

Hands Tied On Capone-Linked Brewery, Says Indiana ABC

2 Peddlers Of Bad Bills Gang Victims

By United Press
CHICAGO, Feb. 5—The U. S. Secret Service announced today that two distributors for a \$2 million counterfeiting ring smashed by federal agents masquerading as hoodlums, died in gang-style slayings.

Both deaths are listed on the roster of Chicago's unsolved murders. A spokesman for the Chicago Secret Service office declined to name the dead.

"Both were killed in the past few years," he said. "Both were distributors for the bogus money."

Meanwhile, three of the four men arrested were held in \$10,000 bond after a hearing before a U. S. commissioner. The three were charged with possession of counterfeit money, the search of a fifth continued.

Final Act

Harry D. Anheier, agent in charge of the Chicago office, said the ring managed to get about \$1.4 million of their phony greenbacks into circulation, mostly in Chicago, New York, Pennsylvania, Kentucky and West Virginia.

The final act of the ring, Mr. Anheier said, was when \$100,000 exchanged hands. William Skally, 43, handed it over to undercover agents posing as hoodlums. Skally was arrested a short time after turning over the money in a West Side tavern.

"Skally alone admitted passing more than \$1 million of the stuff," a spokesman said.

Most of the money was in bogus \$10 and \$20 bills. It was printed in a small west side printing establishment which also conducted a legitimate business.

Good Imitations

Mr. Anheier said that six employees of the concern were not aware that the counterfeiting was going on.

The bill were good reproductions, Mr. Anheier said, except for two flaws: They lacked the characteristic green and red threads always found in genuine money, and the green ink used to print them was too bright.

Most of the bills, the agent said, were crumpled, then soaked in black coffee to give them the appearance of having been in circulation for some time. This is an old counterfeiting trick.

The undercover agents purchased the phony money at the rate of \$7 for each \$100 in counterfeit bills, Mr. Anheier said.

Same Type Bills Circulated Here

Special agents of the Indianapolis Secret Service office today said \$12,000 to \$36,000 in bogus bills of "the same type" as the ones turned out by the counterfeit ring in Chicago have been passed in Indianapolis during the past two years.

The bills have been in \$10 and \$20 denominations, the agents said. Occasionally there would be minor changes as the plates became worn and were changed, but the general characteristics remained the same.

The Secret Service reported that from \$500 to \$1500 monthly have been picked up here. Most of the victims were small merchants.

Indiana Town Is Isolated

Times Special
MT. VERNON, Feb. 5—Eight hundred residents of Griffin, north of here on the Wabash River, were isolated from all highway travel by rising flood waters to day.

Two Posey County roads leading to the town, one from the south and the other from the east, became flooded too deep for vehicular travel shortly before noon today.

The town itself, however, was high and dry on the elevated banks of the Wabash.

"The only entrance or exit from the town is along railroad tracks of a branch line of the Illinois Central Railroad. All food supplies will be shipped by train."

Residents of Griffin are accustomed to disasters from the weather. The 1937 flood isolated the town from the outside world for two weeks.

A tornado in 1925 destroyed the whole community, leaving no buildings intact. It was rebuilt immediately.

Indiana's Democratic-controlled Alcoholic Beverage Commission said today it did not have the "authority" to take action against Canadian Ace Brewing Co., the Chicago brewery linked publicly to the old Al Capone gang.

Bernard Doyle, Democratic chairman of the commission, made the announcement upon completion of an investigation ordered by Gov. Schricker and prompted by a beer-gangster-political tie-up expose in The Times. This was the notorious brewery which was represented before a government agency by the law firm of Frank McHale, Democratic National Committeeman for Indiana, when it was cited for "false and misleading advertising."

The alcohol control commission said there was no provision in the state law giving it control or authority over out-of-state breweries.

Will Be 'Alert'

In the presence of two other members of the commission—Democrat Walter A. Rice and Republican William T. Steinberger—Mr. Doyle said:

"The exposure of notorious persons connected with this brewery will alert us to any attempts by this company of unethical or illegal practices. We are not defending Canadian Ace or any of the people in it. We are merely trying to uphold and administer the laws of Indiana."

The commission cited an opinion from Allen A. Appleton, Deputy Attorney General, to support its decision. The opinion said, in part:

"I am unable to find any provision in the Indiana law giving the commission any control or authority over breweries not within the state of Indiana. Regulation 17 provides for the registration of vehicles of out-of-state manufacturers for the purpose of transporting beverages into Indiana but gives control only over the vehicle."

Limited to Vehicles

"It is my opinion that the Indiana ABC could go no further than to regulate or control vehicles of out-of-state manufacturers which carry alcoholic beverages into this state, even under our broad police powers."

Mr. Doyle's personal six-week investigation of Canadian Ace confirmed all of the details of the recent Times expose.

From the Chicago Crime Commission and the New York State Liquor Authority Mr. Doyle learned the brewery was owned by Alexander Louis Greenberg, known in Chicago as the "financial genius" of the old Al Capone gang. The New York State Liquor Authority, which blocked the brewery's attempt to get a wholesale license in New York, noted:

From the very inception of prohibition, hoodlums and gangsters have been connected with the operation of the brewery. Such characters as Dion O'Bannon and the Touhy gang were involved with the brewery and Greenberg, in confidential office files, was reported to be the manager.

In 1919, Greenberg was arrested in connection with the larceny of a number of barrels of whisky. He was indicted by the May, 1919, Grand Jury of Cook County (Chicago), Illinois.

Federal agents arrested Greenberg as late as May, 1941, and found forged whisky permits in his office. The official records fail to disclose any convictions against Greenberg.

After repeal, Greenberg's close association with the notorious racketeers and gangsters of the Chicago syndicate continued. The Capone mobsters were very closely connected with the operation of the Manhattan Brewery, which was later renamed Canadian Ace because Greenberg objected to "all the free publicity" its reported syndicate connections brought it.

In March, 1943, George McLean, an official in the bartenders union in Chicago, testified in connection with an investigation concerning the methods used by the mob in seeking to seize control of that bartenders union. He said he met Greenberg and Frank Nitti (the Enforcer) at the insistence of Greenberg and Nitti ordered him to get his members to push Manhattan beer.

Greenberg himself testified at congressional hearings that he borrowed large sums from Nitti without security and visited him at his home, sometimes in Florida, sometimes in Chicago and sometimes out West. Greenberg added he owed Nitti \$10,000 and paid back \$65,000. He said he still owed the Nitti estate \$65,000.

Waiver of Immunity

On Feb. 29, 1944, Greenberg signed a waiver of immunity and testified before a federal grand jury investigating charges of mail fraud and violation of the National Bankruptcy Act.

The Grand Jury had evidence of the whole community, leaving no buildings intact. It was rebuilt immediately.

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New Heart Treatment Described

By CARL HENN

Encouraging progress in the management of heart disease patients was described to Indiana physicians today at a heart symposium at Indiana University Medical Center here.

Dr. Charles K. Friedberg, New York City, one of five national authorities who pooled their knowledge for the benefit of more than 200 doctors attending, spoke on advances in:

ONE—Treatment of the cause of heart failure, rather than treatment of symptoms. Among new aids, Dr. Friedberg mentioned use of radio-active isotopes both in diagnosis and for treatment.

TWO—Development of new and better drugs. These include preparations to prevent fatal blood clots; to eliminate fluids and salt from the body and to arrest diseases which aet the heart such as rheumatic fever.

THREE—Better control of heart failure symptoms, such as edema (dropsy), shortness of breath and other indications of heart trouble.

Dr. Friedberg emphasized the necessity of a salt-free diet for some patients, and mentioned recent preparations which draw salt from the body, thus allowing the patient to eat food made palatable by a little salt in cooking.

Others who spoke were Drs. Thomas Dry and Edgar Hines, both of Mayo Clinic, Rochester, Minn. Dr. Roy W. Scott, Cleveland, and Dr. Robert Wilkins, Boston.

Phone 'Roundtable' Tonight

They will take part tonight in a "heart roundtable" discussion moderated by Dr. Kenneth Kohlstaedt, Indianapolis president of the Indiana Heart Foundation, which was co-sponsor of the symposium. The panel will reach 38 Hoosier counties by long-distance telephone hookup.

Dr. Dry, a specialist in irregular heartbeat, said perfectly sound persons can be frightened by an occasional heart "skip" or by a rapid increase in the heartbeat, and yet not be ill.

Innocent fluctuations are still under control of the "pacemaker" portion of the heart, Dr. Dry said, while serious irregularities occur in which the governor fails and another part of the heart takes over to sponsor the beat.

Dr. Dry said the serious irregularities can be stopped at times by administering quinidine to bring back regularity or digitals to slow down the beat and give the heart more rest. In cases where irregular heartbeat is caused by another disease, such as goiter, curing of the disease may end the irregularity.

109 Students Get Butler Scholarships

Scholarship awards amounting to \$6110 were presented yesterday to 109 elementary education students at Butler University.

Dr. A. N. Schwartz, co-ordinator of elementary education, and Dean L. Gray Burdin, chairman of the university scholarship committee, presented the awards at a convocation in Arthur Jordan Memorial Hall.

Thugs' Lug Safe From Restaurant

"Strong-arm thugs who broke into the White Gables Restaurant, 1040 Virginia Ave., last night apparently had strong backs as well. They took the safe with them."

Harry Whited, 43, of 308 E. 11th St., restaurant owner, said the safe contained about \$80.

Heads Democrats

BLUFFTON, Feb. 5 (UP)—Joseph F. Eichhorn, Wells County prosecutor, today heads the county Democratic Central Committee, succeeding Pearce Harwich, who resigned Jan. 25.

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