

Governor Harry H. Woodring, Correspondence Files, Box 17

Section 10, Pages 271 - 300

These folders contain correspondence subject files with Governor Harry Woodring. Some subjects included are coal, Cowley County State Lake, drought relief, economic conditions, and extraditions.

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Governor Harry H. Woodring, Correspondence Files, Box 17

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The Review of Reviews

December, 1930

Suppose you were interested in the stock of the X Y Z Corporation, that you knew something about its intrinsic worth, that you believed the price at which it happened to be quoted on the market was too high, and that you desired, therefore, to sell a given quantity of it with the idea of buying it back whenever the market price declined. Your motive, of course, would be to realize the profit measured by the difference between the higher price at which you sold and the lower price at which you were subsequently able to buy, assuming that your judgment turned out to be correct.

Despite the fact that you did not own any of the stock, your broker, upon the deposit of a stipulated margin in cash or other securities, as his protection against a possible error in your judgment, which would be shown if the market should persistently advance, would contract to make the sale for your account. He would then proceed to find some other broker from whom to borrow the required number of shares to enable him to make delivery to the buyer and receive full payment on the following business day, giving to the lender in cash, as security for the loan, the market value of the borrowed stock. Finally, when the opportunity came for your repurchase to be made at a satisfactory profit, your broker would buy for your account, return the borrowed stock to the lender, receive his cash collateral and thus close the transaction.

Stripped of its incidental details, such as those involving the payment of commissions for selling and for buying, and the adjustment of interest between the borrower and the lender of the stock, that is the technique of the short-sale. It is apparent that it is the inverse of the long purchase, or the transaction by means of which one buys on margin a stock he believes to be quoted below its intrinsic worth with the idea of subsequently selling at a profit. It is, moreover, as its defenders point out, a kind of transaction that is common to practically every type of business. It is speculative, to be sure, but it is not, as Mr. Gerard asserts, "pure gambling"—at least not in the eyes of either the common or the existing statute law respecting both security and commodity transactions. Thus, in a decision of the Court of Appeals of New York, the court said:

"The law of this state as to the purchase and sale of stocks is well settled. The purchase of stocks through a broker, though the party ordering such purchase does not intend to hold the stocks as an investment, but expects the broker to carry them for him with the design on the part of the purchaser to sell again the stocks when their market value has enhanced is, however speculative, entirely legal. Equally so is a 'short-sale,' where the seller has not the stock he assumes to sell but borrows it and expects to replace it when the market value has declined. But to make such transactions legal, they must contemplate an actual purchase or an actual sale of stocks by the broker, or through him. If the intention is that the so-called broker shall pay his customer the difference between the market price at which the stocks were ordered purchased and that at which they were ordered sold, in case fluctuation is in favor of the customer, or that in case it is against the customer, the customer shall pay the broker that difference, no purchases or sales being made, the transaction is a wager and therefore illegal."

Nor does it appear to alter the case entirely to admit, as we may, that the rules of the exchanges are such as to facilitate mere technical compliance with the law and to place within the range of possibility the carrying on of such transactions as we have been describing as freely as pure wagering. If it be true, as all agree who

have studied the question scientifically, that legitimate speculation—the kind that is connected with regular business and carried on by people of means and experience—accomplishes a measurable amount of good, does not the problem become one of temperance rather than of prohibition?

Governor Hughes' Commission, to which reference has already been made, reporting in 1909 on speculation in securities and commodities, took that point of view. "The problem," said the Commission, "wherever speculation is strongly rooted, is to eliminate that which is wasteful and morally destructive, while retaining and allowing free play to that which is beneficial. The difficulty in the solution of the problem lies in the practical impossibility of distinguishing that which is virtually gambling from legitimate speculation. The most fruitful policy will be found in measures which will lessen speculation by persons not qualified to engage in it. In carrying out such a policy exchanges can accomplish more than legislatures."

To the extent, then, that the privilege of short-selling is abused, as it unquestionably is from time to time—to the extent that any part of the mechanism of the exchanges is misemployed for the purpose merely of camouflaging with legal traits transactions of reprehensible character—the practice is very much more than lacking in excuse. It is to be condemned on every count. There can be no argument about that. But what valid excuse can be urged for the short-sale?

We should find, if possible, some answer to this question possessing the merit of having been derived from careful, dispassionate consideration. And for it we turn again to the report of the Hughes Commission. It is embodied in the following paragraph:

"We have been strongly urged to advise the prohibition or limitation of short-sales, not only on the theory that it is wrong to agree to sell what one does not possess, but that such sales reduce the market price of the securities involved. We do not think that it is wrong to agree to sell something that one does not now possess, but expects to obtain later. Contracts and agreements to sell and deliver in the future property which one does not possess at the time of the contract are common in all kinds of business. The man who has 'sold short' must some day buy in order to return the stock which he has borrowed to make the short-sale. Short-sellers endeavor to select times when prices seem high in order to sell and times when prices seem low in order to buy, their action in both cases serving to lessen advances and diminish declines of price. In other words, short-selling tends to produce steadiness in prices, which is an advantage to the community. No other means of restraining unwarranted marking up and down of prices has been suggested to us."

LET THE QUESTION be answered by an economist of note. Professor Huebner of the University of Pennsylvania, writing some time ago in the *Annals of the American Academy of Political and Social Science* on the "Scope and Function of the Stock Market," said:

"Short-sellers do not determine prices. By selling they simply express judgment as to what prices will be in the future. If their judgment is wrong they will suffer the penalty of being obliged to go into the market and buy securities at higher prices. . . . If it were not for a group of short-sellers who resist an excessive inflation, it would be much easier than now to raise prices through the roof; and then when the inflation became apparent to all, the descent would be abrupt and likely

Governor Harry H. Woodring, Correspondence Files, Box 17

Short Selling: Shall It Be Curbed?

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unchecked until the basement was reached. . . . In reply, also, to the prevalent opinion that short-selling unduly depresses security values, it should be stated that short-sellers are frequently the most powerful support which the market possesses. . . . Short-selling is thus a beneficial factor in steadying prices and obviating extreme fluctuations."

There you have quite obviously what Mr. Gerard refers to more or less contemptuously as the "stock argument" of the advocates of short-selling—the so-called "cushion" argument. And when you come now to review the mortal remains of the colossal bull market which culminated last year after one of the wildest orgies of speculation "for the rise" the world has ever known, with the butcher, the baker and candlestick-maker largely forsaking their pursuits to join in the mad rush for easy fortunes in a market whose top it seemed might never be reached, you may well ask what that argument amounts to after all.

However, it is quite possible that one ought not to undertake to draw conclusions from such an abnormal situation as that market proved to be. Indeed, we may have in that situation and its aftermath one of those exceptions which are said frequently to prove the rule.

Bearing upon this point, Richard Whitney, president of the New York Stock Exchange, in a recent public address made some significant observations.

"The great increase in security values in 1928 and the early part of 1929," said Mr. Whitney, "discouraged short-selling to the point where there were very few persons sufficiently sure of their own judgment to risk selling securities short. This was one of the reasons for the severe decline in values which took place in October and November of last year. For months at a time, particularly in the early part of 1929, the newspapers reported that the short-sellers had been routed and forced to cover at disastrous losses. This was a popular attitude, for all investors naturally wish to see their securities appreciate in value. But as events have proved, it was really unfortunate, because it threw out of equilibrium the financial machinery and ultimately resulted in prices rising so high that nothing but a very sharp drop could bring things back to normal. Other forces, of course, were at work in the same period and I do not mean to imply that short-sales alone could have prevented the inflation of security prices last year. But I do firmly believe that if we had had more short-selling, security values would not have reached such excessive heights and the resulting crash in prices would have been less severe."

In this connection Mr. Whitney pointed out that in 1914, when war was declared, there happened to be a comparatively large short interest in the New York stock market; and that it was due to the buying of the short sellers in covering their open commitments that the New York Stock Exchange was able to absorb a vast amount of securities selling by Europeans and to keep open longer than any of the other great exchanges.

Referring to the comment that was current during the period immediately preceding November 12, 1929, which marked the height of the panic in the stock market, to the effect that the market was being depressed by short-sellers, and that particular issues had been forced down by bear raids, Mr. Whitney said:

"The Exchange called upon its members to answer a questionnaire stating in detail the extent of the short position as of the close of business on November 12th. The tabulation of the answers to this questionnaire indicated that the value of the short interest as compared to the market value of all stocks listed on the Exchange

was only one-eighth of one per cent. Although there were nearly thirteen hundred issues of stock listed on the Exchange, there were only thirty-three issues in which the short interest really amounted to anything."

As a matter of fact, what we saw in those panic days of 1929 was a perfect demonstration of an old speculative maxim that "a bull when filled with terror may be a more persistent and demoralizing seller than a bear."

THE GOVERNING AUTHORITIES of the principal exchanges will tell you emphatically that they hold no brief for those speculators or traders, whether they represent the bull or the bear side of the market, who from doubtful motive and through devious methods seek to make prices that are artificial and fictitious. Thus one article of the constitution of the New York Stock Exchange provides:

"Purchases or sales of securities or offers to purchase or sell securities, made for the purpose of upsetting the equilibrium of the market and bringing about a condition of demoralization, in which prices will not fairly reflect market values, are forbidden . . . and any member who makes or assists in making any such purchases or sales shall be deemed to be guilty of an act inconsistent with the just and equitable principles of trade."

It is, of course, no easy task to prevent abuses creeping into a market of such magnitude as that of the New York Stock Exchange, where as of a recent date there were listed for trading thirteen hundred and twelve stock issues aggregating 1,284,052,185 shares with a total market value of \$60,143,183,105. Nevertheless, it is not to be denied that the Exchange authorities are all the time making determined efforts to enforce compliance with proper standards.

Mr. Samuel Untermyer has long been known as one of the severest critics of the Exchange. He was counsel for the Pujo Congressional Committee which reported in 1913 that "there seems to be no greater reason for prohibiting speculation for the fall than for the rise." Mr. Untermyer has lately been quoted as saying:

"The recognition by the Exchange in late years of its great public influence, authority and responsibility as the greatest instrumentality of finance in the world, is evidenced by its increased vigilance over its membership for the public protection. Abuses still exist . . . but from the past experience and in the light of the Exchange's policy of 'enlightened selfishness' it is fairly to be expected that these abuses will be remedied in the course of time."

Organized speculation could scarcely be justified on any ground if it did not, taking it for all in all, make prices that were just and fair. It was, indeed, to accomplish that purpose that speculation became organized. Its underlying principle is that justice and fairness can be achieved only by giving all possible freedom in price-making; and it seems plain that freedom in this regard would be destroyed if the attempt were made to create a market that should be exclusively or primarily either for those who wish to buy or for those who wish to sell.

That is why, when the question is viewed in the light of normal times and under conditions less liable to distort perspective than the extraordinary conditions that have prevailed during the past year, the weight of sound opinion is that to acquire immunity from random abuse of a good principle through the prohibition of short-selling, with its resultant annihilation of the freedom of trade and at the expense of the ultimate destruction of the market itself, would be a bad bargain.

Governor Harry H. Woodring, Correspondence Files, Box 17

Kaiser
Wilhelm's
pupil?

From
Walther Jakob
(Berlin)



Anno IX — Mussolini



By CHARLES H. SHERRILL

MUSSOLINI HAS FOR MORE than eight years been prime minister and chief of the political government of Italy. That has (or ought to have) a special meaning for Americans, because it exceeds the period served by any of our Presidents. He has been in power longer than Washington, Lincoln, Grant, or Cleveland. Roosevelt was President seven years, five months and twenty days; Coolidge five years, seven months, and two days. Because we Americans regard eight years as ample time for a Chief Executive to develop his policies and win a place in history's Hall of Fame, the time is ripe for us to reach conclusions about the regenerator of modern Italy. What does he look like, and how is he installed?

The writer has a highly picturesque memory of the last time he saw him (October, 1930)—a chief of government, who in the royal Cabinet of Ministers holds the portfolio of the Interior, and yet had recently moved his office from the Ministry of Foreign Affairs at the Chigi Palace to the Sala del Mappamondo in the Palazzo Venezia. Here was a statesman selecting home affairs for his special attention, and yet working in a hall named for the whole world's atlas, and in a palace symbolizing Venice's glorious empire over the eastern Mediterranean. Domestic matters, and their world aspect! It caused one to think, and the thoughts were not only of a glorious past but also of wider future pos-

sibilities, all based upon orderly and disciplined development of home conditions.

The man himself is physically the same, perhaps even better than he of 1922 and 1923, when he had just come over the threshold of power. Yes, in 1930, the man of 47 was a better dwelling for his expanding personality than he of 39. It is not for nothing that he rides horseback every morning, and during the spring and summer months daily drives his motor down 25 kilometers to Ostia for a long swim in the sea. Intimates relate that he is prouder of his swimming prowess than his statesmanship. Certainly it is a healthier pride!

Then Italy, plus the world outside, waited to see which path he would choose. He had routed the reds throughout the land. Yes, but what next? He had destroyed that peril to the state, but would he prove a genius for construction as well as destruction? Many predicted he would emulate Napoleon, and strengthen his own land only to seize other lands. But the writer chose to believe that he would come to be properly classed with Bismarck, builder of a permanent German empire, rather than with Bonaparte, genius of temporary military triumph. What is left of all that Napoleon did and was? What but the Code Napoleon, embalming mediaeval restrictions upon women's rights!

All the world now knows that the Fascist hero did not set out on the road to Austerlitz that ended in

Governor Harry H. Woodring, Correspondence Files, Box 17

Salina, Kans. Daily Journal

BUTTER AND EGGS DOWN

Potatoes Also are Hit by Bearish Storage News

CHICAGO, April 27 (AP)—Continued bearish storage news which has affected future deliveries of butter, eggs and potatoes during the past week drove prices to new low records for this season of the year, on the Chicago mercantile exchange today.

Butter was off $\frac{1}{4}$ to $\frac{1}{2}$ cents, the June delivery dropping to 22 $\frac{1}{2}$ a pound and the November to 24 $\frac{1}{2}$.

Eggs were down $\frac{1}{2}$ to $\frac{3}{4}$ cents, closing at 20 $\frac{1}{2}$ cents a dozen for the November delivery.

Potatoes opened firm, but weakened, closing unchanged to 2 cents a 100 pounds down, October Idahos showing the full decline at \$1.52 as compared with \$1.54 Saturday.

Topeka-Daily Capital,
Dec 8th 1930

Grain Gambling and Grain Marketing.

In the hearings which Congress will have, whether in the present session or later, on the operation of grain exchanges the question at bottom is whether unrestricted gambling is necessary to the marketing of grain.

It has been shown that on many exchanges, such as Kansas City, Duluth and Minneapolis, legitimate hedging constitutes all the way from a quarter to one-half of all trading in futures, but on the Chicago market hedging constitutes but 5 per cent, and 95 per cent of trading in futures is not otherwise classifiable except as sheer gambling. The Chicago Board of Trade therefore stands out as one of the gigantic legalized gambling resorts of the world, in wheat alone to an extent of some 15 billion bushels in a year, or more than three times the aggregate wheat production of the globe.

It is of course the Chicago plea that "speculation" is necessary to make a market for grain, but whether it is necessary that 95 per cent of trading should constitute the speculative and only 5 per cent the actual market, including hedging in the 5 per cent, is a question that Congress will look into with more data and better understanding of the intricacies of grain marketing than at any former hearing on this subject. It is also pleaded that Chicago is the great grain market, but while this is a reason why a vastly greater volume of trading should occur on the Chicago board than on others, it does not explain why other grain markets have but 25 to 50 per cent of their transactions in the form of gambling, while Chicago has 95 per cent.

In an extended study of grain exchanges a miller and grain exporter, Bernard J. Rothwell of Boston, discusses the arguments for and against Chicago's plea for undisturbed gambling. On short selling of grain Mr. Rothwell denies that any economic benefits are derived from it. "The argument", he says, "that what is sold must be bought back is misleading, because enormous short sales carried on for a period during which the price steadily declines, can later be covered at a comparatively small advance from the point at which the short seller begins to cover. Meanwhile the price has been depressed on the entire stock of actual wheat, wherever held, whether by farmer, miller or distributor".

Like Chas. T. Peavey in his reminiscences of 50 years in the grain trade, Mr. Rothwell thinks that if grain tariffs are to be of any benefit to American growers, it is necessary to prohibit short selling and hedging of foreign grain on American exchanges.

Neither of these experienced dealers believes in abolishing futures trading, but both maintain that it can be limited to transactions in which actual grain is involved. Mr. Rothwell agrees with Mr. Peavey that "the most effective way to bring this about is by prohibiting selling short in our futures trading markets, unless such sales are based upon verifiable ownership within the United States of the actual commodity sold, or its equivalent product." Mr. Rothwell insists that "paper contracts covering speculative trading in futures should not be regarded as property in the sense that the actual commodity is."

These are some proposals that will receive the attention of Congress when hearings begin on the marketing of grain. Others are the abolishment of... which ar

May 13th, 1931

A Plain-Spoken Banker.

Except for President Hoover's address and perhaps even including it, the speech at the international convention of Chambers of Commerce at Washington that has stirred most attention was that of the Chicago banker, Melvin A. Traylor. Stock brokers bitterly assailed Mr. Traylor's remarks, bankers pretty generally think he "said something", and the public is convinced that he did.

Mr. Traylor's speech was directed to the stock market collapse and the deliberate refusal of banking and other leaders to forewarn the public of what was impending. It was not lack of knowledge, said the veteran Chicago banker. It was partly timidity, partly greed and partly stupidity.

"Few warnings were issued", he declared, "and few attempts were made to attract public attention to the danger that threatened. We have not failed because of ignorance of economic theories, but because of our utter disregard and defiance of all economic laws. Ambition, stupidity and greed have dictated policies, and trouble has been the result."

The Chicago banker flatly stated that "the heads of the stock exchange were aiding and abetting if not leading the debacle."

Brokers as well as heads of stock exchanges have been caustic in their comments on Mr. Traylor's plain speaking. Yet newspaper files are shown in his support in which heads of exchanges had attacked the Federal Reserve Board for attempting to curtail speculation and interfere with "a free market" for securities. In a speech in Chicago at the annual banquet of the Chicago Stock Exchange President Simmons in May, 1929, demanded, "what have stock market loans done that they should have been discriminated against and singled out for persecution?" Referring to the 1920-21 depression Mr. Simmons went on to say that "no one can well declare that

Governor Harry H. Woodring, Correspondence Files, Box 17

STATE OF KANSAS
OFFICE OF THE GOVERNOR
TOPEKA

COPY

May 21, 1931

Mr. J. J. Groetken
Box #113
Aurora, Illinois

Dear Mr. Groetken:

I have your letter of May 16 inclosing copy of letter written to Ralph T. O'Neil, National Commander of the American Legion on the subject of the business depression. Please accept my thanks for sending me this letter.

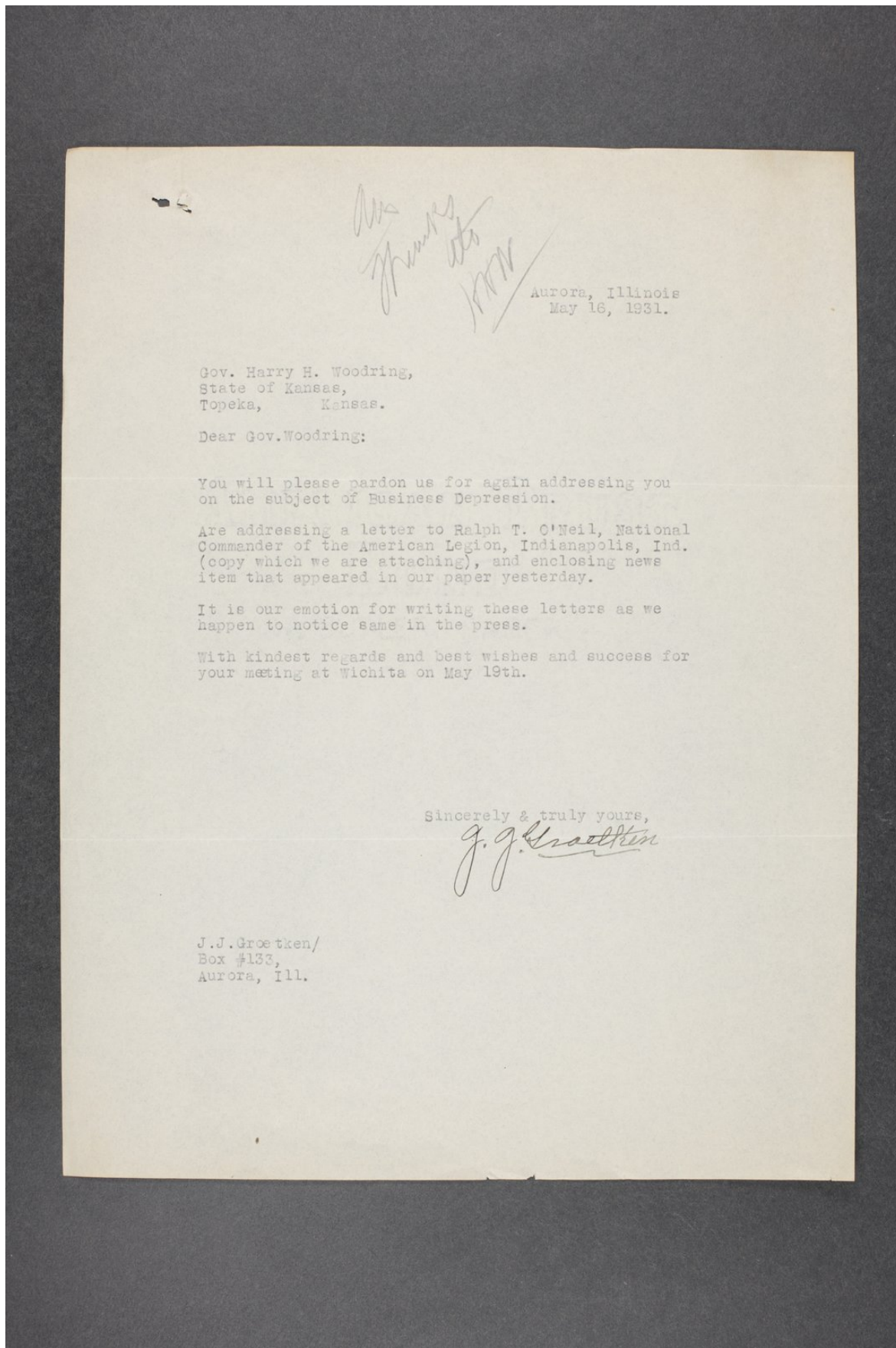
I note your reference to the Governors' Conference and you probably have not noticed that this conference has been postponed until early in October.

With continued good wishes, I am

Sincerely yours,

Harry H. Woodring
Governor

Governor Harry H. Woodring, Correspondence Files, Box 17



*Ans
Thanks to
H.H.W.*

Aurora, Illinois
May 16, 1931.

Gov. Harry H. Woodring,
State of Kansas,
Topeka, Kansas.

Dear Gov. Woodring:

You will please pardon us for again addressing you
on the subject of Business Depression.

Are addressing a letter to Ralph T. O'Neil, National
Commander of the American Legion, Indianapolis, Ind.
(copy which we are attaching), and enclosing news
item that appeared in our paper yesterday.

It is our emotion for writing these letters as we
happen to notice same in the press.

With kindest regards and best wishes and success for
your meeting at Wichita on May 19th.

Sincerely & truly yours,

J. J. Groetken

J.J. Groetken/
Box #133,
Aurora, Ill.



Governor Harry H. Woodring, Correspondence Files, Box 17

Aurora, Illinois
May 18, 1931.

Ralph T. O'Neil,
National Commander,
American Legion,
Indianapolis, Ind.

Dear Sir:

Are pleased to note the item in yesterday's paper that the American Legion is calling on President Hoover to see what can be accomplished to relieve the world-wide business depression.

This is a noble undertaking of the American Legion to come to the rescue of humanity. The American Legion can do much to bring about a change of affairs to relieve the suffering and hardship.

There is a united effort of all men of good-will to be considerate of their fellow men.

Attaching you copy of letter addressed to Silas H. Strawn, Pres., International Chamber of Commerce, Washington, D.C. setting forth our views and possibly a solution to grow a percentage of our motor fuel and oil. This is not impossible.

We are not always so fortunate to bring about a new invention which requires labor, and you will please concentrate on what has happened in the past 30 years by bringing about the automobile. We have taken the horse out of the picture and absolutely bankrupted agriculture. Farm land has no value. Has thrown millions of men seeking other lines of endeavor for a livelihood. We should restrict immigration to protect American labor and agriculture but we have to be mindful or will commit suicide right here at home, in our own country, to protect labor and give the Americans a standard of living.

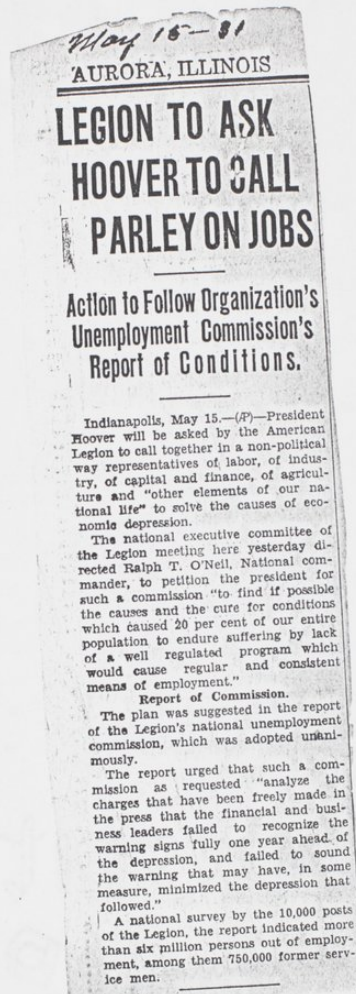
Why take it out of the poor oil industry? Because it is there where we lost it. It is this industry that has absolutely bankrupted agriculture and taken away the foundation of all business ---in particular, labor.

Our Government and a number of national organizations are at work to solve the problem and is very gratifying that the American Legion is taking part to work out a solution. You will be successful.

Sincerely & truly yours,

REGISTERED MAIL

Address: J.J. Groetken,
Box #133,
Aurora, Ill.





Governor Harry H. Woodring, Correspondence Files, Box 17

file letter
Topeka, Kansas, May 28, 1931

Honorable Herbert Hoover
President of the United States
Washington, D. C.

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I am addressing this plea to you in behalf of agriculture in the Middle West where the economic condition is so critical and the basic industries are in such deep distress. Kansas is somewhat inclined to agree with you and accept your views that a special session of Congress at this time might not be in the best interests of the nation as a whole. However I believe that the full use by you of the flexible provision of the tariff act would ^{tend to} ~~correct~~ ^{economic} the ~~inequalities~~ ^{inequalities} which exist to the vast injury of our basic industries. It is a fact readily demonstrable that we are selling wheat, corn, cattle, hogs, sheep, oil, salt and coal ^{to} ~~scutally~~ below the cost of production. This applies ~~to~~ ^{to} practically everything we produce. In respectfully pleading with you to use your powers under the flexible provision of the tariff act, I feel that I am merely following your own views as expressed in arguments to the special session of the Congress called for the purpose of the relief of agriculture. When Congress was considering the plight of agriculture, I recall that you were among the most ardent advocates of the flexible tariff provision, maintaining that inequalities could be adjusted by you and the tariff commission without awaiting action by Congress. Now that you have declined to call a special session, and I think you are correct in your decision, I desire to urge and implore you to use the power that is in your hands under the tariff act and following your own suggestion, to work out reciprocal agreements with other nations. These agreements to my mind could provide for substantial reductions in tariff schedules on some of the products that foreign nations export and which we need and which are not in a big way in competition with our manufactured products, in exchange for lower tariffs on our agricultural products, thus opening up to us some of the world markets we have lost through prohibitive and retaliatory barriers. I would invite your attention to the fact that when economists of the nation presented a memorial to you and ^{to} ~~your~~ congress ~~last~~ protesting



Governor Harry H. Woodring, Correspondence Files, Box 17

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against the enactment of the Smoot-Hawley Bill the floor leaders of the Senate made the statement to the people of the United States and to the agricultural interests of the Middle West in particular that he would predict ^{in agriculture} that within six months after this bill became a law agriculture would flourish and prosperity would be restored to the country. Inasmuch as a condition entirely the reverse has been brought about especially in reference to agriculture, so that we are now actually selling our products below the cost of production, while the purchasing power of the farmer has vanished, I urge you in fairness to a great section of our country to use the power granted you under the flexible tariff provision to afford imperatively needed relief to the agricultural and other basic industries of the Middle West. I appeal to you while pleading for the life of our basic industries to make reciprocal arrangements with other nations lowering the tariff barriers on certain comparatively non-competitive products to the extent necessary to permit our agricultural products to enter the world markets. I feel it is safe to say that Congress would ratify any action you might take which would be in the interests of the country's ^{in agriculture} greatest industry, agriculture. Kansas has in prospect one of the largest crops in its history, a crop much above the average. It is my deliberate opinion that unless steps are taken to solve the economic problem, there is a grave possibility that the farmers will find themselves unable to market their wheat at all and an appalling situation will follow. I am making this plea on a purely economic and non-political basis in the interests of a great area in the Middle West which is in grievous distress.

Harry H. Woodring
Governor

Governor Harry H. Woodring, Correspondence Files, Box 17

COPY

STATE OF KANSAS
OFFICE OF THE GOVERNOR
TOPEKA

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June 1, 1931

Mr. H. V. Scully
Colony, Kansas

Dear Mr. Scully:

I have your letter of May 27 in regard to an organization which is being formed in your county. I am very glad to have the information you give me in this matter, and I am also very much pleased to have your views on other subjects.

Please accept my thanks for writing me so fully. I am very happy to be the recipient of the pleasant personal expressions contained in your letter.

With continued good wishes, I am

Sincerely yours,

Harry H. Woodring
Governor

Governor Harry H. Woodring, Correspondence Files, Box 17

Colony, Kansas
May 27, 1931

Hon. Harry H. Woodring
Governor, State of Kansas
Topeka, Kansas

Dear Governor Woodring:

In this county a man named Clair is organizing an "Economic League" to advocate fixing minimum prices on the important farm crops.

His plan seems unwise on account of its arbitrary nature which might encourage abnormal and uneconomic production, and also on account of its complexity, particularly in regard to allotting the percentage of his crop a producer may sell at the fixed price and in regard to exporting surpluses.

I feel that it is more sensible to help the farmer by transferring part of his tax burden to incomes, according to your plan, and to eliminate or at least cut the import duties on manufactured goods needed by farmers. Cooperative farm buying should be able to cut manufacturing prices and, similarly cooperative selling should get better prices for commodities; however, I doubt if much can be done in this direction.

Beyond tariff and tax revision, it seems very doubtful if much can be done for the farmer without danger of disrupting normal production and commerce.

I write to assure you of my hearty support for any sound reform measures, and to congratulate you on the fine record of your achievements and policies to date.

Very truly yours,

H. V. Sully

Governor Harry H. Woodring, Correspondence Files, Box 17

COPY

STATE OF KANSAS
OFFICE OF THE GOVERNOR
TOPEKA

67
May 29, 1931

Miss Amelia M. Gilson
Centralia, Kansas

Dear Miss Gilson:

I am sorry that owing to the press of other business I have been unable to read the manuscript, "Permanent Peace and Prosperity" which you sent me some time ago, until today.

This seems to me to be a very excellent paper and I desire to congratulate you on your achievement.

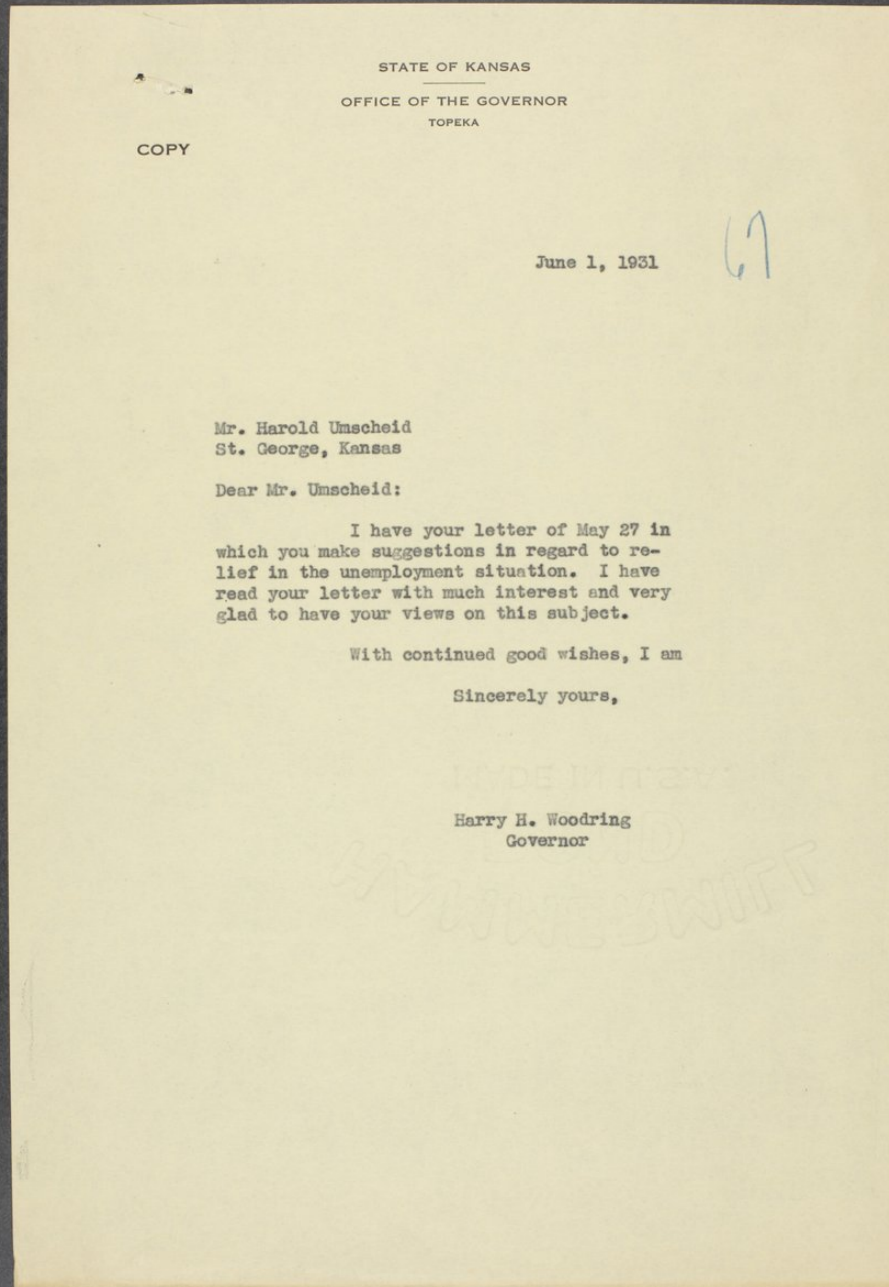
Please accept my thanks for affording me an opportunity to read it. I am returning the manuscript to you herewith.

With thanks and continued good wishes, I am

Sincerely yours,

Harry H. Woodring
Governor

Governor Harry H. Woodring, Correspondence Files, Box 17





Governor Harry H. Woodring, Correspondence Files, Box 17

St. George
Kans
May 27, 1931

Governor Harry H. Woodring:
Topeka, Kans.

Dear Governor:

I am a young man well up
in life and realize what will
happen to this country if the
depression which reigns through-
out the "United States" isn't
crowded out.

It isn't the work of a few
to fight for prosperity and put
the country back on its feet,
but the work "Every Citizen".

The chain store problem
I believe is solved to the best
advantage, to help the country, but
there is one thing which needs

our strict attention, — "The Unemployed" — Two or three persons of each family are holding a job, and in some instances the entire family are laborers.

I believe, tho I may be wrong, things would go along much better if a family of four were only allowed one laborer and the larger families over and above six allowed two laborers; Then the single men over 21 and the young men under this age with out a father or mother allowed a job.

This would give the older men with families the job that are being held by minors.

I am sure you will think this over for the best of the people.
Sincerely your friend,
Harold Unscheid



Governor Harry H. Woodring, Correspondence Files, Box 17

SEVENTY-FIRST CONGRESS

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HOUSE OF REPRESENTATIVES U. S.

COMMITTEE ON WAR CLAIMS

WASHINGTON, D. C.

Blue Rapids, Kansas.
June 1, 1931.

Honorable Harry Woodring,
The Governor,
Topeka, Kansas.

My dear Governor:

I have read with interest your telegram to President Hoover, announced by you at the Democratic meeting in Seneca, Kansas, in which you ask the President to use his powers under the flexible provisions of the tariff act "to correct the economic inequalities in the recent tariff act which exist to the vast injury of our basic industry".

I entirely agree with you in that the prices at which we are selling our agricultural products are below the present cost of production, but I attribute the same to the world depression, the primary cause of which was the World War-which has resulted in the loss of the buying power of other nations, rather than "economic inequalities in our present tariff law", since such law gave to agriculture 68% of the increases over the tariff law of 1922, while placing upon the Free List practically everything the farmer uses in any considerable quantity and admits free of duty two-thirds in value of all imports shipped into this country.

I know that no tariff legislation can do exact justice to the varied industries of our nation and that the present law contains schedules contentious between conflicting industries, but inasmuch as I and the members of my party supported and voted for the present tariff law in the knowledge that its provisions, especially for agriculture, were for the protection of our markets without any injustice to other nations, I write to ask you, especially as your published telegram to the President announced that your plea was "on a purely economic and non-political basis", to name the "substantial reductions in tariff schedules on some of the products that foreign nations export which we need and which are not in a big way in competition with our manufactured products", assuring you that if there are such tariffs and substantial reductions may be made in exchange with other nations for lower tariffs on our exported agricultural products, through the use of the flexible provisions of the tariff act for which I voted, that I will gladly join you and urge others to do so to the end that such adjustments may be brought about.

Sincerely yours,

James G. Strong

JCS:WJ

Governor Harry H. Woodring, Correspondence Files, Box 17

The returned
W. H. Woodring
Centralia, Kansas.
June, 1, 1931
Gov. Harry H. Woodring- 67
Topeka
Kans-
Dear Friend and Benefactor:
The article
"Permanent Peace and Prosperity"
which you returned to me with
your letter of May the 29th
was received "Memorial Day".
When I gave you the
manuscript I did not expect
its return because if there
is any thing I can do to
help better governmental
conditions I am glad to do
so. However your letter of
congratulations on my "achieve-
ment" is highly prized and
will be treasured above gold

Governor Harry H. Woodring, Correspondence Files, Box 17

2

Your address in Seneca
Kansas May the 27 has
won for you many friends.
I heard many comments on
your sincerity — I can
not refrain from contrasting
you with our Chief executive
Pres Hoover - who now sits en-
throned ~~in~~ within the walls of
prejudice the Republican party has
built claiming to be a Lincoln
republican — and you who
are really a man of Lincoln's
caliber —

Like St Paul I have been
made to see this gigantic falsity
Mr. Wilson ^{and Johnnie} joining me in
wishing you success in
your work ^{which} providence has
bestowed upon you —

You have our heartiest
moral support —

Very Sincerely
Amelia M. Wilson —

(Mrs George Wilson)
^{the wife of the}
old time fiddler

Governor Harry H. Woodring, Correspondence Files, Box 17

COPY

STATE OF KANSAS
OFFICE OF THE GOVERNOR
TOPEKA

June 1, 1931

67

Mr. Geo. T. Pickett, Pres. & General Mgr.
Llanco Co-operative Colony
Newllano, Louisiana

Dear Mr. Pickett:

Your letter of May 27 has been received in the absence of Governor Woodring who is attending the Governors' conference at French Lick Springs, Indiana. I shall bring your letter to his attention on his return to Topeka.

With continued good wishes, I am

Sincerely yours,

Leslie E. Wallace
Secretary to the Governor

Governor Harry H. Woodring, Correspondence Files, Box 17

ADDRESS ALL BUSINESS CORRESPONDENCE TO THE COMPANY AND NOT TO INDIVIDUALS

LLANO CO-OPERATIVE COLONY

OPERATED BY LLANO DEL RIO COMPANY OF NEVADA

GEO. T. PICKETT, PRES. & GEN'L MGR.

Board of Directors

SEPTER E. BALDWIN

G. C. CAMPBELL

WALTER FREAD

CARL HENRY GLEESER

IVA HOAG

WARREN J. HOAG

PETER KEMP

GEORGE T. PICKETT

OLE SYNOGROUND

Newllano, Louisiana

May

Twenty-seventh

1 9 3 1

Governor Harry Woodring,
State Capitol Building,
Topeka, Kansas.

Dear Sir:

Having just read an article in a daily paper commenting upon your speaking before the Kansas Bankers' Association, I want to personally congratulate you upon your willingness to stand before the public and make the statements that the money power is a menace to America.

I am identified with a group of people who have for seventeen years been giving their time, wealth, and energy to learning proper human relationships and to developing an economic and social system that will right the present evil that you recognize.

Under separate cover I am sending you a little booklet called "The Gateway to Freedom", which I wish you would take the time to read. It will tell you what we have accomplished, not just theories.

I used to live in Kansas and I am indeed pleased to know that you are the first governor to at this time stand forth and tell of the menace, and to those who have the power to make it worse or right the wrong.

We are placing you on the mailing list of our little paper, "The Llano Colonist", and if you are interested, we would be glad to have you have it regularly.

You will be surprised to know what we have accomplished in making the practical demonstration we are and to learn that we really have a system that could solve these problems.

Yours sincerely,

Llano Co-operative Colony,

By

Geo. T. Pickett
R.E.

GTT:HAS

Governor Harry H. Woodring, Correspondence Files, Box 17

COPY

STATE OF KANSAS
OFFICE OF THE GOVERNOR
TOPEKA

June 2 , 1931

Mr. Juan Rivera Rosario
1027 Catherine Street
Ann Arbor, Michigan

67

Dear Mr. Rosario:

I have your letter of May 30
quoting communication you have sent to
President Hoover. I have read with great
interest what you have to say.

With continued good wishes, I am

Sincerely yours,

Harry H. Woodring
Governor



Governor Harry H. Woodring, Correspondence Files, Box 17

UNIVERSITY OF MICHIGAN
UNIVERSITY HOSPITAL
HISTORY SHEET

Name *Ann Arbor, Michigan* Case No. *1027 Catherine Street* Date *May 30, 1920*

To His Excellency
Hon. Governor Harry H. Woodring
Topeka, Kansas

Dear Governor Woodring:-
The following letter is written by me to
the President of the United States. I hope that you
will read it carefully.

"Believe me or not, the critical economic conditions
will force you to think and act to the best advantage
for the common people who are supporting you now in
your present position as the chief executive of the
wealthiest country in the world. If you don't act as a
Roosevelt or as a Lincoln or as a Washington or as
Wilson, you will regret and the people will regret
that they have elected you their President who is not fitted
for the job which will be known thereafter by all future
generations.

Be a philosopher President and act according to
your ideals and let your conscience be your dictator.
Unemployment can be easily solved. You can do it.
I will do it if the Government will let me. If the people
are without prejudice will allow me. And, if you can-
not see your way clear, since there is no earthly
profit in serving mankind. It is easy to create

(over)

H-4215 2-31 75M

Governor Harry H. Woodring, Correspondence Files, Box 17

employment. One can order the unemployed to empty the Lake of Michigan into the Atlantic if all the factories are closed. You and Congress are empowered in time of inevitable necessity to compel the capitalists to let them use their surplus amount to maintain social and economic order and peace before it is too late; before the people themselves will take immediate action and control the most grievous situation in History which it will be the Downfall of the Western civilization that will mark the failure of Democracy.

Mr. President, now is your chance to choose either alternative and enforce it to the extreme. Humanity is above all nations and laws of nations. It is above all human and Christian principles. It should be the first principle of all human interests. Mr. President, you must place humanity first before dollars and cents at any time and in any where, and if you succeed, you will be the Redeemer of Democracy."

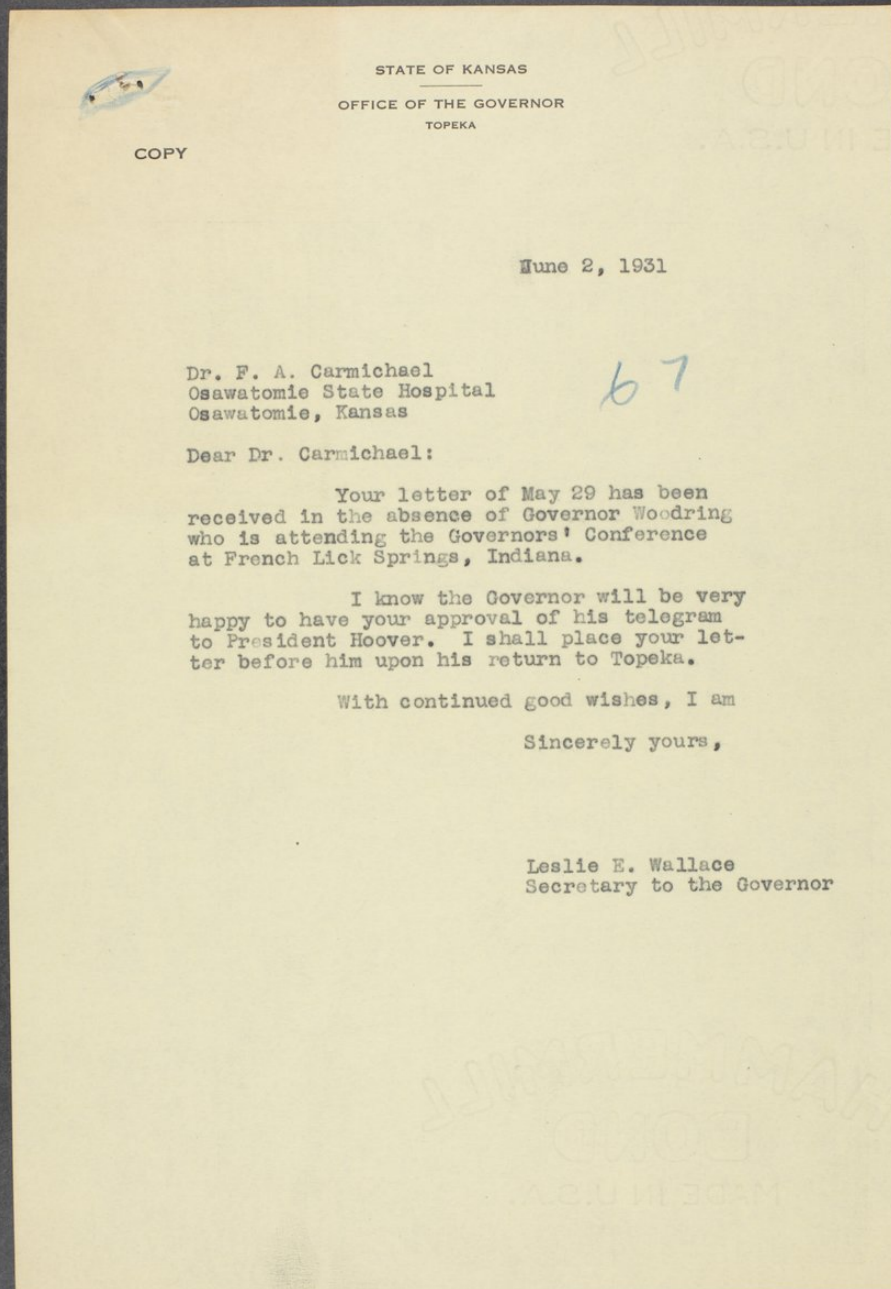
Light

The way of a good man, or a just man
Where we all love to travel on, 'tis difficult
For the unjust to reach their journey's end
Without light in the darkness of their ignorant cult.

Diogenes once sought for an honest man.
His lantern was not so bright to find this man.
But his thoughts were changed into spiritual lights
Which enlighten us now if nothing else.

Respectfully yours,
Man Rivera Arce

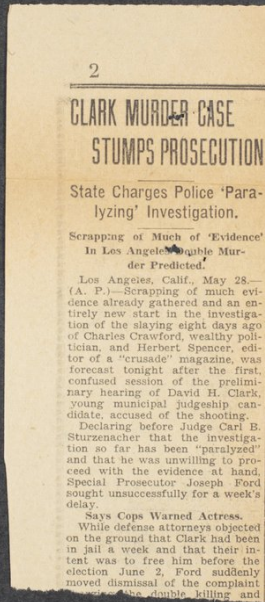
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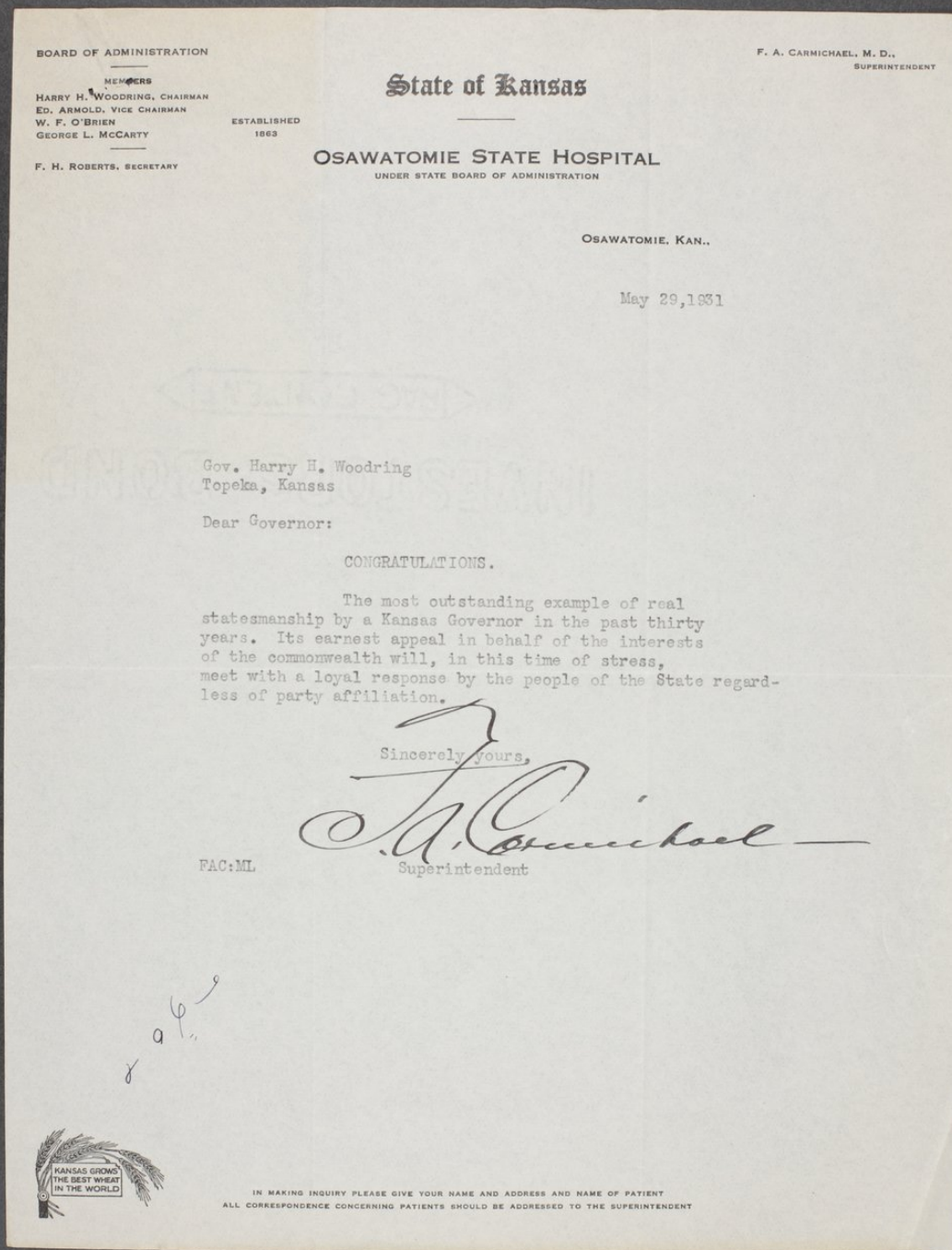
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Governor Harry H. Woodring, Correspondence Files, Box 17



Governor Harry H. Woodring, Correspondence Files, Box 17



Governor Harry H. Woodring, Correspondence Files, Box 17

Postal Telegraph
(THE MACKAY SYSTEM)

RECEIVED AT _____

STANDARD TIME INDICATED ON THIS MESSAGE

ALL AMERICA CABLES

COMMERCIAL CABLES

This is a full rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	Day Letter
NL	Night Letter
MM	Money Message
LOC	Locum Cables
NLT	Night Cable Letter
WLT	Week End Cable Letter

Form 26

K45 369 GOVT DL=THE WHITEHOUSE WASHINGTON DC 2 1035A

HON HARRY H WOODRING=

GOVERNOR TOPEKA KANS=

1934 JUN 2 AM 11 17

Full card 57

YOUR WIRE RECEIVED SUGGESTING THAT THE PRESIDENT USE HIS POWERS UNDER THE FLEXIBLE PROVISIONS OF THE TARIFF ACT SO AS TO WORK OUT RECIPROCAL TARIFF AGREEMENTS WITH OTHER COUNTRIES IN THE INTEREST OF AGRICULTURE STOP APPARENTLY YOU HAVE OVERLOOKED THE FACT THAT THERE EXISTS NO AUTHORITY BY LAW TO DO ANYTHING OF THE KIND STOP THE ACT CREATING THE TARIFF COMMISSION AND THE FLEXIBLE PROVISIONS CONFERS NO AUTHORITY UPON THE PRESIDENT TO CHANGE TARIFF SCHEDULES EXCEPT UPON DIFFERENCES IN COST OF

Governor Harry H. Woodring, Correspondence Files, Box 17

Postal Telegraph
(THE MAILWAY SYSTEM)

RECEIVED AT ☒

STANDARD TIME INDICATED ON THIS MESSAGE

ALL AMERICA TELEGRAMS SYSTEM COMMERCIAL

For To: K45/2 GOVT DL WASHN DC WOODRING TOPEKA KANS

1931 JUN 2 AM 11 16

PRODUCTION AT HOME AND ABROAD AS DETERMINED BY INVESTIGATION
AND RECOMMENDATION OF THE TARIFF COMMISSION STOP THE PRESIDENT
HAS NO OTHER POWER WHATEVER TO RAISE OR LOWER DUTIES BY
BARGAINING WITH FOREIGN COUNTRIES STOP YOU ARE GREATLY
MISINFORMED AS TO OTHER NATIONS HAVING TAKEN RETALIATORY
MEASURES AGAINST AMERICAN TARIFFS AS THIS HAS NOT BEEN DONE
WITH THE EXCEPTION OF ONE OR TWO INSTANCES AND THEY DO NOT
INVOLVE AGRICULTURE STOP YOU ARE ALSO MISTAKEN AS TO THE
TARIFFS OF OTHER COUNTRIES STOP YOU MAY BE INTERESTED TO KNOW
THAT TAKING EUROPE AS A WHOLE THE FREE LIST AMOUNTS TO FIFTY ONE
PERCENT WHEREAS THE FREE LIST OF THE UNITED STATES RUNS UP TO
SIXTY SEVEN PERCENT STOP IN ANY EVENT IN YOUR REQUEST THAT THE

This is a full rate Telegram or Cablegram unless otherwise indicated by signal in the check or in the address.

DL	DAY LETTER
NL	NIGHT LETTER
NM	NIGHT MESSAGE
LC	DEFERRED CABLE
NLT	NIGHT CABLE LETTER
NLT	WEEK END CABLE LETTER