1997

Postwar vice crime and political corruption in Portland

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<https://doi.org/10.15760/etd.5437>

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THESIS APPROVAL

The abstract and thesis of Robert Christian Donnelly for the Master of Arts
in History presented February 14, 1997, and accepted by the thesis committee and the
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ABSTRACT

AN ABSTRACT OF THE THESIS OF Robert Christian Donnelly for the Master of Arts in History presented February 14, 1997.

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Vice is described in the present work as anything associated with gambling, bootlegging, or prostitution, followed closely by racketeering, graft, and political corruption. Racketeering is the coordinated planning and execution of many crimes. Through graft and corruption, racketeers often grease the palms of officials to facilitate the implementation of widespread vice operations.

The present thesis describes the connection between political corruption and vice crime in Portland as it was portrayed by media and public institutions and agencies in the 1940s and 1950s. The main body of the thesis discusses attempts to rid Portland of its vice problem through the City Club's crusade against crime and crooked politicians in the late 1940s and early 1950s and Mayor Dorothy McCullough Lee's subsequent reform movements against gambling and prostitution. The thesis will analyze The Oregonian's expose' on bootlegging, gambling, prostitution and links drawn by the newspaper to the Teamster's Union and Oregon politicians. From there, the study focuses on Washington

D. C. and the McClellan Committee's 1950s hearings on the mismanagement and corruption of Teamster leaders in local and national chapters. Finally, the thesis analyzes the role of Portland's two daily newspapers and their contributions to the controversies and mixed messages over vice and crime in the city between World War II and 1957.

POSTWAR VICE CRIME AND POLITICAL
CORRUPTION IN PORTLAND

by

ROBERT CHRISTIAN DONNELLY

A thesis submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS
in
HISTORY

Portland State University
1997

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PREFACE

The present thesis describes the connection between political corruption and vice crime in Portland as it was portrayed by media and public institutions and agencies in the 1940s and 1950s. Starting from the city's incorporation in 1851, it briefly outlines Portland's political history and places the growth of corruption associated with the young city's vice community in the context of economic and social development. The main body of the thesis discusses attempts to rid Portland of its vice problem through the City Club's crusade against crime and crooked politicians in the late 1940s and early 1950s and Mayor Dorothy McCullough Lee's subsequent reform movements against gambling and prostitution. The thesis then analyzes The Oregonian's expose' on bootlegging, gambling, prostitution and links drawn by the newspaper to the Teamsters Union and Oregon politicians. From there, the study focuses on Washington D.C. and the McClellan Committee's 1950s hearings on the mismanagement and corruption of Teamster leaders in local and national chapters. Finally, the thesis analyzes the role of Portland's two daily newspapers and their contributions to the controversies and mixed messages over vice and crime in the city between World War II and 1957.

Few scholars have addressed the topic of Portland vice activity. Joseph Uris's 1987 urban studies dissertation analyzed the Portland vice probe of the 1940s and 1950s

by using a combination of sociology, history, and political science. Uris sought to create an understanding of urban corruption and reform through the use of sociological notions of functionalism and Marxist theories of capitalism. He dissected Portland's political machines and compared the reform movements of the 1930s and 1940s to the urban planning of the 1950s. His work provided a complete theoretical analysis of the relationship between crime, politics, and the community. Uris's analysis was based primarily on media portrayal of Portland's vice crime, how political machines dealt with the problem, and its effect on urban reform.

Despite the wealth of information presented by the Uris dissertation, it did not address controversies over organized crime in Portland in the years that preceded and followed The Oregonian series. The present work goes beyond this limited time frame by incorporating the findings presented in grand jury testimony between 1948 and 1957 and the testimony and reports of the Senate Select Committee on Improper Labor or Management Activities in 1957. Moreover, the present thesis makes fuller use of the Portland City Club Report of 1948, which provided information concerning the patterns of postwar organized crime in the city and its environments.

The present thesis will address the question as to why crime surfaced as an issue in the 1940s and 1950s and will describe a pattern associated with perceptions concerning the rise and fall of vice crime. Such patterns can be seen in an analysis of each mayorship in Portland during the 1940s and 1950s. Subjected to pressures of social purity by the public but influenced by the business community and the social ideals of free enterprise, the city's leaders often were limited in their response to crime and vice.

The exception was Mayor Lee, who ignored the pressures and attempted to reform the city, only to face the end of her political career by doing so. This thesis will discuss the weight of the City Club Report and The Oregonian's expose'. Each will be analyzed to show possible political motives, their effect on public opinion, and the mixture of attitudes that seemed to define public views toward organized crime and vice.

Vice is described in the present work as anything associated with gambling, bootlegging, or prostitution, followed closely by racketeering, graft, and political corruption. Racketeering is the coordinated planning and execution of many crimes. Through graft and corruption, racketeers often grease the palms of officials to facilitate the implementation of widespread vice operations.

CHAPTER I

PORTLAND'S LEGACY OF VICE AND REFORM, 1851-1940

Located on the west bank of the Willamette River, twelve miles upriver from the Columbia River, Portland, Oregon was plotted to dominate the commerce of both streams. As Pacific Northwest historian Carlos A. Schwantes has suggested, Portland was the city that gravity built. Its ports were filled with lumber and farming products such as wheat and fruits, readied for shipments to distant markets. Portland's deep-water anchorage rivaled the mills of Willamette Falls at Oregon City. In 1850, Portland recorded eight hundred people and was incorporated the following year.¹

Portland's population in 1860 was 2,800. Just four years later, it doubled. The city's status was enhanced by the gold trade from the upper Columbia and Henry Villard's railroad empire. When the gold rush transformed San Francisco from a mining town to boomtown, Portland provided the lumber to build the metropolis. In 1851, two of the city's pioneers, Stephen Coffin and William Chapman, went to San Francisco to look for a printing press and an editor for a city newspaper. Portland Historian Paul Merriam has concluded that the introduction of a newspaper provided the "most unifying element of urban culture." Coffin and Chapman found a printing press and an editor. Soon after, the Weekly Oregonian was in circulation.

Portland was influenced by the personal traits of its German-Jewish, Scottish, and English immigrants. Portland had personality, character that was molded mostly by its thriving commercial life. A conservative financial community pursued sound investments in new business and old establishments rather than risky speculation. Yet early leaders were committed to public education and were interested in cultural matters. As E. Kimbark MacColl has described, all of these characteristics "blended together to give Portland a special quality of affluence, tempered by civility and good taste."²

By the end of the nineteenth century, Portland boasted of several churches, a public library, and a few newspapers. The city was known for its physical dignity and charm, likened to the enchantment of New England and the smaller cities of Pennsylvania, New York, and New Jersey. In 1890, a bridge crossed the Willamette and electric streetcars rang down the city's boulevards in opposite directions of the river's banks. Later, an electric transit line was added to connect Portland with Oregon City.³

Yet, even in the realm of its New England style villas, chateaus and castles, Portland had another side. By 1864, the growing town included about 700 "floaters" in hotels and boardinghouses.⁴ The presence of gold, land speculation, and the city's river ports led to the blossoming of saloons and dancehalls where men could indulge in the momentary pleasures. Entrepreneurs quickly involved themselves in the profitable enterprises of prostitution, gambling and bootlegging. Such activity often took place on land or properties owned by the city's economic elite.

Bribery was accepted as normal practice in Oregon politics at the beginning of the twentieth century. Judge Henry E. McGinn admitted, "There was never a time that

the [US] Senatorship wasn't up for barter or sale."⁵ "The Oregon Assembly is a great big political machine in disguise," ex-senate president, George C. Brownell asserted.⁶ Henry Villard and the Northern Pacific Railroad contributed \$300,000 to Attorney Joseph Dolph's unsuccessful bid for reelection in 1895. Northern Pacific allegedly attempted to buy two votes during the election at \$50,000. As Governor Oswald West described it, "[t]he prevailing prices [for political bribery] were four and three-- four thousand for Republicans and three thousand for Democrats-- such prices became common knowledge."⁷

With its influence in the state and local government, the Simon machine reestablished The Board of Police Commissioners in 1885, which had total control over the direction of Portland's Police Bureau. Returning its status and power from the original Board of 1870, Governor Zenas Moody appointed Byron P. Cardwell, retired internal revenue collector to join Simon and Bourne to occupy its first seats. Together, Simon and Bourne made the board one of the most influential public agencies in Portland and an instrument of their own political ambitions.⁸ As MacColl has revealed, officers received bribes, while enforcement was loose. Police Chief C. H. Hunt complained that he was constantly obstructed in enforcing the laws by political pressure and that he could not depend on his officers to obey orders. As he spoke to the city council in November, 1891, Portland Mayor William S. Mason proclaimed, "We lack the power to enforce the laws.... [We have]... no control... over the police force of our city.... Our police perambulate the streets day and night and we hear of no arrests for the violations" of gambling and bars illegally open on Sundays. Mason argued that the ordinances on

gambling were "a dead letter in our statute books." The mayor asked the councilmen whether the police were the protectors or "sharers of the spoils?"⁹

Frustrated by the inability or refusal of police to enforce vice laws, Hunt and Mason gave full support to an investigation launched by the Portland Ministerial Association in the Fall of 1893. The probe proposed to investigate ways of controlling prostitution in the city. Yet investigators soon became frustrated with the lack of cooperation from the police board, whose members often proved to have had relationships with the owners of vice properties.¹⁰

Despite their frustrations, the investigators reported that Cyrus Dolph, brother of Senator Joseph Dolph, and John Caples, partner to County Judge J.C. Moreland, owned a building on Second and Everett that was a known hangout for thieves and stolen merchandise. Henry Weinhard, Henry Corbett, and former mayor, David Thompson all were linked to vice properties. Corbett was the owner of Portland's largest wholesale liquor store located on Second and Oak Streets. To the amazement of the local ministers who took part in the probe, fifty or more property owners connected to the targeted establishments were parishioners in their own churches. Harvey Scott, powerful opinion-maker and editor of The Oregonian, was criticized for his lack of participation in efforts to clean up the city and failure to publicize the vice investigation. In response, Scott protested that the persons most concerned in the maintenance of these abuses were "the principal men of the city"-- the men of wealth on whose patronage the paper relied. It could not afford to alienate them.¹¹

Despite the lack of publicity, Portland's vice problem soon became very public. Pressure mounted on the steps of city hall. Some working class citizens were angry at their new leader, Simonite Mayor George Frank, for not following up his campaign promise to rid the city of its vice evils. A new police chief, Frank political crony John Minto, answered the demands and conducted a few raids. The watering holes and bawdy houses of Portland's "better classes" were not touched. Nor were those which handsomely paid off the police bureau.¹² But the mayor and police chief did manage to arrest scores of prostitutes and close down many bootlegging joints. Eventually, Simon felt he had created a monster in his mayor and police chief.¹³

In response to the new atmosphere of public improvement, reform groups soon formed. The Committee of 100 Taxpayers, led by Henry Corbett, targeted organized gambling and other vice conditions that were giving Portland a bad reputation. In some cases, as MacColl has demonstrated, prominent reformers were the same men who retained the deeds to vice properties. Thus, the Central Municipal Reform League was also organized, targeting reform that let political corruption remain unnoticed.¹⁴

Despite his attempt to lead the reform movement, Frank was replaced in the following election by Sylvester Pennoyer, a lumberman and independent politician. Pennoyer's two-year term was characterized by a massive purge of the police bureau. The mayor appointed four different police chiefs in two years and replaced the entire force in one year. In the 1898 mayoral campaign, the Mitchell Republicans and the Pennoyer supporters backed former Police Chief John Minto. The Simon faction and the "sound money Democrats" supported former mayor William Mason, currently head of

the Chamber of Commerce.¹⁵ Mason ran on the platform that he was "nobody's man." Civic reform was his agenda. Two weeks after his reelection he replaced the chief of police and everyone else in the department.

Mayor Mason appointed D. M. McLaughlin, former mayor of Albina and Portland police commissioner under Frank, to head the police department. The mayor instructed the reformed Board of Police Commissioners to put more regular patrolmen back on the streets, visible for criminals and law-biding citizens to see. The Board, in turn, ordered policemen to deny payoffs from prostitution houses, gambling dens, or any ill-favored individuals. Chief McLaughlin further was instructed to close down operations in the city's notorious brothels and gambling dens, including the Chinese gambling operations. But Mayor Mason's efforts fell short. Commercial and political resistance coupled with an increase in Multnomah County taxes proved stronger than the mayor's ability to reform the city. With pressure from the county's taxpayers, the police force had to be cut while the city's population continued to increase. To add to the downfall of the reform movement, Mayor Mason died in office on March 29, 1899.¹⁶

The beginning of the century witnessed drastic changes in Portland's and the state's political environment. Reformer William U'Ren ushered in the Oregon System to wipe out the political boss. The initiative and referendum, added to the state constitution by popular vote in 1902, gave voters legislative power and the ability to submit to the state assembly laws they wanted to pass. The Oregon System brought a gradual deterioration of traditional party authority and broke through the closed and tightly

controlled conventions. U'Ren also advocated a corrupt practice law and the prohibition of alcoholic beverages.¹⁷

In 1904, US Prosecutor Francis Heney led an investigation that implicated timber barons who hired people to make phony land acquisitions under the Homestead Act of 1862. The Timber Fraud Trials frustrated and exposed Portland's business and political leaders.¹⁸ The Republican machine splintered once again. In 1905, a Democrat, Dr. Harry Lane pulled off a stunning upset in the city's mayoral race. Lane campaigned for the middle and working classes, as well as the progressive businessmen's battle against the west-side corporate interests. He was the first mayor elected from the east side of the Willamette River. The Oregonian pictured Lane as a "graft hunter". As Gloria E. Myers has described, Lane's administration was most remembered for the fight against prostitution and the advancement of the policewoman idea to help "cleanse Portland of corrupting vice."¹⁹

Aided by the YWCA, the Woman's Christian Temperance Union, and other auxiliaries, the municipal policewoman's movement was influenced by the ideals of "social hygiene" to "cleanse and uplift the evil city, and make it morally and physically safe for families, single working woman, and children."²⁰ The movement was built upon the work of Lola Baldwin, Portland's first policewoman. Initially unpaid by the city, Baldwin's supervision of the female-protective and vice-preventive work was implemented following concern about "shadowy aliens" laying pray on young, defenseless girls at the Lewis and Clark Centennial Exposition in 1905. Officially inducted into the Portland Police Bureau in 1908, Baldwin set out on her personal

crusade to rid the Rose City of sexual vice, a city "more open" than the eastern cities she had lived in.²¹ Paying close attention to Baldwin's vice-preventive tactics, Mayor Lane admired and learned from Baldwin and became known as a "champion of social hygiene."²²

During Lane's four years, his main battles were fought in the city council chambers. One of fifteen councilmen had been reelected. Fourteen councilmembers were new. One represented the Harriman railroad interests, one a Mitchell crony, and another a real estate speculator.²³ The council represented the business and professional class and were all deeply involved with the city's economic growth. In 1908, Lane recommended that the council revoke the licenses of establishments that were proven to conduct illegal activities. When effortless and spasmodic vice raids proved ineffective, Lane ordered the dismissal of every police detective in the bureau. Then, in 1909, political boss Joe Simon was elected mayor with the business community's backing.²⁴

The new administration distinguished itself by opposing efforts to build public docks, by awarding building contracts to cronies, and by promoting and protecting the city's vice interests. Yet the 1912 election of reform governor Oswald West focused public attention on Portland's reputation for vice. West's assumption of the governorship came just after Mayor Rushlight, voted in to replace Simon in 1911, appointed a city vice commission. The commission was led by Reverend Henry Talbott of the Episcopal Church.²⁵ He was joined by three other ministers, four doctors, and Lola Baldwin. With complete authority from Mayor Rushlight's office, the commission was chartered to survey all suspected immoral businesses.²⁶

According to Myers, the vice investigators found that shooting galleries attracted their male clientele by employing young pretty girls. Many hired young white woman to lure Greek and Japanese men. The commission described "public exhibitions of intimacy between Japanese patrons and these girls which were positively disgusting to all persons with a sense of decency."²⁷ In some cases, gallery managers ran "upstairs operations," where girls were expected to engage in exotic dancing for male audiences. The vice commission concluded that the galleries bred young prostitutes. Also startling were the property owners of such establishments.²⁸ "There is a great deal of property held by people of means," West revealed, some "rented for houses of prostitution." Included in the report were the prestigious names of Failing, Corbett, Dolph, Mills, Glisan, Ainsworth and Weinhard.²⁹

While the Vice Commission Report made officials and citizens aware of the prostitution problem, another report proved equally as shocking. In April 1913, the New York Bureau of Municipal Research began an investigation that exposed Portland's corrupt political bureaucracy. The investigation concluded that the police bureau was unorganized, the city accounting and budgeting departments "were in shambles," and the health department negligent. Its report labeled Portland "a sanctuary of rats, flies, and mosquitoes." The public works department, the researchers asserted, was operated with "graft, conflict-of interest, and criminally deficient construction practices."³⁰

The New York-based investigation produced a rapid response by community leaders. Within a year, Portland voted in a city charter that required nonpartisan elections and the replacement of the part-time city council with four, full-time

commissioners, otherwise known as the Galveston Plan. The Plan made each commissioner responsible for a major department of city government with the mayor assigning the departments and usually administering the police bureau. The commissioners and the mayor held equal votes in legislative and administrative decisions, nullifying any executive veto.³¹ The commission form of government was now in place. The transition represented a victory for old and new progressives, liberal Republicans, planning advocates and environmentalists, and middle and working-class citizens.

During Portland's Progressive era, a group of men, organized by Dr. John Boyd, began to meet in the basement of the First Presbyterian Church. Calling themselves the "Pastor's Hundred," the gathering held discussions which focused on the social and economic problems of the city. Their meetings reflected a growing civic awareness amid concern for the tumultuous environment. It was at this time that Mayor Albee and two city commissioners faced recall. Albee was criticized for refusing to give up his position as manager of Northwestern Mutual Life Insurance and the city commissioners for "inefficiency" and wrongful termination of many city employees. The "Pastor's Hundred" only lasted a few months during 1914 but created the spirit of fellowship that held some of the men together to form spin-off groups. One of these developed into the City Club of Portland, which began to meet informally in 1916 at The Hazelwood Restaurant in the downtown area.³²

Reacting to the perceived need to improve the tenor of public life, the City Club set down its by-laws and constitution in the spring of 1916. The group declared its intention to bring together men of different beliefs, politics and occupations; to collect

information relating to civic life; to discuss Portland's civic problems; to work for the improvement of economic and social conditions; to encourage fellowship and breed intelligent ideas; to discharge the obligations of citizenship; and to work with other organizations for municipal improvement. The members' ideas were progressive in that they embraced moderate political change and social improvement by government action and local volunteer efforts. The City Club's structure mirrored existing institutions in Chicago and New York. Accordingly, the founders created a Board of Governors and set up separate subcommittees to deal with public safety, city and state election measures, public health, and law enforcement. The Club's immediate interests included railroad transportation and shipping, Oregon's state constitution, and juvenile delinquency. By 1931, membership totaled 467. In the following two decades, the number would more than double.³³

Oregon Prohibition passed in 1913, implemented in 1916. With civic awareness associated with the city's reform movement, Prohibition was initialized, providing a breeding ground for corruption and crime. As a member of the Portland Police Bureau in the 1920s, Police Chief Floyd R. Marsh reported that Prohibition-era Portland became a distribution center for bonded liquor that came from Canada and "moonshine" from the wooded areas outside city limits. The bonded Canadian whiskey was brought up the Columbia River and dropped off at a pickup spot on Sauvie Island. The imported whiskey was then distributed to the many speakeasies as well as the beer and wine parlors throughout the city. Most of such establishments paid for police protection that totaled over \$100,000 a month. Gambling houses paid out \$20,000 a month. The

policeman on the beat usually earned \$10 a month. City hall received a cut through plainclothes officers who were stationed at the bureau answering directly to their vice bosses up the street.³⁴

As MacColl has explained, neither Mayor Baker nor Chief of Police Lee Jenkins were ever directly connected to receiving or condoning liquor trade payoffs. However, both were criticized for not effectively driving out the practice.³⁵ Probably more disastrous than the city's loss of \$375,000 annually in liquor license fees were the consequences that prohibition created. The bootlegging industry resulted in the corruption of police and public officials.³⁶

Portland's vice industries had experienced financial prosperity during the Progressive Era. When ragtime turned to jazz in the "Roaring Twenties," bootleggers hurried to keep up with illegal supply of liquor. Portland gambling dens also were packed with patrons more likely to take a chance in fast paced times while young prostitutes had plenty of opportunity to cash in on likely clients. Yet the crash on the New York Stock Exchange in October 1929 precipitated a depression that hit all industries, including the vice trade.³⁷ The crash set off a series of events unprecedented to any other in American history. Approximately 3 million Americans were unemployed by the spring of 1930, 15 million by 1932.³⁸ Portland was already in an economic slump by the late 1920s because of the conditions of the lumber market. By 1930, Portland milling was 20 percent below the level of a depressed 1929.³⁹

- ¹ Carlos A. Schwantes, The Pacific Northwest. (Lincoln: University of Nebraska Press, 1989), 195.
- ² E. Kimbark MacColl, The Shaping of a City. (Portland: The Georgian Press Company, 1976), 5.
- ³ Schwantes, 195.
- ⁴ Gordon DeMarco, A Short History of Portland. (San Francisco: Lexikos, 1990), 43.
- ⁵ MacColl, 6.
- ⁶ Ibid.
- ⁷ Ibid., 188-189.
- ⁸ Ibid., 64.
- ⁹ Ibid., 193.
- ¹⁰ Ibid., 195.
- ¹¹ E. Kimbark MacColl, The Growth of a City. (Portland: The Georgian Press, 1979), 609.
- ¹² The Shaping of a City, 198.
- ¹³ Ibid.
- ¹⁴ Ibid., 200.
- ¹⁵ Ibid., 211.
- ¹⁶ Ibid., 214.
- ¹⁷ Ibid., 246.
- ¹⁸ Ibid., 294.
- ¹⁹ Gloria E. Myers, A Municipal Mother. (Corvallis: Oregon State University Press, 1995), 7.
- ²⁰ Ibid., 6.

- 21 Ibid., 13.
- 22 Ibid., 18.
- 23 The Shaping of a City, 315.
- 24 Ibid.
- 25 Ibid., 402.
- 26 Gloria E. Myers, A Municipal Mother. (Corvallis: Oregon State University Press, 1995), 36.
- 27 Ibid., 37.
- 28 MacColl, 402.
- 29 Ibid.
- 30 Ibid.
- 31 E. Kimbark MacColl, The Growth of a City. (Portland: The Georgian Press, 1979), 28.
- 32 Ellis Lucia, The Conscience of a City: Fifty Years of City Club Service in Portland. (Portland: The City Club of Portland, 1966), 11.
- 33 Ibid., 12, 61.
- 34 MacColl, 276.
- 35 Ibid., 277.
- 36 Ibid., 22.
- 37 Ibid., 365.
- 38 William H. Mullins, The Depression and the Urban West Coast, 1929-1933. (Bloomington: Indiana University Press, 1991), 1.
- 39 Ibid., 17.

CHAPTER II

WORLD WAR II AND THE PORTLAND CITY CLUB REPORT ON VICE CRIME

Portland's economic stagnation in the Depression years soon made way for the prosperity surrounding World War II. The city's shipyards manufactured more than a thousand oceangoing vessels during World War II worth \$2.4 billion in U. S. Maritime Commission contracts. While Puget Sound, San Francisco Bay, and San Diego primarily produced vessels committed to direct military support, Portland emerged as the merchant shipping center of the West Coast. Thousands of workers migrated to the Pacific Northwest in response to "help wanted" ads posted in eleven states by the city's Kaiser Shipyards.¹

Kaiser's recruiting success, however, precipitated Portland's social problems. The 1944 metropolitan population bulged at 661,000, up nearly a third from 1940. Such growth prompted the Bureau of the Census to classify the Portland-Vancouver area as a "congested war production area," a category assigned cities "where the demands of mobilization threatened to stretch municipal resources and public services beyond their limits." Portland's City Council was forced to create the Housing Authority, an emergency committee to combat the city's infinitesimal .5% vacancy rate.² Public facilities were strained. Wartime rubber and gasoline rationing doubled public transit

ridership. The arrival of new families nearly doubled the number of children under ten. The black population in the metropolitan area grew from 2,100 in 1940 to 15,000 by 1945, nearly 5% of the total population. The median age of new shipyard workers was thirty, half of which were unmarried. Because their average wage was twice the amount earned by local industrial laborers, shipyard workers had spare change to spend on liquor, gambling, and prostitution.³

After 1943, attention shifted to anticipated demobilization problems. Postwar committees were created by the mayor and city council to stabilize the city's economy, find housing for returning veterans, and combat the continuing problem of overpopulation. Prosperity seemed on the horizon because in the next decade Portland surpassed Seattle as the west coast's manufacturing center. However, a decline in industrial jobs and an increase in vice-related crimes were reported. Brothels, nightclubs, and gambling dens operated untouched for almost a decade with licenses issued by Mayor Earl Riley's administration. In the mayoral election of 1940, Riley's political opponent, attorney Frank Hilton, had accused his adversary of graft and an alliance with commercialized gambling and prostitution. Hilton had proclaimed himself to be the candidate of the decent homeowner and taxpayer. In contrast, Carl Abbott has portrayed Riley as a representative of local corporate interests and as a politician willing to overlook organized gambling and downtown brothels.⁴ Although Hilton managed to force Riley into a runoff, Riley emerged the victor.

Amidst the rumors of Riley's alliance with the vice industry, the City Club stepped up its interest in community welfare in wartime Portland by inaugurating an

investigation of vice activities. Early in 1945, the public health subcommittee submitted "Portland's Public Health Enemy Number One," a study of venereal disease control in the area. The previous year, U. S. Army and Navy authorities had considered placing Portland "out of bounds" to military personnel because of the high rate of exposure to venereal disease. According to military statistics cited by the report, the chances of a service man contracting a venereal disease were six times greater in Portland than in nearby Seattle. As indicated by the U. S. Public Health Service, Portland showed a 78.7% increase in reported cases from 1942 to 1944. By request of the public health subcommittee, the City Club Board of Governors enlisted an expert investigator.⁵

In two days, January 12 and 13, 1945, the investigator succeeded not only in entering five houses of prostitution but in negotiating the terms for engaging women in each of them. Visiting taverns and beer parlors during the two days, the investigator reported that he did not see any uniformed policeman in the establishments and noticed very few patrolling the streets. In two hours, he was able to pick up a prostitute in three different taverns, all with offers of sex at three nearby hotels.⁶

The City Club report acknowledged that an increase in Portland's population and visiting troops were among the factors that influenced the number of venereal disease cases. The decrease in moral standards during wartime and poorly patrolled streets, taverns, and hotels by police may also have contributed to an increase of infection by individual prostitutes. While the vice subcommittee found many houses of prostitution still operating in 1945, government and military officials insisted that they had no knowledge of organized prostitution in Portland. Even the American Social Hygiene

Association had given Portland a clean bill of health, although the City Club investigators believed there had been an advance tip-off before their last inspection. Despite public pronouncements concerning the city's relative freedom from organized vice, the subcommittee received private information to the contrary.⁷

The City Club Report of 1945 criticized Portland police and Mayor Riley for failing to adequately control prostitution. Although municipal statutes make prostitution unlawful, the subcommittee argued, Portland police and mayoral officials were apparently long in favor of keeping the brothels in one area, usually referred to as a "red light" district, and sought to regulate rather than repress such activity. The police bureau insisted that closure of the brothels only led to the spread of prostitution to other parts of the city, making it more difficult to eliminate. Nevertheless, the subcommittee recommended that health agencies work together to document cases, examine those arrested in city and county jails, and responsibly report all new cases of venereal disease treated. It called for better educational programs on venereal disease with city business and corporate sponsors. Finally, the members insisted that the mayor and chief of police uphold existing anti-prostitution laws; intensify police activity in the streets, taverns, and dancehalls; and provide plainclothes officers, preferably women, to cooperate with public health officials.⁸

Wartime concerns over juvenile delinquency prompted the City Club's subcommittee on public welfare to issue a report on young male offenders in 1948. Entitled "Juvenile Delinquency in the Portland Area," the document portrayed the Club's insistence on accurate information to cope with the city's growing delinquency problem.

With the cooperation of the Probation Department of the local Juvenile Court, the subcommittee compiled many of its own conclusions and recommendations regarding juvenile delinquency. Many public agency reports concluded that youth offenders primarily lived in public housing districts-- areas characterized by substandard living, poor educational services, and economic stress. According to a December 1944 preliminary report issued by the Probation Department, about 28 percent of the cases studied came from families living in the housing projects.⁹ But those figures were not accurate, the City Club committee argued. The subcommittee obtained information indicating that the study did not include 110 cases handled by a probation officer who was not allowed to participate for reasons unknown. All 110 cases were not from the Housing District, making the projects responsible for only 24 percent of all cases¹⁰

The City Club report discussed other contributors to juvenile delinquency such as economic troubles, income levels, maladjusted parents, emotional stress between parents, family-child conflicts, lack of home recreation, and insufficient discipline. Members also investigated the contribution of public schools to the problem and concluded that teachers needed more training in dealing with problem youth. The subcommittee also wished to point out that although public opinion had not acknowledged the severity of the delinquency problem, the danger to the individual and to society still existed. A well-adjusted and happy person, the report concluded, was of direct productive value. Similar to the recommendations found in the venereal disease report, the subcommittee recommended more community awareness and action. Members proposed the

establishment of a central community council composed of representatives of the schools, churches, police, and juvenile court.¹¹

The City Club launched an investigation in 1947 that targeted the city's vice establishments and alleged political corruption and sought to substantiate whether Portland was an "open town." As The Oregon Journal explained, the term 'open town' meant that gambling and vice may have operated unhindered, or even sanctioned, by law enforcement officials. Members indicated that they wished to establish whether or not gambling, prostitution, bootlegging, and other vice crimes were thriving in the city and Multnomah County. Introduced with much fanfare by the club's law enforcement subcommittee in February 1948, the report, entitled "Law Enforcement in Portland and Multnomah County," became the first in Club history to make newspaper headlines.¹²

The law enforcement subcommittee set out to determine the methods used in vice establishment operation, the ownership of illicit enterprises, and the possible affiliation of illegal activity with organized rackets. It inquired into police methods of supervision, organization, and policy with respect to vice crime and the potential involvement of law enforcement officials in illegal activity. The subcommittee particularly pursued evidence of police corruption in regard to protection payoffs. It further sought to examine public opinion concerning vice conditions and law enforcement policies. Its purpose was not to set out upon a moral crusade, it insisted, "nor to carry the responsibility of determining or promoting what it might consider to be a sound or wholesome public or police policy toward vice," but to inform the honest citizens of Portland.¹³

City Club investigators carried out a broad, full-field inquiry. Sources included newspapers accounts, reports on vice control in other cities, and authoritative texts. Committee members contacted political figures such as Oregon Governor Earl Snell, Portland Mayor Earl Riley, city commissioners, and the chief of police. Panelists interviewed night club owners and former club operators and their patrons along with others members who had information in regards to the location, ownership, and operation of vice establishments. They checked and obtained copies of official criminal and legal records assembled by city police. The subcommittee also acquired from the city a copy of the Vollmer Report of 1947, a consulting study disclosing facts on crime in Portland and problems in the police bureau.¹⁴

The Vollmer Report revealed that major crime in wartime Portland had soared well above other cities with similar populations. Vollmer also disclosed that vice crime, crimes against property, and juvenile crime were excessively high. Amongst increased public pressure, August Vollmer, retired police chief of Berkeley, California, had been solicited by the Portland City Council to investigate the police bureau's operations. He concluded that the bureau had been "overcostly, underproductive, poorly organized, inadequately supervised and underpaid." The consultant recommended better record keeping in all police bureau departments but could not suggest a specific action to combat Portland's vice problems other than confiscation of gambling paraphernalia.¹⁵

Supplementing information from the Vollmer Report, City Club investigators obtained police bureau files listing 248 locations where gambling, bootlegging, prostitution, and other vice operations were known to exist. The records division of the

police bureau furnished the investigators with a list of 185 addresses where arrests had been made for gambling or prostitution.¹⁶ Members searched over County Assessor documents that indicated the identity of individuals whose property was used for vice operations. Combining such information with tips from former federal investigators, City Club researchers made personal visits to Portland area night clubs, gambling dens, and prostitution houses. They found that gambling dens contained slot machines, dice tables, lotteries, and horse bookings. As the City Club report revealed, many of the public gambling establishments were operated by ex-convicts directly or through fronts. "All organized gambling in Portland is controlled by definite groups, usually referred to as 'syndicates'," the document concluded. It portrayed a system in which an operator of a gambling den leased slot machines, dice tables and other paraphernalia from a single group. If the owner chose to lease or buy the equipment elsewhere, he usually found his establishment threatened or deliveries interrupted. The syndicates received a percentage of the earned money on their gambling paraphernalia and also provided protection for the operator and his establishment.¹⁷

The City Club Vice Report noted that local officials had claimed that it was impossible to discriminate between church bingo games and slot machines in gambling dens and that Portland was clean with gambling, prostitution, and bootlegging kept to a minimum and normal for the size of the city. Responding to such protestations, the document accused city police of alleged protection of vice operations, particularly those aligned with the syndicates. "This protection is provided in consideration of a substantial 'payoff' to some police officers and public officials," the report asserted.¹⁸ Witnesses told

investigators of personal knowledge of payments approximating \$60,000 per month-- a rate of \$50 per slot machine, \$500 or more per month contribution for dice tables, and \$1000 per month for poker tables.¹⁹ Carl Abbott has suggested that Mayor Riley personally skimmed off most of the monthly sum. The money was allegedly laundered through a special vault installed in a room constructed adjacent to his city hall office. Payments were made to police officers off duty and not in uniform. Those establishments which kept up on their payments were informed, or tipped off, before a raid was launched. This gave regular customers the opportunity to leave before police officers arrived.²⁰

The Vice Report of 1948 concluded by charging that Portland was an "open town" with a well-defined system of law enforcement bribery. Blaming inadequate regulation of illegal activity on the reorganization of the Portland Police Bureau and elimination of the vice squad in 1947, City Club investigators charged that bootlegging, prostitution and gambling had become so open and obvious, "that no police officer or public official competent enough to do his job at all could be unaware of the situation." The researchers noted ninety-five major articles in the local press over twelve years that referred to some aspect of the problem. "Public interest and apathy," the report noted, "follow a regular pattern, like the peaks and valley on a seismograph." Increasing awareness of the growing criminal activity produced a violent reaction in the police department leading to a rash of raids and arrests. After the commotion subsided, the underworld would settle back into its normal routine until public opinion again was aroused. Interviewed by City Club investigators, several police officers admitted "they

found it difficult, if not impossible, to enforce laws which they felt the general public was not interested in having enforced."²¹

Subcommittee researchers found that bootleggers provided illegal alcohol to many licensed bars and nightclubs where liquor was sold to customers by the drink and likewise to other less genteel and unlicensed establishments. Just as bootlegging appeared to be permissive, investigators found that prostitution did not operate in a single "red light" district but was apt to be located in defined areas. The majority of the brothels, like the Saranac and Atlas Rooms, were located north of Burnside Street along N. W. Sixth. The popular Richelieu Rooms were operated between Burnside and Couch at the Richelieu Hotel.²² Indeed, brothels operated adjacent to bootlegging and gambling establishments, making them places of "habitual rendezvous for a considerable assortment of safe burglars, stickup men, dope peddlers, and other underworld characters."²³ The vice report noted that prostitutes and pimps used bootlegging and gambling establishments as their principal field of operation.

The investigation by the City Club created substantial anxiety in Portland's mayoral office. The day before the law enforcement committee presented its report, Mayor Riley issued a letter accusing panel members of using their inquiry to force him into naming the City Club candidate for chief of police. Charging that the report stemmed from the plan of a "small group" to gain control over Portland's city government and police, he accused committee "ringleader" McDannell Brown of having been an agent for Portland gamblers between 1938 and 1940. Riley's letter also contended that in 1946, a subcommittee member had contacted the acting chief of police

and unsuccessfully lobbied the department to permit recently closed gambling establishments to reopen. Riley revealed that another unnamed member of the panel had acknowledged his wish to run for mayor. Still another, according to Riley, was an ex-office holder who had declared his ambition to be elected district attorney. A third, charged the mayor, had been repeatedly denied a position in the police bureau because of past, undisclosed activities.²⁴

Mayor Riley's statement asserted that the law enforcement report was based completely on gossip and rumor, intended for "trading and political purposes and not on a factual basis." Riley insisted that publication of the document had been postponed until election time "to serve the group's purpose of discrediting the present administration."²⁵ He charged that the investigators had presented the report to him three months earlier and explained that although it contained damaging material, it could be suppressed provided that he appoint the panel's choice as chief of police. The mayor reported that he was visited three more times and urged to consider the proposal in return for the Club's help in the upcoming reelection drive or possibly in a run for the governorship.²⁶

Denying that its report was politically motivated, the City Club voted unanimously to approve the document in February 1948. But in response to the accusations hurled by Mayor Riley, the body ordered a supplementary report to serve as an amendment to the original. The membership now required the additional document to contain the names of all those investigated and questioned by the vice committee. As Club member Dr. Richard M. Steiner, minister of the Unitarian Church and originator of the amendment, stated, "[i]f, as it seems likely, the committee felt it ought not to name

names without a mandate from the membership, we should give them that mandate."²⁷ Protesting that they had obtained information in confidence, the law enforcement panel objected to the motion. "We have tried to depict objectively and definitely the vice conditions which we have found to prevail in this community," argued subcommittee chair Brown. "We do not conceive it would be within our assignment to smear anyone and it was not our intentions to do so."²⁸ Despite the panel's insistence that it did not want to alienate confidential sources, the City Club membership approved the amendment.

Before the law enforcement committee could gather up the information for the Board of Governors, District Attorney James B. McCourt requested a Multnomah County grand jury. Circuit Court Judge Martin W. Hawkins appointed the investigative body four days after the graft report surfaced. Seven jurors were instructed to subpoena witnesses, including members of the City Club committee, to decide if indictments were to be issued for the alleged \$60,000 monthly payoffs. Mayor Riley proclaimed that he was "delighted" that the whole matter was being presented to the grand jury and chastised that the report should have been investigated initially "instead of being used to advertise Portland as a city of corruption."²⁹

During the winter of 1948, the grand jury probed for almost six weeks and called fifty-nine witnesses, including City Club members, tavern owners, bartenders, waitresses, or acquaintances of those the Club accused of graft. One witness, as reported in the Portland Oregonian, was assaulted and battered by an ex-convict in retaliation for her testimony. Despite the furor, however, the grand jury announced in early April that no

indictments were to be returned. The law enforcement committee of the City Club had failed to give the grand jury neither the actual names of the owners who operated the vice establishments nor the names of public officials who received bribes. Club witnesses explained to the jury that they were unable to give evidence of graft because the information obtained might not have met the legal requirements necessary for indictments. "Notwithstanding our exhaustive investigation," the grand jury reported, "sufficient legal evidence of protection of the vice operator by the police in consideration of a payoff could not be obtained which would justify the indictment of any individual."³⁰

Unable to return indictments, the Multnomah County grand jury issued a series of recommendations. It advised a reorganization of the Portland Police Bureau under the guidelines of the previous year's Vollmer Report. The grand jury also suggested a pay raise for police officers to curb the temptations of graft. The jurors further recommended stiffer anti-vice laws as well as improved city and state statutes and ordinances. The four women and three men of the jury indicated that although City Club allegations had not been substantiated, they had heard enough evidence to support charges that the city was "wide open" to vice and related crimes.³¹

The City Club's law enforcement committee delivered its supplementary report in October. As requested, the document provided the names of Mayor Earl Riley, Chief of Police Leon Jenkins, and Multnomah County Sheriff Martin Pratt, but did not necessarily accuse them of graft. Neither did the committee name property owners of vice operations, arguing that titles of such properties changed too often. The law enforcement panel offered insufficient time as the reason for its reticence. "We are

forced to conclude," it reported, "that if we are going to be fair in gathering the data and submitting it to the City Club for its consideration, it is going to require more time than your Committee... could possibly afford to contribute to the project within the next two years."³² The committee maintained that the investigation only could continue by hiring professional investigators.

The repercussions of the City Club Report and the appointment of the grand jury extended far beyond the general acknowledgment that Portland was accessible to vice crime and graft. Although accused of political motive, the Club exposed a problem that Portlanders either had no knowledge of or simply failed to admit. The exposure the media gave to the events had a profound effect on public opinion. Looking for someone to blame, voters denied Mayor Riley's 1948 bid for reelection. In his place, Portlanders elected city commissioner Dorothy McCullough Lee, an anti-crime candidate who ran for office in response to the vice rumors.

A recipient of a law degree from the University of California, Lee was Oregon's youngest woman attorney. She had married Scott Lee, an industrial engineer with the Standard Oil Company of California and had moved to Oregon after Scott was transferred to Standard's Portland office. Shortly after their arrival, Dorothy was encouraged by friends to run for the state legislature in 1926. Her first bid failed but Lee ran again two years later and began the first of three terms in the State house. The legislator was appointed to a vacant state senate seat in 1936 and to the bench as a municipal judge four years later. In 1943, Lee found herself voted to Portland City Council where she was fascinated by the challenges of municipal government and rarely

let politics obstruct her decisions.³³ This unique quality of leadership was what attracted many people to approach Lee about the idea of running for mayor.

As E. Kimbark MacColl revealed in The Growth of a City, Lee ascribed her bid for the mayorship to a grisly murder that was committed on January 14, 1947. That evening the captain of a visiting ship went ashore for a night of drinking and gambling in the Rose City, fashioning his cameo ring and platinum watch. He carried almost \$700 cash into the Cecil Club on S. W. Sixth, a small, unlicensed establishment known to provide liquor by the drink and for those who paid the right price, other illegal activities. Raided several times by the Oregon Liquor Control Commission, the club was untouched by the vice squad, stationed a short distance away at police headquarters. The following morning, the captain failed to report to his ship before its scheduled departure time. After a week-long investigation by the Maritime Commission and Portland Police, the skipper was found dead of a broken neck at the bottom of a 50 foot cliff on Santanita Terrace in Northwest Portland. His murderers, three Cecil Club employees and the club's owner, were tried and convicted.³⁴

The murder clearly illustrated the true relationship between vice and violent crime and produced immediate public indignation. For the next year, Lee was overcome by pressure from ordinary citizens for her mayoralty bid. "This I know," Scott Lee proclaimed in his untitled biography of his wife, "in 1948, a large segment of responsible public opinion was calling for an awakening of the decent and honorable citizenry." The pressure increased after allegations of police graft were published in the Vollmer and City Club reports. Encouragement and urging were replaced with demand by members

of the community for the city commissioner to run for mayor. One such person was Herbert A. Templeton, a successful lumberman and the only prominent Portland business leader to actively support Lee's candidacy.³⁵ Friends and strangers told Lee, her husband explained, that it was her duty to run for mayor. As Scott Lee suggested, "Many people seemed not too concerned with petty irregularities but most people were curious, uneasy, or frightened at the persistent stories of a systematized payoff." After a City Club investigator privately confronted her with information excluded from the subcommittee vice report, Lee announced her candidacy.³⁶

Lee campaigned on a promise to "enforce the law." The city commissioner won by more than 60% majority in the May primary, enough to bypass a run-off in November. The new mayor actively ordered the police bureau to close after-hours clubs. Protests came not only from the slot machine operators and gambling cohorts, but also from those business leaders who feared economic consequences. Although Lee's crackdown did not extend to areas of Multnomah County outside her jurisdiction, the City Club Vice Report had succeeded in opening the eyes of Portland citizens and public officials to a major set of problems in the city's life. With a new administration in the mayor's office and the growth of public awareness, Portlanders thought their crime problems were over.

¹ Carl Abbott, Portland: Planning, Politics, and Growth in a Twentieth-Century City. (Lincoln: University of Nebraska Press, 1983), 125-129.

² Ibid.

³ Ibid.

⁴ Ibid., 118, 155.

⁵ "Portland's Public Health Enemy Number One," Portland City Club Bulletin (Portland: Portland City Club, 26 January 1945), 112-125.

⁶ Abbot, 155.

⁷ Portland's Public Health Enemy Number One, 112-125.

⁸ Ibid.

⁹ "Out of 622 cases, 175 were living in the projects." Portland City Club Bulletin.

¹⁰ "Juvenile Delinquency in the Portland Area," Portland City Club Bulletin (Portland: Portland City Club, 12 March 1948), 157.

¹¹ Ibid.

¹² "Law Enforcement in Portland and Multnomah County," Portland City Club Bulletin (Portland: Portland City Club, 20 February 1948), 132-149.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ August Vollmer, Portland Bureau Survey, City of Portland (Portland: Bureau of Municipal Research and Service, August 1947).

¹⁶ "Law Enforcement in Portland and Multnomah County", 137.

¹⁷ Ibid., 133.

¹⁸ Ibid., 134.

¹⁹ Ibid.

²⁰ Abbott, 156.

- ²¹ "Law Enforcement in Portland and Multnomah County," 134, 135.
- ²² MacColl, 609.
- ²³ "Law Enforcement in Portland and Multnomah County", 133.
- ²⁴ "Mayor Avers Member of City Club Committee Served Gambling Clique," The Oregonian 20 February 1948, 1.
- ²⁵ Ibid.
- ²⁶ Ibid., 13
- ²⁷ Wallace Turner, "Unanimous Vote of Membership Ratifies Report," The Oregonian 21 February 1948, 3.
- ²⁸ Ibid.
- ²⁹ Wallace Turner, "Vice Probe Put Before Grand Jury," The Oregonian 25 February 1948, 1.
- ³⁰ "Graft Unproved, Grand Jury Says," The Oregonian, 4 April 1948, 1.
- ³¹ Ibid.
- ³² "Supplementary Report, City Club Committee, Law Enforcement," Portland City Club Bulletin (Portland: Portland City Club, Oct. 1, 1948) 146-147.
- ³³ MacColl, 649.
- ³⁴ Ibid., 647.
- ³⁵ Ibid., 648.
- ³⁶ Scott Lee, Untitled biography of Dorothy McCullough Lee, The Dorothy Lee Papers, Oregon Historical Society, Portland, Oregon.

CHAPTER III

PORTLAND RACKETEERS AND THE TURNER-LAMBERT EXPOSE'

Months before her inauguration, Mayor-elect Lee researched slot machine operations and their impact on the city. Although outlawed by city ordinance, slot machines continued to raise funds for gambling establishments. The law against slots was only selectively enforced against those who did not pay for city hall protection. On January 13, 1949, just days after inauguration, Mayor Lee declared that "[s]lot machines and other highly lucrative and corrupting devices will be repressed. The law will be enforced against them and it will be enforced impartially, without discrimination and regardless of where the slot machines are located." Lee sent a report to District Attorney John B. McCourt listing establishments that were on record at the police bureau for allowing solicitation by prostitutes. The mayor requested that the district attorney's office pressure those establishments to clean up their operations.¹ As many gambling dens, bawdy houses, and bootlegging joints closed their doors, the city took on a cleaner image. In a series of radio addresses entitled "Report to the People," Lee used commission reports, new stories, and magazine articles to communicate the nationwide dimensions of vice and crime rings. The mayor maintained that syndicates aimed to control local government.²

In response, Lee received phone messages and letters from not only slot machine operators and gamblers but from members of the business community who feared the economic consequences of suppressing a profitable commercial enterprise.

Organizations such as the Press Club, Eagles Club, American Legion, and the Multnomah Athletic Club strenuously protested the proclamation. Proceeds from the machines helped pay club expenses. The Press Club had netted \$50,000 from the slots in 1948.³ Lee met protest everywhere she went. At the start of a minor league baseball game in 1949, the mayor and her twelve-year-old son were asked to throw out the first pitch. As they approached the edge of the grand stands, the boos overpowered the applause.⁴

In letters to the daily newspapers, listeners of Lee's broadcasts protested her accusations. "The hit dog always howls," Lee's husband proclaimed in his untitled biography of his wife. In September 1949, a small group of businessmen filed a petition with the city auditor requesting a recall of the mayor.⁵ Lee survived the recall, yet without the support of key business and community leaders, her reform movement crashed and carried with it her political career. She was replaced by Fred Peterson in the election of 1953. Mayor Peterson's election, as Carl Abbott has declared, was evidence of a firm rejection of municipal reform by Portland voters. Consequently, Peterson had no need to establish a crime policy. An August 1953 Oregonian article claimed that vice was operating on a bigger and more accessible scale than almost a year before.

Oregonian staff reporters revealed the same evidence that the City Club Law Enforcement Committee had published in 1948. Brothels accommodated "walkins,"

bootlegging joints still poured illegal alcohol, and all illegal operations were being run by alleged syndicates. The Oregonian claimed that taxi drivers received payoffs for bringing in business to the brothels and drinking establishments. L. J. Lampert, manager of the Radio Cab Company, accused city officials of not controlling vice and criminal syndicates. Portland was once again "wide open."⁶

Mayor Peterson emphatically denied that criminal syndicates operated in the city. In fact, the mayor cited a report filed five months earlier by the American Social Hygiene Association that failed to indicate any evidence of serious vice conditions. Yet, Lampert's allegations were backed up by independent cab drivers as well as another large taxi firm. Significantly, seventeen cab drivers were arrested after the allegations were delivered to the mayor's office.⁷

According to a 1957 Oregon Journal feature story, graft in the Portland Police Bureau was as common in the mid-1950s as it had been during the time of the City Club Report. According to the Journal, Patrolman Jack Olsen was approached by a sergeant of Portland's East Princt in September 1955 and informed of a way to earn extra money on the side. The sergeant described a "little deal" that was going on at a Chinese restaurant at North Williams Avenue and Russell Street. In return for not going near the operation, Olsen would receive \$50 a month, "smile money," as the article reported. The patrolman was not to tell anyone about the payoff, including his wife. After Olson told his partner that he did not care for the money and that it should be reported to the chief of police or the mayor, his partner allegedly explained, "Who do you think's running this thing?"⁸ Olsen decided to take part in the payoffs, but recorded the serial numbers of all

the bills he received and marked them "J.O." He then took the money and the story to James B. Miller, chief police reporter of The Oregonian.⁹

Olson continued to collect the "smile money" and information about the people who were paying him bribes, other officers who were taking payoffs, and any high-ranking police officials who knew of graft. The patrolman was either paid by a sergeant, a fellow officer, or the operators themselves. The money mostly came from Chinese and black gambling dens around the North Williams Avenue area. However, Sonny Martin, a prostitute who was an acquaintance of one of Portland's well-known racketeers, James B. Elkins, contacted Olson and proceeded with the payoffs. A few weeks after Olson and Miller discussed the corruption, Captain Robert Mariels of the Portland Police Bureau approached the reporter about joining the International Footprinters Association, a social group made up of policemen and civilians. Miller was hesitant but the captain assured him that he could find a sponsor to fund his membership fees. Curious about this sponsor, Miller agreed to a meeting with the unknown benefactor at a downtown restaurant.¹⁰

Mariels introduced Miller to James B. Elkins and then left them alone. After the two talked for a while, the racketeer shoved a "large wad" of money toward Miller. The reporter refused the money and said he could not accept the offer. Elkins became irritated and even rhetorically violent, telling of "people being dumped in the Willamette River." One year later, Mariels told the Oregon Journal that he arranged the meeting between The Oregonian's Miller and the racketeer because the reporter told him that he wanted "background information" for a book. Reportedly, the captain was

"flabbergasted" that Elkins tried to bribe and threaten Miller. Mariels declared that Elkins was never a member of the Footprinters organization. Nevertheless, Miller took the story to his Oregonian editors and a portion of it, edited to keep Olson anonymous, to the Multnomah County District Attorney, William Langley. Langley did nothing and the newspaper waited.¹¹

In mid-April 1956, Wallace Turner and William Lambert, two crime reporters for The Oregonian, launched a series of articles describing the city's criminal underworld. The expose' held that for a year and a half, Seattle racketeers closely associated with the International Brotherhood of Teamsters had been trying to "set up" Portland. Allegedly, J. P. McLaughlin, a Seattle gambler, ex-convict, and Teamster, had paired with Spokane and Seattle gambler and Teamster associate Thomas E. Maloney to take over the Portland rackets. James B. Elkins supposedly had become a reluctant partner after being threatened by the union's economic power. Elkins was instructed by the Seattle leaders to organize the city's rackets-- prostitution, gambling, bookmaking, bootlegging, and all of the operations surrounding and fronting them. The three racketeers were introduced by Clyde C. Crosby, international representative and organizer of the International Brotherhood of Teamsters in Oregon. Crosby answered directly to Teamster Vice President, Frank Brewster and General President, Dave Beck.¹²

According to The Oregonian newspaper series, the Teamsters seated themselves directly in the middle of Portland politics because the union wanted to protect its financial interests amidst the possibility that pinball machines could suffer the same fate as the slots. Dorothy Lee's city ordinance against slot machines infuriated the Teamsters.

By 1955, the city council was considering an ordinance that likewise would ban pinball. City Commissioner Stanley Earl, a strong supporter of Lee, introduced the pinball measure into his campaign for reelection. Meeting on May 10th, Crosby offered Earl Teamster support for a mayoral bid in exchange for the commissioner's backing of the union's pinball position. Earl refused the proposition. Consequently, Crosby rallied to Multnomah County Auditor John J. O'Donnell's run at city council and served as the auditor's campaign manager and contribution solicitor. The Teamster brought in over fifty union delegates to create havoc during the labor council's meeting in April 1956 for the purpose of endorsing local candidates for office. After the chaos had subsided, the screening committee, fully aware of the deep emotions on both sides, recommended no one. The following year, the Central Labor Council debated whether to endorse Earl or O'Donnell. Although Earl had been a member and officer for the International Woodworkers of America and Oregon CIO for two decades, his campaign against pinball made him the number one enemy of Clyde Crosby.¹³

The Teamsters also supported Mayor Peterson in his election in 1953. Once Peterson was elected, the union attempted to manipulate the mayor into making political decisions that suited its economic interests. The organization succeeded when Clyde Crosby was appointed to the five-man Exposition-Recreation Commission, a body with the power to choose a location for the new Coliseum, an \$8 million project to provide an arena for live entertainment and sporting events.¹⁴ After the commissioners contracted the Stanford Research Institute to survey possible locations, the SRI included a site on the east side of the Broadway bridge among its recommendations. Before the survey

was made public, Crosby encouraged Elkins to buy up property around the east approach to the bridge. Crosby lobbied heavily for the site after the Elkins syndicate invested some \$340,000 for the land.¹⁵

After realizing the impact the Seattle group would have on his rackets, Elkins failed to deliver the contract that would combine his Portland operations with Seattle. This included the Coliseum agreement. Elkins told The Oregonian that he was "personally opposed" to the prostitution rackets and objected to the northern group's plan of bringing in two Tacoma procurers to operate four proposed bawdy houses. The Portland bankroller asserted that he told the group from the beginning that Mayor Peterson and Police Chief Jim Purcell would not tolerate such establishments. Not delivering as planned, Elkins told the reporters, the mobsters threatened to frame him on a felony charge or kill him.¹⁶ Elkins and his employee, Raymond F. Clark, set forth a blackmail scheme to set up the racketeers. After recording their conversations in a downtown Portland apartment, Elkins went to the city's dailys to sell them out. Meanwhile, after reading The Oregonian's revelations, Oregon Governor Elmo Smith ordered Multnomah County District Attorney William Langley to direct an investigation into the link between Seattle gamblers and certain officials in the state's Teamsters Union.¹⁷

Ironically, Langley had been a business partner with Elkins as co-owner of the China Lantern, a Beaverton night club. The partners, according to Elkins, had plans to put gambling in a back room. Langley disposed of his restaurant interests before his bid for the district attorney's seat in 1950. His opponent was John B. McCourt, the current

D.A. since 1946 and elected with Teamster support. McCourt won the 1950 campaign but the District Attorney lost the union's endorsement when he indicated that if slot machines were to reappear in Portland, the prosecutor would raid and arrest. It was then that Elkins introduced Langley to the union.¹⁸ When Langley ran again, opposing McCourt in 1954, the Teamsters contributed \$5,000 to Langley's campaign and a manager to aid his successful race.¹⁹

Evidence of Langley's alliance with the racketeers and Teamsters surfaced from The Oregonian story. The source of the allegations were tape recordings made during a meeting in August 1955 between Joseph McLaughlin and Langley in a downtown Portland apartment. The bug was placed by Elkins and Clark, to collect blackmail information to get the racketeers off the Portland bankroller's back. Elkins then turned a copy of the tapes over to The Oregonian. According to transcripts made by Wallace Turner and William Lambert, the Seattle men and Langley wanted to construct a story that Crosby could tell Mayor Peterson that would persuade him to fire Chief Purcell. With Purcell out of the way, setting up the rackets in Portland would become easier because Purcell had continued to fight vice crime even after Langley backed off full prosecution of violations. According to Mayor Peterson, Crosby contacted him with the "request" to fire the chief on December 12, 1955. Crosby allegedly dangled political and financial support from the Teamsters in return for Purcell's seat. The mayor also revealed that Thomas Maloney had written and visited him with requests for "special" treatment of illegal establishments and delivered his pledge to be the mayor's campaign manager in

the 1956 election. When Peterson declined the offer, the Teamsters pulled their support and began the mayoral campaign for Multnomah County Sheriff Terry D. Schrunk.²⁰

The tapes also revealed that the racketeers needed to find a way for Maloney to stay interested in Portland's rackets. An illegal income of \$1,000 to \$1,500 a month they felt would keep him occupied. The conversations indicated that the group was relying on the cooperation and support of Crosby, John J. Sweeney, and Frank W. Brewster, leaders of the Pacific Northwest Teamsters. The recordings revealed that Langley and McLaughlin regarded the key Teamster leaders as being aware of their plans and involved with the rackets.²¹ On order of the district attorney, county police raided a duplex owned by Clark and confiscated the recordings. Surprised by the unexpected visitors, Clark obtained permission to make two telephone calls, one to his attorney, the other to a man named Jim. Within a few minutes, Oregonian reporter William Lambert arrived at the Clark residence, protesting the warrant as being "phony."²²

The Oregon Journal accused The Oregonian of political and economic motives for the publication of the Turner-Lambert series. At first, The Oregonian, as well as the Oregon Journal and other city publications, were threatened with union strikes if anything was printed about Teamster corruption. In a recorded conversation with Elkins, Maloney exclaimed, "[A]ll [The Oregonian] got to do is ... around with the Teamsters and the first thing you know them guys will be up there wanting 10 or 15 cents an hour and The Oregonian can't afford it ... So when they can't afford it, they'll have the pickets around the ... joint and the ... paper'll lay dead still..."²³ A strike never occurred in that year.

The district attorney also accused The Oregonian of having ulterior motives in publishing the expose'. Langley insisted that a few of the statements allegedly made by him were apparently "lifted out of context, edited, and libelous phrases inserted" to make it seem that he had taken payoffs.²⁴ Langley indicated to the Oregon Journal, that there had been reports of a "Portland underworld czar" who had ordered a wiretapping to collect blackmail evidence that involved police officials. He added that a Portland police official was "taking orders" from the mobster concerning vice operations and provided "protection" from the bureau. Langley argued that Crosby's involvement was uncertain but pointed a guilty finger at Elkins, stating that he was convinced that a "squabble" between Teamster leaders and the Portland racketeer was a "falling out" and he wished to investigate the evidence behind the argument.²⁵ Langley revealed charges of an "unholy alliance" between Mayor Peterson, Chief Purcell, and Elkins. "I have evidence," the district attorney proclaimed on April 21, 1956, "that Elkins has been a frequent visitor to the office of Purcell. I also have evidence that Purcell and Elkins have met quietly in a large, green Chrysler convertible on side streets."²⁶

Following his April meeting with Governor Smith, Langley ordered a Multnomah County Grand Jury hearing to begin May 7. He immediately subpoenaed James Elkins, Clyde Crosby, J.P. McLaughlin, and Thomas Maloney. City, county, and state officials customarily received letters of invitation to testify before grand juries. Mayor Peterson, Chief Purcell, and Sheriff Schrunk were included. The district attorney also summonsed Turner, Lambert, and Oregonian editor, Herbert Lundy.

David Fain, the newspaper's attorney claimed the subpoenas were issued to try to stymie any further publication of the expose'. Accordingly, Oregonian reporters refused to answer Langley's request. Governor Smith became convinced that the naming of Langley in the expose' created conflict during the investigation. At that point, Langley asked Oregon State Attorney General Robert Y. Thornton to continue the investigation. Before Thornton could respond to the request, Governor Smith ordered him to take over for Langley.²⁷ It was after Langley was dismissed that acting Oregonian editor Robert C. Notson declared that the investigators would have full access to the newspaper's facts.²⁸ An editorial in the Oregon Labor Press pointed out the consequences of libel and slander if The Oregonian could not prove the assertions found in its expose'. The Labor Press asked three pointed questions. First, did the newspaper get its information from actual racketeers? Second, did city police and political officials know and consent to such illegal operations? Finally, was The Oregonian protecting real racketeers while it struck at outside influences who wished to control Portland's underworld?²⁹ The Press's views were supported by Schunk, Teamster candidate for mayor, as well as the Oregon Journal. The weekend before the grand jury was to begin its inquiry, The Oregonian's Notson responded to the Labor Press by insisting that neither he nor the newspaper had pressured the attorney general to grant Elkins immunity from grand jury indictment.

After much maneuvering and delays, the grand jury and presiding judge, Alfred P. Dobson, finally heard its first testimony in June 1956. Wallace Turner was the first witness to testify before the four men and three women, followed by the Oregon Journal's Doug Baker and The Oregonian's William Lambert. The newspaper men were

asked to hand over data used to write their stories.³⁰ The next few days, Langley, Peterson, and Purcell were slated to appear along with Elkins, Clark, and their seventy hours of recorded conversations. As the two racketeers arrived at the Multnomah County Courthouse with phonograph equipment in hand, the courtroom was inspected by police officers for bugs so that no one could have access to the recordings. Elkins was asked to sign a waiver allowing any evidence he offered to be used against him in prosecution.³¹

Purcell and Peterson appeared as requested. Purcell was questioned about a recording of a conversations between the chief and H. G. Maison, superintendent of the Oregon State Police, found in Clark's apartment. The police chief was questioned as to why the local racketeer had a recording of the two talking about the Peddicord bombing, an explosion set for reasons unknown by William Peddicord in the Meier and Frank building downtown in 1955.³² Purcell and his staff at the bureau were faced with possible charges of corruption and graft.

Langley failed to return his invitation by the grand jury. By the end of the first week, he still did not appear in court. The district attorney offered a statement to the city dailies. "The Oregonian," Langley insisted, "aided by top racketeers has used all of its newspaper technique to smear me, including the use of phony recordings made by blackmailers and racketeers in an attempt to intimidate me."³³ The next week, the grand jury requested subpoenas on Langley and Crosby and handed down warrants for the arrest of McLaughlin and Maloney for failure to appear in court.³⁴

After nine weeks and two hundred witnesses, the grand jury ended its investigation in August 1956. Its subsequent report suggested that the activities of all law enforcement agencies in the county be evaluated. Meanwhile, using information provided by witnesses, the grand jury handed down thirty-two indictments. Included were charges against William Langley, Chief Purcell, Clyde Crosby, James B. Elkins, and eight members of the Portland Police Bureau accused of perjury.³⁵

Langley was arrested outside the apartment of Circuit Court Judge Frank J. Lonergan by Sheriff Schrunck on Tuesday, July 31. He denied the charges of incompetence, conspiracy to permit and promote gambling, and malfeasance and delinquency in office. The indictment charged that the district attorney and two unnamed associates went to Chief Purcell around August 4, 1955 and asked him to relax law enforcement in the city. On July 29, 1955, the indictment read, Langley and his associates requested Mayor Peterson "to permit and allow operation of certain gambling games" by David Nance and Robert Seegar, local club operators.³⁶ Langley responded that the Oregonian worked "hand in glove with the underworld" and collaborated with a political-minded attorney general "in inferring guilt" against him. "I have been the chief obstacle to the underworld racketeers for whom The Oregonian has shown a special fondness in the investigation."³⁷ After arraignment at the Multnomah County Courthouse, the district attorney assaulted an Oregonian photographer, Allan de Lay, and smashed his \$400 camera. By the end of the day, the photographer filed a complaint with the city police bureau and Langley was arrested at his home with yet another charge against him.³⁸

The following Friday, Chief of Police Purcell was indicted on one count of incompetence, delinquency, and malfeasance in office. The charges stated that the defendant "willfully neglected and refused to inform against and diligently prosecute certain persons whom he had reasonable cause to believe were guilty of violating the gambling statute of the state of Oregon." James Elkins was named specifically in the indictment. Purcell was also charged by the grand jury on the same count concerning prostitution and bootlegging and neglect in detecting and suppressing the acceptance of bribes by police officers under his command.³⁹ City police officers Floyd O. Hutchins, Francis J. Rondhus, Robert G. LaFortune, Raymond A. Roadnight, Jack R. Childers, Clinton B. Parker, Robert W. Sprague, and Norman Reiter all faced indictment on one count of perjury for false testimonies to the grand jury.⁴⁰

Crosby also was taken into custody on July 31 on a warrant served by Schrunk while the two watched a baseball game at Sckavone Field. The Teamster posted a \$2,000 bond. Crosby faced indictments for corruption and conspiracy in the proposed selection of an exposition-recreation center. An agreement signed by Elkins and associates to buy options on the proposed Broadway-bridge site described how Crosby would vote for and support the selection of the site acting as a official member of the E-R commission. Elkins was under indictment for conspiring feloniously with Crosby and faced another ten counts for operating bootleg and gambling establishments. The Teamster was indicted on a second count for unlawful possession of a revolver, having been convicted of a burglary while a teenager in Arizona.⁴¹

Sheriff Schrunk made it a point of being at the right place when the criminals were arrested. Between serving the warrants on Portland's accused public officials and detaining the city's underworld mobsters, the sheriff continued to clean up the filthy metropolis. On September 11, 1956, Schrunk and his deputies raided The Keystone, a restaurant at 1461 North Williams Avenue that fronted a four-room gambling casino. The Multnomah County Sheriff's Department seized approximately \$6,300 in cash and checks and thousands of dollars in gambling equipment. The Keystone was run by Tom Johnson, a henchman for Elkins. Johnson was among the thirty-two people the grand jury indicted. The manager of the restaurant was Burgess Bird, whose telephone index contained two numbers under "P"-- Purcell's home number and the office number for Mayor Peterson.⁴² The sheriff's office was also quick to oblige the FBI in handing over the Clark-Elkins tapes "to assure opportunity to evaluate the material for prosecutive opinion" regarding alleged federal crimes. The FBI received five tape recordings, one Minifon recording machine, and four spools of Minifon recording machine wire.⁴³ With the mayoral race just a few months away, the sheriff was cooperating fully and receiving positive press coverage in return.

Prior to his appointment as Multnomah County Sheriff in 1949, Schrunk had been the Northwest Representative for the Fireman's Union and a navy veteran of World War II. He announced his candidacy for Portland mayor in February 1956. An active Democrat, Schrunk promised to create an environment for employment opportunity and a "good, clean, decent police department."⁴⁴

Schrunk's opponent Mayor Peterson, seemed badly hurt by the grand jury indictments. But on November 1, Peterson and Chief Purcell dropped a bomb on the Schrunk camp. In a press conference held three days before election day, the chief read a twelve-page indictment against Sheriff Schrunk accusing him of misconduct concerning the county's vice affairs. The sheriff was accused of laxity in law enforcement and of staging "token and phony" vice raids within the city to embarrass the mayor and the Portland police bureau. Purcell charged that it was common for Multnomah County deputies, under the direction of the sheriff, to attend the doors of stag shows where gambling and drinking violations occurred. The chief charged that following the raid on Raymond Clark's house, Schrunk had released to the press only that information that would embarrass the city while withholding other seized material that would embarrass him and his department. The heaviest allegation was that police officers had witnessed the sheriff receiving a package or envelope from an unfamiliar person at a raid of a Denver Avenue nightclub in North Portland.⁴⁵ In a news conference the following day, Schrunk condemned the "kamikaze" move by the city officials and hoped the public saw this as a political maneuver. To counter it, Schrunk ordered himself to take a lie-detector test executed by the Oregon State Police. Ironically, he posed for reporters with the polygraph. One week later, the sheriff was elected mayor of Portland.⁴⁶

After sixteen years of public service, Peterson was voted out by a margin of more than 38,000 votes. After hearing of his victory, the new mayor announced, "I reiterate what I have said before. I will go in without any obligations or commitments to any individual or group."⁴⁷ Although the charges against Schrunk were too late to affect the

outcome of the election, the district attorney ordered a grand jury to investigate Purcell's allegations. However, the jury's inquiry had to wait upon a federal investigation into Teamster involvement in racketeering and organized crime ordered by Senator John L. McClellan, an Arkansas Democrat. As the Senate Select Committee on Improper Activities in the Labor or Management Field began its investigation by reviewing the information provided by The Oregonian and the Turner-Lambert expose', the panel prepared to call more than twenty witnesses from the Pacific Northwest.

¹ Wallace Turner, "Mayor Has Last Word on Slot Machines," The Oregonian 25 December 1950, 16.

² Scott Lee, untitled biography of Dorothy McCollough Lee, Oregon Historical Society, MSS 2772.

³ Turner.

⁴ Lee.

⁵ Ibid.

⁶ "'Houses' Found Open But Mayor Discounts Charge of Syndicate," The Oregonian 3 August 1953, 1.

⁷ Ibid.

⁸ "Sharp Contrast Seen in Papers' Positions," Oregon Journal 9 April 1957, 1.

⁹ Ibid.

¹⁰ Ibid., 2.

¹¹ Ibid.

¹² Fred G. Taylor, "Clyde Crosby Sets Policy For Teamsters in Oregon," The Oregonian 21 April 1956, 5.

¹³ Wallace Turner and William Lambert, "Crosby Pilots Rebuff of Commissioner Earl as Reprisal for 'No'," The Oregonian 22 April 1956, 1.

¹⁴ Wallace Turner and William Lambert, "Top Teamster Seeks Police Chief Ouster," The Oregonian 19 April 1956, 1.

¹⁵ Wallace Turner and William Lambert, "'Bankroller' Claims Broadway-Steel Deal Suggested by Crosby," The Oregonian 20 April 1956, 1.

¹⁶ "Top Teamster Seeks Police Chief Ouster," 1.

¹⁷ "Vice Probe By State Under Way," The Oregonian 20 April 1956, 1.

¹⁸ Wallace Turner and William Lambert, "Three Linked Via Politics, Business Deal," The Oregonian 25 April 1956, 1.

- ¹⁹ Wallace Turner and William Lambert, "Two-Year Program Puts Leaders Near Bid for Law Forces," The Oregonian 23 April 1956, 1.
- ²⁰ "Two-Year Program Puts Leaders Near Bid for Law Forces," p. 17.
- ²¹ Wallace Turner and William Lambert, "Transcripts of Talks Reveals Aid Expected From Teamster Heads," The Oregonian 30 April 1956, 1.
- ²² "Events Leading Up To Tapes Case Told," The Oregon Journal 10 April 1957, 1.
- ²³ Wallace Turner and William Langley, "Boast Revealed Via Recordings on Racket Plot," The Oregonian 3 May 1956, 1.
- ²⁴ Brad Williams and Doug Baker, "Wiretapped Talks Said Distorted," The Oregon Journal 21 April 1956, 1.
- ²⁵ "Vice Probe Lists Peterson, Purcell," The Oregon Journal 20 April 1956, 1.
- ²⁶ Ibid.
- ²⁷ "Action Ousts Langley From Investigation," The Oregonian 22 April 1956, 1.
- ²⁸ "Full Inquiry In Vice Goal of Oregonian," The Oregonian 5 May 1956, 1.
- ²⁹ "Vice Probe Scope Set By Smith," The Oregonian 27 April 1956, 1.
- ³⁰ Ann Sullivan, "Reporter Testifies in Probe," The Oregonian 5 June 1956, 1.
- ³¹ Rolla J. Crick, "Reporters Requested to Leave," Oregon Journal 6 June 1956, 1.
- ³² "U.S. Eyed Peddicords For Years," Oregon Journal 10 October 1956, 2.
- ³³ Ann Sullivan, "Mayor, Purcell Heed Jury Bid; Langley Misses," The Oregonian 13 June 1956, 1.
- ³⁴ "Jurors Subpena Langley; Crosby; Schrunk Invited," The Oregonian 15 June 1956, 1.
- ³⁵ "Grand Jury Ends Its Task," Oregon Journal 17 August 1956, 9.
- ³⁶ Leverett G. Richards, "Elkins Faces New Charge of Felony," The Oregonian 1 August 1956, 1.

- ³⁷ "Seattle Race Track Man Here To Face Vice Probe," The Oregonian 2 August 1956, 1.
- ³⁸ "D.A. Smashes Camera; 29 Accused Arraigned," The Oregonian 11 August 1956, 1.
- ³⁹ "Jurors Accuse Purcell Of Failures in Office," The Oregonian 4 August 1956, 4.
- ⁴⁰ "Indictments at a Glance," The Oregonian 5 August 1956, 24.
- ⁴¹ "Grand Jury at a Glance," The Oregonian 2 August 1956, 1.
- ⁴² "Schrunk Men Raid City Gambling," Oregon Journal 12 September 1956, 1.
- ⁴³ Jim Runin, "FBI Seizes 'Tapes' In County Vice Case," Oregon Journal 6 September 1956, 3.
- ⁴⁴ Mary V. Tobkin, interview by Linda Brody, 6 February 1981, Tape recording, Oregon Historical Society, Portland, Oregon.
- ⁴⁵ "Chief Raps Schrunk in Report," The Oregonian 2 November 1956, 1.
- ⁴⁶ "2 Candidates Trade Blasts on Vice Acts," The Oregonian 3 November 1956, 1.
- ⁴⁷ George Spagna, "Schrunk In as Mayor," The Oregonian 8 November 1956, 1.

CHAPTER IV

THE McCLELLAN COMMITTEE

With the national attention that the Turner-Lambert expose' received and the alleged political and labor corruption taking place, Portland seemed a likely place for the US Senate Permanent Subcommittee on Investigations to begin its inquiry into the improper activities of labor management. Robert Kennedy, chief counsel to the subcommittee, served a subpoena on The Oregonian in December, 1956. Kennedy headed a national preliminary study "to discover violations and nonenforcement of government laws and regulations, and racketeering in the labor union field." The investigation also inquired into alleged abuses in welfare funds, misappropriation of union funds by labor leaders, and domination of union locals by "crime-motivated ex-convicts."¹

Senate Subcommittee staffers served a subpoena on the records of the 350,000-member Seattle-based Teamsters and requested that Frank Brewster, President of the Western Conference of Teamsters, hand over his personal and professional records. The panel also subpoenaed the files of San Francisco's Olympic and Cleft hotels to check the dates of Brewster's visits during 1955 and 1956 and compared them with the dates "when some racketeers from up north were there."² Brewster was asked to attend a preliminary hearing before the Senate subcommittee in Washington D. C. along

with other Teamster officials, including President Dave Beck and Vice President James Hoffa. Ducking behind the Fifth Amendment, Brewster dodged the subcommittee's questions. Meanwhile, the subcommittee confiscated a telegram from one Teamster local that advised union members of their Fifth Amendment rights and stated that no member would be disciplined for exercising those prerogatives. According to the 'Turner-Lambert expose', the policy was approved by Beck and Hoffa.³

Dave Beck was known as labor's first millionaire. As reported by Edwin A. Lahey of the Chicago Daily News, he had invested his union salary in securities returning the highest interest rate yielding absolute safety.⁴ According to John Lindsay, a Seattle building contractor, the Teamster president had used union funds to build his Washington mansion.⁵ Counselman Kennedy stated that his investigators had evidence of \$8,862 taken from the accounts of the Western Conference of Teamsters in March 1953 to pay personal bills of Beck's. As Lahey had described, Jimmy Hoffa was the union's "big-town tough guy, with traces of small-town rube that showed out like a tattoo." Hoffa admitted to having many friends in organized crime circles but challenged those who sought connections between his labor decisions and advice from mobsters.⁶

Kennedy and his aides investigated Clyde Crosby's personal and professional background and his extra-union activities as leader of the Oregon Teamsters. They looked into the relationship between James Elkins and Crosby and the relationship of Thomas Maloney and J. P. McLaughlin to union leaders in the Northwest. The subcommittee inquired into the union's participation in the alleged plans of Maloney,

Elkins, and McLaughlin to dominate the Portland rackets and the role purportedly played by the Teamsters in the 1954 campaign of District Attorney William Langley.

Meanwhile, probes were also underway in Philadelphia, San Francisco, Seattle, Chicago, Los Angeles, and New York. On January 30, 1957, the US Senate voted unanimously to create and empower a special select committee to conduct a nationwide investigation into racketeering in labor and management relations.⁷ After six months of research, Senator John L. McClellan, Democrat from Arkansas, asserted that evidence of fraud had been found in many cities and that the situation needed policing.⁸ Chosen to sit on the select committee were Nevada Democrat Pat McNamara, Wisconsin Republican Joseph McCarthy, Arizona Republican Barry Goldwater, and Massachusetts Democrat, John F. Kennedy. Presiding over the panel was Arkansas Democrat John L. McClellan. Robert F. Kennedy served as Chief Counsel.⁹

The Senate probers assembled on February 26 to hear testimony on the inside story of the alleged connection between labor union leaders and underworld figures in Portland. Twenty-one Northwesterners were handed airline tickets to testify in Washington D. C., including District Attorney Langley, McLaughlin, Maloney, Commissioner Stanley Earl, Elkins, ex-Mayor Peterson, Mayor-elect Terry Schrunk, Crosby, and Oregonian investigators, Turner and Lambert. Langley, McLaughlin, Maloney, and Elkins, with pending indictments against them, were released by special request from Multnomah County jurisdiction to testify.¹⁰

The Oregonian reporters were the first to testify. Wallace Turner first provided a recap of the newspaper's expose'. The senators were curious about how he and Lambert

received such startling and controversial information about Portland's political corruption and Teamster involvement. Turner admitted union members provided a large portion of the data The Oregonian received. "Fear pervades this (Union) organization," he explained. "Members of the union are scared to death to get out of line. They were afraid that their union cards at least will be taken up and they will be out of employment."¹¹ Turner reported that although some members were subjected to violent coercion, individuals felt compelled to tell someone about the inappropriate tactics of manipulation practiced by union officials.¹²

When Lambert was called, he described an incident that characterized the union's influence on small business. He told the select committee about a Portland tavern operator who had bought a shuffleboard machine from a Seattle company to replace one he had been operating on a commission basis from a Portland coin-machine dealer and Teamster member. Soon after the machine was installed, picket signs from the union appeared outside the tavern. The boycott shut off the tavern's beer deliveries and all other coin machines in the establishment were removed by their owners. Customers stopped visiting the tavern because of the inconvenience and public pressure.¹³ But the boycott was not represented by active picketing, Lambert explained. Teamster official Frank Malloy sat outside the tavern in his automobile and prevented deliveries. Lambert submitted pictures to the committee of Malloy turning the beer trucks back.¹⁴ James Elkins testified that Stanley Terry, Portland's biggest pinball machine operator, paid West Coast Teamster President Frank Brewster \$10,000 in 1955 to protect his operation from

union pickets. After the payment was made, Terry entered the union and told Elkins his price of admittance.¹⁵

Committee members were interested in the relationship between Teamster officials and Elkins and how the latter's rackets were somehow involved in extra-union affairs. Turner testified that he had contacted Elkins about another matter when the bankroller seemed "ready to talk."¹⁶ Elkins told Turner of his partnership with Clyde Crosby on the \$8 million real estate speculation scheme for the new sports arena and asserted that Langley, McLaughlin, and Maloney were in on the deal. When asked about his personal relationship with Elkins, Turner stated, "I abhor the rackets he has operated. I've tried to drive them out of our town. I can't begin to analyze him to discover his motivation." Asked if he felt Elkins was telling the truth, the reporter asserted, "[w]hat possible difference does it make? Since his story is corroborated in hundreds of ways by documents and testimony. I am positive that he is telling the truth."¹⁷

Elkins had more indictments served on him than anyone else involved. He appeared before the Senate Select Committee ten times and was heralded as the committee's star witness. Elkins discussed his Portland rackets in open testimony. The racketeer spoke of his relationships with Teamster boss Clyde Crosby, Seattle racketeers Thomas Maloney and Joseph McLaughlin, the Portland Police Bureau, and District Attorney William Langley. His motivation was uncertain. Did he want to "come clean" or did he want to bring everyone down with him? Elkins told the subcommittee that he conspired with Crosby to profit from the taking of options on the property in the proposed site of the Portland E-R arena. In early 1955, Crosby arranged a meeting with

Elkins in the Teamster's office. When Elkins arrived, Crosby had a large map spread out over his desk. They discussed the Stanford Research Institute's study of possible E-R sites and the possibility that Crosby, as an appointed member of the E-R commission, could bring about a selection of the site. Crosby told Elkins to buy property around the area but Elkins suggested that they acquire options. Maloney and McLaughlin were called in to provide funds for the acquisitions. When it was time to sell the options, Elkins told the subcommittee that the deal fell through and that Crosby accused him of double-crossing the Seattle racketeers and himself.¹⁸

Elkins also testified to his relationship with William Langley. The racketeer admitted to the partnership at the China Lantern Restaurant and conceded that gambling took place in the back rooms of the Beaverton establishment. The relationship was continued after Langley was elected to the district attorney seat. Elkins admitted to the probers that while in office, Langley would keep the racketeer informed when warrants were issued for raids or whether an abatement on a nightclub was planned.¹⁹ At the Olympic Hotel in Seattle, a meeting was organized between racketeers and the district attorney. Langley opened the summit by stating, "[w]e are going to discuss what is going to go." Elkins revealed that Langley told the group what was to be allowed in the city and Langley asserted, "I want Tom [Maloney] in the picture. I am going to cut my take with him until he gets going."²⁰

Elkins admitted that in 1955 he placed a bug in Thomas Maloney's Portland apartment and recorded many conversations that he planned to use as blackmail. He taped a conversation between District Attorney Langley and OLCC administrator,

Thomas J. Sheridan. At the time, a grand jury was investigating Sheridan and his participation in an alleged corruption ring that involved phony raids and oversights related to bootlegging operations. Langley was the prosecutor but the recordings revealed that the district attorney was part of a grand jury whitewash to present the illusion that something was being done about the after-hours clubs.²¹

Langley complained on tape about his "piddling" share of the \$20,000 that Elkins paid the group as their cut into the Portland rackets. The district attorney admitted that he wanted to frame Elkins.²² On March 14, 1957, the district attorney appeared before the Senate panel accompanied by his lawyer, whom he consulted after each question. Langley declined to answer any question that would incriminate him before the grand jury back in Portland. When questioned about his association with Elkins, Crosby, or any of the other conspirators and whether he received or transferred any money that was earned by the rackets, he invoked Fifth Amendment privilege.

Elkins also told the Senate panel about his interest in the 8212 Club on N. Denver Avenue, a bootlegging and gambling establishment. Income from the club went to McLaughlin and Maloney. The committee learned that Maloney used this money and received a loan from union funds to operate a gambling and sports bar in Seattle. A. J. Ruhl, secretary-treasurer of Teamster Local 690, loaned Maloney the funds and offered other loans, including \$30,000 to Sam Bassett, union attorney and counsel to Brewster, when the union boss appeared before the subcommittee.²³ When asked by Kennedy about his loan and other information connecting him to the Teamsters and Portland racketeers, Maloney refused to answer, invoking his right not to incriminate himself and

strengthen the Multnomah County case against him.²⁴ McLaughlin, represented by the former Portland City Prosecutor, Charles Raymond, declined to answer Elkin's allegations. Instead, the racketeer issued a prepared statement:

I am sorry that I cannot answer that question. As you know I am under indictment in Portland, Oregon, on several gambling and conspiracy charges. My answer would tend to incriminate me under both Federal and State criminal laws. I, therefore, claim my constitutional privileges, especially under the [Fifth] Amendment and [Fourteenth] Amendment of the Constitution of the United States of America and section [twelve] of article [one] of the constitution of the State of Oregon.²⁵

The subcommittee learned that the 8212 Club was not only associated with the local rackets but also was the location where a public official was seen to have allegedly received a bribe.²⁶

When Portland Mayor Terry Schrunk testified before the Senate committee, Schrunk denied the allegation that while sheriff of Multnomah County he had received \$500 from Clifford Bennett, manager of the 8212 Club. Elkins had mentioned the possibility of a payoff in his testimony but did not make a flat accusation. The racketeer admitted that he had a conversation with Bennett that concerned a discrepancy of \$500 in the club's bankroll and that Bennett had told Elkins that he had given it to Schrunk.²⁷ When Counsel Kennedy asked the mayor whether he knew the legal owner of the 8212, Schrunk insisted he was unsure. "Was the name Illene Allen," asked Kennedy? "I believe that was the name," acknowledged Schrunk. "I learned of it during election time." "Have you ever been to Illene Allen's home?" Kennedy interrogated. The mayor was unsure. The counselor quizzed, "[s]he was one of your supporters during the campaign, was she not?" Schrunk again denied his acquaintance with Allen. "You did

not know she had charge of one section of the city of Portland for you?" Kennedy queried.²⁸

The two policemen testified before the Senate committee that a package was left on the corner of North Denver Avenue and Kilpatrick by Bennett just after Schrunk and his deputies had closed down his club in the early morning of September 11, 1955.²⁹ Patrolman Merlin Tiedeman and his partner, Lowell E. Amundson witnessed Bennett walk across Denver Avenue to a corner and place a package behind a utility pole. Minutes later, Tiedeman testified, Schrunk walked over to the pole and picked up the package. The story was corroborated by the testimony of Frank Daniels, a bartender from California who had come to the 8212 Club to ask Bennett for a job. He arrived just as the sheriff had closed the club down. Daniels decided to stay and watch the activities when he witnessed Schrunk pick up the package. Afterwards, Bennett told Daniels, "I almost took a pinch, but it is okay now." John W. Vance, former employee of Elkins, was with Bennett when he counted out the alleged payoff. According to Vance, Bennett commented that it was "better to pay out \$500 tonight rather than \$1500 the next day." Vance told the senators that he was dying of cancer and had every reason to tell the truth.³⁰

The truth was put to the test when the Senate asked Schrunk to submit to a polygraph. When asked about the lie-detector test he took in 1956, the mayor admitted to the probers that he had failed. The Secret Service administered the test only to have Schrunk walk out midway through the questioning. The mayor accused the Senate staff of "loading" the questions and then criticized the integrity and capability of the Secret

Service.³¹ The following day, Senator Karl Mundt proposed to ask Schrunk one final question about the graft. "After considering and spending about eleven days around here," declared Schrunk, "in my opinion this matter is going to be settled in the courts in the state of Oregon. I shall rest on that."³²

Back in Portland, Mayor Schrunk surrendered to the Multnomah County Sheriff on Thursday, March 28, 1957. Under indictment for accepting a bribe, Schrunk was also accused of perjury for allegedly lying on the witness stand during the 1956 Multnomah County grand jury investigation of Portland's criminal underworld. Included in the 1957 indictment was ex-District Attorney Langley, named in eleven new counts. Langley was accused of accepting a bribe, hindering and obstructing justice, and corruption. Clifford Bennett was also arrested for allegedly giving the \$500 bribe to Schrunk.³³

Jurors did not hear opening arguments in the Schrunk case until June 18. State prosecutors called twenty-three witnesses, one of which was James Elkins. The racketeer, still under indictment in Multnomah County, testified that his bankroll on the morning of September 11, 1955 was \$500 short. He reported that the ex-sheriff condoned various illegal activities both inside and outside the city and once told him he could reopen the 8212 Club. Elkins also declared that he had a personal relationship with Schrunk. On one occasion in 1955, Elkins visited the sheriff's department in response to a call by Schrunk to contribute money and whiskey to a convention of sheriffs and district attorneys.³⁴ The accusation was corroborated by the testimony of Deputy Sheriff Elmer Wallen. Wallen was brought in by Schrunk to help organize the convention's finances. The deputy himself collected the contribution by Elkins along

with donations from other shady figures including Stanley Terry, one of Portland's largest pinball distributors, and Tom Johnson of The Keystone Investment Company, a known gambling figure.³⁵

In response to the excitement surrounding the 1956 grand jury trial that investigated Portland's criminal underworld, Bennett supposedly fled the state. Raymond Clark, an employee of James Elkins, whom the defense accused of masterminding the political plot against Schrunk, testified that he went to Great Falls, Montana to bring Bennett back to Portland. Clark insisted that he went to retrieve the club manager in August, 1956 as ordered by Elkins so he could testify to the payoff. Bennett told Clark that if he came back to Portland, he would be indicted for bribery if he told the truth or for perjury if he lied. Clark maintained that Bennett had admitted to him several times in the past year that he had paid the sheriff a \$500 bribe and also had professed that he paid the Crook County Sheriff \$1500. Tom Board, an ex-blackjack dealer at the 8212, testified against Clark's story. Board had overheard Clark at the club telling Bennett that Elkins wanted him back in Portland to frame Schrunk. The dealer's story was corroborated by a separate deposition.³⁶

For the defense, Merle and Dorothy Eastman testified that they did not see Patrolman Teideman that night. The Eastmans owned Merle's Club, located on the north side of Kilpatrick, west of the North Denver intersection. The couple left their club at the time of the raid and headed towards their car parked near the 8212 Club. They both knew Officer Teideman, but reported that they did not see him there. Deputy Sheriff Edward J. Grohs was also at the scene of the raid that night, called by Sheriff Schrunk in

the early morning hours. Grohs and Deputy Sheriff Gordon Neumann arrived at the intersection at about 3:30 a. m. and were instructed by Schrunk to somehow gain entrance into the club. The two deputies sneaked into the after-hours establishment behind a group of customers and had a look around. Grohs testified that they did not make any arrests because they neither saw any money change hands nor a drink poured. Bennett quickly recognized the uniform police officers and asked them for their warrant. Grohs explained there was no need for a warrant because they were just looking for someone. Bennett proceeded outside the club to speak with the sheriff. Schrunk told the club manager about numerous complaints concerning the place and that if he did not comply the county would start abatement proceedings. According to Grohs, Bennett answered, "Well, I'll close up."³⁷

Schrunk's case was strong. His lawyers built their foundation around the idea of political conspiracy against the mayor. But, on June 26, Robert Kennedy made a surprise appearance before the jury. The counselor for the Senate rackets committee testified that Oregonian reporter Wallace Turner and racketeer James Elkins both tried to discourage an investigation of Schrunk by the Washington panel. "Mr. Turner and Mr. Elkins," Kennedy asserted, "said at that time that they thought it would be a mistake to go into it before the hearings, that we had been going along well as we were and that to get into somebody as big as Mayor Schrunk, they did not think it advisable to go into it."³⁸

That same day, Mayor Schrunk testified that when he was called to appear before the Senate committee, he understood that it was only in reference to labor-management

problems. But when the mayor arrived in Washington D. C., he now told the probers he recognized that they were interested in politics. Schrunk admitted that Kennedy had called him before he left Portland to inquire about the 8212 incident, but he told him all that he knew. "I told him it was absolutely false," Schrunk stated. Then, in front of the Multnomah County jury and the courtroom spectators, Schrunk's attorney, Edwin D. Hicks, asked, "[d]o you say with your hand to heaven and under the oath you have taken in this court that on that morning that you did not pick up any package or any gambler's bribe near a telephone pole or anywhere else?" "So help me God," answered Schrunk.³⁹

After hearing testimony from about sixty witnesses, jurors took less than two hours to hand down a verdict of innocent. As jurors smiled, 175 spectators erupted in applause as the city's mayor was acquitted of perjury charges. "We have a future in Portland-- and now we can get down to work," Schrunk told the press in a post-trial statement.⁴⁰

From August 3, 1956 to September, 1957, 115 indictments were handed down by three different grand juries. Of those, fifty-nine, including four additional counts against Schrunk, were ultimately dismissed. Only William Langley, James Elkins and Raymond Clark were convicted under the indictments. The former district attorney was tried and found guilty of negligence, removed from office, and fined \$100.⁴¹ Elkins was convicted with Clark for violation of federal wiretapping laws but faced short prison terms. The Teamster's Dave Beck was convicted for the theft of union funds and income tax evasion. James Hoffa escaped conviction and took over as the new Teamster leader.⁴²

- ¹ Wallace Turner and William Lambert, "Hearing Set on Teamsters in Portland," The Oregonian 6 December 1956, 1.
- ² Wallace Turner, "Teamster Records Subpenaed." The Oregonian 19 December 1956, 1.
- ³ Wallace Turner and William Lambert, "Top Men Hear Ire of Solons," The Oregonian 18 January 1957, 1.
- ⁴ Edwin A. Lahey, "Beck's Quest For Money, Prestige Periled By Senate Committee Probing Labor Rackets." The Oregonian 9 February 1957, 3.
- ⁵ Wallace Turner and William Lambert, "Union Fund Said Used For House." The Oregonian 20 January 1957, 1.
- ⁶ Edwin A. Lahey, "Kennedy, Hoffa Gird for Struggle In Probe of Labor Racketeering." The Oregonian 26 February 1957, 7.
- ⁷ "Year-Long Study Due Over U.S." The Oregonian 31 January 1957, 1.
- ⁸ "Senator Predicts Criminal Charges To Crop From Racket Investigation," The Oregonian 18 February 1957, 1.
- ⁹ Ann Sullivan, "Men Called To Testify In Capital," The Oregonian 16 February 1957, 1.
- ¹⁰ Ibid.
- ¹¹ Congress, Senate, Select Committee, Investigation of Improper Activities in the Labor or Management Field, 85th Cong., 26 February 1957, 6.
- ¹² Ibid., 7.
- ¹³ Ibid., 10.
- ¹⁴ Ibid., 13.
- ¹⁵ Wallace Turner and William Lambert, "\$10,000 'Price' of Membership Told Senators," The Oregonian 1 March 1957, 1.
- ¹⁶ Ibid., 5.
- ¹⁷ Ibid., 6.

- ¹⁸ Wallace Turner, "Alleged Plots Told Probers By Jim Elkins," The Oregonian 6 March 1957, 1.
- ¹⁹ Congress, 80.
- ²⁰ Congress, 104.
- ²¹ Wallace Turner, "Alleged Plots Told Probers By Jim Elkins," The Oregonian 6 March 1957, 1.
- ²² William Lambert, "Testimony Continued By Elkins," The Oregonian 7 March 1957, 1.
- ²³ Congress, 31.
- ²⁴ Ibid., 49.
- ²⁵ Ibid., 61.
- ²⁶ William Lambert and Wallace Turner, "Story Linked to Schrunk Indictment Detailed Before Probers," The Oregonian 29 March 1957, 21.
- ²⁷ Ibid.
- ²⁸ Congress, 622.
- ²⁹ Ibid.
- ³⁰ Ibid.
- ³¹ "Schrunk's Record: He Should Resign," The Oregonian 30 March 1957, 1.
- ³² "Schrunk Saw Court Ahead," The Oregonian 29 March 1957, 21.
- ³³ "Grand Jury Indicts Mayor Schrunk on Counts of Taking Bribe, Perjury," The Oregon Journal 29 March 1957, 1.
- ³⁴ Ann Sullivan, "Nod to Reopen Notorious Club Said Received," The Oregonian 20 June 1957, 1.
- ³⁵ Ann Sullivan, "Witnesses Tell of Donations To Schrunk for Convention," The Oregonian 21 June 1957, 1.

³⁶ Ann Sullivan, "Clark Says Bennett Told Him of Paying Schrunk \$500 Bribe," The Oregonian 25 June 1957, 1.

³⁷ Ann Sullivan, "Schrunk Witnesses Say No Gambling, Drinks Seen in Raid," The Oregonian 22 June 1957, 1.

³⁸ Ann Sullivan, "Schrunk Swears No Bribe Taken, Senate Probe Counsel Testifies," The Oregonian 27 June 1957, 1.

³⁹ Ibid.

⁴⁰ Ann Sullivan, "12 Unanimous In Decision After 2 Hours," The Oregonian 29 June 1957, 1.

⁴¹ Wallace Turner and William Lambert, "Status of 13 In Vice Probe Felt in Doubt," The Oregonian 25 September 1957, 1.

⁴² "Crime Expose to Date," The Oregonian 30 April 1959, 18.

CHAPTER V

CONCLUSION

After the Schrunk acquittal, Portland's vice scandal slowly descended to the back pages of the city's newspapers. The remaining controversy focused on the alleged roles of the city's dailies in the bribery and vice scandals. The Journal released an editorial in April 1957, that broadly criticized The Oregonian's vice expose'. The editorial coincided with a three-part series titled "Let's Look at the Facts," which maintained that its rival had left many aspects of the vice scandal unexplained. It accused The Oregonian of protecting "from the harsh glare of publicity the full infamous record of its star witness-- the hoodlum, thug, narcotics peddler and ex-convict known as 'Big Jim' Elkins." The Journal believed that Turner and Lambert deliberately ignored the corruption in Portland's police bureau because any exposure would have embarrassed Elkins and Fred Peterson, The Oregonian's candidate for mayor.¹

According to the evening newspaper, Elkins's prostitution indictment indicated that its rival's theory about a break from the Seattle racketeers did not wash. The Journal alleged that Elkins had lied when he had testified before the Senate labor rackets committee that prostitution was immoral and provided sworn statements from people in Portland's vice circles so indicating. Its editors set out to prove that The Oregonian had minimized Elkins's role in the vice scandal. After a brief sketch of Elkins's criminal

record in the April 21, 1957 Oregonian, the newspaper had run twenty-two stories about the racketeer on twenty-one different days. Each article, the Journal charged, had lessened Elkins' role by describing him as "merely a nightlife bankroller" or a "financier of fringe operations."²

The editors of The Oregonian responded by asserting that the Journal's slanderous opinions were untimely because of the upcoming perjury trial of Mayor Schrunk with the possibility of influencing a jury. Elkins owned the 8212 Club where Schrunk allegedly had received a payoff to keep the establishment open after frequent raids. It is the opinion of the present thesis that The Oregonian had captured national attention with stories about a small, northwestern town's brush with organized crime, usually found only in the big metropolises of New York, Chicago, Miami or Los Angeles. Meanwhile, the Journal watched its rival receive attention at the McClellan hearings and in Time Magazine, and saw Wallace Turner and William Lambert awarded the Haywood Brown Award for journalistic excellence.³

The Journal printed all sides of the story, criticizing The Oregonian for their seemingly biased, whitewashed approach at journalism. The Journal even let the accused borrow space to tell their personal tales. District Attorney William Langley, Police Chief Jim Purcell, Jr., and Teamster boss Clyde Crosby were given the opportunity to take advantage of the newspaper's hospitality. Purcell failed to accept, but Langley wrote an April 1957 column that described his unfortunate situation and alleged that he was set up by Elkins. Even when Oregon State Police and Portland City Police could not find him, a Journal reporter hunted down Thomas Maloney in Washington State and provided a

first person story of the hoodlum's life. The Oregonian thought it suspicious that a mere reporter could find the fugitive. "The answer is simple," a Journal editorial asserted. The reporter "acted with the diligence and enterprise of a good newspaperman." "Despite its criticism," the Journal revealed, The Oregonian reprinted their story "word for word."⁴

The Oregonian did not let its printing press sit passive. In an editorial column, the newspaper informed its readers of the plot by the Journal to influence the jury for the Maloney trial. According to the editors, once a pretrial hearing ended in denial of a motion to suppress evidence, the Journal printed massive copies of a circular apart from its usual daily. The fliers reprinted editorials that attacked the credibility of expected witnesses in the Maloney trial. It also included a cartoon, estimates of the cost of the Portland crime investigation, and a tallied score of indictments tried and dismissed. The circular was distributed to subscribers and non-subscribers and conceivably could have found its way into the boxes of potential jurors.⁵

After the Schrank perjury trial ended in September 1957 The Oregonian editors released "Sorry Record of the Oregon Journal", an article that accused the rival newspaper of using its "truth series" and its editorial page "to tear down, destroy, or dissolve in public doubt and confusion the evidence uncovered in The Oregonian's expose' of vice and corruption in Multnomah County." The editors charged that the Journal had attacked the attorney general, members of his staff, grand jury procedures, the Senate rackets committee, and the morning newspaper itself. They were quick to point out that the Journal's publisher and editor along with its chief reporter A. Bradley

Williams were indicted on three counts for conspiracy in association with the setup of an illegal raid and the mishandling of evidence, although the charges were later dismissed on a technicality.⁶

The Oregonian also referred to its rival's comments about the dismissal of nearly half of the 110 indictments returned by three separate grand juries. The Journal had suggested that the investigation by Turner and Lambert lacked credibility. "This is typical of the slanted misrepresentations to which Journal readers have become accustomed," the morning newspaper asserted. According to The Oregonian, the failed indictments were mostly the result of faulty documents and had been superseded once, at times twice, by new indictments. Other discarded indictments were merely side issues, The Oregonian maintained, while the main allegations were still intact and remained to be tried. The editors argued that the greater body of evidence had not yet been examined. "This newspaper exploited a break in the underworld to bring evidence to the public of the start of a similar sinister syndicate here," The Oregonian concluded. "We would have thought that a newspaper competitor would have joined in this effort, whatever its consternation at being beaten on the story."⁷

The media, particularly Portland's two daily newspapers, played significant roles in the exposure of the city's vice world. In an era where the newspaper was the main source of information, the dailies had profound power over public opinion. In 1948, newspapers printed the City Club's reports on law enforcement in Portland and Multnomah County. The publications started a public frenzy to behead the officials responsible for rampant corruption. The investigative work of the City Club was able to

expose the corruption that had thrived for many years in Portland's city government. But without the press, the public would never have known what lurked in city hall.

The present thesis, has described a pattern concerning the rise and decline of vice crime. It began with a rebellion against the Victorian mores of the nineteenth century. A relatively carefree attitude toward personal behavior during the ragtime era provided the nourishment for vice to grow. Money led young women to the streets, gamblers to their dens, and bootleggers to the saloons. When politicians and upstanding citizens like Lola Baldwin realized that the dirty crimes tarnished the "Pacific Pearl's" image, action came swiftly. For a period of five to ten years, between 1905 and 1915, crime declined, according to the public's perception.

Slowly, the previously padlocked saloons and gambling dens unlocked their doors and began operation again after 1920. Prostitutes sought protection in the bawdy houses instead of walking the streets. The public turned its head, possibly taking more interest in two World Wars, the Great Depression, or even the advent of professional sports heroes. But the problem of vice and crime persisted and rose again. Repeatedly, attention appeared to be directed at illegal activity when civic organizations, politicians, and newspapers called attention to a problem that lurked beneath the surface the entire time.

The Portland City Club provides the starting point for the present thesis. A problem that persisted in the city's history was once again made public after World War II. Investigations were conducted and articles were written. In 1948 Mayor Dorothy Lee was elected on a platform addressing the city's crime problem. "No sin" Lee

admitted that her decision to run for office was based mainly on the newspaper publicity behind the previous year's grisly murder of Captain Frank Tatum. When a portion of the business community turned against Mayor Lee, she launched a media campaign just short of Franklin D. Roosevelt's "fireside chats." Lee used the newspaper and radio to try to persuade voters that crime had swallowed the biggest of cities in America and that Portland could fall prey as well. Yet Portland's prostitution, gambling, and bootlegging problems were not only products of immorality and greed, but also of jealousy and aspiration toward "big-city" status. Some Portlanders wanted desperately to be considered a metropolis, to be associated with Chicago, New York, Los Angeles and Miami, and even with the crime bosses, racketeers, and labor disputes that characterized such urban centers.

Although Lee failed to preserve her vice-crusading administration, the repercussions of her efforts were felt during the early 1950s. Yet the vice crime problem disappeared from sight only. When Fred Peterson was handed the city reins by Portland voters in 1953, the underground operations of vice crime and racketeering rose once again to the surface. Articles in the city's dailies revealed the persistence of graft and corruption in the offices of city officials, evidence that Portland was once again "wide open".

What motivated The Oregonian to take the risk to expose so many influential people and groups in Portland? The newspaper inspired a national investigation of the most powerful union in the country, which in return threatened the daily with a major strike that would halt its presses, stopping the articles Wallace Turner and William

Lambert wrote about Teamster misdeeds. The Oregonian attempted to crucify at least two mayors, possibly influenced a grand jury to convict District Attorney Langley, and printed the stories and activities of infamous leaders of the Northwest's criminal syndicates. Its primary source of information, James Elkins, was convicted in federal court for illegal wire tapping and perjury. The paper was slapped with civil suits for slander by labor leader Clyde Crosby and Langley. In return the newspaper gained legitimacy through a national reputation and arenas of potential advancement for its reporters.

The present thesis has explored the manner by which public officials have used the media to set agendas concerning vice and crime reform. Organizations, groups, corporations and individuals all have used the media to get such messages to the public. Portland, Oregon between 1945 and 1957 provides an excellent arena to observe how cultural attitudes of free enterprise and aspirations for social purity can contribute to a contradictory and paradoxical public record. As Portland media, politicians, and civic organizations following World War II demonstrated, American approaches to crime and vice were abivalent and confused and leave scholars with mixed conclusions to ponder.

- ¹ "Press Role in Probe Given in True Light," The Oregon Journal 8 April 1957, 1.
- ² "Sharp Contrast Seen In Papers' Positions," The Oregon Journal 9 April 1957, 1.
- ³ "Turner, Lambert Receive Award for Oregonian's Series on Vice," The Oregonian 12 February 1957, 1.
- ⁴ "Events Leading Up To Tapes Case Told," The Oregon Journal 10 April 1957, 1.
- ⁵ "Ethics and Justice," The Oregonian 7 October 1957, 14.
- ⁶ "Sorry Record of the Oregon Journal," The Oregonian 25 September 1957, 14.
- ⁷ Ibid.