

SEVENTY-THIRD YEAR

SALEM, OREGON, SUNDAY MORNING, JUNE 3, 1923

PRICE FIVE CENTS

## TEXAS COURT NOW PROBING OIL SWINDLE

"General" Robert A. Lee and Charles Sherwin on Trial for Misusing Mails to Defraud

### GOVERNMENT ALLEGES DEFENDANT IS "GOAT"

Aged Man Received Small Salary for His Share in the Enterprise

FORT WORTH, Texas, June 2.—How he and his partner H. H. Schwarz, organized the General Lee Companies No. 1 and No. 2, and then sold these companies the leases which were described in the advertising literature, as to bring immense profits to the investors, was told on the witness stand today by Charles Sherwin, defendant with Schwarz and "General" Robert A. Lee in the oil fraud cases charging misuse of the mails. Sherwin gave this testimony on cross-examination by David Cahill, government attorney.

**Companies Capitalized**  
He said the companies were capitalized at \$15,000 and \$18,000, respectively, and they (Sherwin and Schwarz) took over the entire capital stock and its leases. But not all of the capital stock was sold to the public, Sherwin said, being only about \$15,000 sold for company No. 1 and \$12,000 for company No. 2. All of this money was taken over by them, he said, together with the remaining capital stock and as payments would dribble into the office after the first drive for stockholders, he and Schwarz would pocket the money. The money, he said, belonged to them, they said, there was no use of keeping any books.

**Made Large Profits**  
While Sherwin and Schwarz realized handsome profits from the first two Lee companies, "General" Lee, the aged defendant who, the government alleges, is the "goat" of the whole affair, received only \$12.50 weekly and occasional small sums for "tobacco money," according to Sherwin's testimony. He said Lee was to receive 10 per cent of the profits of the company in addition to his weekly salary, but as there were no profits for the investors, Lee had nothing coming. There also were no "net profits" from the third company, Sherwin said, and Lee received nothing but his salary.

**Checks Not Returned**  
No misrepresentations were made.  
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## PLENTY OF SPUDS FOR ALL IN NEED

Steiner and Smith Have Lots of 'Em—Give 'Em Away, Says Board

The poor families of Salem and vicinity are not likely to be in want of food, as far as the home and useful potato is concerned. At the meeting of the state board of control Saturday Dr. R. E. Lee Steiner, superintendent of the state hospital for the insane, and Dr. J. N. Smith, superintendent of the state institution for feeble minded, informed the board that they have more than 2000 bushels of potatoes that are going to waste, and that they have been unable to find a market for them.

The board instructed the two superintendents to turn them over to the Salvation Army or to any other institution that will distribute the vegetables among the needy.

### THE WEATHER

OREGON: Sunday, generally fair; moderate westerly winds.

**LOCAL WEATHER**  
(Saturday)  
Maximum temperature, 67  
Minimum temperature, 47.  
River, 4.5 feet rising.  
Wind, south.  
Atmosphere, partly cloudy.

## EDITORIAL

### THE LOGANBERRY SITUATION

Editor Statesman: My attention has been called to your editorial entitled "Loganberry Men Stand Pat" in the Statesman, May 28. The editorial is to be very highly commended and it shows that you have the proper appreciation of the loganberry situation. It was my privilege to assist the growers in perfecting their organization and I can truthfully say I never have worked with a broader minded and fairer set of men than those who composed the committee that drew up the plan of organization. They know that on a competitive market where each grower can be approached separately and his necessities taken advantage of, that enough growers may be induced to sell at a price so far below the cost of production that it will mean bankruptcy to the large growers. They appreciate the fact that others are interested in the industry equally with themselves and all they ask is to be able to secure a price that will give them approximately the cost of producing a crop. They also appreciate the fact that if this is not done the acreage of loganberries, tributary to Salem, will be greatly reduced before another crop is harvested.

**LETTER FROM SECRETARY VINCENT**  
To the Independent Loganberry Growers:  
Your committee have procured an office at No. 127 North Commercial street, Room 4, Salem, Oregon.  
To date the acreage necessary to complete the organization of the Loganberry Growers' Exchange has not been procured.  
We are entering the second week of the limited time allowance.  
Some meetings are booked for the current week and others will follow.  
Should the growers desire to consummate this agreement for their mutual protection, it is up to them to act. When in Salem call at our office. When a meeting is called in your vicinity be there and take a part. All persons interested in this move are urged to solicit their neighbors' aid. Your committee are willing to serve you, but they cannot bear the whole burden. You are therefore urged to get into the game and help put this across.  
O. J. VINCENT, Sec'y.

## PAULINE NEEDHAM UNDER ARREST ON BAD CHECK CHARGE

West Salem Woman Accused of Passing Bogus Paper on Salem Merchants—Arrest Made Late Last Night by Sheriff Bower—Many Names Used, Some Forgeries and Others Fictitious Signatures.

Mrs. Pauline Needham, claiming to be 24 years old, a resident of West Salem, was placed under arrest by Sheriff O. J. Bower between 9 and 10 o'clock last night on a charge of passing bad checks in Salem. Mrs. Needham is in the county jail.

Mrs. Needham is accused of having passed 14 or 15 checks of small amounts on Salem merchants, aggregating possibly \$150. One of the largest was for \$27. Among the stores victimized by the woman were Rostein & Greenbaum, Seligs, Peoples Cash Store, Busiek's, Skaggs, Karsney's, Breier Store, Peoples Market and the J. C. Penney Store.

Mrs. Needham is said to have passed most of her checks during March and May. She used several different names, some of which were forgeries and others purely fictitious. The woman lives in West Salem with her husband, who is said to be a farmer, and he is the son of Polk county farmer. The family is well known. Mrs. Needham, as far as the officers know, has not been in trouble before.

Sheriff Bower has been working on clues for several weeks to ascertain where the checks were coming from, and traced their alleged source about an hour before the arrest was made last night.

## YMCA BUREAU IS DOING BIG WORK

The city free employment bureau at the YMCA, a branch of the federal employment service, continues to function in a way that has taken the farmers and other employers of help a large part of the worry about getting their summer's work done. A report for the last week, submitted by C. A. Kells, who is in supervision of the department, shows that a total of 79 job hunters have registered during the last week and 76 that the bureau knows about have actually been placed. The demand for help is indicated by the fact that 221 em-pts. and fruit growers

## YOUNG BRIDE OF EX-FLYER IS PENNILESS

Honeymoon Trip From California Is Interrupted When Husband Deserts

CHICAGO, June 2.—While the Chicago police were hunting today for Robert E. Barry, of Marietta, Ohio, former aviator who disappeared last night leaving his bride of five days almost penniless at a local hotel, word was received from Marietta authorities that they also are searching for Barry for passing a check for \$5,000 which was later returned for lack of funds. Local authorities have asked the Marietta authorities to trace a check for \$20,000, which Mrs. Barry said her husband gave her and which she claims was returned to her.

Mrs. Barry, who was on her honeymoon to California, was met here today by her sister, Miss Beatrice Gage, of Sheboygan, Wis.

## SCHOOL BIDS TOO LARGE

School Board Refuses to Award Contract; Another Meeting Is Called

The board of bids for the new Grant junior high school building, presented to the Salem school board Saturday for the building of the new Grant junior high school building.

The board will take up the final award next Friday noon, when a meeting is to be held to consider the bids for the new high school annex. Word was received from Architect Fred A. Legge that the bidders on the high school section had found it impossible to get ready for the scheduled award meeting on Monday, so the date was extended four days. Both buildings will be considered at that time.

All the bids were considerably higher than the board had expected to receive. They had hoped to get the Grant junior high school building complete, for little, if any, in excess of \$90,000. The sum of the bid bids on the building, the heating, and the plumbing—is a little more than \$102,000 for the lowest, and the highest total would be more than \$216,000 besides the seating and other personal furniture.

**Local Firm Lowest**  
C. Van Patton & Son, of Salem, were lowest on the building, their bid being \$78,426. The others in order: Tranchell & Parellus of Portland, \$84,804; John A. Almetra, Portland, \$85,316; H. E. Doering, of Portland, \$86,214; Fred Brisson, of Salem, \$89,673. The Van Patton and Tranchell & Parellus bids are held for possible revision as the lowest in the list.  
For the heating and ventilation, Rushlight & Hestorff of Portland was the lowest, with a bid of \$12,632; George W. Kendall, \$12,840; W. S. Fleming, \$12,414; T. M. Barr, \$13,500; and William E. Bunce, \$16,121. For the plumbing, A. L. Fraser of Salem was the lowest, with a bid of \$4600; William E. Bunce, with \$5,652; W. S. Fleming, \$5,100; and T. M. Barr, \$5,749. The lowest two of each of these work classifications will be held for consideration.  
Erickson Has Proposal  
Fred Erickson proposed to complete the building in the shortest time, 125 working days, which would deliver it to the board early in November. C. Van Patton's bid calls for 150 working days' time, as do two of the others, and the H. E. Doering bid asks 180 days, or seven calendar months, counting Sundays out.

## POLICE STILL NAB VIOLATORS OF DRY EDICT

Mullan-Gage State Prohibition Enforcement Act Repeal Has Very Little Effect in New York

### CHANGE PROSECUTIONS INTO FEDERAL COURTS

State Does Not Assume Responsibility; Withdrawals Are Not Made

NEW YORK, June 2.—Despite the repeal of the Mullan-Gage state prohibition enforcement act made effective by Governor Smith's signature last night, police and state officials today continued to arrest offenders of the dry laws and state courts proceeded with prosecutions of offenders arrested up until last night.

**Department Active**  
The only apparent effect of the repeal was the transfer of prosecution in cases of new offenders from the state to the federal courts. Predicted withdrawal from the enforcement ranks of city and state police authorities with consequent laxity in the enforcement of the federal dry laws failed to materialize.

**Hyland Won't Talk**  
While Mayor Hyland refused to discuss the situation, Commissioner Enright declared that a conference would be held next week with legal representatives of the city, state and nation attending, to determine the best method of procedure.

## SACRED HEART TO GRADUATE CLASS

Judge J. P. Kavanaugh of Portland to Deliver Commencement Address

Judge J. P. Kavanaugh of Portland, a former Marion county man, will deliver the commencement address for Sacred Heart Academy Wednesday at the Grand Hotel. This is the 60th annual commencement for the Salem school and a class of eight girls will receive their diplomas.

Catherine Savage, one of the graduates is a niece of Judge Kavanaugh. Others in the class are Norma Maier, Margaret Heenan, Pauline Patterson, Mary Iorns, Florence Smith Leona Deranless, and Genevieve Deranless.  
Rev. Mons. Arthur Lane of Albany will deliver the baccalaureate sermon Wednesday morning in the academy chapel. The family of Pauline Patterson and Rev. Father Lane's family are old friends and he was asked to deliver the sermon for this reason.  
"A Tribute to Alma Mater," written by Gertrude Robison Ross an alumna of the academy, will be presented by four of the graduates Wednesday night. Mrs. Ross is president of the Sacred Heart Academy Alumnae association. Other officers are Sarah Lansing, secretary and Mary Heenan, treasurer.

## RESCUE WORK TIPS VESSEL IN COLUMBIA

"Rosalie Mahoney" Capsizes Near Willamette; "Ocklahoma" Assists Beaching

PORTLAND, Ore., June 2.—Capsizing of the steam schooner Rosalie Mahoney was averted today when the river steamer Ocklahoma aided in beaching the ocean-going craft in the Columbia river below the mouth of the Willamette river.  
Just after turning into the Columbia the Rosalie Mahoney went over on her side. Pilot Herman Free, in command of the craft on its trip downstream, called for the vessel's aid.

## EDITORS GATHER TO OUTLINE WORK

Program For State Convention Tentatively Adopted Here Yesterday

Tentative preparation of the program for the 1923 meeting of the State Editorial Association was effected at a meeting of the program committee here Saturday at the Marion hotel. The members of the committee are Hal K. Rees, Oregon City; Enterprise; E. A. Koen, Polk County Observer; Dallas; Elbert Bede, Cottage Grove Sentinel; G. L. Hurd, Corvallis Gazette-Times; Eric W. Allen, University of Oregon school of Journalism, and George Turbull, University of Oregon school of Journalism.

The convention will this year be held at Hood River and on Mt. Hood, and will meet Friday, July 13. On that date a session devoted mainly to the advertising end of the newspaper business will be held in Hood River, and on Saturday the news session will be held on Mt. Hood.

## TWO MORE NAMED IN RACE FOR SCHOOL BOARD

Two more possible candidates for the school board, whose names have not previously been published, are William Gahsdorf, merchant, and Carlo Abrams, publisher. It is said a group of supporters has appeared for each that would be formidable should the two men, or either of them, decide to enter the race.

## CANADIAN TOWN IS RESCUED FROM FIRE BY THUNDER STORMS

TORONTO, Ont., June 2.—The town of White River, Ont., menaced several days by forest fires, was tonight reported to the lands and forest department of Ontario to be safe. The flames had been quelled in the southern and eastern sections of the municipality. Thunder storms were general in the district. No buildings in the town were destroyed.

## LONE BANK ROBBER BEING SURROUNDED IN ROSEBURG HILLS

ROSEBURG, Ore., June 2.—Posses late today were reported closing in on a bandit who held up and robbed the Glendale State bank at Glendale, near here. The robber was reported wounded by a bullet fired by a citizen as he fled to the hills with between \$700 and \$1,000 which he had scooped up from trays in the cashier's cage.

## JOHNSON'S BAIL IS TOTAL OF \$500

Sentence Passed Upon Dunnagan and Dale for Prohibition Violation

Sixty days in jail and the payment of \$400 in fines were equally divided between M. T. Dunnagan and G. Dale when they were arraigned before P. J. Kuntz, justice of the peace, yesterday. They pleaded guilty to a charge of possession of intoxicating liquor. The men were arrested by S. J. Culbertson, state prohibition officer.

**Johnson's Bail**  
Walter Johnson, former post-tentary guard arrested Friday night, was released on \$100 bail in the police court, where he was charged with possession of liquor, and on \$500 bail in the justice court, where charges of transportation of liquor were placed against him. Bail papers in the justice court were signed by Mrs. S. Burkholder and Ethel Burkholder.

## P. L. BROWN EXECUTOR OF J. M. BROWN'S WILL

P. L. Brown was made sole executor of the will of J. M. Brown, with an approximate value of \$25,000, by an order signed yesterday by Judge W. M. Bushby.

## GOVERNOR RAPS NEW YORK ACTION

Governor Walter M. Pierce in response to inquiries sent him by two New York newspapers yesterday sent them telegrams declaring he is not in sympathy with the action taken by Governor Smith to repeal of the Mullan-Gage law. The governor declares he has always been in sympathy with prohibition, and that to enact any state or federal legislation to weaken the Mullan-Gage act would be a step backward toward a wet America.

**Laurentian Section is Being Swept and Timber Valued at Millions of Dollars Has Been Destroyed; Homes and Villages Are Kept in Darkness by Vast Quantity of Smoke, Declare Reports From Montreal.**

The situation in the Soo district and about Cochrane was reported much improved, but that at Sudbury still bad.