

Governor Walter Stubbs to President William H. Taft

Kansas Governor Walter Stubbs drafts a letter to U. S. President William H. Taft regarding the collection of federal tax revenues from purveyors of illegal liquor in Kansas. This draft was in response to a letter by R. L. Cabell, Commissioner of Internal Revenue, U. S. Treasury Department, dated January 6, 1910. Kansas first adopted a constitutional amendment on prohibition in 1881 and by 1909 had outlawed the sale of liquor for medicinal purposes. At this time, Governor Stubbs was particularly frustrated by the federal government's refusal to prosecute Kansas bootleggers from whom it was collecting taxes on liquor sales.

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Governor Walter Stubbs to President William H. Taft

Not sent

January 18th., 1910.

To the President:

I am in receipt of a letter from Mr. R.N.Cabell, commissioner of the treasury department, under date of January 8, 1910, in reply to my two telegrams of December 23rd addressed to you. In my telegrams I referred to the fact that about eighty internal revenue stamps had been issued to parties in the City of Leavenworth for the fiscal year commencing July 1, 1909, and ending June 30, 1910, which have not been posted according to the Federal law. Mr. Cabell says in his letter:

"These particular eighty stamps were not in any instance issued to allow sales in violation of State law or to confer upon the holder thereof any license whatever as to the sale of intoxicating liquor; but they were issued merely as receipts for taxes due for sales that had already been made in violation of federal law, and not as licenses to permit future sales".

I understand the law to be that any person who desires to sell intoxicating liquor in the future must make an application and pay the license therefor; and when he pays the license he gets a receipt for the payment of the money, which receipt specifies the time for which the license tax has been paid; and when paid at the beginning of any year, it entitles the holder to sell liquors without interference from the federal government for the period of time mentioned in the stamp, to-wit: to the end of the fiscal year, at the place mentioned in the stamp. It is not correct, as Stated by Mr. Cabell in his letter, that these stamps were not issued for the purpose of authorizing future sales.

I have before me a copy of the internal revenue record Number 10 showing a list of license tax-payers for the City of Leavenworth for the fiscal year of 1909-1910 with eighty-one names thereon. Most of the payments therefor were made, and the names entered on the record in the months of October and November, 1909, although a large portion of

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them date back to July. But in every instance the holder of the stamp or receipt has paid the amount due from the time he commenced business to the end of the fiscal year, which is June 30, 1910. Those commencing business in July paid the full amount, \$25; those commencing business in August paid \$23.92; those who commenced business in September paid \$18.75, and those who commenced business in November paid \$18.67. Practically all of these names were entered on the list in the month of November, 1909, and many of the parties had been selling liquor from the first day of July, 1909, up to that time, and many of them had their applications on file in the collector's office. Thirty-three of the eighty-one names shown on this list have no definite location stated on the record. For instance, Jack Daly and Jim King made application in the month of August for a license stamp to sell liquors, and the location is described in record 10 as: "En route Leavenworth to Des Moines, Iowa." This stamp was paid for on November 19, 1909, and is number 19,234. This application was made for the purpose of selling intoxicating liquors to the soldiers on their march from Fort Leavenworth to Des Moines to attend the maneuvers, but was not used for such purpose for the reason that the commander at Fort Leavenworth refused to allow these parties to accompany the troops. These parties have since been arrested by the local authorities, charged with selling intoxicating liquors in a building at the south-west corner of Third and Delaware streets in the City of Leavenworth. Practically all of these persons were prosecuted by the state authorities and put out of business prior to the time their names appeared on the revenue record #10.

① The law requires a definite place to be stated in the application. This record shows thirty-three indefinite locations, some of which are as follows:

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"E.S.State road and Soldiers' Home."
 "La Carl place, R.F.D.No 5."
 "Near Academy, west R.f.d. No 6."
 "N.Side Cherokee between 3rd and 4th"
 "Next to electric depot on pike"
 "So.4th."
 "Stink Creek"
 "Riverside near 4th and S.Fe"
 "Five miles south-east of Dafer, Kansas."
 "West of Academy, R.R.No 6"
 "Near Riverside mine."
 "His stone, Salt Creek Valley."

Forty-eight of these licenses are listed at definite numbers and a few others are listed at a definite street corner. None of the stamps, unless it be in a half-dozen drug-stores, have been posted as required by the federal law.

The federal authorities appear to pay no attention to any of the federal statutes regulating the issuance of license tax receipts, except to collect the money and the issuing of the receipts. Collector J.M.Simpson informs me that he has notified the United States District Attorney of over 370 violations of the law, as stated in my telegrams, no prosecutions have been had thereon. If the federal laws were strictly enforced by the federal authorities in Kansas every boot-legger in the state would be put out of business. One license stamp was issued to a boot-legger in Arkansas City, Kansas, and the description of the license reads: "North from Arkansas River on Summitt Street", which apparently authorizes this boot-legger to roam the streets wherever he will selling to whomever he can induce to buy.

The law says the stamp shall be posted in a definite place in the place of business, and as I read the statute, a license tax receipt should not be issued to persons who have no definite place of business, but if it is ascertained that these men violated the federal law by selling intoxicating liquor without a stamp, they should be prosecuted by the federal authorities for such violations and be punished therefor; and my purpose in communicating these facts to you is for the purpose of insisting that the

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federal laws may be enforced by the federal authorities in this state.

Mr. Cabell in his letter suggests:

"If a boot-legger who is detected and reported by a revenue officer comes forward and pays the tax, he may give any fictitious name or any fictitious place of business; and it may readily be seen that his statements as to these facts would be wholly unreliable and valueless to the state officers in attempting to enforce the law."

I presume that when the revenue officer reports the boot-legger that he usually reports his name and location. At least I am unable to see how he could report him otherwise, and from what I know of the efficiency of the revenue officers in looking up these men I feel sure in the great majority of cases they report the right name. As a matter of fact in actual practice the revenue officer goes out and finds the boot-legger and compels him to pay the money at once and the revenue officer takes the money to the office and his stamp is issued. However, should a boot-legger by any possible chance, however improbable, voluntarily ~~go~~ to the revenue office to pay his license it would be a comparatively easy matter for the revenue officers to ascertain his true name and location, and the attempt to give a fictitious name and fictitious ~~xxxxxxx~~ place of business would be a *circumstance* which would materially assist the revenue officers to secure his conviction.

Mr. Cabell suggests that I take this matter up with the United State District Attorney for Kansas. Not being an officer of the state, the United States District Attorney for Kansas would be under no duty to give me any reason why he did not bring prosecutions under the federal law. But I apprehend that if his attention was called thereto by the President of the United States and his Attorney General, some prosecutions would result, and that great good would accrue to the state of Kansas in the enforcement of the federal law.

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Boot-leggers and jointists pay no attention to the federal law, because they know that if they are caught by the federal authorities all that it is necessary for them to do is to pay the tax to cover the period from the time they commenced selling liquor to the end of the fiscal year, and that no prosecution will result from their violation of the law.

I have heretofore called your attention to the fact that many boot-leggers, after taking out the stamp, pay no attention to the location described therein, and peddle their wares where~~xxx~~ ever a purchaser can be found. Under the federal law every sale made away from the place of business described in the stamp is a separate and distinct violation of the federal law, and such boot-leggers should be prosecuted therefor. That I take it was the reason for the federal statute which requires a definite place to be specified in the license and revenue stamp.

The state and county officers of this state, whose duty it is to enforce the prohibitory liquor law and other laws of the state, are putting forth every effort to enforce the state laws, and if the federal authorities will enforce the federal laws to the letter, the boot-legger and itinerant jointist, who now constitute the principal violators in the state, will be caught beneath the uppen and nether mill-stones of the Federal and State laws and will become a scarce article in Kansas.

I again respectfully call you attention to this question with the hope that the federal revenue laws will be enforced in this state.

Hon. William H. Taft,
President of the United States,
Washington, D.C.