

TRUMAN

R.S. - P. & G. Wed., Jan. 7, 1948

The political ball game <sup>certainly</sup> got going in a big way today, when President Truman wound up with a big pitch and tossed a fast ball, which also had a curve. The name of the curve is -- taxes, which is always the smartest pitch of all. When, you can get it over the plate! ~~So that began the Nineteen Forty Eight Presidential series, and immediately the C.O.P. started screaming.~~  
*The Republicans are*  
~~at the umpire. They're~~ yelling that the ball was low and inside, a yard from the plate - and that, in fact, it hit the batter.

~~Today's message to a joint session of the new Congress, spoken by President Truman himself, included a lot of important and world shaking matters - from the Marshall Plan to universal military conscription, from inflation to the necessity of peaceful labor relations. But the big thing was - taxes. That was the major heart-throb.~~

( The Republicans have been trying to reduce income' taxes - blocked <sup>each time</sup> by White House vetoes. So now comes a white House plan to reduce income taxes - and

Republican feelings are hurt. You know how it is, you show up with a beautiful girl, ~~and a~~ <sup>and a</sup> ~~some~~ hard hearted fellow throws her out. And then, ~~the~~ <sup>and</sup> the next thing you know, that same hard hearted fellow is seen trying to lead the beautiful girl to the altar.

The gist of the new Truman proposal for tax reduction lies in what the Presidential message today called - a cost-of-living tax credit. This would permit the taxpayer to make deductions from the amount of tax he figures to pay - forty dollars for himself and forty dollars for each dependent.) Thus, a man with a wife and two children would calculate his income tax in the usual way, and ~~then~~ <sup>then</sup> subtract forty dollars for himself, forty for his wife, and forty for each of the two offspring. A total deduction of a hundred and ~~a~~ sixty dollars. And so the arithmetic goes. ~~If a father of a family has twelve or fourteen kids, well, it~~ let him figure that out for himself.

( This of course, would exempt a whole lot of people from paying any income tax, ) ~~ten million in fact,~~

~~these in the lower brackets, the little fellows. This~~  
*(This)* being Presidential year, the little fellows assume that  
the happy state of enlarge<sup>d</sup> importance which is theirs every  
four years.) ~~This being Nineteen Forty Eight, politics~~  
~~is inspired with a new tender solicitude for the little~~  
~~fellow - his vote counting for as much as that of any~~  
~~captain of industry or giant of finance.~~

Of course, all this love and kindness for the  
poor, ~~ten~~ million<sup>s</sup> of them, would threaten to reduce the  
total taxation considerably, cutting it down by an  
estimated three-billion, two-hundred-million dollars.  
But the President holds that the total revenue of the  
federal government should not be reduced. So how make  
it up? *That's* easy! - soak the big fellow! By political  
magic, that swollen individual<sup>s</sup> *invariably* is deflated in prestige  
every four years, Presidential year. You tip your hat  
to him ordinarily, but when the big election comes around,  
you try to stick a pin in him. The White House tax  
proposal includes a proviso for raising corporation taxes.  
President Truman points out that last year industry made

record breaking profits. Corporate earnings hit an all time high, seventeen billion dollars, after the payment of taxes. The previous record was the year before, twelve and a half billions. It is estimated that, if industry is to make good the amount lost through personal income tax reductions, corporation taxes will have to be raised to as much as fifty per ~~fixxxx~~ cent.

As against today's White House tax plan, the Republicans have their own proposal for a cut. This they point out, would also help the little fellow. ~~Never think that the G.O.P. brethren are lacking in fond affection for that wonderful individual, the small guy. The~~ Republican Knutson bill would grant tax cuts of from thirty per cent in the lower brackets to ten per cent at the top. This with other changes would take six million low income families off the tax list.

( Tonight, the Republican majority is declaring that the Truman tax proposals have no chance of being passed by Congress.) They insist ~~that~~ they'll go ahead with their own tax reduction bill - particularly on the

ground that the increase of corporation taxes, which the President wants, would discourage the investment of capital in industry, and would thereby decrease production, and impede recovery.

~~In any news story of a large political event,~~

~~we couldn't get by without giving the congressional~~

*What about the Congressional*  
~~reactions and reverberations. So here goes, starting~~

~~with the absolute and incontrovertible truth - as the~~

~~G.O.P. see it.~~ Congressman Knutson of Minnesota, chief

of G.O.P. tax legislator, thunders: "The President's

plan is pure political demagoguery."

Congressman ~~Woodruff~~ Woodruff of Michigan

remarks: "A case of pure politics directed at the

Presidential election."

On the ~~Democratic~~ side, ~~the absolute and~~

~~incontrovertible truth is as follows: minority house~~

~~leader~~ <sup>^</sup>leader Sam Rayburn<sup>^</sup> of Texas describes today's

Presidential message <sup>in these words!</sup> ~~in these words: "It was a strong~~

~~message, a challenge to the statesmanship of Congress."~~


"It demonstrates clearly, ~~continues the Texas,~~ "that the

President places the welfare of the nation above all else.

Congressman Eberharter of Pennsylvania says:

"The President's message seems to grant tax relief where it is needed most."

So there we have the absolute and incontrovertible truth from both sides - though it seems to be a bit contradictory, not to say diametrically opposite.



FOLLOW TRUMAN

In Albany today Governor Dewey, *of New York, who*  
~~is named prominently in the Presidential race,~~ delivered  
his opening address to the New York State Legislature.  
Dewey called for a policy of cutting expenditures to  
mere essentials and - no new taxes. He said the purpose  
of this retrenchment was to combat inflation - and  
he lashed out against the Truman administration, blaming  
the Presidential economic policies for the rise of  
prices.

WALLACE

In New York, the American Labor Party today endorsed Henry Wallace and his third party. <sup>But</sup> This was accompanied by a major walkout from the A.L.P. ~~The~~ powerful ~~the~~ Amalgamated Clothing Workers and ~~three~~ three other C.I.O. Unions refusing to have any part in the Wallace Third Party. <sup>and</sup> They had been a bulwark of strength for the American Labor Party, ~~and~~ Now they have seceded.



## SPECULATORS

Another list of speculators today and another big name. <sup>Quite</sup> ~~It sure is~~ big - Henry Morgenthau. *The former*

~~(The latest installment from the Department of Agriculture repeats a couple of old names - General Graham, physician to the President, and Edwin Pauley, Assistant to the Secretary of the Army. And, three Pauley relatives show up, father, brother and wife - on the "long" side, betting the price grain would go up.~~

~~Also, among the new names is Don Ameche. His profession is not given, nor his address. But it could be that a movie actor of Hollywood might venture a flyer in the grain market. However, the most interesting of the new names is that of a former Secretary of the Treasury, Henry Morgenthau.)~~

*Sec. of the Trea.)*  
~~He was in the corn market in June of Nineteen-Forty-Seven last year, a long time after his retirement from the Cabinet. of the President of the United States. Which has a bearing on the charge that government insiders have been using confidential information to ~~make~~ make a clean-up, speculating in food.~~

The question of inside information has fascinating angles, so let's take a closer look at the Morgenthau adventure in the grain market. A former Secretary of the Treasury should have a deep financial understanding, should know exactly what to buy, when and how. The record shows that last June, Henry the Morgue, as F.D.R. used to call him, was in the corn market to the tune of a hundred-and-ninety-five-thousand bushels - which is a lot of corn, as any radio entertainer will tell you, ~~not to mention the horses.~~

Henry was in the market on the "short" side. That ~~is~~ is, he was speculating on the supposition that grain prices would go down. (When you're "short", you're betting that prices will drop. If prices do take a nose dive it means that you sold high and buy back cheap. Which is good going, if you guess right.)

~~So what happened to Henry?~~ Today's news does ~~not~~ give the painful details, does ~~not~~ even state the painful fact directly. But history shows that last summer, grain prices failed to drop. Quite to the contrary, they went

skyrocketing up - at the very time that Henry was in the market on the short side to the tune of a-hundred-and-ninety-five-thousand bushels. Ordinary arithmetic would show that <sup>Henry</sup> ~~he~~ took what is called - a beating.

So it would seem that the former Secretary of the Treasury did not have any inside information - or, if he did, it was the kind of inside information on various matters that Nelson and I get every once in a while, only I am too timid to plunge, <sup>how about</sup> You, Nels?

Also among ~~the new names,~~  
Don Ameche. ~~Profession~~ and address  
not given.

## ADD SPECULATORS

One of those delicious turns of irony is to be found in the fact that recently, <sup>Henry</sup> Morgenthau disclosed how, in the <sup>early</sup> ~~1930s~~ days of the New Deal, he plunged heavily into the grain market in behalf of the federal government. In those depression times, prices were dropping in a disastrous way, and President Franklin D. Roosevelt decided to throw in government funds to check the price collapse. So at his direction, Morgenthau as Secretary of the Treasury <sup>then</sup> directed heavy federal buying in the grain market, <sup>buying for Uncle Sam.</sup>

## FLOODS

Heavy floods in western Oregon. Five lives lost, a hundred families forced to flee their homes at Eugene, where the turbulent Willamette ~~River~~ surged over its banks three-and-a-half feet above flood ~~level~~.

~~The~~ Floods ~~were~~ caused by seven days of heavy rain, rain which extended down into California where flood waters caused a washout on the southern Pacific main line between San Francisco and Portland, and pouring a record volume of water into the <sup>great</sup>~~great~~ reservoir of the Shasta Dam.

~~But~~ Tonight the ~~good~~ news is that the rain has thinned to a drizzle; <sup>with</sup> ~~and there is~~ hope that the flood will <sup>recede quickly.</sup> ~~rapidly subside~~

## BRAZIL

Tonight the Brazilian Chamber of Deputies passed a bill ousting all Communist legislators throughout the Republic. The Brazilian government striking a final blow at the Red menace.

Last May the Communist Party was outlawed ~~down there~~ and subsequently Brazil broke off diplomatic relations with the Soviet. The ~~new~~ new bill to oust the Reds from <sup>the Rio</sup> government affects ~~one~~ one lone Senator - Carlos Prestis - Head of the Communist party; and fourteen members of the Chamber of Deputies - the Hower House. It also involves the ousting of the majority of the aldermen in the Municipal <sup>Government</sup> ~~at~~ at Rio de Janeiro. Eighteen Red aldermen to go, *as the United States of* ~~as~~ Brazil makes a clean sweep. ~~of its subversive elements~~ No more Communists in Brazilian politics.

## GERMANY

Today the first definite move was taken for setting up a government of Western Germany. (At Frankfurt, the United States and Great Britain handed to a conference of German political leaders a sweeping proposal for the establishment of a legislature, a cabinet, a high court, and a central bank. The word "government" was not used: but that's what it means - Western Germany offered a plan for setting up its own legislative, administrative, judicial and financial administration.)

This follows directly from the breakdown of the London conference of foreign ministers, which failed to agree ~~t~~ on a unified German government.) At that time it was indicated that the western allies would act on their own, and establish a unified German government in the zones they occupy - and never mind the Soviets in their zone. <sup>↑</sup> So that is what was presented to the Western Germans today. Only the Americans and British acted, but ~~ix~~ it is expected that the French and their zone will be brought into the plan later on - establishing a unified Western Germany; ~~and~~ isolating Eastern Soviet Germany.

## PALESTINE

At Jerusalem today, there was a crowd at the ancient Jaffa Gate, a crowd of Arabs. A police armored car drove by, and what happened is to be explained by the disclosure later on - that the police car had been stolen by members of Irgun Zvai Leumi, extremists of the Jewish Underground. A bomb was thrown and exploded - eight Arabs killed and forty-two injured.

The car went speeding on; but, out of a doorway young Arabs came running, and threw a bomb, *-- and* The explosion *of it* blasted the automobile, ripped a tire, sent the car smashing into a wall. Five Jews climbed out and made a dash for a get away.

They ran into the Mamillah Cemetery, trying to get across to a Jewish neighborhood on the other side. Police ~~were~~ after them, *firing at* ~~shooting~~ the bomb throwers, as they raced through the cemetery, *the fleeing Irgunists* were caught in a crossfire and cut down - three of the five killed, two wounded.

~~Another of those episodes of melodramatic violence in the Palestine Guerrilla war.~~



VATICAN

The abdication of King Michael of Rumania is having odd repercussions. Rumanian diplomats accredited to various European countries don't know where they stand. Or where to go. In Istanbul, Turkey, the ~~the~~ Rumanian Consul tonight refused to surrender his consulate to the Rumanian Ambassador who came to tell him he had been fired by Bucharest. "Could be" said the Consul in so many words "but I haven't heard." And so he shut the door and stayed. *Waiting* ~~going to stay~~ for his pink slip and ~~a~~ check, I suppose.

In Rome, Italian police had to break into the Rumanian Ministry at Vatican City - to rescue the outgoing charge-d'affaires, Theodore Solaco. Solaco phoned the police to say he was being held prisoner by two "Red Ruffians." That's how he termed them. These men whom the Rumanian Minister to Italy termed his "administrative assistants" arrived at the Rumanian Legation in Vatican City, and told Solaco he was out. He could quit but he wasn't to take anything with him- not even a suitcase. Solaco

said he wanted his personal effects, his laundry and his automobiles - ~~xxxx~~ also his papers. The two strong-arm men said no, and promptly ~~from~~ locked him in. Somehow Solaco managed to get to a telephone, and finally the Italian Foreign Office sent the police to rescue the charge-d'affaires, ~~with~~ with his laundry, and his automobile. But the two <sup>- as he termed them -</sup> "Ruffians" stayed, hanging on to the diplomats papers, claiming they had orders from Bucharest, although there is a strong suspicion they are ~~the~~ the strong arm squad of Rumanian Minister Serban, in Rome, a top flight Communist who says he fired the charge d'affaires the day Michael ~~is~~ abdicated. *The Minister being a grade lower than Charge d'Affaire.*

"My administrative assistants," the Red Minister announces, "merely wanted to make an inventory of the legation". Well, they <sup>are</sup> still in the Legation in Vatican City tonight, <sup>and their ex-chief,</sup> ~~the~~ Solaco, is outside with his wife, his automobile and his laundry. "I'll never go ~~xxx~~ back to Rumania," he says; "they'll kill me."

## CHEESE

In Paris, that Gay Paree of so many romantic legends, there's a police station called St. Lambert, which now has become the scene of an excruciating ordeal. The Gendarmes and the prisoners in the jail are enduring torments as exquisite as any invented by Edgar Allen Poe in the most ingenious of his horror stories. You might call it - a torture of the nose, or an agony of camenbert.

The painful story began when the x Gendarmes received information from the landlady of a rooming house, who reported that one of her lodgers, Pierre Chapsal, was receiving mysterious packages. <sup>These</sup> Contained camenbert cheese - fine ripe camenbert. The Gendarmes, they sniffed with appreciation <sup>-- if</sup> you know the rich appetizing aroma of rich ripe camenbert.

(~~It appears, however, that~~ <sup>But,</sup> Pierre Chapsal was not procuring all that odiferous cheese for his own consumption.) <sup>Pierre</sup> ~~he~~ was a black marketeer, to whom an accomplice in the Provinces mailed the daily consignments of camenbert, which Pierre Chapsal thereupon sold to

restaurants in Paris.

So the Gendarmes arrested Pierre ~~Chapsal~~,  
took him to the <sup>Bastille,</sup> ~~police station~~ of St. Lambert, and put  
~~him in jail. Moreover, according to law,~~ The landlady  
~~of the rooming house was~~ ordered to forward all future  
packages to the St. Lambert <sup>police</sup> station. The packages have  
been coming in ever since - at the rate of fifty a day.  
According to law, they must be kept at St. Lambert,  
until a decree has been issued for ~~x~~ their disposal.  
They've been piling up, a mountain.

Now camembert, when it's ripe, grows riper.  
When it is fragrant it grows more fragrant <sup>all</sup> the time.  
So a great perfume emanates from the heaped up packages  
<sup>in</sup> at the police station; ~~it's~~ <sup>it's</sup> suffocating; ~~it's~~ <sup>it's</sup> stupefying.  
1/2 The Gendarmes are in a state of collapse. The prisoners  
in the jail are still worse off - because they can't  
get out for a breath of ~~ff~~ fresh air.

~~(Yet the camembert keeps piling up.~~ The police  
have not been able to find the accomplice of Pierre  
Chapsal, and this accomplice has not yet heard what ~~x~~

has happened to Pierre. So he continues to send the  
camembert.) Too much is too much - and if it goes on,  
the drama may turn into tragedy - the perfumed death or  
the fatal camembert. -- *Too much is too much,*  
*ich Nelson.*