How a Fantastic Fraud Was Exposed

This is the story of how two of the Nation's slickest bunco men were finally brought to justice.

In January of 1951 Chronicle Reporter J. P. Cahn was assigned to find out what was behind the fantastic story of the

little men who supposedly flew from Venus to Earth, in flying saucers traveling faster than the speed of light. Last month, after three years, that assignment was com-

In Denver, Colorado, a district court jury found Silas Mason Newton and Leo GeBauer, the men who dreamed up the little men from Venus story, guilty of engineering a fantastic oil swindle. The little men and their flying saucers were part of the window trimming.

It is also worth noting that some of the Nation's top law enforcement agencies, the FBI included, have been snuffling the trial of Silas Newton and Leo GeBauer (alias Arnold L. J. GeBauer, alias Harry Grebauer) for years. None of them, however, ever managed to bring Newton to trial and GeBauer's most serious brush with the law was a suspended sentence on a technical violation of the Federal Housing Act. Yet between them Newton and GeBayer have buncoed the American public out of several million dollars: their thoughtfully loose accounting methods make it impossible to calculate the exact amount.

In publishing the story of how Newton and GeBauer were finally brought to trial, it is necesary to deal firmly with the hoax about the little men and the flying saucers. This does not mean, however, that The Chronicle or Mr. Cahn necessarily think all flying saucer stories are hoaxes.

Frank Scully titled, "Behind the

The meat of the Scully book

top-notch scientist who had ex-

amined three flying saucers

grounded in the southwest por-

would crack down on him for

Scully freely admitted, how-

on Oil Co. of Denver, Colo.

the Government's service.

watch pocket.

sultation.

ENTER THE SAUCERS

the Government's employ when

the saucers supposedly landed,

Air Force officers, dashing to

Mexico, called him in for con-

as Dr. Gee.

A FLYING SAUCER that I bought a copy along with some 30,000 other Americans. grounded Silas Newton and It turned out to be badly writ-Leo GeBauer, a pair of the ten. It is also heavily padded highest flying con men ever with reprints of newspaper to turn up on the wrong side stories and pseudo scientific theories to bring it up to standof a court decision. ard book length. It happened like this. MYSTERY OF DR. GEE

On Sept. 8, 1950, Henry Holt and Co, published a book by is that he was in touch with a



SILAS NEWTON Ice boxes to Eskimos



from left to right!

Starting smoothly at the "head end" is the powerful diesal locomotive, followed by the baggage car and three Vista-Dome Chair Coaches (all seats reserved except for the 24 unreserved, unsold seats "upstairs" in each Vista-Dome). Next, the Vista-Dome Lounge Car with lounge for the enjoyment of all passengers and Vista-Dome for Pullman passengers.

Then, the 48-seat dining car, two roomette-bedroom cars, a compartment-bedroom car, a modern 16section Pullman car and the through, San Francisco-to-New York room ette-bedroom car, Last, is the Vista-Dome bedroom-drawing room Observation Lounge Car (entire car reserved for Pullman passengers).



fare! Vista-Dome



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VOL, CLXXIX, NO. 2 CCCCAAA

SAN FRANCISCO, SUNDAY, JANUARY 17. 1954

Warning

visory commission which India

heads will be deliberately avoid-

ing "an important element" of

the armistice by prematurely

turning back these men as war

Hull insisted the Neutral Na-

tions Repatriation Commission

has the "solemn obligation" to

hold on to them until Saturday and then let them go as civilians.

Hull's letter clashed with views expressed to him by Lieu-

tenant General K. S. Thimayya, India's chairman of the Repa-

triation Commission. His firmly expressed determination to free

against a Peiping broadcast that

such an action "will wreck the

Thursday Thimayya sent let-

1-He had decided on his own

turn back unrepatriated pris-

ters to the U. N. and Red Com-

Korean truce."

risoners Wednesday.

armistice.

GA 1-1112 DAILY 10c, SUNDAY 20c

Free Saturday,

Korea POWs Go

FORECAST: RAIN (Details, Page 19)

FINAL HOME EDITION



Embarcadero Tunnel Crash

BOTH drivers were hurt, one seriously, in this head on crash yesterday afternoon in The Embarcadero tunnel near the Ferry Building. The car on the left, driven by Raymond Loomis, 65, retired rubber company executive of 1601 Leimert drive, Oakland, was going

era) when it was struck by the south bound car on the right. Driver of the second car, Wendell McPherson, 24 of 55A Boardman place, told Police Officer Fred Wider he thought Loomis' car was coming into his lane, so he tried to go around him-in

north (away from the cam- Loomis' lane. Loomis suffered a possible fracture of the breastbone and face lacrations. He was transferred from Harbor Emergency Hospital to Providence Hospital in Oakland, McPherson, who was cited for driving in the wrong lane, was treated for minor knee abrasions.

tion of the United States, According to Scully, this man feared the U.S. Government telling the top secret story of the saucer landings. Scully, therefore, referred to him only Mystery Fall

ever, that the man who intro- special to The Chronicle

duced him to Dr. Gee was Silas SURF (Santa Barbara By the Associated Press Mason Newton, the doctor's employer and president of the New county), Jan. 16—The engineer of the Southern Pacific According to Scully, Newton, Lark tumbled to his death himself one of the world's great near here early today as the authorities on petroleum, had crack passenger train sped set up his private wizard, Dr. toward San Francisco. Gee, in the kind of laboratory

most research men only dream about. Newton could apparently veteran of more than 40 years Ford's remarks were contained to the search of the earth." afford it, for at one point in his service with the railroad, was in a prepared speech as he ac strength by describing him as "a man who never made more

had studied the grounded saucers and thought they had flown Sween of San Luis Obispo, told from Venus to Earth traveling this story: Shortly after mid-initiative is being hampered by Russian rivers, faster than the speed of light.

This story: Shortly after mid-initiative is being hampered by Russian rivers, night as the Lark pulled out of a powerful and grimly negative. A foot of snow fell in the Scully said Dr. Gee had been Arlight, eight miles south of group in American politics, the head of a billion-dollar mili-here, McEvoy turned over the "Speaking, I hope, as a go his wizardry the doctor had re- a minute."

ceived only a miserable \$7200 McEvoy failed to return and can." a year for his efforts while in Sween became worried. When The head of the Ford Motor after a 24-hour period of un with, the armistice terms and oilman Newton. Between the that made finding oil easier closed on the run.

than locating an anvil in your Search parties immediately trade policy. began hunting along the rightthe flying saucers was simple. Mervyn S. McEvoy, and two ment. Although he was no longer in company officials.

why McEvoy would take his declared. the site of the first grounded own life, authorities said. He saucer in the wilds of New was due for retirement soon, gineer with Southern Pacific

As a reward for rooting since 1912, around inside the saucers, Dr. cisco at 9 a. m., did not arrive around inside the saucers, Discoording around inside the saucers, Cee was given some souvenirs from outer space. They included two metal disks said to be made of a metal unknown to the made of a metal unknown to the space.

Newton, Scully wrote, while he had never seen a flying saucer, had lectured on the subject at the University of Denver in Europe's Gales

think about—so much, in fact, the Alps. Continued on Page 11, Col. 1 in the North and Baltic Seas.

Save On New Furniture for Your

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2 Escape After

lor, 24, of Calwa, were being for 24 hours, the Smith river hunted today after a wild 90 reached 28 feet, a foot above

'We Can't Go It Alone'

Ford Says Isolationists Hamper U. S. Policies

assailed "powerful and grimly negative" Americans who would junk the policy of international co-operation.

with a hard-hitting program to

Ford's remarks were contained Rains Drench found alongside the tracks several hours later.

cepted the Poor Richard Club's North State

"Unfortunately, our positive along the Eel, Smith and

the Lark pulled into Guadelupe Co., a delegate to the last Gen usually heavy rains, flooded that "Communist intran-To better his income, he be for a regular stop, railroad offi eral Assembly of the United Na three highway bridges and farm signance" was to blame for the came a research scientist for cials searched the entire train tions, offered a four-point pro- lands along the river's banks commission's failure to accom-They found a door in the rear gram to help underdeveloped in Mendocino county. The swoll plish its mission wo of them, according to of the last diesel unit open. A areas: Technical assistance, len river swept over the new two of them, according to of the last diesel unit open. A areas: Technical assistance, len river swept over the new Scully, they were supposed to company spokesman said the basic capital improvement proj. Vichy bridge east of Uklah. The U.N. command "cannot accept an employee of the General Allen has been a lawyer for 19 have developed an instrument door would normally remain ects, greater U. S. private invest. Northwestern Pacific halted custody of these prisoners of ects, greater U. S. private invest. Northwestern Pacific halted custody of these prisoners of expression for rectaining to ment abroad and a liberalized traffic on its line between San war in accordance with the suspension for refusing to

of way and McEvoy's body was nations must create a climate ped 5.39 inches of rain on Ukiah, Hull said that, although the up in the rear of the courtroom, American lawyer," he declared The way Dr. Gee got in on found at 7:25 a, m. by his son, favorable to American invest 4 inches on Dos Rios, 3.62 on NNRC actually should keep and shouted:

having been a fireman and en occupied with military defense Southeast storm warnings ment was designed to assure MILLS RESISTS that it overlooks "positive ap flew from San Francisco to the them." proaches to peace—in effect that Oregon line, with small craft we are prepared to spend bil warnings up from San Fran this was: llons for defense against Soviet cisco south to Point Sur.

something which I happen to The total last year at this date January 23..." favor very strongly-has been was 13.93 inches. taken over by an isolationist San Rafael was drenched yes Far Last General

blunderbuss pursuit of the Reds San Jose only a trace.

Wild Auto Chase

Nelson, 27, of Fresno, identified night, reaching 20,42 feet. as a fugitive from a San Quen- In Del Norte county, where tin prison camp; and Ralph Tay the Klamath has been near flood

The two escaped on foot after Doctor Fine Bridge by sunrise their car hit an embankment today. south of here. In the car, office In Fresno, however, the Kings cers found Arthur D. Cox, 27, of river watermaster; Charles L. Fresno, and two girls whose Kaupka, lamented this season as

PHILADELPHIA, Jan. 16-Henry Ford II tonight THIMAYYA LETTER

High Sierra. "Speaking, I hope, as a good Today's forecast for the Bay

lng magnetic instruments used was going back in the rear of sound and efficient policies at with the rains becoming inter to keep the men until Saturday, to detect submarines. Despite the three-unit diesel engine "for home without throwing internal mittent, tomorrow, and the then free them as civilians. tional co-operation into the ash-winds rising to gale strength. The Russian river, rising fast

"We can't go it alone, either WARNINGS ISSUED

view the U.S. as being so pre-gion.

fought "quietly, systematically pilot, unable to make his home and without all the public tu-field in the gale, put down in mult of a four-alarm fire," Ford Monterey.

mile an hour police chase last flood stage, at Douglas Park

names were withheld. Cox was the driest in 25 years. Even if held on suspicion of auto theft. Continued on Page 10, Col. 5

He called, instead, for the United States to "step forth mands which said:

The body of Mervyn D. Mc development of the underdevel Flood Peril As

Rafael and Eureka. Ford emphasized that foreign The storm, up to 4 p.m., drop- WILL TAKE CUSTODY Willits, 2.98 on Hopland.

reported the event, Newton, using the alias of Scientist X had really given the professors at the university sensitive of the sensitive of the

that they lacquered over New. At least ten persons died as died as and a rather hysterical attack. Sixty mile an hour winds were mander of the 40th Division in He said he has been preserve them.

If by some 1000 to one chance continent and menaced shipping Subverside at home Continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and menaced shipping Subverside at home continued on Page 11 Col. 1 in the North and Mark a Subversion at home can be Farther south a Moffett Field Far East and U. N. commands, mittee only briefly and was ex pas' Harvard education after

RIVERS HIGH The Russian River rose 11

feet Friday night, overflowing at Hopland and making Highway 16 impassable. The Eel overshot flood stage, 17.5 feet, FRESNO, Jan. 16—Robert J. at Fernbridge at 9 p. m., last

and 32 feet was predicted at the

U. N. Chief Insists Release Due **Despite Red** PANMUNJOM (Sunday) an. 17—General John E. Hull last night told India that his United Nations on South Korean territory January 23, He disputed India's charge this would violate the Instead, Hull said, the super

McCarthy Tosses 3 Out Of Wild Boston Hearing

BOSTON, Jan. 16 (A)—Senator cused after he testified he knew oners Wednesday because the Joseph McCarthy's second red of one person who was a Comcommission was unable to carry hunting visit to New England munist with him who later went out provisions for processing wound up today in an uproar to work for GE.

to set these men free "will not previous hearing as well. be in conformity with the (armistice) terms of reference." In addition, another witness Oliver S. Alien, just as Paj (armistice) terms of reference."

Hull's reply last night took expulsion only because they REMOVE HIM' issue with all three points. He said it was the Repatria. McCarthy. McCarthy had a statement. McCarthy called tary research program develop controls to Sween and said he Republican, surely we can nave Area was wet and blustery tion Commission's responsibility the married and officient policies to sween and said he Republican, surely we can nave Area was wet and blustery tion Commission's responsibility them when they said it was the Repatria.

He said the U. N. command

custody, the U. N. command. "out of regard for humanitar-There was no known reason ecomonically or politically," he Flood warnings were issued ian consideration," would ac and getting the jobs of General rich and the poor, the orthodox

terms of your proposal."

to residents along the major cept the prisoners in order to Electric people." The Senator and the unorthodox, the popular Foreign nations, Ford said, rivers of the north coastal re make certain they got "the was sitting as a one-man com- and the unpopular. benefits the (armistice) agree mittee. He quickly made clear what time.

"The United Nations com-Also, he said, there is the terday to 10 p.m., bringing the will honor its obligation to into the corridor and into an next month or next year, but feeling abroad that "the present season's total to 4.82 inches— treat them as fully entitled to elevator. economy in government drive exactly half the normal of 9.64 their freedom as civilians on

NATHANIEL G. MILLS AND U. S. MARSHALS Spectator was forcibly removed from hearing the prisoners also stood out The Hunt for Reds

Commands are unable to agree One was a witness reluctant not here to testify.

hearing room with his attorney, In addition, another witness Oliver S. Allen, just as Pappas

them when they quit.

nesses invoked the Fifth Amend-ment into the record?" ment of the Consitution when they were asked about Com-dered. Pappas and Allen were munist party connections. The hustled from the hearing room. fifth said he was a Communist Later Allen said "repetition of for a year or two after 1937. today's events will sound the

The most spectacular ejection death knell of the independence answer McCarthy at a previous the hearing room because I was hearing. Mills suddenly stood doing my sworn duty as an

conspiring with the company fend, without fear or favor, the

Mills is under suspension for Pappas had declined to answer invoking the Fifth Amendment any questions about Communist on the grounds of possible self-party connections. He is a Genincrimination when questioned eral Electric employee, a tester about Communism before Mc of aircraft generators.

Carthy here last November. One witness, Simon Pallet of him testimony that during war had really given the professors rain and rising temperatures and rising temperatures and really given the professors rain and rising temperatures. A third feeling is that Ameri-Oakland Airport reported only John E. Hull today announced man, admitted he had been a radar mechanic he was once the university something to threatened new avalanches in the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a assigned to Fort Monmouth, the transfer of Major General Communist in 1937 "and for a specific co TOKYO, Jan. 16 (A) General Lynn, a short, dark, soft spoken time service in the Air Force as

Your Sunday Index The news that matters—plus six great sections

. 8L Horoscope Books 24-27TW Music and Art. 21-23TW Drew Pearson 13 California Wire 6 Chess Column 3L Photography 2L Rhythm Section ... 20TW Bishop Sheen 8 Crossword Puzzle , . . 4L Drama', 12-19TW Editorial: "What Will Sporting Green .. 1H-4H Russ Bid for Peace?" 14 Special Section in Leisure Dick Friendlich 13 Travel 1L, 4L, 7L

Gardens 2L Vital Statistics 19 Action Ads (AA), Leisure (L), This World (TW), Women's News (S), Sporting Green (H)

ious session marked by the ejec. McCarthy told him "we don't 2—It was obvious "beyond then of three persons from the make you give us any names doubt" that the U.N. and Red hearing room. "a man who never made more than \$25,000,000 or lost more than \$25,000,000."

There were no witnesses to the accident and it was a mystion, he declared, is trying to authorities how McEvoy met his death.

As Scully wrote it, Dr. Gee

There were no witnesses to the accident and it was a mystion, he declared, is trying to downpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of Hardownpours lashed Northern with the accident and it was a graduate of

broke off an argument with Pappas said he wanted to read

Allen arose and asked: "Do I Four of the day's five wit understand we can't put a state-"Remove him," McCarthy or-

"I was forcibly ejected from in a statement to the press, "It "McCarthy, I accuse you of is a duty to advocate and to de-

"I conceive it to be my duty as a Massachusetts lawyer, as it Deputy marshals wasted no is the duty of all lawyers and bar associations, to stand up To encouraging shouts of and fight for their indepen-"throw him out" from most of dence, and their right to defend Russia, but only pennies for San Francisco had 43 of an mand, in accordance with the the spectators, the marshals all people and to stand up and inch of rain from 4:30 p.m. yes. agreement on prisoners of war, yanked Mills out into the aisle, fight for them not next week,

now.

Senator McCarthy drew from N. J., an Army Signal Corps in

the witness had declined to an swer questions about Commu nism "on the basis of the First and Fifth Amendments of the

Constitution of the United States.' HARVARD A TARGET

Pappas said he also declined to answer because he said his answers "may subject me to unjust prosecution.'

"Are you a lawyer?" McCar

"Are you a graduate of a lay chool?"

"Yes." "Where?" "Harvard."

"Haryard?" Allen interjected-"one of ou

better law schools." Harvard also has been a Mc Carthy target.