

THE GREAT FLYING SAUCER BUNCO

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 completed.

In Denver, Colorado, a district court jury found Silas 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 sniffing 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 GeBauer 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 necessary 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.

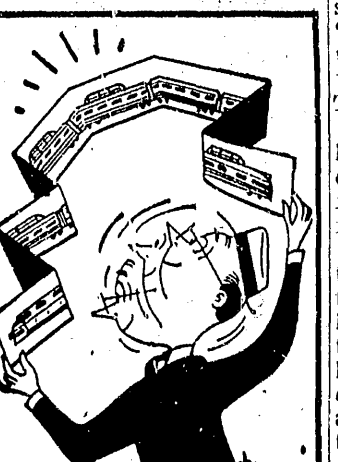
By J. P. CAHN

A FLYING SAUCER that didn't exist finally grounded Silas Newton and Leo GeBauer, a pair of the highest flying con men ever to turn up on the wrong side of a court decision.

It happened like this. On Sept. 8, 1950, Henry Holt and Co. published a book by



SILAS NEWTON
Ice boxes to Eskimos



reading
from left to right!

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San Francisco Chronicle

THE VOICE OF THE WEST

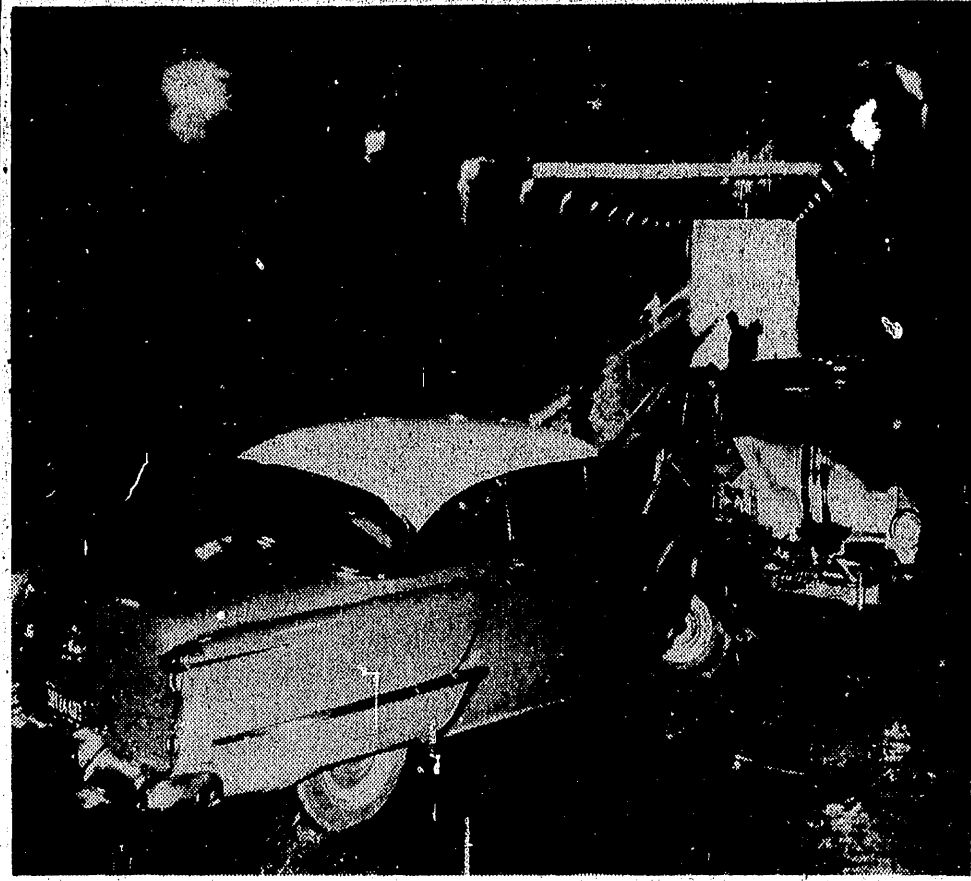
VOL. CLXXIX, NO. 2 CCCCAA SAN FRANCISCO, SUNDAY, JANUARY 17, 1954 GA 1-1112 DAILY 10c; SUNDAY 20c

FINAL HOME EDITION

COMPARATIVE RAINFALL

	Last	Year	To	From	%
	Year	To	From	Year	
San Francisco	16	4.37	8.64	13.83	60.1
S. F. Airport	15	3.54	8.02	13.81	57.4
Sacramento Airport	25	3.11	6.04	10.09	50.7
Stockton	03	2.35	5.11	7.85	53.2
Oakland Airport	07	3.47	6.15	8.43	57.3
Fresno	09	2.20	4.93	7.18	48.2

Precipitation data to 4:30 p. m. Saturday; inches and hundredths.
FORECAST: RAIN (Details, Page 19)



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

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

Loomis' lane. Loomis suffered a possible fracture of the "breastbone and face lacerations. 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.

Lark Engineer Killed in Mystery Fall

Special to The Chronicle

SURF (Santa Barbara county), Jan. 16—The engineer of the Southern Pacific Lark tumbled to his death here near early today as the crack passenger train sped toward San Francisco.

The body of Mervyn D. McEvoy, 64, of San Luis Obispo, a veteran of more than 40 years service with the railroad, was found alongside the tracks several hours later.

There were no witnesses to the accident and it was a mystery to authorities how McEvoy met his death.

The train's fireman, Jack Sween of San Luis Obispo, told this story: Shortly after midnight as the Lark pulled out of Arlight, eight miles south of here, McEvoy turned over the controls to Sween and said he was going back in the rear of the three-unit diesel engine "for a minute."

McEvoy failed to return and Sween became worried. When the Lark pulled into Guadalupe for a regular stop, railroad officials searched the entire train.

They found a door in the rear of the last diesel unit open. A company spokesman said the door would normally remain closed on the run.

Search parties immediately began hunting along the right-of-way and McEvoy's body was found at 7:25 a. m. by his son, Mervyn S. McEvoy, and two company officials.

There was no known reason why McEvoy would take his own life, authorities said. He was due for retirement soon, having been a fireman and engineer with Southern Pacific since 1912.

The Lark, due in San Francisco at 9 a. m., did not arrive until 10:20 a. m., chiefly due to a truck-automobile accident that blocked the tracks near Soledad, an S. P. spokesman said.

10 Die in Europe's Gales

VIENNA, Jan. 16 (AP)—Gales lashed Western Europe today as rain and rising temperatures threatened new avalanches in the Alps.

At least ten persons died as gales with gusts of up to 100 miles an hour swept across the continent and menaced shipping in the North and Baltic Seas.

'We Can't Go It Alone'

Ford Says Isolationists Hamper U. S. Policies

By The Associated Press

PHILADELPHIA, Jan. 16—Henry Ford II tonight assailed "powerful and grimly negative" Americans who would junk the policy of international co-operation.

He called, instead, for the United States to "step forth with a hard-hitting program to speed the peaceful and orderly development of the underdeveloped areas of the earth."

Ford's remarks were contained in a prepared speech as he accepted the Poor Richard Club's 1954 gold medal award.

"The Eisenhower Administration, he declared, is trying to give America the "positive foreign policy" it wants. But, he continued:

"Unfortunately, our positive initiative is being hampered by a powerful and grimly negative group in American politics.

"Speaking, I hope, as a good Republican, surely we can have sound and efficient policies at home without throwing international co-operation into the ash-can."

The head of the Ford Motor Co., a delegate to the last General Assembly of the United Nations, offered a four-point program to help underdeveloped areas: Technical assistance, basic capital improvement projects, greater U. S. private investment abroad and a liberalized trade policy.

Ford emphasized that foreign nations must create a climate favorable to American investment.

"We can't go it alone, either economically or politically," he declared.

Foreign nations, Ford said, view the U. S. as being so preoccupied with military defense that it overlooks "positive approaches to peace—in effect that we are prepared to spend billions for defense against Soviet Russia, but only pennies for progress."

Also, he said, there is the feeling abroad that "the present economy-in-government drive—something which I happen to favor very strongly—has been taken over by an isolationist wrecking crew which runs under the slogan: 'No trade, no aid, no nothing.'"

A third feeling is that America is engaged in "an over-zealous, blunderbuss pursuit of the Reds and a rather hysterical attack upon freedom of thought," he said.

Subversion at home can be fought "quietly, systematically and without all the publicity tumult of a four-alarm fire," Ford said.

2 Escape After Wild Auto Chase

Special to The Chronicle

FRESNO, Jan. 16—Robert J. Nelson, 27, of Fresno, identified as a fugitive from a San Quentin prison camp, and Ralph Taylor, 24, of Calwa, were being hunted today after a wild 90-mile-an-hour police chase last night.

The two escaped on foot after their car hit an embankment south of here. In the car, officers found Arthur D. Cox, 27, of Fresno, and two girls whose names were withheld. Cox was held on suspicion of auto theft.

No Pact Breach, Hull Says

Korea POWs Go Free Saturday, U. N. Chief Insists

Release Due Despite Red Warning

By The Associated Press

PANMUNJOM (Sunday), Jan. 17—General John E. Hull last night told India that his United Nations Command definitely will free 22,500 Chinese and North Korean prisoners as civilians on South Korean territory January 23. He disputed India's charge this would violate the armistice.

Instead, Hull said, the supervisory commission which India heads will be deliberately avoiding "an important element" of the armistice by prematurely turning back these men as war prisoners Wednesday.

Hull insisted the Neutral Nations 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 Lieutenant General K. S. Thimayya, India's chairman of the Repatriation Commission. His firmly expressed determination to free the prisoners also stood out against a Peiping broadcast that such an action "will wreck the Korean truce."



NATHANIEL G. MILLS AND U. S. MARSHALS
Spectator was forcibly removed from hearing

The Hunt for Reds

McCarthy Tosses 3 Out Of Wild Boston Hearing

BOSTON, Jan. 16 (AP)—Senator Joseph McCarthy's second red-hunting visit to New England wound up today in an uproarious session marked by the ejection of three persons from the hearing room.

One was a witness reluctant to answer questions about Communism, another his lawyer, and the third a spectator who had been ejected from the hearing room by his attorney, Oliver S. Allen, just as Pappas had finished his testimony.

"REMOVE HIM!" Pappas said he wanted to read a statement. McCarthy called the marshals to "remove him."

Allen arose and asked: "Do I understand we can't put a statement into the record?"

"Remove him," McCarthy ordered. Pappas and Allen were hustled from the hearing room. Later Allen said "repetition of today's events will sound the death knell of the independence of the American bar."

Allen has been a lawyer for 19 years.

"I was forcibly ejected from the hearing room because I was doing my sworn duty as an American lawyer," he declared in a statement to the press. "It is a duty to advocate and to defend, without fear or favor, the rich and the poor, the orthodox and the unorthodox, the popular and the unpopular."

"I conceive it to be my duty as a Massachusetts lawyer, as it is the duty of all lawyers and bar associations, to stand up and fight for their independence, and their right to defend all people and to stand up and fight for them not next week, next month or next year, but now."

Pappas had declined to answer any questions about Communist party connections. He is a General Electric employee, a tester of aircraft generators.

Senator McCarthy drew from him testimony that during war time service in the Air Force as a radar mechanic he was once assigned to Fort Monmouth, N. J., an Army Signal Corps installation that was a recent target of McCarthy's investigations.

McCarthy brought out Pappas' Harvard education after the witness had declined to answer questions about Communism "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?" McCarthy asked.

"No."

"Are you a graduate of a Harvard school?"

"Where?"

"Harvard."

"Harvard?"

Allen interjected—"one of our better law schools."

Harvard also has been a McCarthy target.

Flood Peril As Rains Drench North State

Torrential, wind-swept downpours lashed Northern California yesterday, creating serious flood threats along the Eel, Smith and Russian rivers.

A foot of snow fell in the High Sierra.

Today's forecast for the Bay Area was wet and blustery, with the rains becoming intermittent tomorrow, and the winds rising to gale strength.

The Russian river, rising fast after a 24-hour period of unusually heavy rains, flooded three highway bridges and farm lands along the river's banks in Mendocino county. The swollen river swept over the new Vichy bridge east of Ukiah. The Northwestern Pacific halted traffic on its line between San Rafael and Eureka.

The storm, up to 4 p. m., dropped 5.39 inches of rain on Ukiah, 4 inches on Dos Rios, 3.62 on Willits, 2.98 on Hopland.

WARNINGS ISSUED

Flood warnings were issued to residents along the major rivers of the north coastal region.

Southeast storm warnings flew from San Francisco to the Oregon line, with small craft warnings up from San Francisco south to Point Sur.

San Francisco had 4.3 of an inch of rain from 4:30 p. m. yesterday to 10 p. m., bringing the season's total to 4.82 inches—exactly half the normal of 9.64. The total last year at this date was 13.93 inches.

San Rafael was drenched yesterday with 2.03 inches; Woodacre in Marin county was much wetter—3.86 at 4 p. m. Oakland Airport reported only .58 of an inch at 10 p. m. and San Jose only a trace.

Sixty-mile-an-hour winds were recorded on the top of Mt. Tamalpais last night.

Farther south a Moffett Field pilot, unable to make his home field in the gale, put down in Monterey.

Far East General Gets New Post

TOKYO, Jan. 16 (AP)—General John E. Hull today announced the transfer of Major General Ridgely Galther, now commander of the 40th Division in Korea, to assistant chief of staff for military intelligence for the Far East and U. N. commands.

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The news that matters—plus six great sections

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