 1966), pp. 80-164; Eddie Condon, We Called It Music: A 
Generation of Jazz (New York, 1947); and Milton Mezzrow and Bernard Wolfe, Really 
the Blues (New York, 1946). An excellent general social history of jazz is Neil Leonard, 
Jazz and the White Americans: The Acceptance of a New Art Form (Chicago, 1962).

31. Italian homicide rate mentioned in Rudolph J. Vecoli, “Contadini in Chicago: A 
Critique of The Uprooted,” Journal of American History , LI (Dec. 1964), 406. For an 
interesting discussion of ways that Italian criminals in the United States reflected south 
Italian values, see Francis A. J. Ianni, “The Mafia and the Web of Kinship,” The Public 
Interest , XXII (Winter 1971), 78-100. A thorough criticism of the literature which 
interprets American organized crime as a transfer of the Sicilian mafia is in Joseph L. 
and 6.

32. On blacks, this is my surmise from information in Drake and Cayton, Black 
Metropolis , II, pp. 514 and 546.

33. See Drake and Cayton, Black Metropolis , II, pp. 492-94 and passim; Nelli, Italians in 
Chicago, especially pp. 222-34, describes gangster influence on Italian political 
representation.

35. Fred Cotnam, “Conversations with Bell-boys,” student term paper, Winter 1929; Stanley Jenkins, “Prostitution and the Prostitute in a Study Centered around Hotel Life,” typewritten, undated term paper; and Morris Carl Bergen, “The City, as Seen by the Cab Driver,” typewritten term paper, July 1932; all in Burgess papers, II-A. Also Investigators’ reports, Nov. 1922, in Juvenile Protective Association papers, folder 94; and Report F-2 in “Commercialized Prostitution,” July 1933, ibid., folder 98.


37. On relations of criminals to politics, see references in footnote 9. For relations to police, see especially the investigators’ reports in Merriam papers, Boxes 87 and 88. Of many discussions of judges and criminals, see Judge M. L. McKinley, Crime and the Civic Cancer—Graft, Chicago Daily News Reprints, No. 6 (1923), in Juvenile Protective Association papers, Supplement 1, folder 58. An excellent general analysis of the bailbondsman is Arthur L. Beeley, The Bail System in Chicago (Chicago, 1927), especially pp. 39-46. A long description of defense attorneys for organized crime is in Sunday Chicago Tribune, April 8, 1934.

38. On newsstands and gambling, see typewritten memo by C.O. Rison, private detective, to Chicago Federation of Labor, July 4, 1910, in John Fitzpatrick papers, folder 4, Chicago Historical Society. For other businesses acting as fronts for gambling, see Rison’s many investigative reports for June and July, 1910, in ibid. Also Nels Anderson, “Report of Visit to Ten Gambling Houses in Hobohemia,” Jan. 1, 1923, Doc. 79, in Burgess papers; Paul Oen, typewritten research notes describing a large proportion of the gambling places in Chicago, Summer 1935, in Burgess papers. On sale of cocaine at drug stores, see especially Informant No. 100, typewritten but undated lists of places for securing cocaine [1914], in Merriam papers, Box 88, folder 1.

39. Landesco, Organized Crime, ch. 7; Samuel Rubin, “Business Men’s Associations,” typewritten term paper, Winter 1926, Burgess papers, II-D, Box 115; Philip Hauser and Saul Alinsky, “Some Aspects of the Cleaning and Dyeing Industry in Chicago—A Racket,” unpublished research paper (1929), Burgess papers; also the various issues of Employers’ Association of Chicago, Employers’ News, during the 1920s, which reported business racketeering in detail; also journalistic accounts, such as Fred D. Pasley, Muscling In (Ives Washburn Publisher, 1931), and Gordon Hostetter, It’s a Racket (Chicago, 1929).


41. First quotation from ibid., p. 13; second quotation from anonymous, typewritten research paper entitled “Introduction” [approx. 1934], p. 10, Burgess papers, II-A, Box 71.

42. Drake and Cayton, Black Metropolis, II, pp. 490-94 and 546-50; Nelli, Italians in Chicago, p. 221.
43. On the attitude of immigrant mothers, see the many letters to Mayor Dever (1923-27) from immigrant women reporting speakeasies and begging the Mayor to have them closed; in William E. Dever papers, Chicago Historical Society, especially folders 25-26. For a long article on the Chinese Christian Union and its campaign to close Chinese gambling dens, see Chicago News, May 11, 1904. On activities of black and of Polish church organizations, see Herbert L. Wiltsee, “Religious Developments in Chicago, 1893-1915,” M.A. thesis in history, University of Chicago, 1953, pp. 14 and 23.