

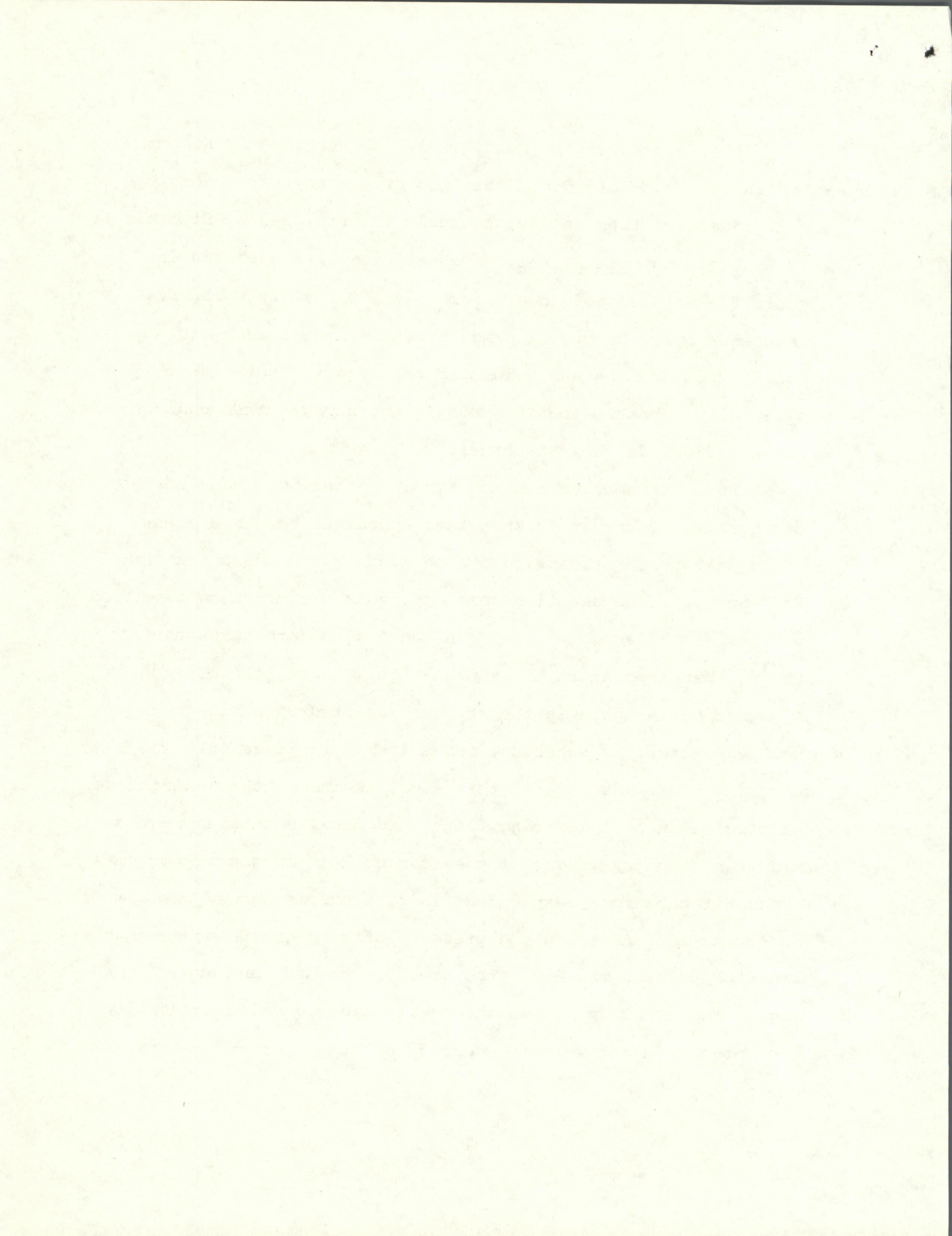
MADGE AND THE GRAND DRAGON

(A paper delivered by
John A. Carnahan
to the Kit-Kat Club, Columbus, Ohio,
on January 15, 1980.)



It is the Fourth of July, 1923. The setting is Kokomo, Indiana. Hot, flat, dry, dusty and drab - the very prototype of the Midwestern town so devastatingly immortalized by Sinclair Lewis in Babbitt and Main Street. A great crowd has gathered in Melfalfa Park west of town - some say upwards of two hundred thousand. Cars bearing license plates from all over, but mostly from Indiana and Ohio, jam the roads. Families of picnickers unable to find room in the park, settle under trees and beside their machines.

There is something odd about this gathering. Many of the celebrants - for that is what they appear to be - are dressed in white robes or sheets, and some even wear hoods and masks. They appear to be awaiting some momentous event; there is a charged air of expectancy. Then, here and there throughout the throng, hands point to the south - "Look, look, there he comes!" A golden dot appears in the sky, and as it drones slowly northward over the expectant faces it materializes into an airplane - a gilded one at that - glistening in the sunlight as it circles in ever-lowering flight and finally settles in the middle of the park. Out of the rear cockpit arises an apparition - a man, it appears - resplendent in rich purple robes, his arms outstretched. As if in the presence of some great and ancient king, or perhaps the Pope, the crowd is hushed, and then a mighty roar goes up. When the tumult dies, a small delegation separates from the welcoming crowd and steps forward toward



the man from the sky, stopping at a respectful distance. There is a strange and mystical exchange with words incomprehensible to the ordinary mortal, and then the man in purple is led to a platform decked out as if for visiting royalty. He mounts, steps forward, raises his hand to quiet the gathered throng, and says:

"My worthy subjects, citizens of the Invisible Empire, Klansmen all, greeting!

"It grieves me to be late. The President of the United States kept me unduly long counseling upon vital matters of state. Only my plea that this is the time and place of my coronation obtained for me surcease from his prayers for guidance.

"Here in my uplifted hand, where all can see, I bear an official document addressed to the Grand Dragon . . . Kleagles, King Kleagles, Exalted Cyclopes . . .and All Citizens of the Invisible Empire of the Realm of Indiana...It is signed by his Lordship, Hiram Wesley Evans, Imperial Wizard...It continues me officially in my exalted capacity as Grand Dragon of the Invisible Empire for the Realm of Indiana. It so proclaims me by virtue of God's Unchanging Grace. So be it."

Thundering cheers from the multitudes assembled! Then on he goes, the Grand Dragon of Indiana, urging his worshipful listeners to fight for "one hundred percent Americanism," to thwart the "foreign elements" that are threatening to take over the country. He finishes with appropriate flourishes, steps back. A coin comes spinning through the air, landing at his feet; then another; then a deluge - coins, rings, jewelry, watches, anything bright and valuable. When the tribute is finished at last, the great man motions to his minions to gather up the

treasure , then strides with regal bearing off to a nearby grove, there to counsel on high matters with his attendant Kleagles, Cyclopes and Titans.

What is this strange gathering in the heartland? Why are these people decked out as if for a Greek letter initiation? What impels them to behave as if they were witnessing the Second Coming?

Well, it is of course the Konklave of the Ku Klux Klan of Indiana, and this is coronation day for one of the most bizarre - and powerful - men in the history of American politics. David Curtis Stephenson - sometimes affectionately called Dave, or Steve, or D.C., or - even though he is then only thirty-one - "the Old Man" - has this day, Independence Day, 1923, been publicly acknowledged as the leader of what is indeed - in the 1920's in mid-America - the "Invisible Empire." Through his efforts, his maneuvering, his chicanery, his greed, his pure and unsullied cynicism, his cold, calculating, manipulative charm, he, almost alone, has drawn half a million Hoosiers into the folds of an organization that many have found laughable with its mumbo-jumbo claptrap, its adolescent rites, its mental midgetry, its mis-directed hates and fears: the Mighty Empire of the Ku Klux Klan. On that July Fourth in 1923, Indiana was cursed with the largest membership of any state. (Ohio, incidentally, ran a close second with a membership of well over four hundred thousand, then under the leadership of a dentist, C.L. Harold, who turned

his State Street office into the fee-extraction center for the Buckeye State.) In fact, thanks to D.C.'s organizing prowess, membership in the Klan throughout not only the Midwest but New England and the Mid-Atlantic states as well was growing at a prodigious rate. And in the process the Old Man - the Grand Dragon of Indiana - had gotten rich and fat and powerful.

How could this be? How is it possible that women who baked apple pies and loved little children and whose political aspirations would never reach beyond the local sewing circle, and men who went off faithfully to work every day, who were pillars of their communities, elders of their churches, could be persuaded to become, enthusiastically and with wild dedication, a part of such a mysterious fraternity, silly at best, insidious and murderous at worst - an order devoted to the eradication of all things and institutions "un-American" - that is, not in keeping with those principles, or so they thought, to which every white Anglo-Saxon Protestant should subscribe?

The answers are not simple, but perhaps they can be found in the history of this strangest of all organizations. I intend to trace very briefly for you here tonight that history, and particularly the role that D.C. Stephenson played in it, and to tell you the story of how he, the Grand Dragon of the Realm of Indiana, met his dramatic demise in the form of a mild-mannered girl named Madge Oberholtzer and brought the very foundations of the Invisible Empire of the Ku Klux Klan crashing down about him.

The history of the Ku Klux Klan is divided into two

distinct segments, the first beginning in 1865 and ending in the mid-1870's, and the second beginning in 1915 and ending in the early or mid-30's, although of course remnants of the old Klan, like a snake that will not die, still wriggle and writhe here and there even today.

The nineteenth century Klan was born in Tennessee out of a whim of six ex-Confederate officers who were seeking to escape the boredom of their post-war small town lives. It rose to great power during Reconstruction days under the leadership of the great cavalry hero, General Nathan Bedford Forrest; was officially disbanded by him when its criminal activities became rampant; and was finally put to rest when many of its members were prosecuted under newly enacted federal legislation of 1870 and 1871. It left behind, however, a romantic image of a great order dedicated to the preservation of those traditions most dear to the Southern heart: courage, valor, courtliness, enthronement of womanhood, and clear lines of division between blacks and white. This romanticism, of course, is the thread that runs through D.W. Griffith's classic motion picture, The Birth of a Nation, a film that helped immeasurably in the reincarnation of the Klan forty-five years later.

The twentieth century Klan was fathered by William Joseph Simmons, who, after serving as a private in the Spanish-American War, returned to his native Alabama, where he became a circuit

rider for the Methodist Episcopal Church. Around 1912, he became an instructor in Southern history at Lanier University in Atlanta, an obscure institution of dubious academic lineage. He picked up the appellation of "Colonel" - a title in which he gloried - although it is certain that he had never earned it. Thin-lipped and deep voiced, and possessed of a spell-binding rhetoric, he talked like the old-time revivalist preacher he most closely resembled. He was addicted to superficial emotionalism and fraternalism of all kinds, and he reveled as a youth in the tales of the old Klan.

"Late one night, in his twentieth year, while he was perusing a newly found book about the Klan, a vision suddenly appeared to him: 'On horseback in their white robes they (the Klansmen of old) rode across the wall in front of me, and as the picture faded out I got down on my knees and swore that I would found a fraternal organization which would be a memorial to the Ku Klux Klan.'"

He was true to his vow. Fifteen years later, on Thanksgiving night in 1915, he, together with fifteen others whom he had somehow persuaded to join with him, found themselves on top of a windy and cold Stone Mountain, near Atlanta, where, gathered before an altar, they took a "sacred oath of allegiance" to the Invisible Empire, Knights of the Ku Klux Klan, and Simmons became its first Imperial Wizard.

The going was rough during the first years of Simmons' reign. To be sure, he was a spellbinder, but his organizational abilities and business sense appear to have been nil. When

contrasted with its later spectacular growth, the early years of the Colonel's Klan were marked by severe financial problems, minimal and painful expansion, and only sporadic activity. Five years after the dramatic moment on Stone Mountain there were still only a few local Klans, most of them scattered through Alabama and Georgia. Total membership in 1920 was probably not more than two thousand. The consensus among those most knowledgeable about the early history of the Klan is that if its propagation had remained in Simmons' control, "it is fairly certain that the organization would never have attained large dimensions or become a national problem." But in June, 1920, he met up with Edward Young Clarke and Bessie Tyler, a tough twosome who had formed a public relations firm known as the Southern Publicity Association. Simmons and the Association entered into an agreement whereby the Association was to provide publicity for the Klan. This was indeed a fateful liaison, for as a result of the releases that now began to pour forth from Atlanta, the Klan was transformed from an easy-going Southern patriotic fraternity into a "violently aggressive national organization of chauvinistic nativeborn, white Protestants."

One writer has described the America of the early 1920's as a country in a state of arrested emotion. After the patriotic frenzies of the Great War, it was hard to cool the citizens' ardor for their country. With the real enemy now gone, we had to find a new one, be he Catholic, Jew, black, or foreign, but especially, in the 1920's, the Catholic.

There was nothing new about anti-Catholicism, of course. It dated back, in an organized fashion, at least to the 1830's, and some of the same attitudes prevailed ninety years later. Many old-stock Americans became convinced that that which was best in America was about to be overrun. The foreigners were ruining the country; anything foreign was therefore un-American. That being so, the Catholic Church, run by a foreign Pope in a foreign city, was a menace, certainly a likely target for the Klan's wrath. And even though the number of Catholics and other "foreigners" was relatively small in those places where the Klan was most effective - the small towns of the South and Midwest - it was there also that it found the greatest abundance of the elements needed for that success: rampant provincialism, suspicion, love of parades and high jinx, devotion to home, country and motherhood, and sheer boredom .

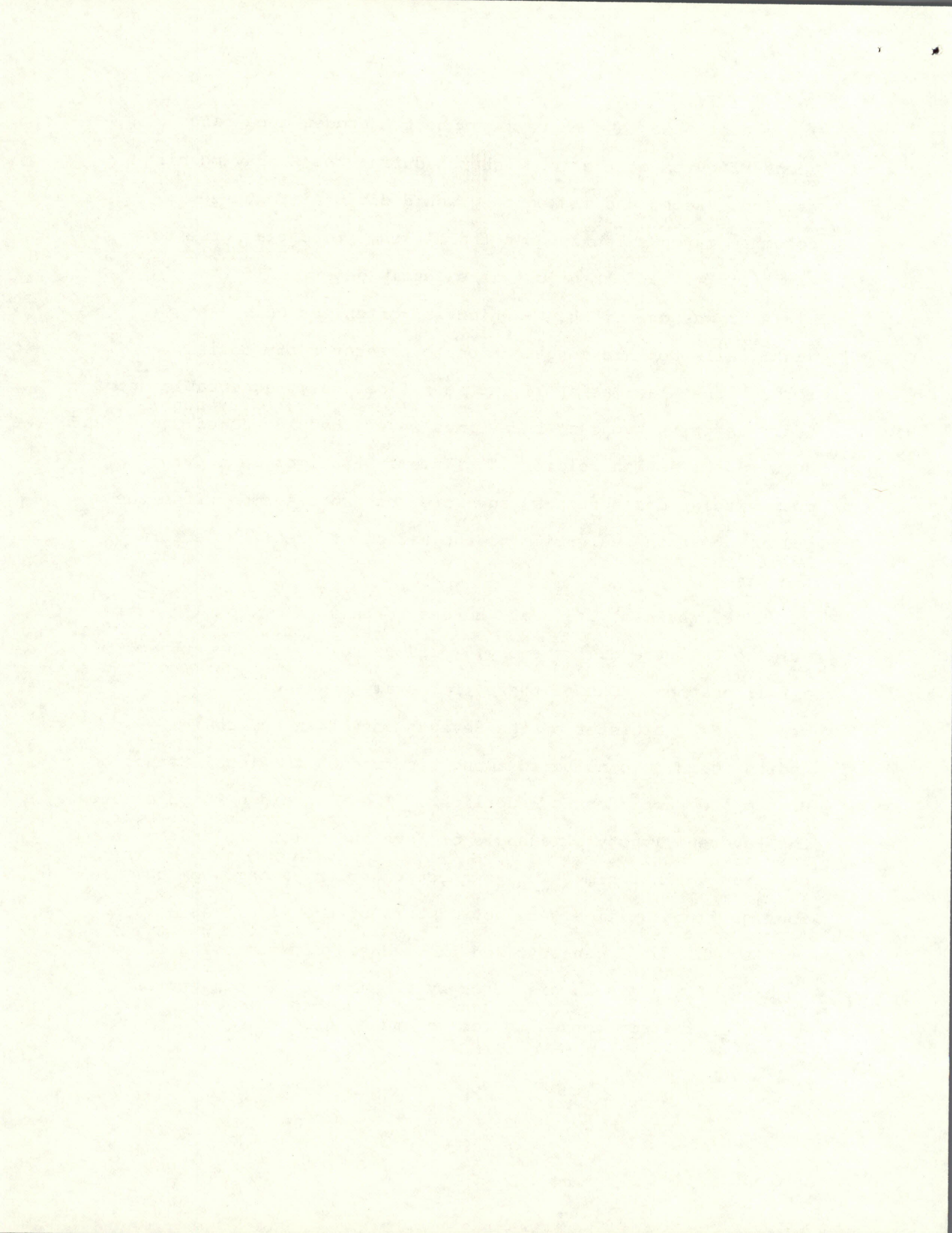
And so it was that Clarke, the evil genius of Klan publicity, selected his salesmen for the Klan from among members of existing lodges of all kinds, already skilled in the world of ritualism and secrecy. He particularly favored the Masons, for example, because they were large and well-organized and were known to be not overly friendly to Catholics. They joined the Klan by the thousands, although many Masonic leaders bitterly fought the Klan.

Another standard practice was for the Klan to approach local Protestant ministers, offering them free membership and positions as Kludds (chaplains) in the local chapter. Hundreds of them joined, some became national officers and organizers. Almost all of the Klan's national "Lecturers" were ministers. In a small



Indiana or Ohio town there might be the sudden appearance of hooded figures at the local church during the Sunday morning service. Robed and masked they would divide into three columns, march silently down the aisles, present a purse to the minister, and then just as silently depart. If the minister was one of them - which was often the case - he might call upon his congregation to present their bodies, through the Klan, as a "living sacrifice, holy, acceptable unto God." Favorite hymns at such times were "The Old Rugged Cross" and "Onward, Christian Soldiers." These intrusions were by no means isolated happenings, any more than were sermons from the pulpit about the salvation to the nation offered in the form of the Klan.

Nevertheless, there are heroes in this tale who, if I were able to tell the entire story, would certainly be the subject of a full chapter. One of these, for example was Clay Trusty, Sr., minister of the Seventh Christian Church in Indianapolis, who numbered among his friends the local Catholic Bishop and Rabbi Morris Feuerlicht. The Klan did not appreciate the Reverend Trusty's messages of love and tolerance and began a campaign against him in his own congregation, among whom only four or five families were not members of the Klan. As a result, this good man suffered the sadness of witnessing the burning of a cross in his honor by members of his own church. He was ultimately forced to resign and he died, a broken man,



a short time later. His replacement in the pulpit was none other than Gerald L.K. Smith, that notorious anti-Semitic pamphleteer and professional rabble-rouser.

Another favorite tactic was to run advertisements in the Kourier, a Klan newspaper that had a wide circulation in church circles. Here is a typical one:

"Every criminal, every gambler, every thug, every libertine, every girl ruiner, every home wrecker, every wife beater, every dope peddler, every moonshiner, every crooked politician, every pagan priest, every brothel madam, every Rome-controlled newspaper, every black spider, is fighting the Klan. Think it over. Which side are you on?"

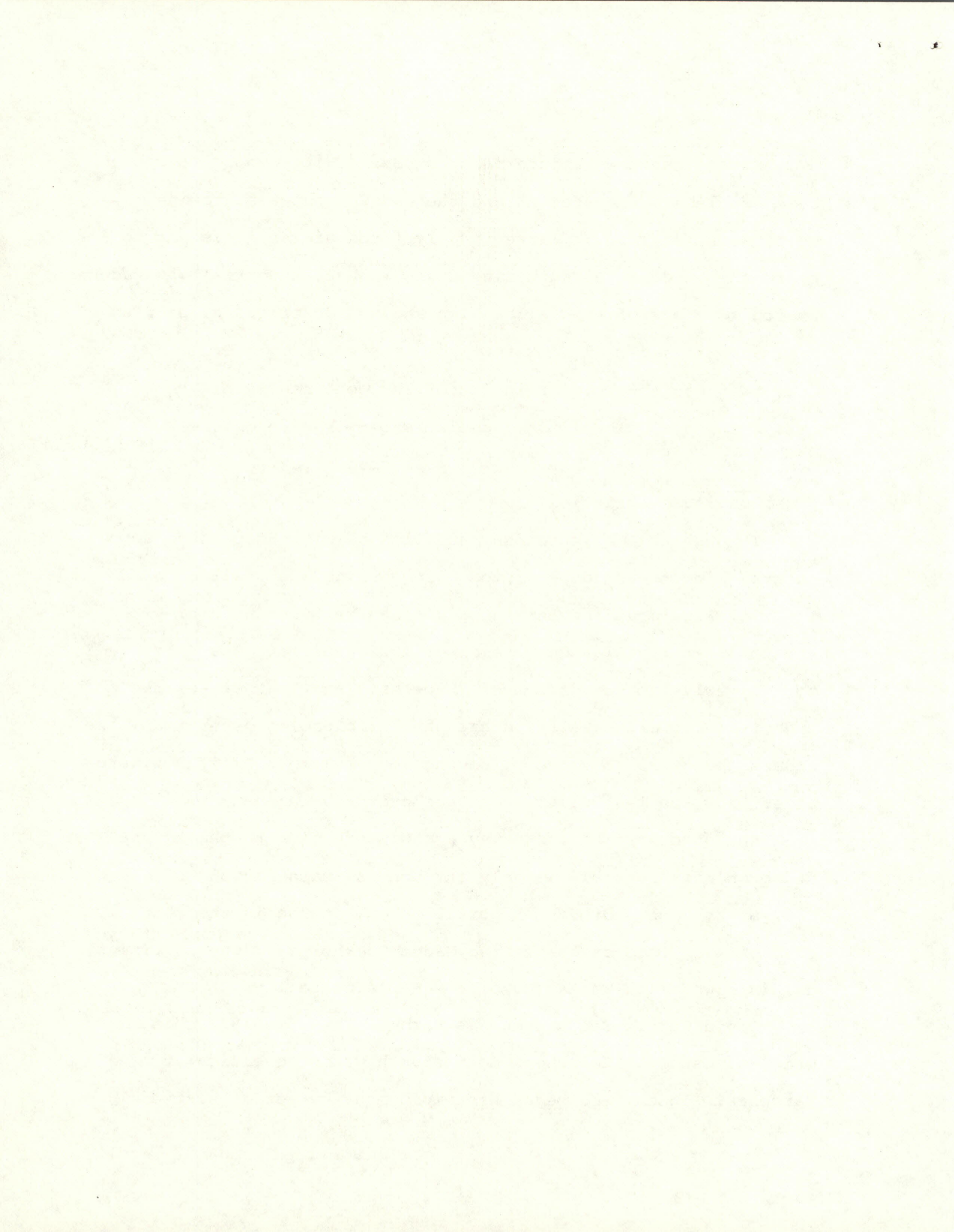
All of these tactics paid off handsomely. The Klan, and its high priests and wizards, became wealthy and powerful. Even a Congressional investigation did not deter its growth. A series of articles in the New York World and Journal-American prompted the House to conduct hearings dealing with Klan affairs in 1919, during which the old Colonel himself, William Joseph Simmons, made a melodramatic appearance in the course of which, among other things, he fell in a dead faint to the floor of the hearing room after making an impassioned plea that, in the name of the Father of all, those who had persecuted the Klan should be forgiven. Nothing came of the hearings, except more publicity for the Klan and a burgeoning membership. In fact, Simmons called the investigation the best thing that had ever happened to the Invisible Empire.

Still, there were internal troubles. With explosive growth came problems of management and the old Colonel was growing weary with the load. Clarke finally found him an assistant to share the burden: Hiram Wesley Evans, a Dallas dentist who had been Exalted Cyclops of the Dallas Klan and who described himself as "the most average man in America." As Simmons soon found out, that was not so, for in fact Evans combined in his one person the old Colonel's evangelistic fervor with Clarke's practical business sense and was possessed of extraordinary organizational abilities.

Through the manipulations and lies of D.C. Stephenson and others, Simmons was duped into relinquishing his position as Imperial Wizard and nominating Hiram Wesley Evans as his successor at the Klan convention of 1922. Simmons was "elevated" to the newly-created office of "Emperor," and that marked the end of his powers. He tried his hand at creating other Klan-like orders, but with no success, and he soon became a pitiful figure bereft of the last vestiges of authority or influence.

Now of course Hiram Wesley Evans' ascension to the throne had been made possible largely through the machinations of D.C. Stephenson, our man in purple robes, and he is the main character in this tale - he and Madge Oberholtzer, the instrument of his downfall. What kind of a man was he really?

David Curtis Stephenson was born in Texas in 1891, his origins obscure. He received an eighth grade education at a parochial school, and began his employment career at sixteen



working in various print shops and newspapers in Texas and Oklahoma. At twenty-four he married a young woman who had been selected as "the most beautiful girl in Oklahoma," but he deserted her shortly before their first and only child was born. He moved on to Iowa, where in 1917 he joined the National Guard, and, after training at Fort Snelling, Minnesota, he was commissioned a second lieutenant. (He and his cronies later claimed that he had been a "fighting major" at Belleau Wood, but it is clear that he never came any closer to France than Camp Devens, Massachusetts.) After discharge in 1919, he married again - this time in Akron, Ohio - but lived with the bride for less than a year. His first appearance in Indiana seems to have been in Evansville in 1920. He worked there briefly as a printer, then somehow obtained an interest in a coal-mining company for which he sold securities. It was in Evansville that his political talents first came into real evidence. Although he had belonged to the Socialist Party in Oklahoma in his twenties, and had even written some articles and made a number of speeches extolling its virtues, he left the party in 1920 and, in Evansville, registered as a Democrat. He then made the mistake of running for Congress on the wet ticket, and the Republicans and the Anti-Saloon League soundly defeated him, whereupon, in his good-natured way, he became both Republican and dry. His association with the Klan began shortly after that in 1921 or 1922. He had organized the veterans of the 36th Infantry Division, and when he went into the Klan he took many of his veteran buddies with him. That marked the beginning of the meteoric rise of the Klan, not only in Indiana

but throughout the Midwest and into New England. As a reward for his role in the palace revolution that had put Hiram Wesley Evans in the Imperial Wizardry, Stephenson was placed in command of membership activities throughout the Midwest and East - twenty-three states in all. Indiana and Ohio were particularly ripe for his kind of proselytizing.

Only thirteen out of every hundred in Indiana were black or Catholic, yet the Hoosiers seem to have been peculiarly vulnerable to threats that the Pope might yet establish a beach-head on Indiana soil. Perhaps the prevalent mood is best illustrated with the story - true, as far as I have been able to determine - of the Klan lecturer who alerted his believing audience in little North Manchester to the possibility that the Pope might arrive in their midst any day. "He may even be on the northbound train to Chicago tomorrow! He may! He may! Prepare! America is for Americans! Search everywhere for hidden enemies, vipers at the heart's blood of our sacred Republic! Watch the trains!" So of course the loyal citizens of North Manchester - one thousand strong - were waiting for the Chicago train when it pulled into the station the following morning. Imagine the surprise and consternation of the one lone passenger who alighted when he was surrounded by this clamorous and angry crowd. He was held for a full thirty minutes before he could convince his interrogators that he was not the Pope in disguise but exactly what he said he was - a corset salesman. Here was an atmosphere in which Stephenson's



powers of persuasion could thrive.

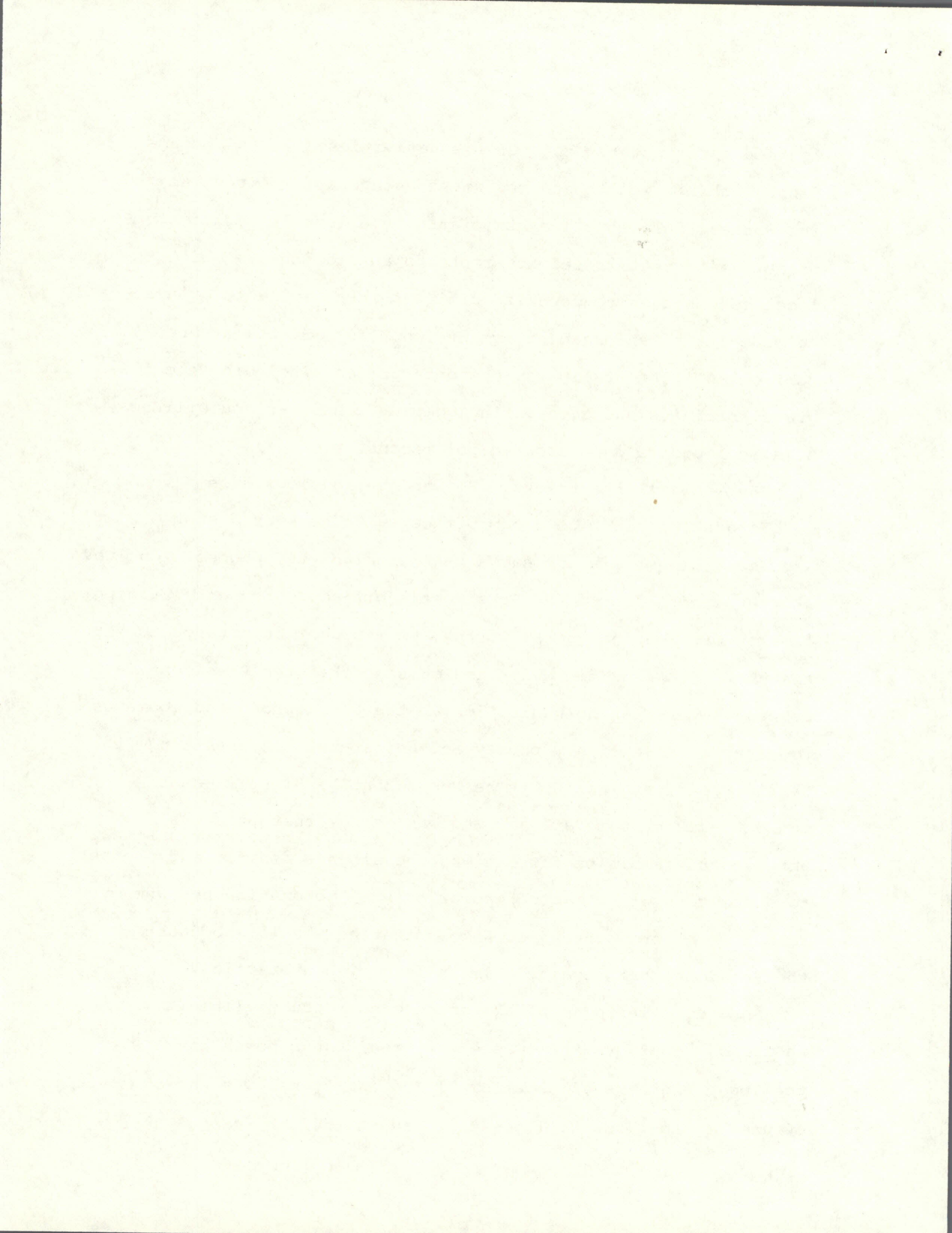
"It was all a matter of impression, he believed. You had to know the psychology of the thing. It lay in appearances. His figure ran to fat, but Stephenson groomed himself carefully and dressed conservatively and well. . . (He) could speak with both the folksiness and the flowery phrases of the politician. There was nothing phlegmatic about his fleshiness or his ambition. He gave men a sense of confidence and anticipation, and it was infectious. The army had shown him what organization could do with a body of men, and he longed to hold the power himself. . . ."

He first set up headquarters in Columbus - our Columbus - operating out of an office at the Deshler Hotel and maintaining a home - the "White House"-on Buckeye Lake. But he soon moved his operations to the third floor of the new Kresge Building in downtown Indianapolis and ran his empire from there. He began to move in fast social circles of cocktail parties, willing women, yachts, and all the other trappings that new wealth sometimes brings. It is clear that he violated - regularly and with enthusiasm - a number of those basic Klan principles, so stridently proclaimed to an unsuspecting membership, about drink, abandoned sex, gambling, and other such sins. Never mind. He prospered, and so did the Klan. He hired professional salesmen to help him bring in new members. He sold Klan memberships for anywhere from ten to twenty-five dollars, out of which he always kept at least four. He entered into an arrangement whereby Klan robes and other regalia were manufactured for him at a cost of \$1.75 per set and which he then sold for six dollars, pocketing the difference. In one eighteen-month period his take totalled at least two million dollars. He worked closely with the Anti-Saloon League, managing

to keep a respectable face on his activities. But he became drunk with his wealth and the attendant power. He revitalized the Horse Thief Detective Association - a legally legitimate organization that traced its roots to an old statute which enabled local communities to deputize citizens into vigilante groups - and he made it the enforcement arm of the Klan. He bought and controlled interests in various enterprises, including a coal and gravel business and a tailoring company. And, as you will see, he also bought and controlled politicians.

He knew all the tricks. He was an ingenious mass psychologist. On his desk in his eight-room office suite he kept a bust of Napoleon, close to which sat a bank of eight telephones. One was a fake direct line to the President's office. When entertaining a mayor or other political worthy, he would often arrange to have his secretary buzz him, with the message that the President was calling, whereupon he would pick up the blank phone and commence to carry on an entirely phoney and unilateral conversation with Calvin Coolidge. He let it be known that he himself wanted to be President someday, and who was to say that this was an unreasonable ambition for one who had ascended so far and so fast to a position of such great power? Thus, no one laughed when he told the gathered throng at Kokomo that he was late because the President had detained him in lengthy conversation.

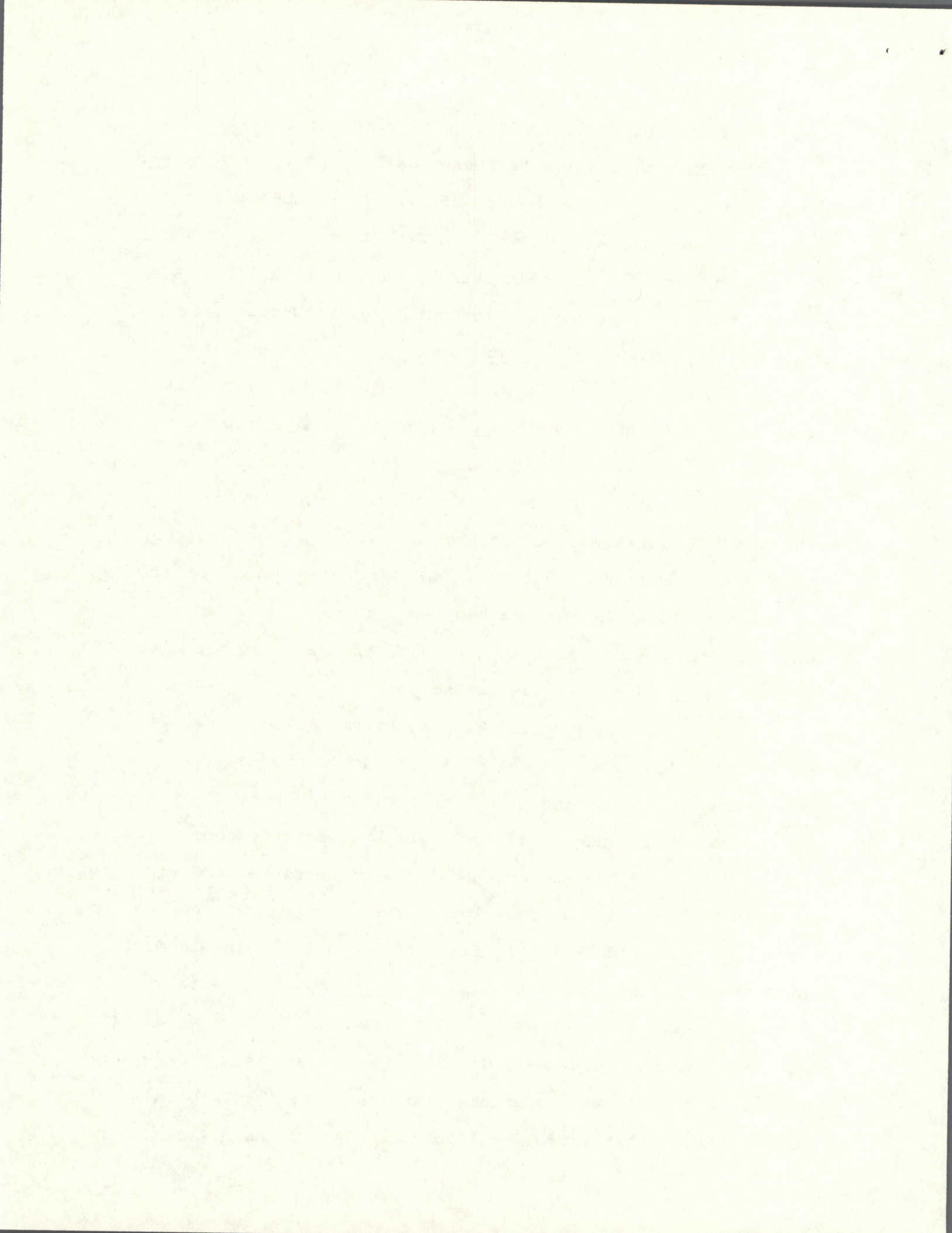
And yet, in spite of his grand manner and spellbinding rhetoric, he always knew where the base of his power lay - with the lodge brothers of those small Indiana towns. He was completely attuned to the possibilities that lay in their boredom, their



prejudices and bigotry, their love of ritual and mysticism. It was in fact impressive to these most impressionable of men when a Klan parade of thousands of silent, white-hooded men marched in awesome array down Main Street, pointedly passing the black ghetto or the Catholic church, out to the hillside where, for all to see, they put the torch to a giant wooden cross. This was high drama; this meant something. This made such men want to belong. And so it was that Indiana won the prize when it came to Klan membership - a half million strong.

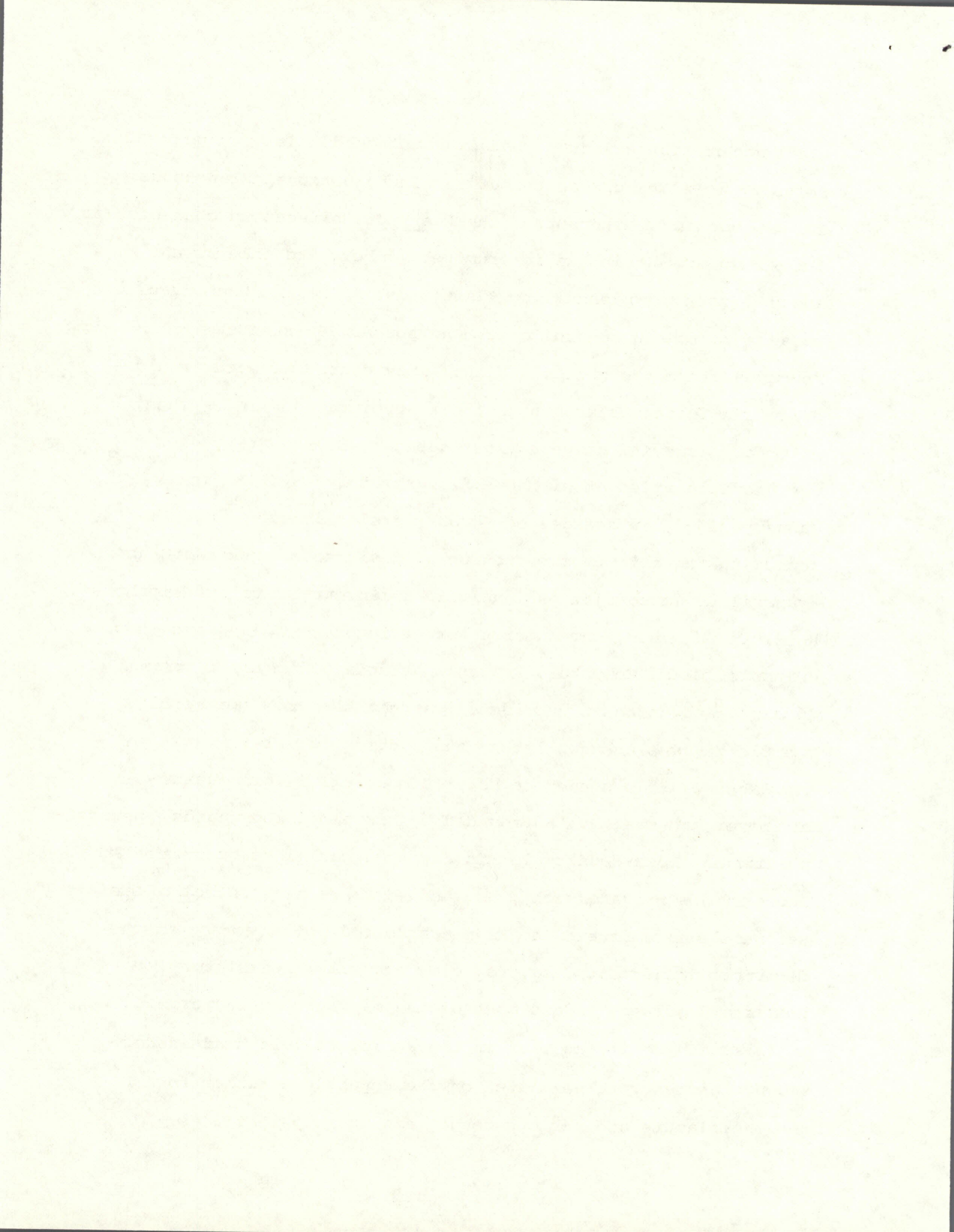
And so it was too that the political machinery fell into the clutches of the Klan or, more to the point, into the control of the Grand Dragon himself, Stephenson. The truth is, of course, that he cared not one whit for Klan principles or all of its revered ritual. The Klan to him was a means to a personal end, one that happened to be most handy and effective at the time. He began to say, "I am the law in Indiana."

Meanwhile, the Imperial Wizard, Hiram Wesley Evans, was growing restless and jealous of Stephenson's growing power and influence, and after Stephenson's coronation at Kokomo their alliance, never very strong, began to come unstuck. Both men were of the same cloth - bent on absolute, undivided power, utterly ruthless and unscrupulous. The friction between the two soon began to produce little fires here and there in Klandom. Stephenson for awhile controlled the Fiery Cross, a weekly Northern Klan newspaper with a wide circulation, and he used it to take potshots at Evans and his Southern cohorts. Stephenson devised a plan to take over the financially ailing Valparaiso University, with the idea that it would become the official



college for Klan children, but Evans blocked this move by refusing to allow the contribution of any national Klan funds for the venture. Thereupon, the Fiery Cross began to characterize the Southern Klansmen as ignoramuses, rebels and thieves and accused Evans of mishandling Klan funds. Finally, when Evans managed to regain control of the newspaper, Stephenson "seceded" from the national Klan. Providence, he said, would guide the Indiana Klansmen to their appointed destiny. Then, after a whispering campaign instigated by Evans, Stephenson was secretly tried in his home Klavern at Evansville, in January, 1924, on charges of "gross derelictions," including the attempted seduction of a virtuous young woman of Evansville, improprieties involving a manicurist at the Deshler Hotel in Columbus, and numerous other immoralities committed in Columbus, Ohio, Columbus, Indiana, Atlanta, Georgia, in trains, in cars, and on boats. Evidence was not hard to come by. The Old Man was a known lecher and a drunk as well.

None of this seemed to deter him at all in his quest for power and wealth. Surrounded by his hired bodyguards, and moving cross-country in his fleet of Cadillacs or on the Great Lakes in his private yacht, he managed to retain control of his now far-flung empire. The Klan controlled police and sheriffs' departments, mayors, city councils, legislators, judges and juries, indeed most of the machinery of government in Indiana. So it was that in the spring of 1924 hundreds of known Klansmen were nominated on the Republican ticket for the legislature and various county and municipal offices.



Many others who were not openly members of the Klan nevertheless owed their nominations to Klan support. One of these was Ed Jackson, a close friend of the old Man. Stephenson boasted that he had spent \$120,000 getting Jackson nominated and finally elected to the governorship. In fact, the Republicans and the Klan swept the state that fall, and Stephenson rightfully took credit for the grand victory. He could then truly boast: "I am the law in Indiana."

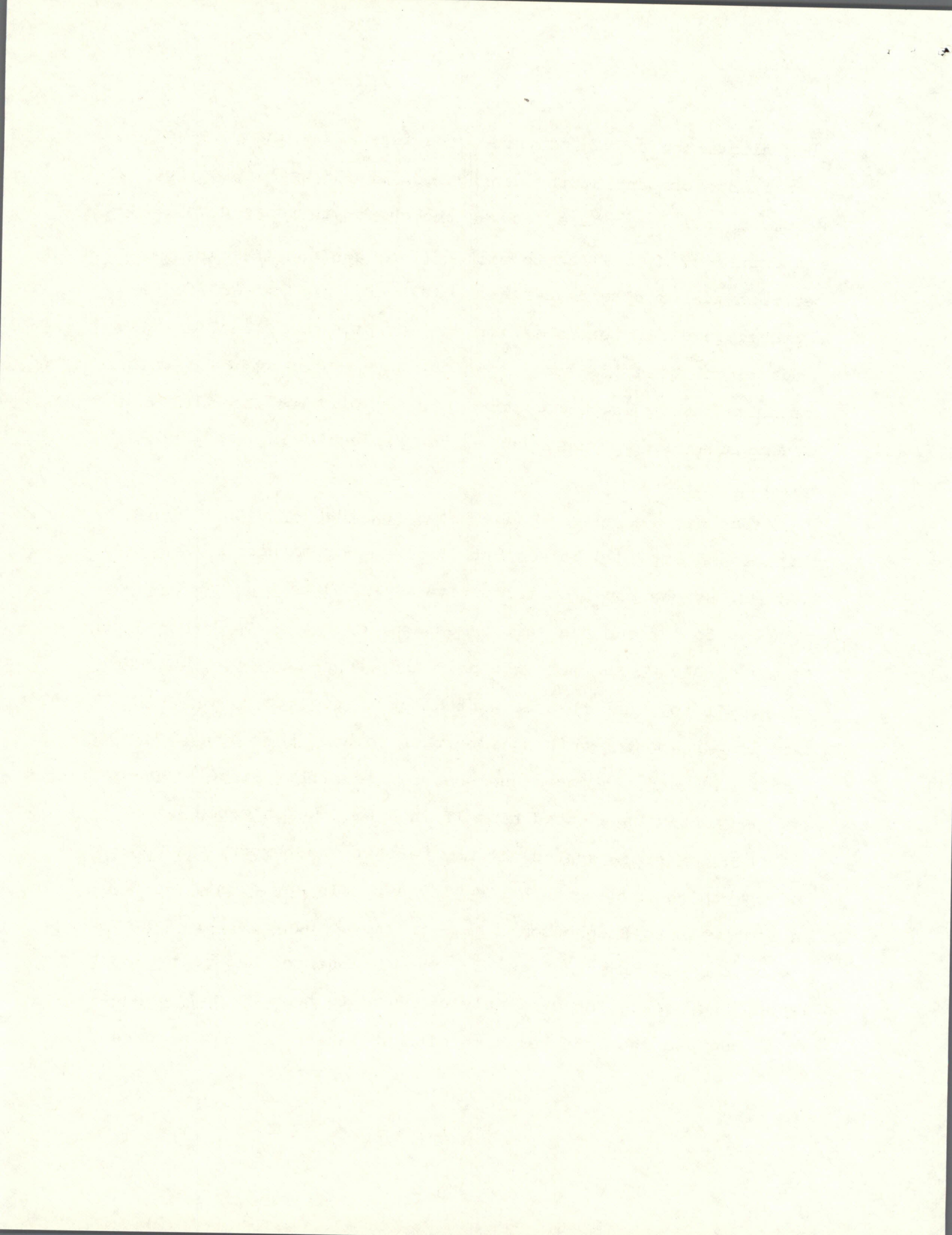
Well, not quite.

On January 12, 1925, the Grand Dragon of the Realm of Indiana, then thirty-three, met Madge Oberholtzer, twenty-eight. The occasion was Ed Jackson's inaugural ball at the Athletic Club in downtown Indianapolis. Although they were practically neighbors - she lived with her mother and father in a rambling house two or three blocks east of Stephenson's "palatial mansion" on University Avenue in fashionable Irvington - they apparently had not met before. Stephenson appears to have been smitten. Not beautiful, but sometimes described as "pretty," Madge was five feet, four inches tall and weighed about 140 pounds - pleasingly buxom. A nice girl, they said. She had attended Butler College, taught in a country school and worked as a secretary before she finally settled into a job in the Statehouse in the Department of Public Instruction as manager of the Young Peoples' Reading Circle.

Madge and the Grand Dragon danced together several times

that night, and on two or three occasions after that she was seen in his company at the dining room of the Washington Hotel. He would call for a date, as was the custom in those days, send his chauffeured Cadillac to pick her up, and see that she was returned to her home at a reasonable hour. She was, after all, a proper girl. On one occasion she accepted his invitation to a dinner party at his home at which there were a number of prominent guests, men and women. On all of these occasions, it appears that Stephenson acted as the perfect gentleman. Until March 15, 1925.

That was a Sunday. Madge had spent the day with some young friends and returned home about 10 p.m. Her mother told her that Mr. Stephenson had called several times that day asking to speak to her and had left a message for her to call him at Irvington 0492. She made the call and Stephenson answered the phone. He told her that he wanted her to come to his home right away; that it was about something important to her; that he was leaving for Chicago and had to see her before he left. Since Stephenson had previously interested himself in a bill which would have affected her state status, it may be that she thought that his call had something to do with her employment. In any event, she did in fact walk to Stephenson's home in the company of Earl Gentry, one of the Old Man's bodyguards, whom Stephenson had sent to escort her back. She evidently expected to be gone only a short while because she left her home without taking her hat or purse.



She did not return home that night, but her parents were not aware of this until the following morning, Monday the 16th, because they had gone to bed shortly after she left. However, about eight in the morning, Mrs. Oberholtzer received a telegram, signed "Madge," saying "We are driving through to Chicago. Will be home on night train." Mrs. Oberholtzer met the night train, but no Madge. That night she went with a friend and the family lawyer to Stephenson's home, but was told that neither Stephenson nor Madge was there. Late the next morning, Tuesday the 17th, a car drove into the Oberholtzer driveway and out got a man, later identified as Earl Klinck, another of Stephenson's bodyguards and a Marion County deputy sheriff. He opened the door and lifted Madge from the car. She was moaning and obviously in great distress. The only person in the home at the time was a Mrs. Eunice Schultz, a roomer, and she directed Klinck to take Madge to her bedroom. After leaving Madge on her bed, Klinck, who identified himself to Mrs. Schultz as Mr. Johnson of Kokomo, told her that Madge had been in an accident, that he was in a great hurry and had to leave.

The family doctor, John Kingsbury, was called, and upon examination he found that Madge was in a state of shock. Her clothing was in a disheveled state; her face was very pale; her body was cold and her pulse rapid. Her dress lay open in the front; there were bruised areas over her breasts, with two or

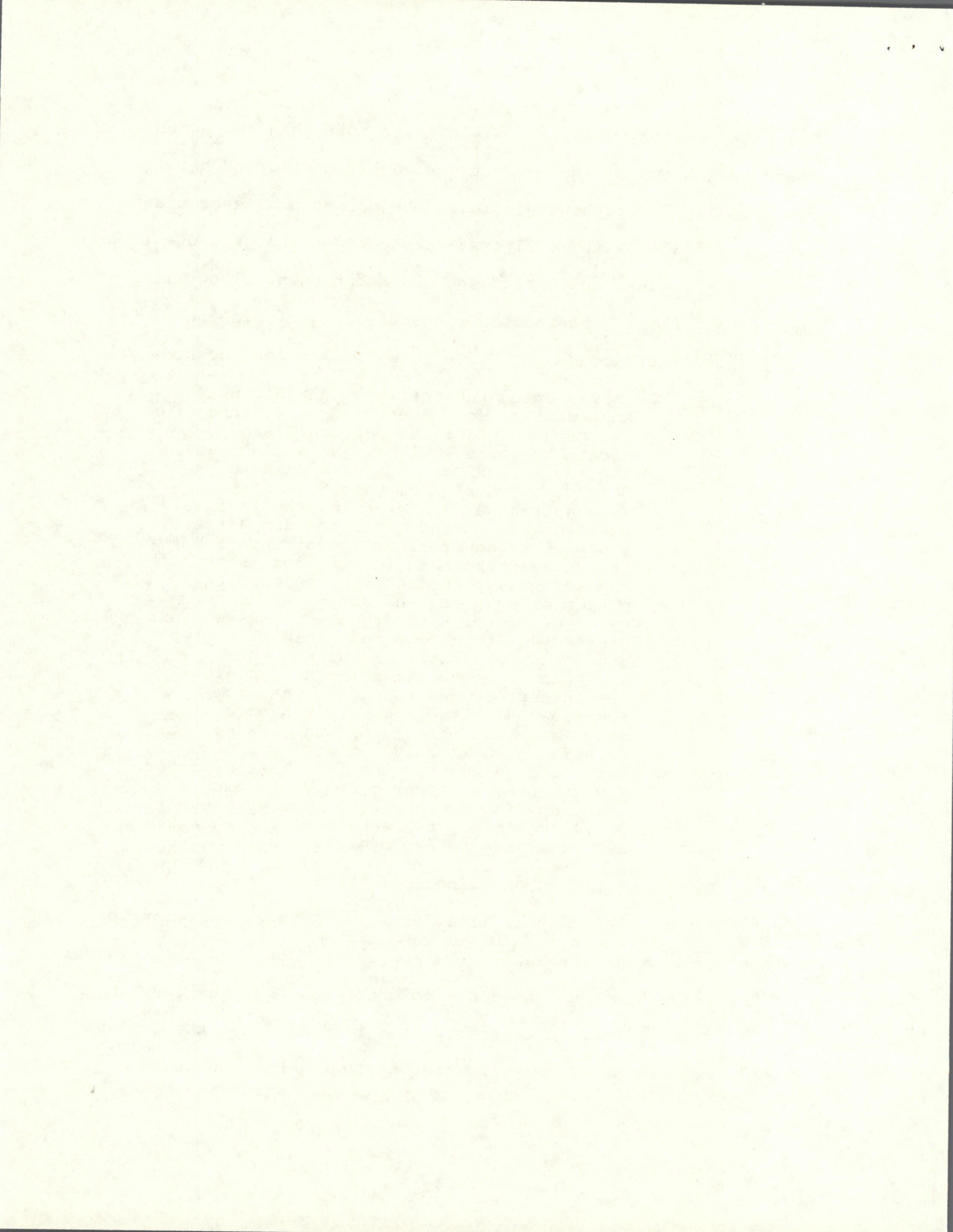
three lacerations that looked as if they had been made by teeth. She told Dr. Kingsbury that she was dying, and she then related a long and horrible story of what had happened to her since she had left home on Sunday night. Dr. Kingsbury then performed a more extensive examination and found that she was battered and bruised all over her body, on her legs and buttocks; that her vaginal tissues had been torn; and that there was evidence of severe kidney inflammation. He quickly arrived at the conclusion that she was in fact dying, that she could not recover. During the days following he continued to attend her at home. The family lawyer, Asa Smith, was called in. He listened to Madge's story and then reduced it to a type-written statement. And then, with Dr. Kingsbury, the lawyer and one of his associates, and a close friend standing by, the statement was read to her. She made several corrections and then signed it, slowly and painfully.

In it she told of how she had gone to Stephenson's home on that fateful Sunday night; that when she arrived she was immediately taken to the kitchen, where Stephenson, in an obviously drunken state, with Klinck and Gentry standing by, forced her to take three small glasses of a drink that she could not identify and that made her sick and dazed. Stephenson told her that he wanted her to go to Chicago with him. She said no, she wanted to go home. "I was very much terrified and did not know what to do." He said no, you cannot go home, you are

going to Chicago with me. "I love you more than any woman I have ever known." The men surrounded her and forced her to go upstairs to Stephenson's room. He opened a dresser drawer that was filled with revolvers. He took one and gave one to each of the other men. Then she and Stephenson, along with Gentry and Shorty, Stephenson's chauffeur, got into one of Stephenson's Cadillacs and drove to Union Station downtown.

"I was dazed and terrified and did not know what to do. Stephenson would not let me get out of the car and I was afraid he would kill me. He said he was the law in Indiana. He also said to Gentry, 'I think I am pretty smart to have gotten her.' We got on the train... they took me at once into the compartment. I cannot remember clearly everything that happened after that. Gentry got into the top berth...Stephenson took hold of the bottom of my dress and pulled it up over my head. I tried to fight but was weak and unsteady. Stephenson took hold of my two hands and held them. I had not the strength to move...Stephenson took all my clothes off and pushed me into the lower berth. After the train started, Stephenson got in with me and attacked me. He held me so I could not move. I did not know and do not remember all that happened. He chewed me all over my body, my neck and face, chewing my tongue, chewed my breasts until they bled, my back, my legs, my ankles and mutilated me all over my body."

The statement then goes on to tell of their arrival in Hammond, just short of the Illinois line (and, for Stephenson, short of prosecution under the Mann Act); how Stephenson held his revolver to her side; how she begged him to shoot her; how the three men helped her to dress, got her off the train and into the Indiana Hotel, a block or so away from the station; how she asked



Stephenson to wire her mother; how he, oblivious to her pain and distress, went to bed in one of the two rooms he had reserved; how Gentry bathed her wounds with witch hazel and hot towels to relieve her suffering; how later Stephenson told her he was sorry, that he was three degrees less than a brute; how she replied that he was worse than that; how Stephenson finally, upon her request, gave her fifteen dollars to buy a hat; how Shorty, who had driven up from Indianapolis, then took her to a nearby store to purchase the hat; how she then prevailed upon him to take her to a nearby drugstore on the pretext that she wanted to buy some rouge; and how, instead, she purchased a box of bichloride of mercury tablets.

"When I got back to the hotel with Shorty, I went up to the room. Gentry had a room next to Stephenson. His was No. 417. I said to Stephenson to let me go into No. 417 to lie down and rest. He said, 'Oh, you are not going there. You are going to lie right down here by me.' I waited awhile until I thought he was asleep, then I went into room 417. Gentry stayed in the room with Stephenson. There was no glass in room 417 so I got a glass in 416 and took the mercury tablets. I laid out eighteen of the bichloride of mercury tablets and at once took six of them. I only took six because they burnt me so. This was about 10 A.M. Monday, I think.

"Earlier in the morning I had taken Stephenson's revolver, and while Gentry was out sending the telegram I wanted to kill myself then in Stephenson's presence....Then I decided to try and get poison and take it in order to save my mother from disgrace. I knew it would take longer with the mercury tablets to kill me"

She then goes on to tell of how sick she became; how no one came to see her until late in the afternoon, when Shorty came in; how

she told him of taking the pills; how Stephenson, "very much excited," came into the room and made her drink a quart of milk; how he at first wanted to take her to a hospital and register her as his wife; how she refused and begged to be taken home; how he finally decided that they all should return to Indianapolis; she then pleaded to be left alone or taken to another hotel where she could register under her own name; how Stephenson finally snapped his fingers and commanded Shorty to pack the grips, and how they started out on the long motor trip back to Indianapolis.

"I don't know much about what happened after that. My mind was in a daze. I was in terrible agony. Shorty checked out for all of us, and they put me in the back seat of the machine with Stephenson. We then started for home in the automobile. After we got a piece Stephenson said to Shorty to take the auto license plates off the car, which he did, and Stephenson said to him to say if questioned that we had parked in the last town we had passed through and the auto plates had been stolen. All the way back to Indianapolis I suffered great pain and agony and screamed for a doctor. I said I wanted a hypodermic to ease the pain, but they refused to stop. I begged and said to Stephenson to leave me along the road someplace, that someone would stop and take care of me if he wouldn't. I said to him that I felt he was more cruel to me than he had been the night before. He said he would stop at the next town before we got there but never did. Just before reaching a town he would say to Shorty, 'Drive fast but don't get pinched.'

"I vomited in the car all over the back seat and grips. Stephenson did not try to make me comfortable in any way. He said he thought I was dying, and at one time said to Gentry, 'This takes guts, Gentry. She is dying.' I heard him say also that he had been in a worse mess than this before and got out of it. Stephenson and Gentry drank liquor during the entire trip. I remember Stephenson saying that he had power and saying that he had made \$250,000. He said

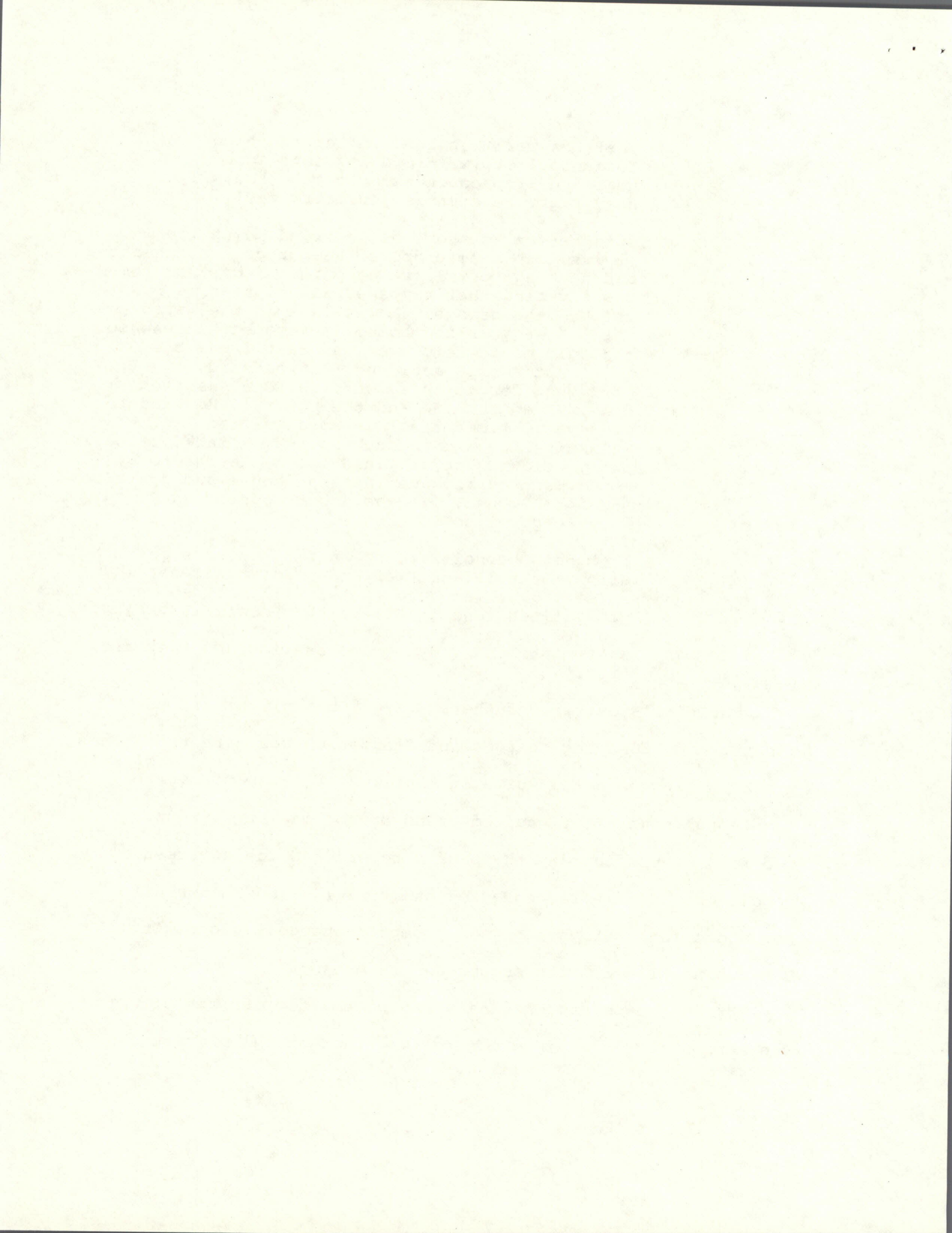
that his word was law. After reaching Indianapolis...we drove straight to his home and Stephenson said to me, 'You will stay right here until you marry me.'

"Stephenson, or someone, carried me up the stairs into a loft above the garage. Stephenson did nothing to relieve my pain. I do not remember anything that happened all night after we reached the garage. I was left in the garage until I was carried home...I remember Stephenson had told me to tell everyone that I had been in an automobile accident, and he said, 'You must forget this, what is done has been done. I am the law and the power.' He said to me several times that his word was the law. I was suffering and in such agony...Klinck...finally put my clothes on me...and drove the car to my home...and carried me into the house and upstairs and into my bed. It was about noon Tuesday when we got into the house.

I, Madge Oberholtzer, am in full possession of all my mental faculties and understand what I am saying...I am sure that I will not recover from this illness and I believe that death is very near to me, and I have made all of the foregoing statements as my dying declaration and they are true."

The girl's outraged father, George Oberholtzer, filed assault and kidnaping charges and Stephenson was arrested at his plush Washington Hotel suite on April 2. It was of course front-page news. The vaunted Grand Dragon may at last have gone too far. Day after day the papers reported Madge's worsening condition, and finally she died on April 14 - one month after her abduction. Stephenson was promptly charged, along with Gentry and Klinck, with second-degree murder.

By fortunate happenstance, one of the few offices of which Stephenson had not gained control was that of the prosecuting



attorney. The prosecutor, William Remy, proved to be fearless and honest. He was assisted in the case by Charles E. Cox, a former Indiana Supreme Court justice hired by the Oberholtzer family. Stephenson's lead defense attorney was "Eph" Inman, the foremost criminal lawyer in Indianapolis. After much preliminary maneuvering, the case was moved from Indianapolis to nearby Noblesville for trial. It took eleven days simply to select the jury, and the trial made sensational news, not only in Indiana but all across the United States.

When I originally set out to do this paper I had it in mind that I would structure it around the trial itself: devote forty minutes or so to the dramatics and legal complexities offered by this most unusual of cases. It is in fact worthy of a paper, but, as you now see, I became so preoccupied with the sordid history of the Klan, and the hold that it managed to seize upon otherwise reasonable men's minds, and with D.C. Stephenson's role in all of it, that my original thrust became detoured, and so I will not dwell upon the theatrics and drama of the trial itself. The points to be made here, in order to keep the fabric of this tale whole, are these:

First: Madge's dying declaration was admitted into evidence, and other witnesses corroborated her story.

Second: Medical evidence was strong that she died from an infection caused or aggravated by the bites on her breasts.

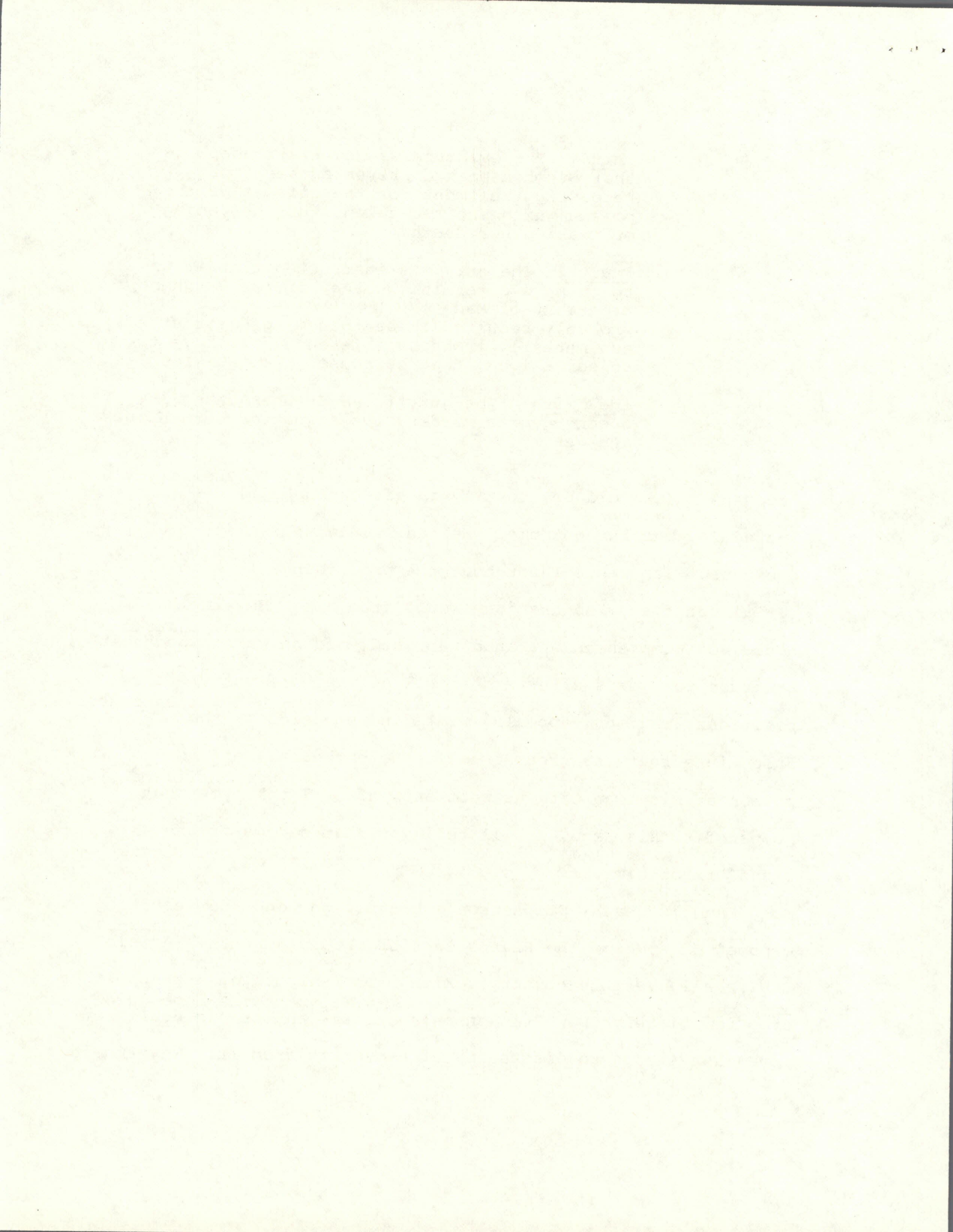
Third: The evidence was even stronger that Stephenson had prevented her from receiving treatment for the effects of the poison which she had taken, thus hastening or causing her death.

Fourth: The jury was instructed that it was up to them to determine whether or not Stephenson's treatment of Madge would have naturally and probably resulted in her becoming distracted and mentally irresponsible enough to have taken poison - i.e., that he caused her "suicide."

And Fifth: The jury found Stephenson guilty of second-degree murder, but acquitted both Klinck and Gentry.

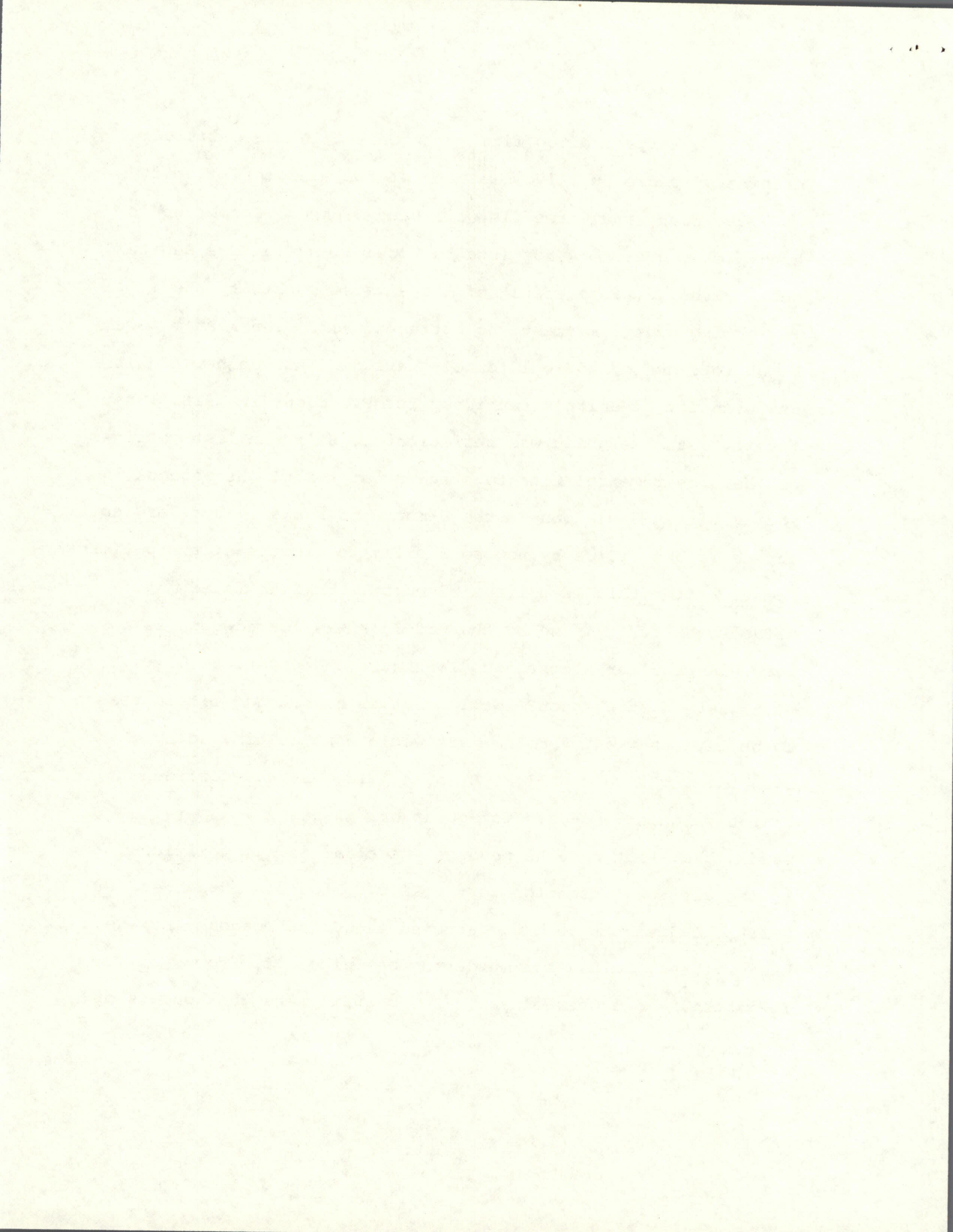
Stephenson (who did not testify in his own behalf) was incredulous at the outcome. He had maintained an air of cocky self-assurance throughout the proceedings. He felt certain that any Indiana jury would free him. He simply could not comprehend what had happened, and he maintained this attitude for years afterward in all of the more than forty petitions, motions, appeals, writs and proceedings that he filed in efforts to free himself. Nevertheless, off to prison at Michigan City he went and, after I tell you what happened to his Klan, I will tell you what became of the Grand Dragon himself.

Madge's death, Stephenson's conviction, and the resulting expose' of some of the Klan's tactics, badly hurt the Invisible Empire all over the country. Klan membership began a precipitous drop immediately upon Stephenson's arrest, and people could not move fast enough to disassociate themselves from it. Nevertheless,



it was too large and too firmly entrenched in the political machinery to die quickly. In many of the municipal elections of 1925, Klan candidates did well; and Jackson, Stephenson's hand-picked governor, appointed a known Klansman to a Senate seat. Even so, as a result of the adverse publicity and infighting of the meanest and bitterest kind, the Klan's power began to crumble and would surely have died altogether had it not been for Al Smith's candidacy for President in 1928. That threat to the Republic was sufficient to stir the last vestiges of the once powerful Klan to stage great torchlight parades, incite bitter divisions in the Democratic ranks, and otherwise engage in activities by now so familiar to viewers of the political scene. After this last frenzied burst, the Klan faded into relative obscurity, and by the mid-30's was looked upon as a weak and peculiar anachronism, pathetic and powerless.

What of Stephenson? Well, just as he had had little reason to believe that any Indiana jury would convict him, so now, even sitting in his cell at Michigan City, he was confident that his bought-and-paid-for-governor, Ed Jackson, would pardon him. But now the message was clear to all politicians in the citizens' reaction to the Klan. It would have been political disaster to have pardoned the Grand Dragon - he who had violated, maimed and murdered that nice girl from Irvington, Madge Oberholtzer. To no avail were the appeals of

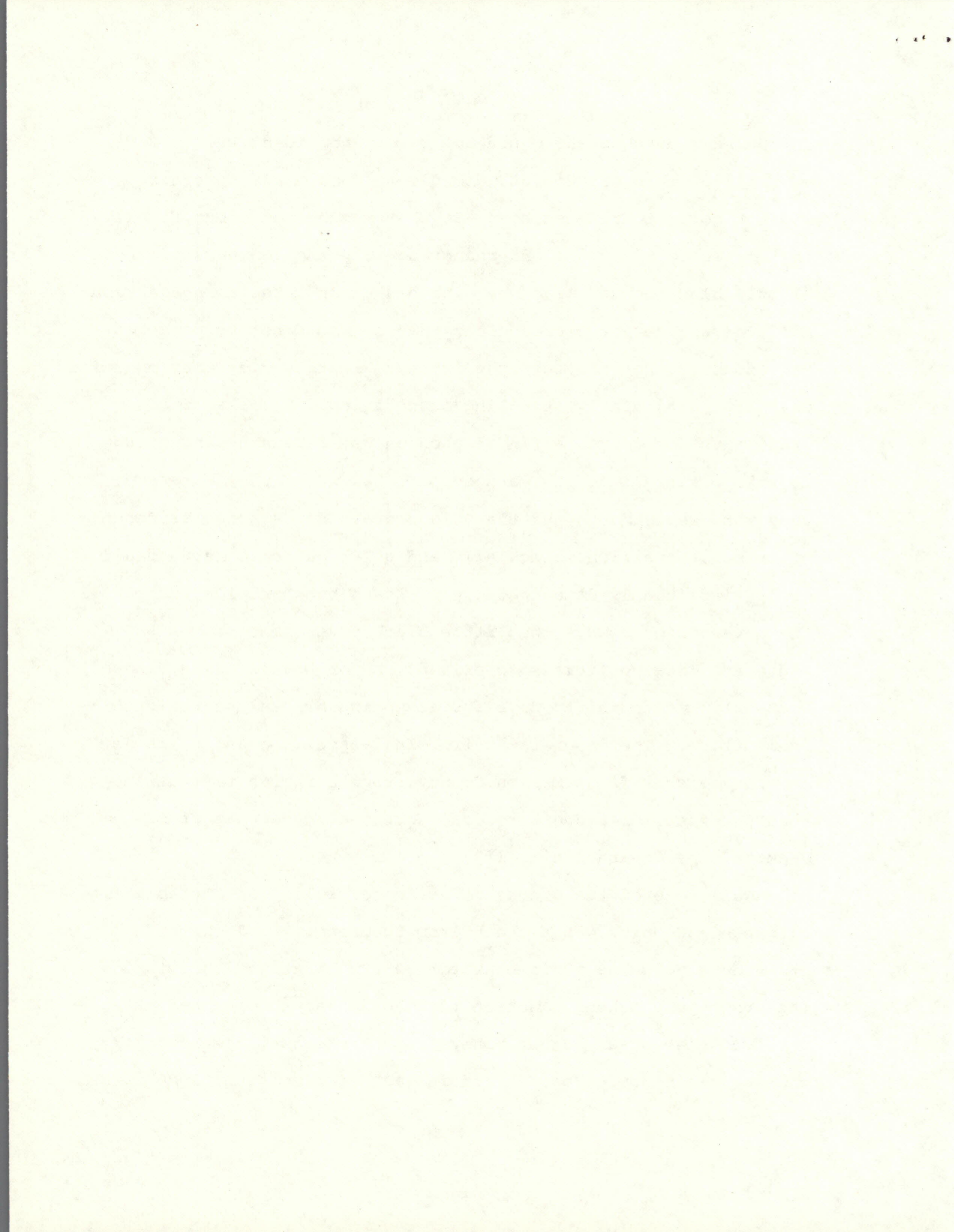


Stephenson and his cronies that he had been framed; that his enemies in the Klan had done just what he had often said they would try to do - "Hang a woman around my neck." Madge's entire story, they said, was a fabrication. What possibly could have possessed Stephenson, clearly the most powerful and influential figure in Indiana, to have behaved so stupidly? No amount of alcohol could have brought him to sacrifice everything that he had worked so hard for. They subtly and not so subtly attacked Madge's character. What lady, they asked, would have answered a gentleman's message at ten o'clock on a Sunday night and then gone to his home escorted only by his henchman? Besides, the "dying declaration" is no writing at all. You can see for yourself that the signature was written very slowly, and by a woman who was propped up in bed after the administration of large doses of pain-killers. The "signature" is merely a series of strokes, in short sequences. Look at the letter "M." Its loop was obviously made from right-to-left rather than in the normal fashion. As to Stephenson's failure to take the stand, that was because, he and his friends said, he had been told that, if he did, he and his attorneys would be shot - presumably by his enemies in the Klan. And finally, the Old Man maintained that, while in fact he had been at the Indiana Hotel in Hammond on Monday, March 16, he had been in the company of a Mrs. X, who was the wife of a prominent state official, and

in the name of honor he would not reveal her identity.

All of this, of course, did him no good. His governor was not going to release him. So what was he to do but finally to release to the press and the grand jury the contents of those "little black boxes" with which he had begun threatening Jackson and others after it became clear that he would not be pardoned? Many doubted that they existed or that, if they did, they contained anything particularly startling or damaging. Well, as the grand jury found out, after Stephenson was released long enough to take officials to the safe deposit box where they were kept, they were real enough and they did contain devastating evidence of bribes, extortion, blackmail, and political chicanery of all kinds, irrefutably damaging to politicians high and low, from the Governor on down. The little black boxes sent scores of state and local officials to prison. Mayor Duvall of Indianapolis was sentenced to thirty days for accepting bribes and resigned from office. The congressman from Indianapolis ended up in jail, as did the sheriff of Marion County, together with various and sundry councilmen and other local worthies. And what of Ed Jackson, the Governor himself?

Well, one of the pieces of evidence yielded up by the little black boxes was a check from Stephenson to Jackson, drawn on a Columbus, Ohio bank for \$2500. What was that for? the grand jury asked. Jackson first answered that he had never received that or any other money from Stephenson, then abruptly changed his story. Yes, he had in fact received the \$2500 from



Stephenson. It represented payment for a horse that Stephenson had purchase from Jackson. The horse was named Senator. Where was Senator? Why, Senator had choked on a corncob and died, and was therefore not available to testify. The citizens, although no doubt entertained by all of this, nevertheless raised a great outcry and demanded that the Governor resign, but, escaping prosecution because of the running of the statute of limitations, he brazened it out and remained in office until his term expired.

Whereas a less public figure, involved in a less notorious case, probably would have been pardoned or paroled after perhaps ten or fifteen years in prison, Stephenson simply remained too hot for any governor to risk the fury that might descend upon his head if he were to free the man who had killed Madge Oberholtzer. By 1950, however, memories had faded, and many of the old actors were gone, so Governor Schricker paroled Stephenson on the condition that he take the printing job waiting for him at Carbondale, Illinois, stay there, and never return to Indiana. A short time later, however, he surfaced in Minneapolis where he was working as a linotype operator. His parole was revoked, and after some more legal skirmishing he was returned to the prison at Michigan City. He was finally given a permanent discharge on Christmas Eve, 1956, on the condition, once again, that he leave Indiana and not return. With his usual defiant arrogance he nevertheless settled in Seymour, Indiana where, in 1958, he married the widow of one of his old Klan cronies. He separated from her in 1962, but

in the meantime he surfaced in Independence, Missouri in November, 1961, where he was found guilty of assault on a sixteen-year-old girl, fined and told never to return to Missouri. He vanished from public view after 1962 and his whereabouts remained a mystery until the fall of 1978, when his grave was discovered in the Veterans Administration cemetery in Jonesboro, Tennessee. It seems that, after his separation from the Seymour widow, he went to the VA hospital in Jonesboro to be treated for some undisclosed malady. After his release from the hospital he went to work as a writer and printer for the Jonesboro newspaper. He later married still another widow, apparently without having first been divorced from the one in Seymour, and spent the last two years of his life selling type-cleaning machines. Thus ended the life of the Exalted Grand Dragon of the Realm of Indiana, the man who at one time boasted, "I am the law in Indiana."

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