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**LAW CLAMPS
ON LAIR OF
CAPONE AIDS**Army of Agents Sweeps
Down on Notorious
Chicago Heights.**POLICE FORCE SEIZED**Smashing Blow Struck at
Rule of Beer Czar in
Spectacular Raid.*By United Press*
CHICAGO, Jan. 7.—Chicago Heights, built by steel and demoralized by alcohol, awoke to lay to find its leading gangsters in jail, its police department under fire and its entire local government temporarily dispossessed by a combination of federal and county authorities.

In the most spectacular raid in the history of Illinois, the town of 25,000 inhabitants, birthplace of gangland and scene of scores of gang murders, virtually was sacked by two squads of Chicago police and 100 federal agents who swept through its business and residential districts, seeking the fountain heads of vice and crime which have made the suburb more notorious than Cicero.

Twenty-five men seized in the raid, including Oliver J. Ellis, alleged pay-off man for a liquor and slot machine syndicate which controlled millions of dollars in gambling concessions in Chicago's steel town neighbor. Among those held were racketeers and beer chieftains said to be underlings of Scarface Al Capone, lord of Chicago's gangland, whose virtual rule of Chicago Heights has existed since the abdication of the notorious Johnny Torrio.

Seize Alcohol Depot

John Stege, deputy commissioner of police, said the raiders had seized men who would aid in the solution of several of the sixty-two murders which have occurred in Chicago Heights since it became the hub of the alcohol war.

Stege said he believed murderers of Leroy Gilbert, Chicago Height's chief of police, who was slain a few weeks ago, now were in custody.

The distributing depot of one of the district's largest alcohol rings also was seized.

Terrified citizens, surprised by the raid, saw armed squads patrolling every street.

Twenty homes were entered by force and the equipment of guns, ammunition and gangster paraphernalia seized.

Chases Through Streets

Street pursuits after those who sought to escape served to throw the quick city into even greater confusion.

The raiding squads struck simultaneously, as had been planned by George E. G. Johnson, United States district attorney, and William E. Russell, Chicago, commissioner of police.

The raiders gathered at dawn in the south side of Chicago. Warrants based on evidence secured over a month's investigating by federal agents, were distributed and the procession started for its first objective—the Chicago Height's police station.

There, Deputy Commissioner Stege demanded the keys for the city hall and the jail.

He ordered out of the jail three women and two men, remarking: "We'll need all the room we have in a few minutes."

"Who are you and what do you think you're doing," demanded a desk sergeant.

Police Chief in Cell

"We're running the place for a while," Stege answered.

Chicago Height's new police chief, John Costabile, objected and with his desk sergeant he was shoved into a cell. One by one as they reported on their beats or at the station, the entire city police force was seized.

By that time the raids were progressing throughout the city.

Far from the stench of the steel mills the raiders came to the Ellis home, a large country estate surrounded by a high iron fence. Within a building in the rear were 423 slot machines, nine telephones, and a list of names and addresses which were expected to prove important evidence against Ellis and his aids. Whisky, alcohol and beer also were confiscated.

Arsenals Are Taken

Ellis confessed that \$400,000 in cancelled checks which were placed before him represented slot machine profits for fourteen months. He implicated several others, some of whom, agents said, might lead the investigation into Chicago's municipal buildings.

In the homes of the men arrested officers found ten loaded double-barreled shotguns, sixteen revolvers, 500 rounds of shotgun ammunition, and several hundred cartridges.

The luxurious home of the Pizzazzas, reputed gang leaders, was surrounded; Nick and John Piazza and four of their henchmen were arrested. These men and Sam and Tony Costello, agents said, may lead to the solution of the city's latest gang killing, that of Joseph Martino.

The Martino and the Gilbert slayings were the latest of more than sixty killings which have occurred since Chicago Heights became the center of the war over rich beer and alcohol privileges in 1920, a few months after prohibition went into effect.

He Can Whistle**LIGHTER TAX
LOAD SOUGHT
FOR SCHOOLS**Business Director to Ask
Different System on
Bond Issues.**CITIZEN NOW HIT HARD**Whole Burden May Fall
in Single Year on
Taxpayers.

Indians will be relieved of the burden of excessive school taxes in any one year, caused by bonded indebtedness retirement, if the legislature looks with favor on a bill being prepared by Albert F. Walsman, school business director.

This bill would prevent issuance by the school city of other than serial bonds. It was drafted as a means of preventing recurrence of a situation such as the Indianapolis schools will face in 1939-1940, when \$450,000 in bonds will mature.

Walsman said members of the general assembly, with whom he has conferred in regard to the bill, have not decided whether to confine its provisions to the Indianapolis school city, or make it apply to all school corporations of the state.

Blow Falls Heavily

Serial bonds are those maturing over a definite period of time, with regular, equal annual payments.

In the past, Walsman said, many issues have been floated by school boards with the principal maturing all in one year, that year conveniently set for a time when a new school board would be faced with responsibility of raising funds for their retirement. The bill would prevent this embarrassment of future administrations.

This would be accomplished by providing that all bonds issued must be serial bonds, extending over a definite period of not less than three years nor more than twenty-five years.

As a further precautionary measure, provision is made that no serial payment of any issue for any one year may be more than \$100,000.

Would Lessen Burden

Thus a \$1,000,000 issue could not be extended for only three years, with annual \$330,000 payments, the minimum time permitted for such an issue under the bill being ten years, with \$100,000 retired each year.

The bill would become effective July 1, 1929. No sinking fund would be provided for bonds issued after that date, the bonds being retired only by serial payments as they become due.

Under Walsman's administration, the school city is entering into a program of retrenchment, with the intent that ultimately bond issues will be necessary only for extraordinary programs, such as new high schools. All elementary buildings would be financed directly through tax levies.

Under the old system of issuing large bond issues, the entire principal becoming due in one year twenty or thirty years later, the city is forced to pay 90 cents interest on every \$1 of bonds.

Cuts Interest Cost

By providing shorter maturity dates, extended serially over several years, the interest cost is reduced materially. This method has been adopted by Walsman.

"After careful study of sinking funds in Indiana and other states," Walsman said, "I am of the opinion that the sinking fund idea is impractical. It sets up a large sum of money against which a dishonest official could make drafts for some time without detection, and also hoards the taxpayers' money, obtaining small interest, when the taxpayer could be using the money until the actual maturity date."

"Issuance of bonds for elementary buildings should be no more necessary in Indiana than would be issuing bonds by villages and small towns to equip one room or a school."

VOLCANO TAKES TOLL

Many Dead in Chile, Reports Indicate.

By United Press

SANTIAGO, Chile, Jan. 7.—An unreported number of deaths and injuries were indicated today in dispatches from Puerto Varas, telling of the eruption of the volcano Calbuco.

The eruption, accompanied by strong earthquakes, awoke natives to the fact that the volcano had been active for three months.

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**FOUR DENY GUILT
IN PETTIS ROBBERY**

Four Indianapolis men captured in the round-up of those alleged to have conspired in the \$6,000 robbery of the Pettis dry goods company store, Dec. 27, pleaded not guilty in criminal court today.

They were Doddle Delatore, Martin (Dick) Prather, Thomas Hindman, Negro, and Dewey Bryant. Bond of each of the four was set at \$25,000.

Federal authorities were aiding police in the effort to bring home from Chicago James Martin, alias

Wilson, and Benjamin Salkin, to face trial for their alleged part in the robbery.

James E. Burke, the other robbery suspect arrested in Chicago, did not fight extradition and was returned here Sunday by Detective Claude Johnson. He was grilled by

detectives today.

Martin and Salkin, according to word received by Police Chief Claude M. Worley from Chicago, are planning habeas corpus action to prevent their return.

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EAT GOOBERS, POPCORN, GET TO BE PRESIDENT, IS STEVE'S ADVICE*By ALLEN SUMNER
NEA Service Writer*

WASHINGTON, Jan. 7.—Peasant purveyor to five Presidents and a sixth one on the way is the proud record of Steve Vasilakos, whose neat but not gaudy peanut cart has hugged the White House fence for nearly twenty years.

"BEST not to talk too much in this business," says Steve, a speculative eye upon the big house beyond the iron picket fence. "Big men don't talk much. Steve don't talk much."

Rosy days lie in wait for Steve right now, for Herbert Hoover, sixth presidential customer whom he will know, already has signed off his interest in the goober, and during his Washington life has

often stopped at Steve's stand for his bag of fresh roasted peanuts.

But if you think Steve's going to upset the destiny of nations by telling you whether the President-

to-be likes his goobers hot or cold, well, medium or rare roasted, you have another think coming.

"All nice fellas—very nice fellas all in different way," he said.

"Wilson he very nice fellas; Harding he swell guy. Taft, great old boy; Roosevelt, one mighty nice guy. Coolidge all right, and this Hoover, say he's grand. He eat three or four bags peanuts to once."

Steve has seen all the First Ladies, too. He "can't remem-

ber" whether they all bought peanuts and popcorn and crackers.

Steve proves that his twenty years as peanut purveyor to Presidents have taught him much.

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