



File as Oct. 19. 20

**THE NEW WILLARD,
WASHINGTON.**

9-15-20

September 14, 1920

WILLARD'S HOTEL COMPANY
FRANK S. O'NEIL, PRESIDENT
DEPT. OF THE INTERIOR
RECEIVED
★ SEP 15 1920 ★
TO DIRECTOR OF LANDS
BUDG. OFF. - APPTS. - MAILS & FILES

CHIEF CLERK
SEP 15 1920
DEPARTMENT OF THE INTERIOR

The Honorable
The Secretary of the Interior,
Washington, D. C.

S i r:

On January 29th, 1920, Hon. John W. Hallowell, then Assistant to the Secretary, sent us a letter of which the enclosed is a copy, relative to the disposition of a quantity of whiskey now held by the Department of Justice for the benefit of Morningside Hospital, in the care of the government insane patients from the District of Alaska. Also find enclosed a copy of a letter of ours under date of April 7th to the United States District Attorney at Portland, Oregon upon this subject. We also enclose you an original letter from Austin D. Flagel, Assistant United States Attorney, Portland; a letter of April 9th.

Your office also has a copy of some other correspondence in which the United States District Attorney had given an order for the delivery of this whiskey to Morningside Hospital, a copy of which I have not with me at this time.

I also enclose you an original copy of a letter from Mr. Flagel under date of May 11th which his office sent me pursuant to advice from the Attorney General that this whiskey should be delivered to Morningside Hospital as soon as a General Court order should be obtained as to the disposition of the remaining whiskey which was at this time in his hands.

Herewith also is sent you a copy of our letter of May 5th in which we urgently ask for the delivery at that time of such whiskey, with the reasons therefor. It would appear that upon seeking for the order of the United States Court for the delivery of this whiskey to us that some question was raised as to a conflict with the State laws of Oregon.

The original favor of Mr. Flagel of May 26th covers this matter. At the suggestion of an attorney in your Department I saw Dr. Dorn of the Prohibition Enforcement Division and

*Oct. 1920 Letter to Dr. Dorn
Mr. Humphrey, U.S. Atty, Portland*

I believe he had some telephonic communication with your Department upon this matter. In conversation with him Dr. Doran said that the Department should ask for the issuance of the whiskey to itself in accordance with a suggestion of Mr. Fligel, in which case I assume that the writer will act as the custodian for the Department of the Interior, which arrangement would be satisfactory to his Department and he would not question after the uses of the whiskey.

Permit me, therefore to respectfully ask that the application for the whiskey be made out by the Department and forwarded to me in Portland and I will immediately take the matter up and see if we cannot arrange the matter without further trouble.

Respectfully,

THE SANITARIUM COMPANY

By

Henry Kalso

President and
Medical Director.

C O P Y

THE SANITARIUM COMPANY

Portland, Oregon, April 7, 1920.

Hon. Lester Humphrey,
U. S. Dist. Attorney,
Portland, Oregon.

Dear Sir:-

Pursuant to arrangements made between the Department of the Interior, and the office of the Attorney General of the United States as to which your office has advice from the Attorney General, in the case of Morningside Hospital, the custodian of United States patients from the District of Alaska, permit us to make formal application for 50 gallons of whiskey as to such service. This amount will not be sufficient for the full term of five years for which the present arrangement for the care of such patients now maintains, (in all probability,) but if at some future time additional whiskey is required, a supplemental requisition will be made. The patients now at Morningside Hospital belonging to the government number today a total of Two hundred and twenty one. Delivery to be made upon terms as advised by Atty.General.

Respectfully,

Signed The Sanitarium Company

By Henry Waldo Coe, M. D.

Medical Director.

C O P Y

DEPARTMENT OF JUSTICE

OFFICE OF THE UNITED STATES ATTORNEY
District of Oregon
Portland, Oregon.

April 9, 1920.

Address Reply to
"The United States Attorney"
and refer to this number.
3-c

The Sanitarium Company,
Selling Bldg.,
Portland, Oregon.

Gentlemen:

We have your application for fifty
gallons of whiskey, for use in the Morningside
Hospital, and beg to advise you that as soon as the
Order disposing of the liquor on hand is entered, this
liquor will be furnished to you.

Very respectfully,

(Signed) Austin F. Flegel, Jr.

Assistant United States Attorney

C O P Y

April 10, 1920.

Mr. Austin D. Flegel,
Assistant U. S. Attorney,
City.

Dear Sir:

Permit me to acknowledge your favor "3-c"
under date of April 9th, in which you advise me that the
liquor applied for by me will be furnished as soon as
the order disposing of the liquor on hand is entered, and
I appreciate very much your promptness in the matter. If
this is going to be very much delayed, I would like to get
a few bottles at once, as we need some now at the
Sanitarium.

Very truly yours,

May 5, 1920.

Hon. Lester Humphrey,
U. S. District Attorney,
City.

My dear Sir:

I desire to express my appreciation for the courteous consideration on the part of your splendid associate, Mr. Austin Flegel, and to thank you for his favor of April 9, in which he states that 50 gallons of whiskey requested by me in the matter of the Insane of Alaska, pursuant to arrangements between the Secretary of the Interior and Hon. Wm. L. Frierson, Asst. Attorney General, will be furnished me as soon as the necessary order of the Court disposing of the liquor is entered. Recently, we made a request of Mr. Flegel, that if it were impossible to put this whole matter over now, we would be glad to have a small allowance of this whiskey, but we assume that this could not be done, or we would have been duly supplied by him. We are very much in need of this whiskey, and the circumstances which we will narrate as occurring during the last few days at Morningside Hospital, leads me to respectfully urge as immediate action as is possible to be had in the premises.

This morning there died at Morningside Hospital, Anthony Monnis, who came to Morningside Nov. 28, 1917. His death was due from pneumonia. We cannot say he would have lived if he had had this whiskey, although we are certain that his chances for recovery would have been at least twenty-five per cent greater. Two patients died at Morningside Hospital on April 26th and one died May 3rd. These men had all been life time whiskey drinkers. Every tissue in their bodies would have responded to the influence of whiskey, having been a long time without it. Two of these cases would have had a fifty-fifty chance to recover, if we had had an ample supply of whiskey for them. The fourth patient, I am sure would have regained his strength and been permitted a longer lease of life and the joys of discussing the old days in the north with his fellow Argonauts, to which satisfaction and happiness he and they certainly were entitled after long lives of hardship there, if we had been able for three or four weeks to administer five to eight ounces of whiskey per day to him. He died, on the other hand, from a slow general anemia. We need this whiskey right now for other feeble patients here.

Very respectfully,

(Sgd.) Henry Waldo Lee, M.D.

Copy sent to
Hon. John Barton Payne,
Secretary of the Interior.

Under the Oregon State
law even a physician can not prescribe
whiskey. The foregoing arrangement is certainly
a God-said!

C O P Y

DEPARTMENT OF JUSTICE
OFFICE OF THE UNITED STATES ATTORNEY,

District of Oregon,
Portland, Oregon.

Address Reply To
"The United States Attorney"
and refer to number
3-h

May 11, 1920.

Dr. Henry Waldo Gee,
Selling Bldg.,
City.

Dear Doctor:

Replying to your favor of May 5th, I beg to advise you that we have not yet received instructions from the Attorney General as to the disposition of the remainder of the whiskey now in the hands of the United States Marshal. As soon as these instructions are received, we will proceed promptly to deliver the whiskey and will expedite the matter as soon as possible.

Very respectfully,

(Signed) Austin F. Flegel, Jr.

Assistant United States Attorney

C O P Y

May 19, 1920

Mr. Austin F. Flegel, Jr.
Asst. U. S. District Attorney,
Portland, Oregon.

Dear Sir:

I thank you for yours of May eleventh. I am planning on leaving Portland on May twenty-seventh and will be gone three months. I wish to make a safe storage of most of this whiskey before I go away and that is why I am very anxious to close up this matter during the next week if possible.

Sincerely yours,

HWC-K

C O P Y

DEPARTMENT OF JUSTICE

OFFICE OF THE UNITED STATES ATTORNEY
District of Oregon

Portland, Oregon

May 26, 1920

Dr. Henry Waldo Coe,
c.o Morningside Hospital,
Portland, Oregon.

Sir:-

I am in receipt of advice from the Attorney General which raises a question as to the right of the Government to deliver intoxicating liquor to the Sanitarium Company for medicinal purposes, contrary to the Prohibition Law of the State of Oregon, and further advising me that in case the liquor can be lawfully turned over to your institution, that the Department will authorize the sale at a nominal price.

Should the Department of the Interior request the liquor, it might be turned over to them directly without any objection being raised, and I suggest that you make some such arrangement with the Secretary of the Interior so that instead of this office turning the liquor over to you directly, it will be turned over to the Department of the Interior for them to make such disposition of it as they may see fit.

Respectfully,

(Signed) Austin D. Flegel, Jr.

Assistant United States Attorney

~~DEPARTMENT OF THE INTERIOR~~

WASHINGTON

October 19, 1920

Hon. Lester Humphrey,
U. S. District Attorney,
Portland, Oregon.

Sir:

In January of the present year the Attorney General called the attention of the Department to the fact that under the provisions of the Volstead Act the Department of Justice purposed disposing of a large quantity of liquor seized under the Reed Amendment and other laws in various jurisdictions, and inquired whether this Department desired to make use of any of this liquor for medicinal, mechanical or scientific purposes, or whether there was some Government agency to which it could be sold at private sale.

Thereafter the Department advised the Attorney General that it had a contract with the Sanitarium Company of Portland, Oregon, of which Dr. H. W. Coe is President, for the care of the legally adjudged insane of Alaska, and requested the United States District Attorney at Portland, Oregon, to sell any such liquor to the institution upon application. Under date of February 3, 1920, the Department of Justice replied that inasmuch as the Sanitarium Company had a contract for the care of the legally adjudged insane of Alaska, it could fairly be treated as an agency of the Federal Government and the whiskey could be delivered to it without a sale, in other words without charge, except cost of delivery, and if Dr. Coe would call on you and explain what he needed, application would be made to the Court for the necessary order.

Dr. Coe has called to my attention a letter addressed to him by Mr. Austin F. Flegel, Jr., Assistant United States Attorney, at Portland, in which he stated that "should the Department request the liquor, it might be turned over to them directly without any objection being raised, and I suggest that you make some such arrangement with the Secretary of the Interior so that instead of this office turning over the liquor to you directly, it will be turned over to the Department of the Interior for them to make such disposition of it as they may see fit." In view of this suggestion, I have to request that the liquor for which Dr. Coe has made application be turned over to the Department of the Interior, Dr. Coe acting in the matter as the representative or agent of this Department for the liquor in question, and giving proper receipt therefor.

I have this day advised Dr. Coe of my action in the matter.

Cordially yours,

(Signed) ALEXANDER T. VOGELSANG.

Acting Secretary.

DEPARTMENT OF THE INTERIOR
WASHINGTON

October 19, 1920

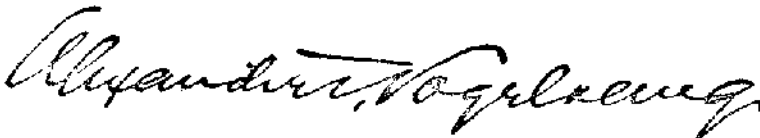
Dr. Henry W. Coe,
President, The Sanitarium Co.,
516 Selling Building,
Portland, Oregon.

Dear Dr. Coe:

I transmit herewith for your information a copy of a letter this day addressed to Hon. Lester Humphrey, U. S. Attorney, at Portland, Oregon, requesting him to deliver to you, as the agent for this Department, the quantity of whiskey for which you made application and which is understood to be in the hands of the United States Marshal.

You will receipt and safely care for this whiskey, as the representative of the Department of the Interior, to be used for medicinal purposes in connection with the treatment of the legally adjudged insane of Alaska, for which you are caring under your contract with this Department. In your monthly reports which you will forward to the Department, you will state the quantity of liquor on hand and the amount used during each month. You should also state the means which you have taken to safeguard this liquor from use or deprecation by unauthorized persons.

Cordially yours,



Acting Secretary.

Inc. 9768.

ADDRESS REPLY TO
"THE UNITED STATES ATTORNEY"
AND REFER TO THIS NUMBER.

3-h

Department of Justice.
Office of the United States Attorney,
DISTRICT OF OREGON,
PORTLAND, OREGON.



October 29, 1920

*9-1-10
Gore*

Secretary of the Interior,
Washington, D.C.

sir:-

I have your favor of October 19th relative to the application by the Department of the Interior for liquor seized under the Reed Amendment and other laws and which is in the possession of the United States Marshal for this District.

Dr. I. W. Coe of the Sanitarium Company of Portland made application for this liquor during February or March of this year for use by the Alaska insane patients cared for by the Sanitarium Company. In view of the fact that the State law of Oregon prohibits the use of intoxicating liquor for any purpose, it seemed impossible to deliver the liquor to Dr. Coe and an offer was then made to deliver it to the Department of the Interior for such purpose as they might desire. Since then, however, the War Department has made application for the liquor and all liquor in the hands of the Marshal has heretofore been delivered to the War Department and at the present time the Marshal has no liquor on hand available for delivery. I regret, therefore, that your request of the 19th to the effect that the liquor, for which Dr. Coe has made application, be turned over to the Department of the Interior, Dr. Coe acting as representative of the Department, can not be complied with.

Respectfully,

Austin F. Hege Jr.
Assistant United States Attorney

Will be taken to the Sanitarium Co. Portland, Oregon

DEPARTMENT OF THE INTERIOR

WASHINGTON

NOV 1920

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Dear Mr. Gee:

Referring to previous correspondence in relation to the proposed transfer to you as the representative of the Interior Department of liquor seized and in the possession of the U. S. Marshal for the District of Oregon, I transmit herewith for your information copy of a letter dated October 29, 1920, from the United States Attorney for the District of Oregon setting forth the reasons why it is not practicable to deliver to you any liquor.

Cordially yours,

(Sgd.) JOHN BARTON PAYNE

Secretary.

Dr. Henry W. Gee,
President, The Sanitarium Co.,
516 Selling Bldg., Portland, Oregon.

Enc. 9504.