

## Harding's Name Dragged In Teapot Dome Scandal

But Amazing Thing Is Not Length to Which Washington Gossip Will Go but That Frank Vanderlip Should Have Repeated Mere Gossip in Public Speech

By DAVID LAWRENCE  
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Washington, Feb. 14.—Rumor, unverified and unsupported, has broken through the restraints of caution and the name of the late President Harding has been dragged into the implications of the Teapot Dome oil controversy.

For weeks there has been gossip which knew no bounds. But Washington is accustomed to gossip. The amazing thing is that any one felt prompted to make a public speech repeating the gossip. Even Senators and members of the public who had heard the gossip did not think enough of it to make a public statement and the reason was simple—they had no proof.

The writer happens to be in a position to state some of the circumstances surrounding the appraisal in President Harding's mind of the worth of his newspaper property, the Marion Star. It was during the latter part of January of last year that the writer spent an evening in the White House talking with Mr. Harding on the prohibition question, obtaining material for a series of articles on that subject. When the discussion was concluded, the conversation fell naturally to newspapers and their development. Mr. Harding was feeling quite happy over the progress the Marion Star had made. He said he had received inquiries as to whether he would sell it and he remarked that he might accept "one of these days."

"Why the Marion Star made \$60,000 last year," said Mr. Harding with pride. "Pretty good, isn't it, for a little newspaper?"

The writer agreed with Mr. Harding that the Marion Star was progressing and then the President asked what the writer thought the property was worth. On the basis of earnings of \$60,000 a year the reply given was that the property was certainly worth in the neighborhood of \$600,000, inasmuch as 10 per cent was considered an average earning.

When six months later the Marion Star was sold and rumor had it that the price was \$500,000 the writer was not surprised. But it turns out that the purchase price was \$380,000. Any business man can figure out for himself whether an exaggerated price was paid for the property on the basis of its previous earnings.

The inferences that have been drawn from the rumors about the supposedly high price paid for the newspaper are unwarranted. The charges that somehow oil money found its way into the transaction are absurd. Mr. Harding knew the prospective purchasers—they were not in the oil business but in the newspaper business. That was their chief preoccupation. He wanted to make sure the paper would remain in Republican hands and the sale to his friends made that a certainty.

Frank Vanderlip's speech repeating gossip he had heard in Washington naturally has stirred the national capital but what few people can understand is why Mr. Vanderlip, who admits he had no proof, went ahead and made a speech about gossip.

The incident will have this effect—it will make everyone who has a hearsay accusation in his system keep it there. Other high officials besides Mr. Harding have been mentioned in the gossip. The main line of rumor is that these officials knew about the oil leases in advance and speculated in oil stocks. Another line of rumor is that some of the men who made the leases purposely made the conditions so beneficial to themselves that no other concerns would bid and then when the leases were made they are alleged to have represented the prospective purchasers of stock that the leases were worth more than they really were. If that is true, the leases may turn out to have been advantageous to the Government after all and the irregularity may lie in the manipulation of the leases after the contracts were made.

This is but an example of the tangle in which the whole thing is enveloped and indicates more than ever the necessity for a suspension of judgment till facts—not gossip—are disclosed.

**STATE PROHIBITION LOSES IN MARYLAND**  
Annapolis, Feb. 15.—The state prohibition enforcement bill was defeated in the general assembly yesterday.

**FALL HASTENS TO BEDSIDE OF WIFE**  
St. Louis, Feb. 15.—Albert Fall, former Secretary of the Interior, last night hastened to the bedside of his wife who is very ill.

## CARTER IS REFUSED ADMISSION TO TOMB

(By The Associated Press)  
Luxor, Egypt, Feb. 15.—Howard Carter presented himself at Tutankhamen's tomb today and was refused admission by the chief of police who presented a written order from the government. Carter then retired.

## VERDICT FOR DEFENDANT IN ETHEL MORRIS CASE

Verdict in favor of the defendant was brought in by a Superior Court jury Thursday evening in the case of Ethel Morris vs. Roscoe Smith, in which the plaintiff was suing the defendant as father of her natural child. In view of the plaintiff's relations with witnesses for the defendant, however, as testified by these witnesses, the jury could not find beyond a reasonable doubt that Smith was the child's father.

Other cases disposed of up to noon Friday included:  
R. M. Sawyer vs. Norfolk Southern Railroad, settled by agreement after trial was begun and ordered stricken off the docket.

Compromise was reached also after trial had begun in the case of C. C. Robinson vs. John Pool et al Friday morning. This was a case in which the plaintiff, a negro preacher, was suing for his salary as pastor of "Mary Holly Grove Church." It developed that he had not collected all his salary but also that he had not filled all his appointments, in explanation of which the pastor said that the collections fell off so much that there was little incentive to his filling his pulpits. The first Sunday he preached the collection amounted, he said, to \$4.00; but when this amount fell off to 50 cents he naturally became discouraged.

## BANDITS IMPERSONATE TRAFFIC OFFICERS

Cleveland, Feb. 15.—Three men pretending to be speed cops last night held up Irving Liverman, a jewelry salesman, and then robbed him of \$60,000 in jewels and cash.

## MAN KILLED WHEN VENEER PLANT BURNS

Hickman, N. Y., Feb. 15.—One man was killed, several injured, and \$800,000 damage was done by fire which destroyed a large veneer plant here last night.

## Bloodiest Gotham Bandits Are Yellow To The Core

Diamond Brothers Who Shot Down Bank Messengers Without Giving Them a Chance in Most Cold Blooded Sort of Way Crying and Whimpering at Their Fate

By ROBERT T. SMALL  
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New York, Feb. 15.—New York's boldest bandits are yellow to the core, according to the police. They shoot and shoot to kill when they have the drop on the other fellow, but they cry aloud for mercy when the advantage is on the other side.

They plot the death of innocent persons in the most cold blooded way, but let their own lives be in danger and they whimper and whine and cry "unfair" at the top of their lungs.

This new condemnation and scorn of the "terrors" of the sidewalks of New York has been called forth by the conduct of Morris B. Diamond ever since his conviction several days ago of first degree murder. Diamond has been moaning and groaning and railing at his fate to such an extent in the Raymond Street jail over in Brooklyn that the other prisoners, thieves, firebugs and what nots, have made a formal complaint to the warden that they cannot sleep at night and will have to ask for their release or transfer if something is not done to quiet the "cowardly crying" of the ex-football player who is facing the electric chair.

Diamond is one of four men charged with the murder of two Brooklyn bank messengers some three months ago. The messengers never had a chance. They stepped from an elevated train carrying a satchel containing \$46,000 in currency. The robbers opened fire on them without a word of warning or a command of surrender. Snatching the money from the hands of the dead men, the robbers made off in the motor car which is always standing nearby with engine running.

The cold bloodedness, as well as the boldness, of this daylight murder and robbery shocked New York to a greater extent than any crime committed here in a decade. The entire police and detective force was put upon the case.

"Solve this case or admit your utter inability to cope with the modern bandit," the police were told.

In remarkably short time the case was solved. The two outstanding figures in the robbery were Morris B. Diamond and his younger brother, Joseph. Morris was nearby in the car. Joseph has been identified as one of the men who fired the actual shots. Morris was tried first and convicted within the span of a day. His own denial was about all

## TESTIFIES



Frederick G. Bonfils, publisher of Denver, Colorado, testified before the Senate committee investigating oil land frauds that Harry F. Sinclair paid \$250,000 in payment for an alleged prior claim to the Teapot Dome oil reserve.

## KILLED HIS DAUGHTERS FOR LIFE INSURANCE

Johnson City, Feb. 15.—Charles Hawkins was jailed here last night for murder of his two daughters. Their bodies were found in the ruins of the home, destroyed by fire, with wounds in their heads. When he was arrested he had life insurance policies on their lives in his pocket.

## Producers Are Confident That Oil Will Go Higher

At Any Rate Jump in Prices Made Producers and Holders of Spot Oil, Anticipating Further Advances, Loath to Part With Their Crude Oil Product

By J. C. ROYLE  
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## VANDERLIP SAYS HE HAD NO FACTS

Only Told the Rumors About Sale of Harding's Paper in Order That Truth Might Be Brought to Light.

Washington, Feb. 15.—Frank Vanderlip today told the Senate oil committee that he had no facts whatever to go on when he recently brought the name of President Harding into the oil scandal.

His Ossining speech which asked for an inquiry into the circumstances surrounding the sale of the Marion Star he said was made because he thought it a "public duty to call attention to current rumors so as to stop them."

"I don't even know the price the paper sold for," Vanderlip said. "The current story was \$550,000." He regarded the rumors he said as akin to the "whispering campaign" that marked the last month of the Harding campaign in 1920.

"I had full basis for what I said," he continued, "that these were current rumors. I had never heard any intimation that the money paid for the Star came from oil interests. I thought my statements would bring the truth to light and kill those rumors."

Questioned about his statement that the committee had not dared to push the questioning of Albert Fall, Vanderlip said it was an impression he got from the newspapers. The witness admitted he had not read in the newspapers that Fall had claimed constitutional immunity, although the story was published prominently by practically every paper in the country.

The Star owners submitted a statement and the committee turned its attention to other matters.

Thomas Johnson, foreman of Fall's New Mexico ranch, made flat denial that he ever received \$68,000 from the Sinclair interests. Reports of such payments had been brought to the committee recently by Archie Roosevelt.

Meantime Coolidge sent to the Senate the nomination of Owen Roberts in place of Silas Strawn of Chicago whom the committee had found unacceptable.

## Tried Lease Coal Fields.

Washington, Feb. 15.—Former Secretary Fall and Secretary Denby were declared in a letter laid before Coolidge today by John Balline, Alaskan railroad constructor, to have entered into negotiations in July 1921, for the transfer and lease of the rich Mantanuska coal reserves of Alaska along the same lines as were later followed in the Teapot Dome oil leases.

The Alaskan lease was not executed but the letter said the Navy Department had assiduously refused ever since to permit the use of Alaskan coal by the Navy.

## Strawn's Name Withdrawn

Washington, Feb. 15.—The Senate oil committee last night advised President Coolidge that Atlee Pomerene and Silas H. Strawn were not acceptable as special counsel to prosecute the oil lease cases and the President withdrew Strawn's name but refused to withdraw Pomerene's on the ground that the Senate had given no reason why he should do so.

## FRANCHISE AWARDED FOR OPERATION OF NEW FERRY

Edenton, Feb. 15.—After three meetings, during which due consideration had been given each applicant, the Chowan Road Commission Thursday morning awarded the franchise for the operation of the new ferry across the lower Chowan River to the Edenton Mackeys Ferry Company.

In this connection it is interesting to note that the ferry company officials left it with the commission to fix the rates to be charged, knowing that reasonable and just charges would be allowed.

The new ferry will be put into operation as soon as the details can be arranged.

This new ferry across the lower Chowan River will closely connect Bertie and this county, something that the people across the river have been pleading for for the past two years, as they have had no convenient outlet.

## BIG SAVING IN COAL

Minneapolis, Feb. 15.—Households, railroads, factories and landlords using soft coal have been saved \$10,000,000 in the Northwest as a result of the mild winter. There is 1,000,000 tons accumulated at the head of the lakes which will not need to be moved this year.

New York, Feb. 15.—The independent oil refiners declare that their struggle to "keep both ends of the market from meeting in the middle" has returned. Producers and holders of spot oil are loath to turn it loose at present prices.

This is true in the Pennsylvania fields, in the Arkansas and Louisiana district, in the mid continent field, in Texas and in the Colorado, Wyoming and Montana sections. In each district, producers are confident prices will go higher.

In the mid continent section, for example, holders are hanging on even with crude at \$2.50 a barrel, and a 50 cents premium over the posted price on 39 gravity and over.

"The producers and spot oil holders have just gone crazy with the rapid advance of crude and are attempting to anticipate further advances much faster than the market will allow refiners to advance prices of refined products," one Middle West refiner said today.

This was confirmed by the president of a Cleveland refinery, who said in connection with the recent jump in gasoline prices:

"Gasoline was below the cost of production when the increase in crude prices started."

A lot of oil picked up in North Texas a few days at a 30 cents premium was rated as a bargain and one owner of 100,000 barrels of spot oil in storage at Wichita Falls in the last week is known to have refused flatly to consider an offer of \$2.50 a barrel.

As a result, drilling operations are being rushed in practically all the oil fields of the country. To this fact to some extent is due the shortage of fuel oil in certain sections. In some parts of Texas quotations on this product range from an absolute minimum of \$1.35 a barrel to \$1.50, as heavy requirements for drilling purposes have been added to the heavy usual seasonal demands.

Out of the tightening up of the oil situation will come, it seems extremely probable, the biggest development program California oil companies ever have undertaken. All the companies there now are zealously seeking new fields and it is estimated \$5,000,000 will be spent in the next six months by the Standard Oil of California alone in "wild catting." The Union, the Associated, the Shell and other big companies are outlining almost equally big development programs.

The "town lot" and "shoe string" oil companies, which last year were responsible to a large extent for the California over production, have almost entirely disappeared from the Long Beach, Huntington Beach and Santa Fe Springs fields. These companies, many of which left a most unsavory trail behind them, sunk thousands of wells in the Bonanza fields. In order to prevent their wells from draining the oil pools, the large holders alongside were compelled to sink "offset" wells, with the result that a flood of oil which overflowed the market was produced.

The unsavory aftermath of the operations of some of these shoe string companies arose from the fact that while some of them got producing wells, their stockholders were not permitted to benefit to the extent which said stockholders and state and Federal authorities believed they should.

In some instances, huge sums were paid by promoters to themselves as "salaries," it is charged. In others, promoters, who got their stock for nothing, or for a price under that paid by the general public, are alleged to have used the bringing in of new wells to manipulate the stock and unload their holdings at a price to show a profit to them but not high enough to allow the legitimate stockholders to sell.

Federal authorities aided by the state corporation commissioner, are known to have been gathering evidence in many cases and to have asked for a flood of indictments.

California producers, however, have had a slice of Eastern markets and will not relinquish their holds on those markets without a struggle, aided as they are by cheap transportation through the Panama Canal and the Mississippi River and other waterways reached from Atlantic and Gulf ports.

## BROTHERS SHOOT AND KILL EACH OTHER

Whitesburg, Ky., Feb. 15.—Bob Bates and Sam Bates met on an open road last night and engaged in a pistol duel because of a dispute over lands left them by their father and as a result both were shot dead, each by the other.

## COOPER CASE GOES TO THE JURY TODAY

Wilmington, Feb. 15.—The case of the Government against Lieutenant Governor W. B. Cooper and Thomas E. Cooper will go to the jury today after the charges are made to that body. The testimony was completed Thursday.