

CROOKED OIL MEN SWINDLE YET STAY IN BOUNDS OF LAW

Fake Promoter, Whose Only Interest Is in the Selling of Stock, Doesn't Want Petroleum and Often Squelches Small Producers.

By ROY J. GIBBONS.

NEA Service Staff Writer
FT. WORTH, Texas, Nov. 21.—Within the law!

That typifies the attitude, striving effort and blunted psychology of the crooked oil promoter.

He is to be entirely differentiated from the legitimate, non-bellowing operator who never advertises in pages of lurid promises.

Nor is he to be classed along with that group of promoters who are honest in their intentions.

The crooked promoter has no dealing with the latter two.

He hates them for being honest.

And they in turn naturally regard him with intensified loathing for discrediting their business.

First and foremost, the crooked promoter who greatly outnumbered his honest competitors in the big Texas, Arkansas and Oklahoma fields, was out for himself.

Knew No Geology

In a majority of cases, as substantiated by Government investigation, when he first became a promoter he knew nothing about oil whatever nor the manner and means by which it is obtained.

In other words, he was a greenhorn—an inexperienced yokel—who foisted himself off upon the public by subsidized news accounts in promoter-owned publications, as a bona fide oil expert.

His primary and sole interest was to sell stock—and do nothing else but sell stock—in a company of his own creation with never the thought of actually producing oil.

By hook and crook, lying statements and overblown promises the crooked promoter advertised and circulated his "sucker lists," stating any and all manner of roseate inducements to part the prospect from his investment contribution.

Doesn't Want Oil

Bearing in mind, all the while, that the crooked promoter is not out to get oil at all you next find him out on undeveloped, unproven territory—or "wild cat" acreage, as it is called.

Perhaps from his stock sale campaign he has sold \$1,000,000 worth of shares, certificates, titles or whatever else he calls them.

He wants to keep within the law. And at the same time he wants to stay crooked.

Hence you find him sinking a well down on the "wild cat" land, down to whatever depth he vaguely promised he would sink it.

But having made virtually certain before operations were begun that the "hole would come in dry," he pays the driller a few thousand dollars for his work and then uses the balance of the million for his own purposes.

Such tactics were the rule and not the exception during the peak of the oil boom days.

They were permitted under the State law of Texas where no blue sky statute was in effect at the time.

Use Legal Kinks

Promoters operated under what was known as a declaration of trust.

This legal instrument gave them absolute power over the money of their investors. They could drill for oil under its terms, or go hunting for elephants if they so choose, under its broad and drastic powers.

Any show the crooked promoter made of trying to produce oil was one of pretense entirely.

Drilling a well on land which he knew was non-oil-bearing constituted in his mind discharge of obligation to his stockholders. He kidded himself into believing that he was playing a game, and that if the public was big enough fool to play with him, it would continue to be/stup.

If he drilled wells, as he said he would when advertising, the Government couldn't read his mind and see that he planned his wells on territory which he knew beforehand would come in dry.

Instances are on record in cases still to be investigated where wells, which actually did start to produce, were squelched by being pushed down to salt water levels.

Had they "nursed" them along, as the saying down here goes, in the oil fields, they might have become paying propositions.

Fake promoters promised dividends in their companies ranging upward from 100 per cent.

Paying "Dividends"

Hence their reason for snuffing out small wells that accidentally were stuck.

Profits received from such a well which distributed over a list of 5,000 "suckers" might probably be a few cents each.

That would quickly knock out the promoter's chances. But sometimes he did pay big dividends, for the purpose of baiting additional victims.

Money for the dividends distributed by crooked promoters was not received from oil sale profits, but from sources as faked as the promoter himself.

Yes, he promised rivers of oil. But instead came rivers of tears and teacups of oil.

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Further trickeries practiced by fake oil stock promoters and brokers are explained in Gibbons' next article.

Bids Received on State Land

Bids on twenty-two acres of lowlands around Bass Lake in Stark County were received by the State Tuesday. Oscar B. Smith, Knox, Ind., offered to buy the land for \$127,50 and to turn it over to the State department of conservation. Another bid of \$250 by Helen B. Bloom, Chicago, was private. The land had been appraised at \$27,50. The sale must be approved by the Governor, the auditor and the treasurer.

Alleged Fugitives Held

Two alleged fugitives, arrested to-day, are John Duncan, 32, 513 E. Thirty-First St., wanted in Chicago on a grand larceny charge, and Robert E. 47, colored, 419 W. Sixteenth Street, wanted in Galion, Tenn., on a charge, according to police.

Methods Used

Without any legal authority the "association" would attack some probably legitimate oil concern. It would send notice to the firm's investors that the concern was unsound. For a fee of \$5 or more, the "association" formed to protect stockholders would look after the investors' interests.

Fearful of loss, 96 per cent of the investors came through with the fee. The "association" would then wait about a year and send out a stereotyped report on its findings.

Usually, this report contained nothing of value, and at most, cost the "association" two cents for mailing. Big margins were thus made.

COOK JURY DELIBERATES

By United Press
FT. WORTH, Texas, Nov. 21.—The trial in the trial of Dr. Frederick A. Cook, former Arctic explorer, and associates in promotion of oil companies, accused of using the mails to defraud, deliberated throughout the night.

Hello! This Phone Girl's Happy



LEFT TO RIGHT—MISS MARGARET COOPER, MRS. MYRTLE FLEMING AND MRS. F. J. STEINMETZ.

Today Miss Margaret Cooper, 20, of Bosart Ave., for forty years an employee of the Indiana Bell Telephone Company, is cherishing memories of a beautiful day Tuesday when hosts of friends showered her with flowers and gifts in appreciation of her years of service with that company.

"There is a joy that can only be realized through serving, and a host of friends is one of the rewards," said Miss Cooper.

In the picture are shown Mrs. Myrtle Fleming, 3600 College Ave., and Mrs. F. J. Steinmetz, 3107 Broadway, friends who called on Miss Cooper Tuesday.

NATIONAL TRUTH IS LATEST SPECIAL WEEK

Better Business Bureau Leaders Announce Plan for City.

Tentative plans for observance of National Truth week, beginning Feb. 22, were made today at the closing conference of the board of directors of the National Better Business Bureau.

Local luncheon clubs, civic clubs, patriotic societies, public schools, churches, stores and other organizations will be asked to cooperate. A similar occasion was observed successfully in Providence, R. I., last year.

Members of the commission were guests today of G. F. Olwin, manager, Indianapolis Better Business Bureau, at the Kiwanis luncheon at the Claypool.

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HOLD-UP SUSPECT SOUGHT

Shaken

By United Press

WASHINGTON, Nov. 21.—Falling for stories, Albert Karlson, 51, son, never broken bones and told doctors he "felt just a little shaken up." The shock killed him four hours later.

Former Governor Charles E. Osborn of Michigan, and his wife have agreed to separate. He denied rumors of a divorce.

Cost of living in United States on Oct. 15 was 64.1 above pre-war month of July, 1914, Industrial conference figures show.

Johan Swenson, owner of a New

MINERS BOARD IS SILENT

Lewis Admits Maryland Strike Is Called Off

What is the executive board of the United Mine Workers of America doing in the week's session which ended Tuesday night, was a mystery today.

"Too much has been printed already," said President John L. Lewis. He admitted that the year-and-a-half-long strike at Georges Creek and Upper Potomac fields of Maryland were ended by the board.

Miner leaders probably will not gather again until the national convention here Jan. 29, it was said.

SCHOOL AND TEACHER DAY

Pupils Discuss Need for Better Paid Pedagogues

"School and Teacher Day" was observed in Indianapolis schools today as part of Education Week. Pupils discussed the need for better trained and better paid teachers, and more adequate buildings.

Programs sent to parents of pupils at school No. 55 show them how they can see every phase of school work by visiting the school daily this week. Other schools are carrying out similar programs.

The commission will attempt to find the route taken by heavy trucks during the business hours by sending blanks to truck owners and operators. Surveys have shown that many trucks operate on thoroughfares which should be used for high speed traffic, thus slowing motorists and causing congestion.

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In a letter to the Times, O. T. Duval, 3515 E. Sixteenth St., of the Marion County State Bank, writes:

"Four men were held by Federal authorities today after their arrest Saturday in investigation of the theft of tobacco from a freight car at Walkerton, Ind., a year ago. The men face charges of stealing from an interstate shipment. They are: Carl Bradford, Walkerton, bond \$1,000; William Foster, La Porte, bond \$1,500; Benjamin Kneisley, La Porte, bond \$1,000 and William Sinclair, Walkerton, bond \$1,000.

SLOT MACHINES REMOVED

Authorities Act Upon Complaints by Parents of High School Boys.

NOBLESVILLE, Ind., Nov. 21.—One hundred nickel-in-the-slot machines, which have been in operation in the business houses of Noblesville for several months, were removed yesterday on orders from Mayor Brown and Prosecutor Waltz. This action was taken by the authorities because of complaints made by parents of high school boys.

New Uniforms for City Band

Fifty members of the police and firemen's band will appear in their new uniforms Saturday. The uniforms are modelled closely after the style worn by police sergeants, with white coverings for the caps. Members will not wear their badges, but the police and firemen will wear their own collar insignia. Leather puttees will be worn.

Sewing Machine Stolen

A sewing machine was stolen in a raid on a shed at the home of Mrs. Bessie Crosby, 1145 Vine St. today. Tools and electric fixtures, the total value \$100, were taken, according to police.

Woman Faces Theft Charge

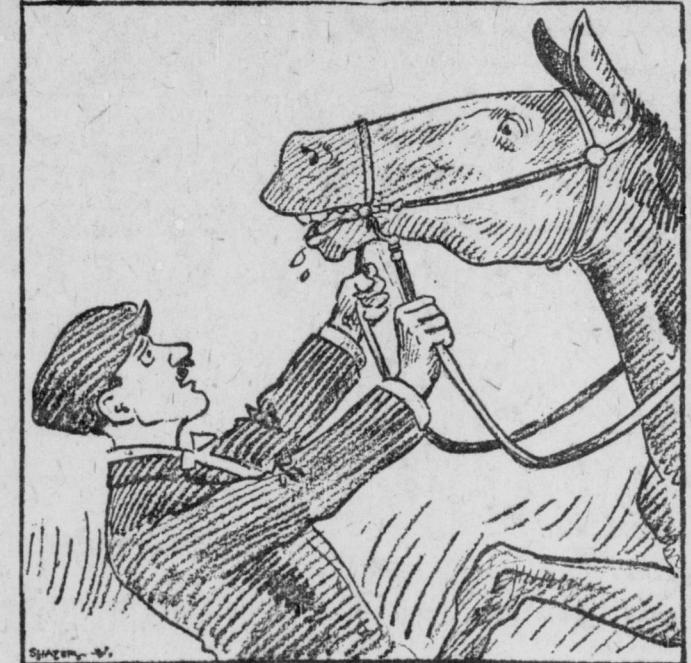
Leonard Harris, 539 Agnes St., was taken to city hospital today under charges of driving an automobile while intoxicated after the car he was driving struck a car owned by Raymond Evans, 954 S. West St., parked at that address. He was cut and bruised.

Thomas Springer Reappointed

Governor McCray today reappointed Thomas B. Springer of Sullivan a member of the board of control of the Soldiers and Sailors Monument. His term expired several days ago.

THE INDIANAPOLIS TIMES

PROVERB PICTURE NO. 21—NOV. 21



The answer is
My name is
I live at
City State

FIRST PRIZE \$1,000 CASH

Second Prize	\$500 Cash
Third Prize	\$250 Cash
Fourth Prize	\$100 Cash
Fifth Prize	\$75 Cash
4 Prizes	\$50 Each
6 Prizes	\$25 Each
5 Prizes	\$15 Each
5 Prizes	\$10 Each
20 Prizes	\$5 Each

RULES GOVERNING CONTEST

Prizes will be awarded for the best and most appropriate answers from among those submitted by contestants. First prize will be awarded to the person submitting largest number of such answers; second prize to the one submitting the second largest number of such answers, etc.

In the event of a tie, the care and neatness displayed in preparation of answers will be the determining factor.

Contestants must submit complete set of 60 proverb pictures, in order to qualify for any prize.

Answers are not to be sent in until the entire 60 proverb pictures are appeared in the Times.

Only one answer may be submitted for each proverb. Where more than one answer is submitted to any proverb all will be thrown out.

Only one set of answers may be submitted by any one person and only one member in any one family can win a prize.

Each answer must be plainly written upon coupon published with each proverb picture.

The last proverb picture will be published Jan. 5, 1924.

Answers must be submitted in one set to The Proverb Contest Editor or before noon, Jan. 10, 1924.

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