

BUDGET. In his budget message to Congress President Truman estimates that Uncle Sam's deficit for the year ending next June Thirtieth will be around one billion, nine hundred million. In other words, one hundred million short of two billions; if you can visualize what a hundred million less than two billion is. I can't.

Today we hear that our Government, since the end of June, has already run up a deficit of a billion, two hundred ~~XXXXX~~ and seventy millions; two-thirds of what President Truman guesses the shortage will be for the entire year. We've gone a billion-two-hundred-and seventy-million in the hole in thirty-eight days. Which sounds like bad news for the rest of the year. It means that the heads of departments, bureaus and other government agencies must strain themselves to meet the President's demand for economy, the demand he made public several months ago.

Just as an idea of how much it costs to run a

government, Uncle Sam's total expenses from July first to August Seventh -- that's five weeks-- were four billion, four hundred and seventeen millions. In the same period last year we spend ten billion, seven-hundred-and-thirty-seven millions.

## BLACK MARKET

A black market ring operating all over the world and of staggering dimensions has been brought to light in Berlin. The Criminal Investigation Department of the U.S. Army in Germany makes the charge, and its agents have arrested two New Yorkers, one in Berlin, one in Paris. According to the military authorities it's a whole family that's involved. The father whose name is David Warner, and one of the sons, Al Warner, are accused of operating at two-hundred-and-fifty-three West Seventy-second Street, New York City. That's the headquarters, but there are branches not only in Berlin and Paris, but also Shanghai. The men arrested are Lewis Warner, twenty-two years old, a former Lieutenant in the Air Force, now a weather expert for American Overseas lines in Berlin. The Paris brother is Oscar Selig Warner, twenty-nine years old, a former Lieutenant in the Navy, recently head of an export-import business in France.

The Army declares that their operations have been running into the million. That they traded in



almost every kind of goods that could be sold for high prices: diamonds, rugs, silks, cigarettes, currency, perfume, watches, clothing and that drug so vital in cases of many extreme illnesses, penicillin.

The C.I.D. first placed Lewis Warner, the Berlin brother, under house arrest, on his word of honor not to leave the house. But he broke his parole rushed to a cable office, and sent a message to the rest of the family with the words: "The jig is up." Thereupon the C.I.D.'s threw him into jail. The C.I.D. claims that both this Warner and Oscar Selig Warner, the Paris brother, have signed full confessions.

It was an extraordinarily efficient concern, says the C.I.D. Almost every day each member of the family received a detailed account of the previous day's operations. Robert Warner, the Shanghai brother a former Lieutenant in the Navy, at present is traffic manager for UNRRA in Shanghai. In Line with that is a ~~XXXXX~~ quotation from a letter written by him to his brother in Paris. He was Bawling his brother out



for sending goods to his Navy address in Shanghai, and he wrote in his letter: "You must remember ~~fx~~ that I work for UNRRA and everybody thinks this is a crooked organization. "

Robert Warner also wrote that he was surprised his brother in Paris should do such a foolish thing -- just what the foolish thing was is not made clear. But he adds that even if it meant making fifty thousand dollars, it was a bad risk. Then he said: "Never send me a cable through the Navy concerning business, even if it means making a million dollar profit, because making a million dollars is not worth spending six months in jail."

As recently as June Twenty-ninth the Berlin brother wrote to his family that the C.I.D. was beginning to crack down. He added that they had men everywhere and one could scarcely move without being trailed by them. ~~Then he said~~ *He added* that being suspected by the C.I.D. is not worthwhile.

ADD BLACK MARKET

Here in New York, reporters called upon David Warner, the father who is a retired contractor fifty-nine years old. He said he was a native of Russia, and that the name Warner had been adopted by permission of the Court. He said he was aghast at the accusations and that there was no illegal dealings between himself and his sons. Then he added:--

"I can't think what they can have been doing among themselves." He said he had not heard from either the FBI or the Army C.I.D. He never sent his sons merchandise or money in any quantity to operate a black market. All he has in the world, he said, is those darling children. Two of which darlings are reported to have signed a written confession.

SURPLUS - follow Black Market

Although most Congressmen have gone home, a special committee of the House <sup>has stayed on</sup> ~~is~~ in Washington, investigating the disposition of surplus war material, <sup>and the committee</sup> ~~and~~ today learned some astonishing things. The Chairman of that committee is Representative Roger Slaughter of Missouri, <sup>who last week was</sup> ~~who~~ just was defeated in the <sup>Missouri</sup> ~~Primaries at home to the great~~ <sup>purged by</sup> ~~pleasure~~ of President Truman.

One of its witnesses was an ex-convict, Benjamin J. Fields, who last month figured largely in the Senate investigation of the Garsson <sup>S. Fields</sup> ~~estate. He~~ refused to testify before the Senate Committee ~~in that~~ <sup>him.</sup> ~~regard,~~ on the grounds that it might incriminate ~~and~~ ~~separate him.~~

In Nineteen Thirty-one Fields was convicted of mail fraud, and served several years, ~~in the~~ ~~penitentiary.~~ At one time he claimed to be publicity agent for a representative of King Farouk of Egypt. He told the Congressmen that in spite of his prison



record, he had a lot of friends who may have assisted in his dealings, but none ~~of them was~~ in ~~the~~ government employ. He told the Congressmen how he bought war surplus material at a cost far below the market and resold it to private businessmen. <sup>How he</sup> ~~He~~ served as a contract broker, and received a fee of five percent of the ~~xxxx~~ purchase price, <sup>plus</sup> ~~but he also got~~ a split of the difference between what the ~~the~~ government got and what <sup>the</sup> ~~the~~ seller got from the ultimate buyer.

The committee was particularly interested in Fields' ~~xxxxxx~~ purchases of bronze wire screening for which there is a terrific shortage in veterans housing projects. Fields, <sup>who</sup> had no difficulty in <sup>obtaining</sup> ~~xxxxxxxxxxxx~~ five-hundred-and-thirty-nine rolls of screening, sold <sup>reels</sup> ~~them~~ to a contractor in Oklahoma City for eight thousand dollars, plus four ~~thous~~and commission.

Fields <sup>answered</sup> ~~xxxxxxxxxx~~ many questions with the statement that he didn't know or didn't remember. He couldn't remember who showed him that screening at

the Surplus Property warehouse in Richmond, Virginia, couldn't remember with ~~xx~~ whom he came in ~~xxx~~ contact at the War Assets Administration in order to buy the stuff.

The Government altogether has about thirty billion dollars worth of war surplus materials. So far the War Assets Administration has disposed of only five billion dollars worth. Robert M. Littlejohn, just recently appointed head of the W.A.A., admitted that he ~~isn't~~ <sup>hasn't an</sup> ideal organization; ~~for the~~ <sup>purpose</sup> ~~purpose~~ <sup>also</sup> ~~He said~~ that ninety percent of the complaints about the way left-over stuff ~~was~~ <sup>has been</sup> disposed of ~~some~~ <sup>has come</sup> from war veterans. And he added that sixty-five percent of those complaints appeared to be justified.

Littlejohn said further that he ~~is~~ <sup>is</sup> making plans to tighten up his organization, improve the procedure, make irregular operations impossible, and bar out the chiselers.

UNRRA

In Prague today <sup>Former Mayor</sup> LaGuardia told newspapermen that although UNRRA would cease to function at the end of the year, he is confident the countries that have will not abandon those that are in need.

While he was talking, the American delegation at the UNRRA conference in Geneva supported the resolution of Canada for the United Nations to take over UNRRA'S functions in Nineteen Forty-seven. Fiorello had words of praise for the people of Czechoslovakia, but criticized them for making beer. He objected to sending grain to a country that is making beer.

One of the reporters pointed out that the Czech beer is made out of barley unfit for human beings to eat. Said LaGuardia - "That makes no difference."



PRICES

Your new car, if you want one in the lower brackets, will cost you at least Sixty-nine dollars more. Those who want luxury models will pay two hundred and ninety-three dollars more, because OPA today permitted the makers a rise of 7.3 percent, effective at once. What is more, they may even go up five percent more, ~~it~~ depends <sup>ing</sup> on what happens at the meeting of the ~~Six~~ Dealer Advisory Committee tomorrow.

The New Deal Control Board began functioning today, with the first of a series of hearings. Representatives of farmers, of the food industry, of Labor and consumers, are there in force to urge their interest upon the Board.

Spokesmen for the farm groups told the Board that <sup>there's</sup> ~~it's~~ going to be a bumper crop in the U.S.A. this year. <sup>that</sup> When the harvest is in there <sup>will be</sup> ~~so much~~ so much grain ~~is~~ that inflationary prices will be impossible. <sup>so much</sup> In fact, the Government may have to step in again and control the corn and oats markets.

# STRIKE

Since two ~~o'clock~~ this afternoon no cable news has come to the United States. The reason? ~~strike. An embargo by~~ The C.I.O. Telegraphers Union ~~which~~ <sup>is</sup> refused <sup>ing</sup> to handle ~~any~~ news copy from abroad. The only way ~~for~~ correspondents from overseas to get their ~~stuff to us~~ <sup>stories in</sup> was by telephone and radio. ~~circuits~~ ~~The Union has no grievance against the cable companies, Western Union, Mackay, or any of the others. Their~~ <sup>The</sup> quarrel ~~is~~ is with press wireless, where three hundred men belonging to the American Communications Association of the C.I.O. are on strike. Since press wireless would not ~~give~~ <sup>give</sup> in to the strikers' demand, the Union brought pressure on its members who work for the cable companies <sup>— asking them</sup> to refuse to handle any international <sup>copy.</sup> ~~stuff.~~

The Union declines to arbitrate, and will do nothing until press wireless reinstates forty-six men who were laid off.

## PALESTINE

Two more ships loaded with Jewish refugees, two thousand of them, arrived in the harbor of Haifa today. According to all accounts the ships are jammed to the limit. The British tied up four landing craft which they have converted into floating barbed wire cages, tied them up near the cargo jetty. Obviously these are to be used to transship the hopeful immigrant to the big British passenger liner which is waiting to take them all to Cyprus.

In Jerusalem, meanwhile, an attempt was made to begin the trial of twenty-two Jewish Extremists, members of the Stern organization, survivors of some thirty-three who fought with British troops on June seventeenth, after planting mines that damaged the railway workshop at Haifa -- damaged it to the tune of four million dollars. In the battle seven of the Sternists were killed two more died later.

As the trial opened the twenty - two



defendants sat in silence, handcuffed, and listened <sup>ing</sup> while the Judge Advocate recited the charges. ~~against~~  
~~then~~ <sup>The Judge</sup> asked the prisoners to plead either innocent or guilty. Finally one of them stood up and said: "We fought and fell on the battlefield. We demand treatment as prisoners of war." Then they all said they refused ~~to~~ to recognize the proceedings in court.

<sup>Whereupon</sup> ~~then~~ they all <sup>rose</sup> in their seats and began chanting the Sternist anthem. This made it impossible to hear ~~my~~ testimony, so the court took a recess.

In the afternoon the same process was repeated. The defendants ~~began~~ <sup>- chanting - ing</sup> singing and refused <sup>to</sup> to stop.

## ROCKETS

It was reported late last night that a brilliant light suddenly appeared on the horizon south of Stockholm, Sweden. It flashed across the sky on a straight course, some six or seven hundred feet in the air. Some thought it was a meteor. But a Lieutenant of the Swedish Air Force who saw the phenomenon identified it as a rocket. It was visible over Stockholm for several seconds, then went sped north and exploded. Three others came to earth somewhere in central Sweden.

The Air Force Lieutenant said the rockets were about sixty-five feet long, shaped like a cigar, with a green head and white sides. The one he saw moved at terrific speed only a short distance off the ground.

Another who was near the scene of the explosion of one bomb, -- which went off in the air, -- said there was a great blast of heat, then fragments rained down, small black metal objects like coal clinkers. Mechanics believe those ~~ix~~ clinker-like objects

are not part of the bomb itself, but fragments of the explosive used to propel them. It is believed ~~that~~ these rockets ~~are~~ <sup>were</sup> directed by radio and were intended to return to the place from which they were launched after flying over Sweden. Some of them flew a straight course, others turned in the air, veering from ~~the~~ southeast to northwest.

This is the third visitation of the kind ~~that~~ the Swedes have had.) ~~They had a somewhat similar experience~~ May Twenty-fourth, ~~and~~ <sup>and</sup> July ninth. Ghost rockets of the same character were seen in Finland June ninth, <sup>and</sup> in Denmark twice during the month of May, <sup>and</sup> in Norway over Oslo Bay on July Fourteenth.

They are not like the V-bombs with which the Germans bombarded London in the last months of the war, <sup>Apparently they</sup> ~~because they don't~~ <sup>no</sup> make a noise.

The Swedish Army is investigating, ~~for~~ ~~all this work~~, but refuses to give ~~out~~ any information of what it has learned so far. A spokesman for the Army



merely says that the authorities are doing their utmost to find out the origin of the terrifying mysterious rockets.

And now Hugh we'll rocket along to you.