

L.T. P. & G. Friday, July 30, 1948.
(Given by John Kieron) NIGHT SHOW
FRIDAY, July 30

SUBSTITUTE LEAD ESPIONAGE

Good evening, everybody.

Tonight a few million Americans must be trying to guess -- who was the White House adviser said to have been a Soviet spy? What member of the staff of the late President Franklin D. Roosevelt, is accused of having betrayed the fact that American Wartime Intelligence had broken the secret Soviet Code?

This astonishing, not to say shocking, riddle has been before the public for some days -- ever since there appeared headlines about Elizabeth Pearl Bentley who tells how she was an intermediary between high government officials and the espionage agents of Soviet Russia.

(*self confessed former agent of Red espionage,*
Today Elizabeth Bentley gave ~~her~~ testimony before a Congressional Committee and told how an adviser to the late President Roosevelt had, through her own aid, given Red spies the tip that American Intelligence had broken the secret Soviet code. She did not give the

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name of this former White House official.) At the request of the Congressional Committee, she left that still a secret. So what have we for a clue in the guessing game? Just this one fact. Today Elizabeth Bentley stated that to the best of her knowledge the presidential adviser who did Red spy work is still alive, although he is no longer in the service of the government.

~~afternoon, Elizabeth Bentley refrained from giving the name of that individual.~~

But she did give other names. She told of getting information from the War Production Board, and said that her contact there was - William Remington. Previously, this William Remington was identified by another witness, Acting Secretary of Commerce Blaisdell, who described Remington as a man employed by the Commerce Department during wartime for work which Blaisdell described as - "highly secret." He was engaged in this, although there was at the time some question about his connection with Communist Front organizations.

This Remington is now on vacation and is scheduled to testify before the Congressional Committee later on.

Today, Elizabeth Bentley was asked - was Remington a Communist?

~~To which~~ She answered: "I collected his Communist Party dues." She added that she had also collected the Communist Party dues for Remington's wife. She said that

Remington supplied her with secret information ^{about} American
aircraft - information that she transmitted to Soviet
espionage *agents!*

Another sensation came when she identified another
Red spy - a woman who was a secretary to Walter Lippmann,
the well known political columnist. She said that Lippmann's
secretary at the time was Mary Watkins Price, who is ~~now~~
now head of the Henry Wallace Progressive Third Party in South
Carolina. She told of ^a ~~the~~ time when she and Mary Watkins Price
took advantage of the fact that Lippman was away on a
vacation. "For three days," she testified, "we typed furiously,
copying down all the information he had in his files."

She stated that Walter Lippman had a lot of material useful
to the Soviets.

Late this afternoon, Walter Lippmann was told
about this. He said: "It is all news to me, if it's true."

~~Elizabeth Bentley stated today that she procured
espionage material directly from some twenty highly placed~~

Still later, a statement ~~came~~ from Chairman
Mary Watkins Price of the North Carolina Third Party.

She calls the accusation -- "fantastic". "It is ^{says she,} an
obvious effort to discredit the great new Progressive
Party." She admits she worked for Walter Lippmann and
that ~~next~~ she had met Elizabeth Bentley. "I have no
other comment" says she.

Elizabeth Bentley stated today that she procured
espionage material directly from some twenty highly placed

officials of the federal government, and obtained information indirectly from twenty or thirty others. She said that most of them believed that she was transmitted ^{ing} the secret information to Earl Browder, then head of the American Communist Party. In reality, she was turning the material over to Soviet espionage ^{agents} at a Russian travel agency.

She related some of her personal story to the Committee -- a young woman of good New England family, who went to Vassar and in college became a Socialist. This led her to Communism, and she did Red spy work from a date shortly after Soviet Russia got into the Second World War - from then until Nineteen Forty-Four. The Soviet secret agent she dealt with was one Galos, with whom she was in love. He died, and thereafter the Reds became suspicious of her. She, in turn, grew disgusted with the spy work she was doing against her own country. She drew away from the Communists, broke with the Party, and then made a confession to the F.B.I. - in New Haven. She was asked why she picked the

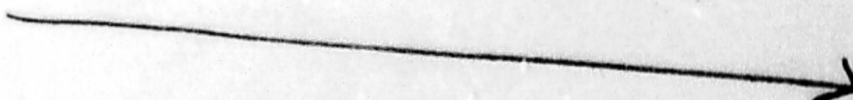
SUBSTITUTE LEAD CONGRESS

In the battle between ^{the} President and Congress the latest is a statement by Marriner Eccles, former Chairman of the Federal Reserve Board. He ridicules the anti-inflation proposals ~~that~~ the President has handed to Congress. ~~He calls them a perfectly contradictory program". He says that in his words "it does not make economic sense".~~

~~The~~ Congress is taking up one point of the Presidential program -- the call for legislation to restrict bank credit and instalment buying. That, in turn, brings up a controversy ~~within the Administration~~ ^{of} ~~that flared~~ last November -- an argument between the Chairman of the Federal Reserve Board, Marriner Eccles, and Secretary of the Reasury, John Snyder. ^{At} that time the word was that Eccles and Snyder differed on the question of reducing bank credits, Eccles holding that this would be a way to check inflation -- as the President

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himself now argues. Snyder disagreed and, as a result,
Eccles was out as Chairman, reduced to the rank of mere
member of the Federal Reserve Board. Yesterday Marriner
Eccles declared that he had been forced out as Reserve
Board Chairman, because he had advocated restricting
credits.



New Haven office of the F.B.I. to go to instead of Washington
or New York. To this she replied: "Because you get a
obsessed with the idea that every government bureau is
filled with spies."

Today he returned to the attack declaring that his credit
restriction policy was opposed in the Truman Administra-
tion because of the selfish interests of certain people.

He put it in these words: "I must conclude that I was too
assiduous, that I stepped on too many toes. I, no doubt,
offended certain individuals and groups who may have bene-

fited by inflation. I, therefore, became a political
liability", said he. [#] Whereupon he proceeded to blast the
Truman anti-inflation program, saying that the President's
policy is contradictory. He declared that one part of
it is against inflation, while the other promotes inflation.
In hurling his cannonade, Marriner Eccles was impartial --
blaming both President Truman and the Republican Congress
for failing to check inflation.

The general picture in Congress tonight is
clear on one point -- they are likely to pass laws to
restrict bank lending and instalment buying. The impor-

tance of this lies, of course, in the fact that inflation is mostly a matter of credit, borrowing from banks and buying on credit, -- the instalment plan. That promotes a huge lot of purchasing, which drives prices up.

Today Senator Taft of Ohio stated that credit legislation could be voted quickly enough to permit Congress to adjourn a week from tomorrow. But what about the Southern filibuster in the Senate? The Dixiecrats are still talking on against the anti-Poll Tax Bill, which has been introduced in the Senate -- their idea being to talk it to death. Senator Taft indicated today that the Senate would be able to dispose of the Southern filibuster by next Wednesday. Just how he didn't say - but one way would be to withdraw that racial rights bill, which they're trying to talk to death.

(President Truman today gave new warning to Congress-presenting a report from his council of economic

BERLIN

That Western power plan ⁱⁿ of the Berlin ^{crisis appears} ~~headlock seems~~
to have run into difficulties - a kind of trouble not unknown
in the affairs of ordinary life. Suppose you decided to
visit somebody, ^{have} had it all planned, and you ^{then} ~~found~~ ^{find} that your
intended host is not at home. It has been known for a
prospective host, ~~having an intended visit~~, to take care
not to be at home. Now, I wouldn't suspect Soviet Foreign
Minister Molotov to do anything like that, but here are the
facts as presented by a news dispatch from Washington.

As we've been hearing for days, the United States,
Great Britain and France decided that their next move would
be to go personally to Molotov. That is, have their
Ambassadors in Moscow call on the Soviet Foreign Minister,
~~and have~~ ^{for} a face-to-face meeting - presenting to him the latest
Western proposals for ending the Berlin blockadex. But now,
it seems, Molotov is not in Moscow - not at home. ~~They say~~
~~he's on vacation somewhere - in spite of the fact that~~
~~worldwide news has been stating for days that the Western~~

We hear that an alternative is being considered,
a large alternative - Stalin. The Western powers might
revise
~~REVISE~~ their plan, ~~RE~~ and send their Ambassadors to the
Moscow chieftain himself - for a personal face to face.
It sounds nice and simple. If Molotov isn't at home,
why not call on Stalin?

But is Stalin at home? That's the next question.
Nobody seems to know. The Washington word is that nobody
can say whether or not Stalin is at the Kremlin right now.
He, too, may be away on a vacation.

So whom can the Ambassadors call on? Whom can
they visit? They might end by trying the office boy.

These absurdities are part of the dark world
problem of possible war or peace. But, then, history
proves that absurdities have a way of showing up in the
most portentous of human affairs.

HUNGARY

The President of Hungary has resigned -- and his son-in-law is charged with treason and espionage. This brings to an end an ignominious kind of affair that followed the Red seizure of Hungary months ago. At that time the Reds overthrew the moderate Democratic government of the agrarian party -- the party of small land-holders, farmers. The Reds, in their conniving, seized control of that farmers' party -- and some of its leaders agreed to cooperate. One was Zoltan Tildy -- whom the Communists made President of Hungary. He yielded to Red domination, and he has been a puppet president ever since -- until today.

OLYMPICS

The Olympic competition started at the ~~Wembley~~ ^{Wembley} Stadium today, and the American onlookers received something of a ~~slight~~ slight shock. No American won a first place. There were three final events -- a Czechoslovakian Army Lieutenant, Emil Zatopek, won the ten-thousand-metre run in record time. A French woman, ~~Madame~~ ^{Mademoiselle} Ostermeyer, won the women's discus with a toss of one-hundred-and-thirty-seven feet, ^{6 1/2} ~~and some~~ inches.. And J. L. Winter, ^{a bank clerk} of Australia, was the surprising winner of the high jump at six feet six inches. I rather thought our own jumpers would take care of that event, but the best we could do was a tie for third place -- Dwight Eddelman of Illinois and George Stanich of U.C.L.A. shared that position by ~~clearing~~ clearing the bar at six feet, four and three-quarter inches. I can't help being a little disappointed, but ^{today} I am sure ^{many} our track and field ~~men~~ ^{men who qualified in trials} will see that the Stars and Stripes are hoisted to the top of the flagpole more than once in the Olympic events to come.

As Lowell Thomas would say
SO LONG until MONDAY!

DEWEY - SCHOOL

The news tells of a high compliment - and leads to the reflection that the highest compliment you can pay to a university is to go there and enroll as a student. In this case the student, expressing homage, is Senator Clyde Reed of Kansas, a statesman of seventy-six, who has been through the political mill for almost a couple of generations - learning politics the way that art is practiced in the Middlewest. So why does the Senator want to go to school? What does he want to learn from the professors?

The answer is given in a letter he ^{sent} ~~read~~ today to the Campaign Manager for Governor Dewey. The communication is addressed: ^{Doctor} ~~Dear~~ Herbert Brownell, Dean - Dewey University of Politics."

Whereupon the Senator goes on to express the numility suitable for a student, and refers back to the Republican Convention - the skillful way in which the Dewey leaders handled the nomination - a thing that many others noticed ~~with admiration~~ at the time.

The seventy-six year old Senator writes: "I've lived a long while, and have a fair amount of contact with public affairs. Through the years I've been an observer of politics and things political, and have accumulated some experience along that line. But," continues the Senator, "after spending the week, beginning June Nineteenth, at Philadelphia, and watching graduates of the Dewey university operate - I realize that all my experience and observation had been along amateur lines. I covet the sure touch of the Dewey graduates," says the Senator, "and desire to enroll for at least one semester for the next session of the Dewey school. I would be pleased to know the requirements for enrollment, the length of the term, and the possibility of obtaining a degree."

I am sure that, at Pawling, New York, this letter is being accepted as valued appreciation, a tribute ^{to} ~~for~~ that streamlined efficiency in running things, for which the Republican candidate has made a reputation.

DANUBE

In the city of Belgrade on the River Danube, a big time conference began today - one that has been awaited with a good deal of suspense and curiosity. Ever since the end of the war, there has been a dispute about the navigation of the Danube, which great waterway is of such vital importance for transportation in southeastern Europe. The Western powers - insisting on free navigation of the Danube. The Soviets and their satellites - wanting the river traffic to run ⁱⁿ ~~on~~ the style of the Iron Curtain.

For more than two years, the dispute has been deadlocked. But then, some months ago, it was agreed to hold an all-around conference of the eleven countries that have an interest in the navigation of the Danube. The time was set for today, and the place - ~~the university at~~ Belgrade, capital of ~~the~~ Jugoslavia.

All of which seemed to be a regular matter of international diplomacy, until several weeks ago - when the blow-up occurred behind the Iron Curtain. Red Marshal Tito

of Jugoslavia got into a noisy battle with Moscow and the Cominform. So what would happen to that Danubian conference - to be held at Belgrade, Tito's capital? It would be odd - the Western powers sitting down with Soviets and satellites - and also the rebellious puppet. All this - in Belgrade, capital of the rebellious puppet.

{ Some thought that, because of the paradox, the Danubian conference would be called off - but it was not. Which would seem to be an indication of how important the people behind the Iron Curtain consider the question of river navigation. Another sign - the Soviet representative is Vishinsky, the Deputy Foreign Minister, second only to Molotov. The Romanian delegate is Anna Pauker - one of the top flight Communists behind the Iron Curtain.

The conference was opened today by the Jugoslav Foreign Minister, one of Red Marshal Tito's big shots in the feud with the Cominform. Tonight the government buildings of Belgrade are decorated with the Red flag and the hammer and

sickle of Soviet Russia. On all sides, portraits of Marshal Tito appear. Also - the faces of Lenin and Stalin. Pictorial evidence of the Yugoslav attitude - that Tito's quarrel is not with Soviet Russia, but with the Moscow sponsored Cominform.

Such is the Danubian conference, which began today - a vivid indication that there is more to the beautiful Blue Danube than the Stauss waltzes, ladies in swirling skirts and lilting melodies in three-quarter time.

ESPIONAGE

Good evening everybody - and hold fast to your chairs. Late this afternoon, sensational testimony began

in Washington - the testimony of the blond spy, who has been in the headlines for days. Elizabeth Pearl Bentley appeared before a Congressional Committee and promptly made a

startling statement. She declared that a ~~member of the~~ *member of the* staff of the White House in Nineteen Forty-Four, transmitted

to her the information that American Intelligence had broken the Soviet secret code. It had been ~~stated~~ stated previously

that Elizabeth Bentley, former agent for Soviet espionage, had procured wartime secrets from an adviser to the late

President Roosevelt. Also - that she had transmitted to Red espionage *agents* the disclosure that American Intelligence had

broken the secret Soviet code. Now the two things are tied together - the word about the breaking of the code obtained from an official at the White House.

Who was he? Who was the adviser to President Roosevelt who was acting as a Soviet spy? That still remains a secret. At the request of the Congressional Committee this

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The indications ~~are~~ clear tonight - that the Republican Congress is likely to pass laws to restrict bank lending and installment buying. That is one of the pieces of legislation proposed by President Truman, and seems to be the only one that the special session of Congress will pass. The legislators are not going to return to rationing, price fixing, and wage restrictions.

All this was indicated by Senator Taft this afternoon, he joining with other Republican members of Congress in stating that the special session was willing to put restrictions on bank lending and installment buying. The importance of this lies, of course, in the fact that inflation is mostly a matter of credit, borrowing from banks, buying on credit, the installment plan. That permits a huge lot of purchasing, which drives prices up.

Senator Taft argued that, while Congress is willing to enact legislation, the President already has, in fact, sufficient authority to restrict credit. He pointed back to the

January

controversy in the Administration last ~~November~~, when
Marriner Eccles ~~resigned as head~~ ^{was demoted from} Chairman of the Federal Reserve Board.

At that time, it was stated that Eccles had got into a
controversy with Secretary of the ~~TREASURY~~ Treasury Snyder -
on that very subject of restricting credit to halt inflation.
Eccles in favor, Snyder opposed - Snyder winning out and
Eccles resigning. This was reaffirmed yesterday in testimony

given to ^{the} ~~a congressional~~ committee by Marriner Eccles, who
also said today that President Truman demoted
him for political reasons.
Today, Secretary of the Treasury Snyder testified.

He now gives his approval to credit restriction - though in
a qualified way, stating that the whole thing is not of
major importance in the rise of prices. Committee members
charged him with now reversing his own stand of last November,
but this he denied, saying that he had not changed his
opinion. The answer did not satisfy the Committee, and they

intend to press further into the alleged quarrel ^{of last}
~~November~~ Marriner Eccles comes out against the whole Truman
ANTI-INFLATION Program, calling
it ridiculous.
Senator Taft stated today that Congress, at the

The latest

Senator Taft said that the credit legislation could be voted quickly enough to permit Congress to adjourn a week from tomorrow. But what about the Southern filibuster in the Senate? The Dixiecrats are still talking on against the anti-Poll Tax Bill, which has been introduced in the Senate - their idea being to talk it to death. Senator Taft indicated today that the Senate would be able to dispose of the Southern filibuster by next Wednesday. Just how he didn't say - but one way would be to withdraw that racial rights bill, which they're trying to talk to death.

President Truman today gave new warning to Congress - presenting a report from his council of economic

advisers, a report showing record-breaking figures for national income, production, wages, corporation profits, and the cost of living. In other words, a soaring boom. But it's a boom threatened by inflation and rising prices, and might be followed by a depression. The President put it in these words: "It would be reckless to assume that the bust will not happen if we neglect to control the boom."