

Governor Clyde M. Reed correspondence, Federal Farm Loans

Section 2, Pages 31 - 40

This file includes subject correspondence relating to Federal Farm Loans which is part of a bigger collection of Governor Clyde M. Reed correspondence.

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Coastwise Trade	28,366	11,198	9,326	29,874
Grand Total	8,587,940	7,432,422	8,587,747-8,206,117	

The recent announcement by the Sao Paulo Coffee Institute that stocks in the interior of the state on April 30th amounted to 22,366,525 bags of coffee caused an unfavorable impression in the local market. This amount compares with 20,602,844 as on March 31st thus showing that there still remained in the interior 2,562,384 bags of coffee of the 1929/30 crop, which were shipped during April.

Although the recent loan of 20,000,000 pounds was raised for the purpose of financing this huge stock of coffee in such a way that it could be disposed of in the course of the next ten years great concern is felt in local coffee circles as to whether it will be possible to get rid of this tremendous over production without further influencing the price in the coming year.

This question is now the subject of careful study by the various agricultural associations of Sao Paulo, the unanimous opinion appearing to be that some sort of measure must be devised whereby the present stock should be reduced as far as possible in order to strengthen the statistical position of coffee, among the several suggestions which have been put forward to solve the problem, is the creation of a "taxa de destruição" tax of 25 per cent. This would actually mean that coffee growers would contribute with a quantity of coffee equivalent to 25 per cent of their future crops, this quantity to be eliminated from the market by being destroyed. It is pointed out that this measure would not only establish the equilibrium between demand and supply, but also improve the quality of future crops as, naturally, the lowest grade coffee would be chosen for destruction. Others go so far as to suggest that a large part of the excess coffee accumulation be shipped over seas for free distribution in countries where consumption is still very low. As these and other measures are being discussed, attention is called to the fact that some 4,500,000 bags of coffee will be automatically eliminated from the local market in the next two years through the intensification of the campaign now being conducted by the Health authorities of the State of Sao Paulo for the destruction of all the low grade coffee now stored and which is considered unsuitable for human consumption. This figure is estimated in the following manner. Proportion of low grade coffee in present stocks at Government warehouse. 2,250,000 bags -- Low grade 1929/31 Crop 750,000 - 1931/32 Crop 1,500,000

There were no signature

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*This is a copy prepared for
Publication
But not given to paper here*

July 1930

The Organized Bankers, with the automatic machinery of The Federal Reserve Banking system working to their liking which have made it possible to participate in the near last past and present, 'Much abused' Omnigerent Loans.

The Federal Reserve Bank has the element of Controll. They require member banks to keep their legal Reserve in the Federal Reserve. They controll or influence QUANTITY and Kind of credit. The Rediscount rate fixed by the management of the district F.R. Bank is subject to approval of Federal Reserve Board at Washington.

The System is generally credited to Bagehot in 1873 or a Bank of England method.

The Federal Reserve is at head of all capital, and at the head of all monopoly; to illustrate in common some few years ago the public press utilized cartoonists to illustrate. The Beef Trust, The sugar trust, The coal Trust, the Lumber Trust and the varied other kind of trusts.

These cartoons do not appear to day, and so far the Press have not enlightened the public as to the WHY? National advertising might be attributed to the silence of the press.

But the Banking system has become the Monopoly of all things. The Church teaches there is but one God of omnipotence. for proof if necessary they fall back to the fact it is a MYSTERY and a MYSTERY is a TRUTH we cannot fully understand.

The Bank System of to day know that 99% of the people do not understand their financial omnipotence and they do function without membership from the laity and neither take time to preach a Mystery Gospel nor the real facts of its existence.

The Federal Reserve system, was man planned, man organized, and man operated, a real worldly institutional fact.

All that is required is for them to accept the presentations of a stabilized institution, agree to a prescribed Reorganized-Refinancing plan, and the said institution is swallowed up by the Master Monopoly of the world. It loses any right to be called a trust there after, it is simple a particle of the aggregate ~~FIX~~ that make up the Federal Reserve whole.

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#2.
A common three leafed clover is the churches symbal for Fathe, son, and holy ~~ghost~~ Ghost. But the Federal Reserve can use the Luck four leafed clover to symbolize their four branches supported, spimulated and controlled by the one stem or omnipotent power The Federal Reserve Bank. The Branches) Land, Labor, Capital and Enterprise. Capital and enterprise they controll new, Land is comeing under controll by permitting capital to merge foreclosed farms into chain corporate farming, Labor controll seem to be the principal now desired not yet under full controll.

I cite the formation of International Harvester CO. because the Farm board manager Mr Legge was much affiliated with it, during the Bank developement in preparation for the Federal Reserve act.

" So keen was the feeling of the competing firms officials during the progress of constolidation " it has been told " the manipulators of the negotiations kept the representative officials of the different firms confined to separate untill agreements were reached; they feared had the officials met face to face, Hostilities caused by the heat of intensive competition might have prevented consolidation.

This was the beginning of the first plan to eliminate competition in supplying the principal Merchandise the farmer buys.

There exists Labor Monopolis:- such as Groups of Organized skilled Engineers, Steel Construction workers and etc, which are recognized for the present untill complete labor controll is at hand when they like the Goat that led his near kind to slaughter " will go down the same trap he so long was favored with a pass to go over.

Many subtle weapons are used to break their ranks now such as Company Unions, Benefit Insurance, Profit-sharing and the like.

Monopoly controls supplyand can keep prices up to obtainany desired profit, and differs from the individual operator whoes supply of Material, Labor and interest is governed by local or current rate.

To Borrow Money multiplies the risk of the original capital. (this seems to be the Bigist thing made available for the farmer 'to borrow and put what he has in jeopardy)

Profits must be higher than interest on borrowed capital and higher than the interest rate of individual owned property. (or how can Bakruptcy be avoided)

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#3.

The Rich provide corporate capital, from their savings which is easy when income is greater many fold than their Their standard of living cost. Many become from accident or inheritance rich rather than from great wisdom and diligent application to a laborious task.

Heavy tax on corporate income, foreign loans and public investments would not reduce the standard of living of the rich; They would simply retain less for accumulated savings.

Tax exempt Municipal and other public securities, are a fault or trick of congress, the effect is to nullify high surtaxes as near complete as possible.

General property for ages have been and is to day the chief source of the State relies on, because if not given in the assessor can find it.

Exports pay for imports, Imports are paid by Exports In the long run the two must be equal.

Can not the present unbalanced condition be charged up to a financial plan to equalize the imports and exports of all nations of the world, to make the liquidation of pre-cipitous and omnigerent loans possible.

A Rail Road issues bonds against a Merchandise investment. ~~XXXXXXXX~~ A Realtor issues bonds against a labor and raw material investment, if there come any desir for structure change, or the custom use of the structure the labor item becomes NIL and the raw material Salvage. a foreign loan has all the hazards of piracy angles.

There is no controll over metal money, as the bullion is returned to the ~~XXXXXX~~ owner in coin. But a Bank loan is made with Bank money; Bank Money is bank credit. Bank Credit is created by bank loans with but little Gold or money to back it up. Hence Bank loans are bank credit and is a predominating reason why they do not wish the farmer to be to fullhanded nor for labor to receive more than a near existence. OTHERWISE the people would carry in personal controll to much Real Money leaving less in the controll of the banks for clearance purpose in emergency.

A good reason for the Federal Reserve Policy as n revealed to small banks "become a member of be destroyed"

The Bank system policy, -Goods pays for Goods

The Church once forbid the buying of for the purpose of selling again :::: Gold Storage:::: Bonded warehouses offers the base of speculation and gives advan to the buyer atxall times, they provide a catchall for merchandise received early from the source of production forced to sell to clear the bank credit extended, which i

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14.
The present Banking, warehouse and cold storage system makes the organized bankers the actual owners and custodians of the necessities of life.
Nearly all food (except consumed by the producers and under paid men while handling) pass through the netors of the Banking system viz. Coldstorage, Warehouses Dry, RR freight cars, Ocean boats and the like.
Distributing financial devices change.
Distributing to the consumer remain.

the laborer desires as much as possible.
The manager under a financial director pays as little as possible..

Supply is according to the governors of the storage system, who can add to price to compensate for interest and expense while holding food from the channels of supply.

Hence they will as you may see govern the price also.
Demand is perpetual The LABORER must consume while idle as well as when at work.. Hence the warehouse-Banking system can impose a condition bordering on starvation to force the laborer back to work, to accept the labor conditions, and pay the high cost of living which they contrroll. by money wages, which the worker must accept and exchange for real merchandise wages.

Money is a something which is specially for use as a medium of exchange, and specially devoted to serving this purpose. MONEY IS SIMPLY A MIDDLE MAN.

Before money the exchange medium was BARTER.

Money created a standard medium for loans and a measure for commercial value.

Commodity money- is Warehouse and Coldstorage Receipts. During peculiar periods of financial boom Farmers and may other common people operate at about 10% ~~SAVINGS~~ ~~ANNUAL~~ expense for 5% gain the do too much estimating on a visionary value, and when a liquidating period comes they find themselves about wiped out.

The Bankers have in the past been or abbed in telling people whoes worth we will say was less than \$100,000 that they should clean up by Jan first, pay up all they owe to exhibit their financial strength, then the Bank can freely lend to them again.

How much could the Banks of the United States pay on the dollar if they had to clear all obligations, all on the same day prior to next Jan First.

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36.

It is not the cost of production, in 1930 it has been recorded as requiring 133 minutes labor to produce a bu of wheat and in 1904-10 minutes. I don't know as yet what the estimate will be for the 1930 wheat crop.

But here is a general rule to be guided by. Any factor which increases the quantity of money and credit, tends to raise the level of prices. A factor which increases the volume of goods tends to check such a rise. The trend of prices will depend upon the relative rates of growth in these two opposing factors.

Credit is purchasing power hence expansion and contraction affects the price. The organized bankers can and have expanded at will so to buy to the controlling point the different food products, for one food affects the price of the other kinds of food.

But the consumer in general whose credit is dependent on the same organized bankers is limited in his purchasing power. Men who have the cash can buy merchandise not for sale in no part of supply. Merchandise held at extortionate prices can only justly be classed as PIKACY supply.

Natural supply and demand is when merchandise have not been contaminated with the touch of any mechanical financial taint, bringing them within the reach of the common consumer who possesses the purchasing power at the common price. For desire must be backed by purchasing power.

The advertiser for the controllers of the products and the big retail stores who distribute, stimulates desire and creates influence by the rich controllers of the products becoming the first purchasers of the new fashion that the poor by suggestion may imitate and develop a habit suggested by the advertiser for the benefit of the financial holders of merchandise.

The people seldom know what merchandise is wanted to be unloaded, nor the reason for their choice other than the advertised fashion and suggestions.

If 1000 men were given a certain portion of land that would supply them all the common necessities of life by their producing and consuming them. They would be living in an excellent state of existence, but if they decided to pledge half their production

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for laboring saving equipment that half the 1000 could be idle half the time or all the 1000 idle half the time if climate conditions should interfere so that the production could not be doubled by reason of the improved machinery. Then they put in jeopardy the existence of the whole 1000.

The power to tax is seen to include the power to confiscate and destroy. Under primitive conditions people were largely self supporting and industrially independent. Their requirements were family produced, and there were land enough for all. There is no such thing as overproduction, there might be unbalanced production which would rectify itself if not interfered with organized buying, hoarding and storing for the purpose of dictating a high mechanical price far above the true natural value, which renders the consumer void of the purchasing power which in the long run renders merchandise beyond the reach of a buyer valueless, like the pyramids of old and perhaps like the tall buildings they build to day soon will be.

Financiers have recorded CAPITAL as savings, that Savings are the excess production over consumption. Hence Capital is created by producing more than what is consumed.

All excess production in food stuffs is the capital of the people and should be their reserve in case of poor crops to guard against a famine.

Hence for investment purposes, to maintain high prices, THE DESTRUCTION of food stuffs is the equal of letting the people be dammed or let them go to hell as stated by the Farm Board manager when on the recent trip through Kansas and adjoining states.

I have pointed out what the present banking system has developed, the bringing of all people and all things within the control of their Banking money, developing a system of complete financial PIRACY, the wanton confiscation and destruction of the necessities of life. The people's capital without consideration for the people.

The congress could remedy the condition, but will they set back and let the people do it themselves?

W. F. REED

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KANSAS CITY, MO. 7/17/30

Governor Reed,

Topeka, Kan.

Sir:- I enclose copy of a letter to thr Bank of London which

have come to hand, showing the coffee situation.

The coffee is the actual property of the Bank

It appears they are createing a Health board to condem and destroy the coffee, to maintain ahigh price, the bank to begin with will have to take on the burden of loss, but by haveing controll of the coffee will soon recoup from the people

It appears tha same condition exists with the wheat

But they conjured up the scheme for the Government to buy the amount wanted for either war or destruction.

With all the underfed people in the U.S. them who destroys food stuff instead of selling it in a way so that all the people would have enough to eat, should be given the death penalty, it also puts the country in danger of famine in case of crop failure.

From years of expearence dealing with the banking situation, and data recorded from a good story published by others from expearence, and what is financialy recorded as fact I enclose an outline of the Banks position in the matter. It is financial relief that is needed, not the buying or destroying of wheat.

T.L.O'Neil

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Federal Farm
Board

File

April 26, 1930

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Mr. C. B. Merriam
The Central Trust Co.

Clyde M. Reed
Dear Mr. Merriam:

Your letter of April 23 to Mr. West was received during his absence, but I have taken the liberty of showing this to the Governor, and he wishes me to thank you for your thoughtfulness and to say he has read your enclosures with a great deal of interest. I am returning them herewith for your files.

Yours very truly,

Ass't Secretary to Governor

DLM:S

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THE CENTRAL TRUST CO.

AFFILIATED WITH

THE CENTRAL NATIONAL BANK

MORTGAGE DEPARTMENT

TOPEKA, KANSAS

April 23, 1930

Mr. W. G. West
Secretary to the Governor
State House
Topeka, Kansas

Dear Sir:

At some convenient time, I wish you would let Governor Reed look over the inclosed letter dated April 18, from Griff Johnson, Vice-President of the Equitable Life Insurance Company, Des Moines, Iowa.

This company, of over \$100,000,000 assets, is regarded by every insurance man as the greatest western company, and one of the most conservative, also.

This letter is on reduction of acreage, especially wheat, and please note that the Vice-President of this great company says, "I am thoroughly in accord with Governor Reed".

After this letter has served its purpose, I shall appreciate it if you will kindly return the same.

Very truly yours,



C. B. Merriam.

GBM-jb

Inc. letter.

*Thanks
-v-c*