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THE TRUMAN SHOW: THE FRAUDULENT ORIGINS OF THE FORMER PRESIDENTS ACT

Paul Campos[*]

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INTRODUCTION

On January 6, 2021, a seditious mob incited by President Donald Trump invaded and ransacked the Capitol in an attempt to stop a joint session of Congress from certifying Trump's defeat in the previous November's election.[1]

In the days immediately following, many people demanded that President Trump be impeached for a second time for his role in triggering the attack.[2] A number of these people pointed out that,

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1. *See* Greg Miller, Greg Jaffe & Razzan Nakhlawi, *A Mob Insurrection Stoked by False Claims of Election Fraud and Promises of Restoration*, WASHINGTON POST (Jan. 9, 2021), https://www.washingtonpost.com/national-security/trump-capitol-mob-attack-origins/2021/01/09/0cb2cf5e-51d4-11eb-83e3-322644d82356_story.html [https://perma.cc/CDE4-KNCN].

2. *See* John Fritze, *Momentum for Trump Impeachment Soars as Some in GOP Say It's Warranted After Capitol Riot*, USA TODAY (Jan. 10, 2021), https://www.usatoday.com/story/news/politics/2021/01/10/trump-impeachment-momentum-soars-following-riot-u-s-capitol/6603398002/ [https://perma.cc/Z565-HJ7X]. The House of Representatives voted to impeach Trump on January 13, 2021,

should Trump be convicted by the Senate, he would lose the many benefits bestowed on ex-presidents by the Former Presidents Act (FPA), the federal statute enacted in 1958 that first granted both a pension and an array of other valuable taxpayer-funded privileges to former Presidents.[3]

By 2020, the provisions of the FPA were providing former presidents Bill Clinton, George W. Bush, and Barack Obama more than one million dollars per year each in government benefits.[4] (Former President Carter was receiving $480,000 in annual benefits).[5] For many commenters, the prospect of Donald Trump receiving a comparable level of taxpayer largesse to help subsidize his post-presidential lifestyle was an additional compelling reason to eject Trump from the White House via impeachment and conviction.[6]

As this series of events illustrated, the Former Presidents Act is a statute of considerable symbolic political significance.[7] That significance is also illustrated by the fact that, more than sixty years

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exactly one week after the attack on the Capitol. One month later, on February 13, the Senate voted to convict Trump by a margin of 57–43, thus, falling short of the two-thirds majority required for conviction under the Constitution. *See* Dareh Gregorian, *Trump Acquitted in Impeachment Trial; 7 GOP Senators Vote with Democrats to Convict*, NBC NEWS (Feb. 13, 2021), https://www.nbcnews.com/politics/donald-trump/trump-acquitted-impeachment-trial-7-gop-senators-vote-democrats-convict-n1257876 [https://perma.cc/48HS-E3AX].

3. *See* Former Presidents Act, 3 U.S.C. § 102. The relevant text of the statute reads that its benefits are available to any former president "whose service in such office shall have terminated other than by removal pursuant to section 4 of article II of the Constitution of the United States of America." *See id.* This would seem to indicate that a president must be removed from the presidency to lose the benefits of the Act. The Constitution, however, specifies that the Senate can go on to disqualify someone convicted by it from "hold[ing] and enjoy[ing] any Office of honor, Trust or Profit under the United States." *See* U.S. CONST. art. I, § 3, cl. 7. The Office of the Former President—the position created by implication for former presidents by the Act—is arguably such an office, although the question has never been subjected to judicial interpretation.

4. *See* Demian Brady, *Congress Should Roll Back Perks to Ex-Presidents Costing Taxpayers $4 Million Annually*, NAT'L TAXPAYERS UNION FOUND. (Nov. 25, 2020), https://www.ntu.org/foundation/detail/congress-should-roll-back-perks-to-ex-presidents-costing-taxpayers-4-million-annually [https://perma.cc/Y6DY-ZS7E].

5. *See id.*

6. *See* Kurt Bardella, *Trump Doesn't Deserve Post-Presidential Benefits. Remove Him and Ensure He Won't Get Them*, USA TODAY (Jan. 12, 2021), https://www.usatoday.com/story/opinion/2021/01/12/impeach-trump-deny-millions-benefits-after-presidency-column/6624252002/ [https://perma.cc/K3VC-X36D].

7. *See id.*

after its enactment, the FPA has remained a subject of ongoing controversy within Congress itself.[8] In recent years, several bills intended to significantly curtail the benefits it provides have been proposed by members of both parties.[9] One of these bills reached President Obama's desk, where he vetoed it late in his second term.[10]

Given all this, it is remarkable that the FPA has been almost completely ignored by the legal academic literature.[11] Indeed, this Article represents the first sustained critique of the statute's origin and purposes.

This Article argues that, rather than paring back the benefits it provides, the FPA should simply be abolished altogether.[12] The FPA is a bad law that has never had any reasonable basis in public policy. And precisely why it has always been such a bad law is revealed most clearly by examining what turns out to have been the statute's unimpeachably fraudulent origins.

The FPA came into being because former president Harry Truman made a series of representations to both Congress and the public regarding the supposedly problematic financial situation he faced during the five and one half years that passed between the end of his presidency and the statute's enactment.[13] These representations provided the purported factual basis for enacting the statute in the first place; furthermore, these financial difficulties continue to be cited whenever the fact that taxpayers provide millions of dollars per year to ex-presidents becomes a matter of public attention and comment. Indeed, more than sixty years after the FPA's enactment, Truman's financial struggles remain essentially the only justification that is ever put forward, in either academic or popular literature, for

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8. *See id.*

9. *See, e.g.*, Presidential Modernization Act of 2019, S. 580, 116th Cong. (2019); Presidential Allowance Modernization Act of 2019, H.R. 1496, 116th Cong. (2019).

10. *See* Presidential Allowance Modernization Act of 2016, H.R. 1777, 114th Cong. (2016).

11. A student note published in 1975 discussed the relevance of the Former Presidents Act to potential congressional actions designed to punish a former president who had not been removed from office via the impeachment clauses. *See* Patrick E. Mears, *Presidential Pensions and Impeachment: A Proposal for Reform*, 9 U. MICH. J.L. REFORM 163, 163–64 (1975).

12. *See id.* at 183–84 (discussing a repeal of presidential retirement benefits); *infra* notes 155–159, and accompanying text.

13. *See* DAVID MCCULLOUGH, TRUMAN 963–64 (1992).

the existence of the extremely generous benefits package all former presidents continue to enjoy.[14]

As we shall see, the supposedly difficult post-presidential economic situation faced by Harry Truman was a complete fabrication created by Truman himself via what can only be characterized as a series of shockingly dishonest and radically misleading statements to Congress and the public.[15] Drawing on recently released documents from Bess Truman's personal files, this Article demonstrates that, contrary to the claims of all his major biographers—who seem to have relied exclusively on Truman's own representations regarding his financial situation when evaluating it—Harry Truman was in fact a very wealthy man on the day he left the White House.[16] Part of the reason he was so wealthy is that, during his elected term, he misappropriated essentially all of a government expense account worth $2.2 million in 2021 dollars.[17] He then became much wealthier shortly afterwards by cannily exploiting his status as a former president to greatly increase his already great wealth.[18]

In short, this Article reveals that what to this day remains the unchallenged narrative about Harry Truman's post-presidential circumstances—that he was struggling financially because of his laudable refusal to take advantage of his status as a former president to ameliorate his financial problems, and that the Former Presidents Act was a reasonable response to Truman's difficulties—is not merely inaccurate, but rather a precise inversion of the truth.

The Former Presidents Act was, from its inception, the product of a fraud on the public.[19] The exposure of that fraud now, more than sixty years later, provides a particularly compelling reason for getting rid of a statute that would never have been passed in the first place if Congress and the public had been aware of the extent to which they were being manipulated to give a very rich man yet more public money, after that man had already extracted, both legally and

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14. *See, e.g.*, George Packer, *America's Star System*, NEW YORKER (July 22, 2013), https://www.newyorker.com/news/daily-comment/americas-star-system [https://perma.cc/HYC8-HG3S].

15. *See* MCCULLOUGH, *supra* note 13, at 962–64.

16. The major biographies of Truman are *id.*, ROBERT H. FERRELL, HARRY S. TRUMAN: A LIFE (1994), and ALONZO HAMBY, MAN OF THE PEOPLE: A LIFE OF HARRY S. TRUMAN (1995).

17. *See infra* notes 167–170 and accompanying text discussing Truman's expense account.

18. *See* MCCULLOUGH, *supra* note 13, at 932.

19. *See id.* at 963–64.

illegally, many millions of dollars from the very public upon which he was now making further financial demands.[20]

This Article is also a study of how confirmation bias and a general failure to appreciate the actual significance of nominal dollar figures in an era of both continual inflation and continual economic growth can both transform an obvious fiction into a universally accepted historical narrative, and a narrative that has flourished for decades in the face of what always should have been recognized as overwhelming evidence that it bore no relationship whatsoever to the historical reality.[21]

This Article has three parts. Part I examines the past, present, and potential future of the Former Presidents Act.[22] Part II explores the initial creation and remarkable persistence of the legend of Harry Truman's financial struggles, including his much-lauded purported refusal to ameliorate those struggles by exploiting his post-presidential fame.[23] Part III employs several until now unpublished archival sources to document Harry Truman's actual financial situation, from the day he left the White House, until the Former Presidents Act was passed five and one half years later.[24] The Article concludes by considering why the Truman legend has persisted for so many years and why debunking that legend can help us see clearly now how indefensible the Former Presidents Act has always been.[25]

I. History of the Former Presidents Act

Prior to the passage of the Former Presidents Act in 1958, federal law provided no post-presidency benefits for former presidents.[26] This should not, in retrospect, have been particularly surprising. For one thing, the presidency had always been an office held for just a few years rather than being the sort of sustained career

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20. During his eight years as president, Truman earned $7.75 million in official salary, in inflation-adjusted 2021 dollars. He also converted to personal savings all or almost all of the $2.2 million (in 2021 dollars) expense account available to him over the last four years in the White House. *See infra* notes 154–162 and accompanying text.

21. *See* McCollough, *supra* note 13, at 962–64.

22. *See infra* Part I.

23. *See infra* Part II.

24. *See infra* Part III.

25. *See infra* Conclusion.

26. *See* Wendy Ginsberg & Daniel J. Richardson, Cong. Rsch. Serv., RL34631, Former Presidents: Pensions, Office Allowances, and Other Federal Benefits 1 (2016).

path normally required for the acquisition of significant, long-term pension benefits.[27] Beyond that, during the twentieth century, the presidency had been occupied by men who came from wealthy families, had made fortunes of their own, went on to other prominent government service, died in office or shortly afterwards, or who shared some combination of these traits.[28] No former president found himself in a situation in which public financial support for his post-presidential life seemed in any way warranted.[29] Indeed, one needed to go back to the financial struggles of Ulysses Grant—who in the last few months of his life wrote what turned out to be an extremely successful memoir that secured his family's economic future—to find an example of a president whose post-presidential years were marked by financial problems.[30]

By the time Harry Truman left the White House, Herbert Hoover—who became a very wealthy man long before becoming president—had spent the previous twenty years as the nation's only living former chief executive.[31] Thus, it was that, with the exception of a short-lived scheme concocted in 1912 by Gilded Age industrialist Andrew Carnegie proposing to privately fund pensions for ex-presidents, and a pair of bills introduced in Congress later that same year that both died in committee, the idea of providing pension benefits for the nation's former chief executives had been largely ignored.[32]

All this changed shortly after Harry Truman left office in January of 1953.[33] Suddenly, the perceived need to provide former presidents with extensive government benefits became a focus of sustained legislative attention.[34] A bill authorizing such benefits passed the Senate in 1955, but was never acted on by the House.[35]

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27. *See id.*

28. *See id.* at 1, 4, 23. Theodore and Franklin Roosevelt came from wealthy families; William Howard Taft went on to serve as a Supreme Court justice after his presidency; Woodrow Wilson's wife was wealthy, and Wilson died less than three years after leaving office; Warren Harding died in office; Calvin Coolidge died less than four years after his presidency ended; and Herbert Hoover had made a fortune in business prior to holding elective office. *See id.*

29. *See id.*

30. *See generally* ULYSSES S. GRANT, THE PERSONAL MEMOIRS OF ULYSSES S. GRANT: THE COMPLETE ANNOTATED EDITION (John F. Marszalek et al. eds., 2017); *see* GINSBERG & RICHARDSON, *supra* note 26, at 1, 19.

31. *See* GINSBERG & RICHARDSON, *supra* note 26, at 1, 23–24.

32. *See id.* at 19–20.

33. *See id.* at 20.

34. *See id.*

35. *See* S.1516, 84th Cong. (1955).

Truman evidently became increasingly impatient with Congress's failure to provide him with financial support.[36] He wrote privately in January of 1957 to House Majority Leader John McCormack, and later that year to Speaker of the House Sam Rayburn, in letters that complained about his financial circumstances and about the unwillingness of Congress to help him enjoy a comfortable retirement.[37] Truman informed Rayburn bluntly that, if something was not done, he was going to engage in what he implied might be potentially unseemly commercial exploitation of his status as a former president in order to help pay his bills.[38] Then, in early 1958, Truman became the first former president to appear in a television interview on famed journalist Edward R. Murrow's program *See It Now*.[39] Truman employed the occasion to complain bitterly to a massive national television audience about how America ignored the financial needs of former presidents.[40]

Truman's lobbying efforts soon bore fruit when the FPA was signed into law by President Eisenhower in August of 1958.[41] According to one of its sponsors, the purpose of the FPA was to provide former presidents with enough financial security that they would not be forced "to write and lecture to gain a livelihood in their final days."[42] Another supporter of the FPA emphasized, when speaking in support of the predecessor bill that failed to pass three years earlier, that the purpose of such legislation was to help make sure that former presidents did not engage in "business or [in an] occupation which would demean the office he has held or capitalize upon it in any improper way."[43]

The FPA provides an annual pension to former presidents equal to the salary of Cabinet Secretaries—currently $219,200 per year.[44] It

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36. *See* OFF THE RECORD: THE PRIVATE PAPERS OF HARRY S. TRUMAN 310 (Robert F. Ferrell ed., 1980) [hereinafter OFF THE RECORD].

37. *See id.*; Harry S. Truman to Sam Rayburn, August 13, 1957, Sam Rayburn Library, Bonham, Texas [hereinafter Truman to Rayburn]; MARIE HECHT, BEYOND THE PRESIDENCY: THE RESIDUES OF POWER 187 (1976).

38. "Sam, I'm not lobbying for the bill," wrote Truman, as he lobbied for the bill. But if it did not pass, he added, "I must go ahead with some contracts to keep ahead of the hounds." *See id.*

39. The program aired on February 2, 1958, on CBS; Murrow's interview with Truman had taken place almost exactly a year earlier. *See infra* note 217 and accompanying text.

40. *See* id.

41. *See supra* note 3.

42. 85 CONG. REC. 18,942 (1958).

43. S. Rep. No. 84-205, at 2 (1955).

44. *See supra* note 3 and accompanying text.

also authorizes the use of taxpayer money to provide former presidents with health benefits, office space, staff salaries, communication costs, office equipment, printing costs, supplies, and travel expenses.[45] (Lifetime Secret Service protection for former presidents is provided by another statute).[46] In addition, it helps fund former presidents' transition to their post-presidential lives and provides benefits to the surviving spouses of deceased former presidents.[47]

The value of these benefits is considerable. For example, in fiscal year 2020–2021, the General Services Administration (GSA) anticipated that taxpayers would provide $1.147 million in benefits for former President Obama, $1.171 million in benefits for former President George W. Bush, $1.117 million in benefits for former President Clinton, and $480,000 in benefits for former President Carter.[48] Between 2000 and 2020, the GSA and the Congressional Research Service estimate that these four former presidents received a total of approximately $56 million in government benefits, in constant 2020 dollars, from the provisions of the Former Presidents Act.[49] (Again, this figure does not include the costs of lifetime Secret Service protection).[50]

The fact that all these men have, primarily as a consequence of their status as former presidents, made vast sums of money since leaving office yet have continued to receive such generous public support during their strikingly lucrative post-presidential careers has not gone unnoticed by various people across the political spectrum.[51]

45. *See id.*

46. The FPA provides funds for Secret Service protection only to the extent such benefits are not provided elsewhere in federal law. Former presidents are currently provided lifetime Secret Service protection under the Former Presidents Protection Act of 2012, H.R. 6620, 112th Cong. This Article takes no position on how much Secret Service protection former presidents should be provided, which in any event is something that would not be affected by the revocation of the FPA.

47. *See supra* note 3.

48. *See* Brady, *supra* note 4, at 5.

49. *See id.* at 2.

50. *See* Former Presidents Protection Act of 2012, H.R. 6620, 112th Cong. (2012).

51. Although as this Article illustrates, estimates of the net worth of ex-presidents tend to be inherently suspect, all sources agree that former presidents Clinton, Bush, and Obama each currently have net worths in the tens of millions of dollars, and their publicly documented paid activities certainly support these estimates. *See* Brady, *supra* note 4, at 5.

Indeed, several bills have been introduced in Congress intending to pare back the benefits provided by the FPA significantly.[52]

Congressional attempts to rein in the benefits conferred on our increasingly wealthy former presidents are not new: For example, beginning in 1979 when the law was barely twenty years old, Senator Lawton Chiles of Florida waged a decade-long campaign to create tighter restrictions on the subsidies the FPA provided.[53] In recent years, as former presidents have found ever-more lucrative ways to cash in on the celebrity their time in office has conferred on them, potential legislative reform of the FPA has become an initiative that has drawn growing bipartisan support.[54]

This support culminated, for the time being, in 2016, with Congress's passage of the Presidential Modernization Act of 2016.[55] This law would have provided former presidents with a $200,000 annual pension and a $200,000 expense account to use as they saw fit.[56] The expense account, however, would have been reduced on a dollar-for-dollar basis to the extent that a former president's adjusted gross income exceeded $400,000 per year.[57] Given the current annual incomes of our living former presidents, this limitation would, as a practical matter, eliminate the expense account for all of them.[58]

President Obama vetoed the bill.[59] In a statement accompanying the veto, he agreed that the pensions and allowances provided to former presidents under the FPA were in need of reform.[60] But he argued that the bill as drafted would have unintended consequences, including "requiring the General Services Administration to immediately terminate salaries and benefits of office employees and to remove furnishings and equipment from offices."[61] The president also stated that if the bill became law, it would damage the GSA's

52. *See supra* note 9 and accompanying text.

53. *See* Charles Stafford, *Ex-presidents live well – too well?*, ST. PETERSBURG TIMES, Mar. 13, 1988, at 5D.

54. *See, e.g.*, Presidential Modernization Act of 2019, S. 580, 116th Cong. (2019); Presidential Allowance Modernization Act of 2019, H.R. 1496, 116th Cong. (2019).

55. *See* Presidential Allowance Modernization Act of 2019, H.R. 1496, 116th Cong. (2019).

56. *See id.*

57. *See id.*

58. *See id.*

59. *See* Veto Message from the President: H.R. 1777, Barack Obama, *Notification of the Veto of H.R. 1777, the "Presidential Allowance Modernization Act of 2016"* (July 22, 2016).

60. *See id.*

61. *See id.*

"ability to administer leases and negatively impact operations, with unanticipated implications for the protection and security of former Presidents."[62]

In his message, President Obama added that he was willing to work with Congress to craft a bill that more appropriately addressed the valid concerns surrounding the current structure of the FPA.[63] Given, however, that he vetoed the bill with just a few months remaining in his second term, it is not surprising that no revised bill was produced during his administration.

Undeterred, congressional reformers have continued to pursue the goal of reforming the FPA.[64] In 2019, both the House and the Senate considered The Presidential Allowance Modernization Act of 2019.[65] The House version of this bill was substantially similar to the bill President Obama vetoed three years earlier; it passed the House via voice vote on October 16, 2019.[66] The Senate version of the bill featured an important difference from the House version: As drafted, it would apply only to future former presidents, excluding all current former presidents, as well as President Trump.[67] It was approved by the Committee on Homeland Security and Governmental Affairs on June 27, 2019.[68] No further action took place regarding this legislation for the remainder of the 116th Congress, meaning that any reform of the Former Presidents Act would now have to be reintroduced and considered during President Biden's new administration.

II. THE MYTH OF HARRY TRUMAN'S FINANCIAL RECTITUDE

Attempts to reform the Former Presidents Act usually focus on the supposedly radical change that has taken place in recent decades in the attitudes of former presidents toward exploiting the financial opportunities available to them. Harry Truman is almost always presented in such arguments as the exemplar of how once upon a time, presidents were more scrupulous about maintaining the dignity

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62. *See id.*
63. *See id.*
64. *See* Presidential Modernization Act of 2019, S. 580, 116th Cong. (2019); Presidential Allowance Modernization Act of 2019, H.R. 1496, 116th Cong. (2019).
65. *See* S. 580; H.R. 1496.
66. *See* H.R. 1496.
67. *See* S. 580
68. *See id.*

of the office by not taking full advantage of such opportunities.[69] Thus, these arguments assert while at one time it made sense to encourage and reward such scrupulousness with a public subsidy of post-presidential circumstances, those circumstances have changed. Today, when former presidents choose to earn enormous sums from publishing memoirs, giving speeches, and so forth, this subsidy is much harder to justify.

For example, the distinguished sociologist Jerome Karabel provided an eloquent version of this argument in a 2017 *New York Times* op-ed.[70] Karabel noted that, when he was leaving the presidency, Harry Truman was supposedly presented with all sorts of lucrative offers from the private sector, including six-figure contracts to sit on corporate boards or serve in other largely symbolic positions.[71] Truman turned them all down, writing later that "I could never lend myself to any transaction, however respectable, that would commercialize on the prestige and dignity of the office of the presidency."[72]

Karabel points out that Truman was reduced to subsisting on an income of $13,564.74 during the first full calendar year of his post-presidency.[73] (Karabel does note that this sum was equivalent to about $120,000 in 2017 dollars).[74] He then observes that Truman was only able to exit subsequently from what he describes as the former president's financial difficulties by selling his memoirs to *Life* magazine for what he terms a "goodly sum."[75]

The article goes on to discuss the increasingly grotesque orgy of post-presidential monetization of the office that former presidents have pursued in recent decades.[76] Karabel notes that Barack Obama, who had left office three months earlier, had just agreed to give a speech for $400,000 at a conference run by a Wall Street firm.[77] (He does not mention that, a few weeks earlier Obama and his wife

69. *See, e.g.*, Jerome Karabel, *$400,000 for One Speech? For Ex-Presidents, It Is Now the Norm*, N.Y. TIMES (Apr. 27, 2017), https://www.nytimes.com/2017/04/27/opinion/400000-for-one-speech-for-ex-presidents-it-is-now-the-norm.html [https://perma.cc/HT45-236P].

70. *See id.*

71. *See id.*

72. *See id.*

73. *See id.*

74. *See id.*

75. *See id.*

76. *See id.*

77. *See id.*

Michelle had signed a book deal for the reported record-breaking sum of $65 million).[78]

Karabel documents how Obama's cashing in on his presidency is merely in line with the behavior of every president going back to at least Gerald Ford:

> In accepting the fee, Mr. Obama joins a recent tradition of presidents monetizing their time in office by earning lucrative sums from speeches, corporate directorships, foreign corporations and other private interests. This tradition began with Gerald Ford, who accepted membership on corporate boards of companies such as 20th Century Fox and American Express after leaving office. Capitalizing on the presidency escalated decisively when Ronald Reagan accepted $2 million for a pair of speeches at Japan's Fujisankei Communications Group. (In today's dollars, about twice that amount.) And it reached its current-day apex with Bill and Hillary Clinton, who earned a combined $139 million from such undertakings, including $35 million from speeches to financial services, real estate and insurance companies.[79]

He then once again returns to the striking contrast between all this and Harry Truman's financial rectitude:

> Mr. Obama's decision to accept the fee from Cantor Fitzgerald embodies an enormous attitudinal shift in the past six decades. When the financially strapped Mr. Truman turned down generous offers, he declined without hesitation, believing that it would violate his own sense of dignity as well as the dignity of the presidency. But no such normative constraints obtain in a society where the disruptive entrepreneur is the cultural hero, the public servant is held in low esteem, and inequality has risen to its highest levels since the 1920s. What was unbecoming in 1953 is now considered appropriate.[80]

Here, Karabel is merely echoing what has become an endlessly repeated narrative reproduced by all of Harry Truman's biographers and replicated over and over again in both popular and academic discourse. This narrative is that Truman faced significant financial difficulties in the years immediately after his presidency and that these difficulties were the key factor in the passage of the Former Presidents Act five and one half years after Truman left office.

Another op-ed, published originally in the *Boston Globe* and then widely reprinted, helps illustrate how fully this narrative has become the standard account of why we have a Former Presidents

78. *See* Constance Grady, *What the Obamas' $65 Million Book Advance Actually Means*, VOX, (Mar. 2, 2017), https://www.vox.com/culture/2017/3/2/14779892/barack-michelle-obama-65-million-book-deal-penguin-random-house [https://perma.cc/2X35-KNP2].

79. *See* Karabel, *supra* note 69.

80. *See id.*

Act in the first place.[81] In it, author Jeff Jacoby excoriated the unseemly greed of recent former presidents, especially in light of the generous pension benefits now provided to them by federal law.[82] Jacoby's piece, entitled in the version published in the *New York Times* "Harry Truman's Obsolete Integrity," began by quoting historian David McCullough on how, when Truman left the White House and returned to Independence, Missouri, he got no support from the government beyond his modest Army pension and was so financially strapped he had to take out a bank loan and move back into the ramshackle old house that had belonged to his mother-in-law.[83] Yet Truman refused the easy money offered to him by those wishing to take advantage of the prestige of associating their enterprises with a former president.[84] The op-ed concludes:

> According to the National Taxpayers Union, Clinton will reap a lifetime pension payout of more than $7 million, assuming a normal lifespan. The senior George Bush can expect to bank more than $3 million; for Carter, the total will likely top $4 million. Clearly the age when former presidents could find themselves in dire financial straits is long gone. Sadly, so is the sense of integrity and propriety that once kept men like Truman from devoting their post-presidency to money-grubbing. It wasn't only the buck that stopped with the 33d president. The avarice did, too.[85]

Both of these op-eds, like so much of both the popular and academic commentary regarding how Truman's post-presidential behavior provides such an edifying contrast to the greedy maneuverings of more recent presidents, depend on the purported facts contained in David McCullough's Pulitzer Prize-winning 1992 biography *Truman*.[86] Regarding this topic, Truman's other major biographers have told essentially the same story relayed by McCullough's influential work, which today remains the standard biography of the life of the thirty-third president of the United States.[87]

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81. *See* Jeff Jacoby, *Ex-presidents' Big Payday*, BOS. GLOBE (Feb. 28, 2007), http://archive.boston.com/news/globe/editorial_opinion/oped/articles/2007/02/28/ex_presidents_big_payday/ [https://perma.cc/U4MR-AHT6].

82. *See id.*

83. *See id.*

84. *See id.*

85. *See id.*

86. *See generally* MCCULLOUGH, *supra* note 13.

87. *See, e.g.*, FERRELL, *supra* note 16, at 387 (repeating McCullough's claim, via Truman himself, that Truman made "very little money" from his memoirs); *see also* HAMBY, *supra* note 16, at 626, 628 (citing Truman's supposedly

Here is how McCullough describes Truman's financial situation when he left the White House in January of 1953:

> He had come home without salary or pension. He had no income or support of any kind from the federal government other than his Army pension of $112.56 a month. He was provided with no government funds for secretarial help or office space, not a penny of expense money, and while he and Bess had managed to put aside part of his $100,000-a-year salary as President during his second term, primarily in government bonds, it was in all probability a modest amount. . . . In fact, it is known that Truman had been forced to take out a loan at the National Bank in Washington in his last weeks as President, to tide him over, though the amount was never disclosed.[88]

McCullough goes on to describe how Truman had, with his two siblings, inherited the several hundred acres of land that constituted the Truman family farm, but he asserts that Truman probably had little in the way of liquid assets, and that he and Bess moved into Bess's mother's old house—which was apparently in a state of some disrepair—out of financial necessity more than anything else.[89]

> Certainly, as things were, there could be no extravagant living. In effect they were land-rich only. The estate of the supposedly well-to-do Madge Wallace [Bess Truman's mother], not including the house, totaled all of $33,543.60, which after being divided four ways among Bess and her brothers, left Bess with a cash inheritance of $8,385.90. Indeed, among the reasons why they had come back to Independence and the old house was that financially they had little other choice.[90]

McCullough then notes that, in the twentieth century, no former president had been faced with money worries after leaving office until Truman left Washington with so little in the way of tangible assets. Yet, McCullough insists, Truman refused to stoop to monetizing his fame to ease his financial burdens:

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meager return on the memoirs). "The memoirs had two purposes: to make him financially independent and to deliver a vigorous defense of his presidency. In the end, neither was achieved." *Id.* at 626. Hamby concludes that while Truman had "managed to save a bit of money" during his years in the White House, in retirement he and Bess were nevertheless "far from rich." *See id.* at 628.

88. *See* McCULLOUGH, *supra* note 14, at 928. McCullough provides no source for the story that Truman had been forced to take out a bank loan during the last weeks of his presidency, to "tide him over" upon his return to Independence. This story has been repeated many times since McCullough published it. *See, e.g.*, Jacoby, *supra* note 81.

89. *See* McCULLOUGH, *supra* note 14, at 928. This assertion represents a curious mistake on McCullough's part, as earlier in the book he describes in detail both how Truman's mother Martha Ellen lost the farm to creditors in 1940, and how Truman eventually bought it back after he became president.

90. *Id.*

> [Unlike his recent presidential predecessors] Truman had neither wealth to sustain him nor any particular prospects at the moment, no plans for future employment. His only intention, as he said, was to do nothing—accept no position, lend his name to no organization or transaction—that would exploit or "commercialize" the prestige and dignity of the office of the President.[91]

McCullough then relates that Truman appeared to have turned down a number of such offers, although, with the exception of a proposition from a Miami real estate developer, concrete evidence for them has not survived in Truman's personal files. "In any event," McCullough writes, Truman "had turned them all down and would continue to do so. His name was not for sale."[92]

This is the core of the standard narrative regarding Harry Truman's post-presidential finances, which is still very much with us today. Truman left the White House with little money and no real assets to speak of beyond some farm land, yet he refused to sully the dignity of the office of the President by lending the name of a former president to enterprises that wished to exploit it.[93] In addition, Truman felt bound, by his own account, to spend considerable sums on answering the correspondents and dealing with the speaking invitations that inevitably fill a former president's mailbox.[94] Thus it was that, five and one half years after Truman returned to Independence, Congress justifiably chose to ameliorate his financial situation by enacting the Former Presidents Act.

Here we should note that, in relating Truman's immediate post-presidential circumstances, McCullough must deal with a striking fact that would seem by itself to upend this entire narrative: Just three weeks after leaving the White House, Truman sold the rights to his memoirs to *Life* magazine for what he himself called, in a letter to Dean Acheson, the "fantastic sum" of $600,000.[95] Indeed, McCullough acknowledges that this was "truly a fantastic sum in

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91. *Id.* at 929.
92. *See id.*
93. *See id.*
94. According to one report, Truman made the (facially absurd) claim that, after he returned to Independence, it cost him $30,000 a year to reply to mail and requests for speeches. *See* Don Bonafede, *Life After the Oval Office: Caring for Ex-Presidents Can Cost a Bundle*, 17 NAT'L J. 1953, 1945 (1985). This would represent first-class postage costs for nearly one million pieces of mail. In fact, the Schedule C attachments to Truman's tax returns in the five years immediately after his return to Independence reveal that his office was spending between $330 and $429 per year on postage. *See* Truman Taxes, i*nfra* note 132.
95. *See* MCCULLOUGH, *supra* note 13, at 932.

1953."[96] (Adjusted for inflation, this would be equivalent to $6.05 million in 2021).[97] Naturally readers might ask, how is this massive book contract in any way congruent with McCullough's claims that Truman struggled financially in the years after he left the White House prior to the passage of the FPA and the sale of the Truman family farm in the late 1950s?

McCullough's explanation is that Truman ended up realizing just a $37,000 net profit on the memoirs after taxes and expenses.[98] His basis for this claim is a letter that Truman wrote to House Majority Leader John McCormack in 1957, which Truman wrote as part of his lobbying campaign to get Congress to grant him retirement benefits. Truman insisted that he was not asking for a pension:

> In order to be able to transact the business of writing the Memoirs and to meet the tremendous burden of handling the largest volume of mail in the State, I had to rent an office in Kansas City and the total overhead from the period from February 1953 until November of last year, 1956, amounted to a sum over $153,000.00. Had it not been for the fact that I was able to sell some property that my brother, sister and I inherited from our mother I would practically be on relief but with the sale of that property I am not financially embarrassed.
>
> I don't want a pension and do not expect one but I do think 70% of the expenses or overhead should be paid by the Government—the 30% is what I would ordinarily have been out on my own hook if I hadn't tried to meet the responsibilities of being a former President.
>
> As you know, we passed a Bill which gave all five star Generals and Admirals three clerks, and all the emoluments that went with their office when they retired.
>
> It seems rather peculiar that a fellow who spent eighteen years in government service and succeeded in getting all these things done for the people he commanded should have to go broke in order to tell the people the truth about what really happened. It seems to me in all justice a part of this tremendous overhead should be met by the public.

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96. *See id.*

97. *See CPI Inflation Calculator*, U.S. BUREAU OF LAB. STAT., https://www.bls.gov/data/inflation_calculator.htm [https://perma.cc/8VMH-XNCF] [hereinafter *CPI Calculator*].

98. *See* MCCULLOUGH, *supra* note 13, at 963.

> I don't want any pension and never have wanted any because I'll manage to get along but I am just giving you the difference in the approach between the great General and myself on the Memoirs. My net return will be about $37,000.00 total over a five year period! It was a package deal. I receive no royalties.
> I would never have given you this information if you hadn't asked for it.[99]

The sarcastic allusion to "the great General" is a reference to Truman's resentment over the fact that Dwight Eisenhower had been allowed by the IRS to treat the $635,000 he received for his wartime memoirs as a capital gain because Eisenhower was not a professional writer. The difference at the time in the tax treatment of capital gains and ordinary income meant that this ruling saved Eisenhower an enormous sum in tax liability. According to McCullough, "[a]t the time the Eisenhower question was at issue, the [Truman] White House had intervened; now [in 1957] the Eisenhower White House declined to become involved."[100] (McCullough does not mention that the public outcry over Eisenhower's windfall led to legislation, signed by Truman, that required such sales going forward to be treated as ordinary income).[101]

In any event, per McCullough's account, 94% of the income from Truman's memoirs was eaten up by taxes and the expenses, meaning that with this $37,000 net profit spread out over the six years during which Truman received the installments on the $600,000 gross, what appeared initially to be "a fantastic sum" ended up doing little to ameliorate Truman's financial struggles.[102]

The continuing pervasive influence of McCullough's portrayal of Harry Truman's supposed post-presidential economic struggles is illustrated by many sources. I have listed just a few of such sources as examples below.

*The current 11,700-word *Wikipedia* article on Truman, which draws heavily on McCullough's work, has a subsection entitled "Financial Problems" covering Truman's post-presidency. The article asserts that since Truman's "earlier business ventures had

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99. OFF THE RECORD, *supra* note 36, at 346–47. The last line of this letter implies that McCormack, who had not been born the previous day, was at least initially reacting to Truman's claims of financial stress with some skepticism.

100. MCCULLOUGH, *supra* note 13, at 963.

101. *See Eisenhower Taxes on Memoirs Cited; Treasury Ruled He Could Pay 25% Capital Gains Tax Rate as an Amateur Writer* N.Y. TIMES, Sept. 28, 1952, at 64.

102. *See* MCCULLOUGH, *supra* note 13, at 963.

proved unsuccessful,"[103] Truman "had no personal savings" when he left the White House. The article repeats McCullough's claim that Truman needed to take out a bank loan to tide him over at the end of his presidency, and also recounts the story of how Truman netted only $37,000 on the sale of his memoirs. The subsection concludes by noting that, when Congress passed the Former Presidents Act, Herbert Hoover, the only other living president at the time, "also took the pension, even though he did not need the money; reportedly, he did so to avoid embarrassing Truman."[104]

In a 2013 *New Yorker* piece on post-presidential compensation, George Packer claimed that Truman's economic situation after he left the White House was so tenuous that "for a few years he barely survived on an Army pension of $112.56 per month, until his memoirs sold well."[105] (In fact, Truman received a flat fee for his memoirs). Packer asserted that "word of Truman's near-poverty spurred Congress to pass the Former Presidents Act."[106]

A 2016 analysis of the Former President's Act produced by the federal government's Congressional Research Service asserted that the law's passage was "prompted largely by former President Truman's financial difficulties."[107] This analysis noted that when Truman returned to Independence, "he reportedly said it cost him $30,000 a year to reply to mail and requests for speeches."[108] It went on to describe some of Truman's lobbying efforts to pass the legislation and quoted Truman's 1957 letter to Speaker of the House Sam Rayburn, in which Truman informs Rayburn that if the bill does not pass, he will be forced "go ahead with some contracts to keep ahead of the hounds."[109]

In his essay "Truman in Historical, Popular, and Political Memory," political scientist Sean J. Savage wrote that in the late 1950s Truman was disappointed by the initial sales of his memoirs, and that as a result he "was determined to improve his meager

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103. This is a reference to business failures Truman had suffered more than thirty years earlier.

104. *See* *Harry S. Truman*, WIKIPEDIA, https://en.wikipedia.org/wiki/Harry_S._Truman (last visited Mar. 14, 2022). The anecdote that Hoover took the FPA pension only to avoid embarrassing Truman is also much repeated in contemporary discussions of Truman's post-presidential financial circumstances.

105. *See* Packer, *supra* note 14.

106. *See id.*

107. *See* GINSBERG & RICHARDSON, *supra* note 26.

108. *See id.*

109. *See id.*

retirement income" as well as his historical reputation.[110] In order to advance both goals, he gave "a series of paid lectures at Columbia University in 1959 and published another book, Mr. Citizen, in 1960."[111]

Well-known, presidential historian Michael Beschloss asserts that when Truman left the White House, "his notion of how an ex-president should behave" led him, unlike more recent presidents, to turn down opportunities to make money off his name.[112] Beschloss writes, "This left him feeling sufficiently short of money that he asked Congress to create a pension for ex-presidents, which it did."[113]

A 24/7 Wall Street analysis, which was reprinted in *USA TODAY* and transformed into a *Wikipedia* article on the net worth of U.S. presidents, estimates Truman's peak net worth as less than one million dollars in 2016 dollars—apparently considerably less, as the article ranks Truman tied for last with six other presidents who the article claims never achieved a peak net worth of at least one million dollars in 2016 dollars.[114]

A January 14, 2021, article arguing for impeaching and removing Donald Trump pointed out that doing so would render Trump ineligible for the many benefits bestowed by the Former Presidents Act, and noted that the passage of the FPA in 1958 especially benefitted "former president Harry Truman, who, even with the sale of his memoirs, was quite poor."[115]

On the day Joe Biden became president, a CNN article analyzed what effect a Senate conviction of Donald Trump would

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110. *See* Sean J. Savage, *Truman in Historical, Popular, and Political Memory, in* A COMPANION TO HARRY S. TRUMAN 16 (Daniel Margolis, ed.).

111. *See id.*

112. *See* Michael Beschloss, *For Harry Truman, the Buck Stopped with a Brush with Bankruptcy*, N.Y. TIMES (Apr. 16, 2016), https://www.nytimes.com/2016/04/10/business/for-harry-truman-the-buck-stopped-at-a-brush-with-bankruptcy.html#:~:text=This%20year%2C%20Donald%20J.,case%2C%20have%20included%20multiple%20bankruptcies [https://perma.cc/6YWF-Q55P].

113. *See id.*

114. *See* Michael B. Sauter et al., *From Washington to Trump: This is the Net Worth of Every American President*, USA TODAY (Nov. 5, 2020), https://www.usatoday.com/story/money/2020/11/05/the-net-worth-of-the-american-presidents-washington-to-trump/114599966/ [https://perma.cc/XGM6-JW7M].

115. *See* Thomas J. Balcerski, *How to Treat a Disgraced Ex-President*, BULWARK (Jan. 14, 2021), https://thebulwark.com/how-to-treat-a-disgraced-ex-president/ [https://perma.cc/4DAT-GRTH].

have on his finances.[116] The article noted the possibility that a conviction in the Senate would strip Trump of the benefits of the FPA.[117] This article asserted that the law was passed because former President Truman "was experiencing financial problems."[118]

On that same day, a *Vox* analysis of Donald Trump's post-presidential benefits under the Former Presidents Act asserted that the law was passed by Congress "in large part due to embarrassment over the fact that former President Harry Truman had little income beyond a military pension for many of his early years out of office."[119]

A January 27, 2021, *Reuters* article, explaining how impeachment and conviction might affect Donald Trump's post-presidential benefits, asserted that the Former Presidents Act was passed "to provide financial relief to former president Harry Truman, who left office in 1953 facing debts from unsuccessful business ventures that predated his time in office."[120]

These examples are merely representative: For decades now, innumerable sources in both the academic and popular literatures have told the same story about how Truman's financial struggles provided the original justification for creating a system of munificent taxpayer-funded benefits for former presidents. But as we are about to see, that original justification was based on nothing but a series of fantastical lies told by a man who, for whatever reason, was willing to give a preposterously inaccurate account of his financial situation to Congress and the public in the pursuit of public benefits he did not by any stretch of the imagination need.

In fact, Harry Truman acquired an enormous personal fortune during his years in the White House, and, contrary to his

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116. *See* Chris Isidore, *Here's How Much Trump's Presidential Pension is Worth – If He Keeps It*, CNN (Jan. 20, 2021), https://www.cnn.com/2021/01/20/business/trump-pension/index.html [https://perma.cc/V84V-K7U5].

117. *See id.*

118. *See id.*

119. Ian Millhiser, *Here Are the Perks Trump Will Get as Ex-Pgresident*, VOX (Jan. 20, 2021), https://www.vox.com/22240926/trump-perks-former-presidents-act-pension-secret-service-office-space-staff-impeachment [https://perma.cc/L8M6-6RTS].

120. Jan Wolfe, *Why Trump's Post-Presidency Perks, Like a Pension and Office, Are Safe for the Rest of His Life*, REUTERS (Jan. 27, 2021), https://www.reuters.com/article/us-usa-trump-impeachment-benefits-explai/explainer-why-trumps-post-presidency-perks-like-a-pension-and-office-are-safe-for-the-rest-of-his-life-idUSKBN29W238 [https://perma.cc/97WD-XY3Y].

sanctimonious claims at the time, he subsequently exploited his position as a former president of the United States to great effect to make that fortune a good deal larger.

Remarkably, much of the evidence that this was so has always been hiding in plain sight. And the fact that until now no one has felt inclined to explore and then explode this particular bit of historical hagiography says something about how resonant this particular cultural myth continues to be.[121]

Harry Truman was a very rich man who lied about his considerable wealth in order to cajole Congress into passing the Former Presidents Act. Contrary to the standard historical account, that law has never had any reasonable justification—and least of all any justification based on what turns out to be Truman's fraudulent claims about his supposed financial difficulties. Exposing that fraud provides a powerful historically-based argument for repealing a law that should never have been enacted in the first place.

III. HARRY TRUMAN'S FINANCES

Any analysis of a historical figure's economic status must take at least two major potential distortions into account: Inflation, and relative wealth.

People are generally aware that, over time, inflation makes nominal prices less and less meaningful relative to present prices.[122] Note that in the United States this has only become true fairly recently. Because prior to the middle of the twentieth century, periods of inflation alternated with deflationary periods, nominal dollar values in, for example, 1940 were essentially comparable to real dollar values during George Washington's presidency nearly 150 years earlier.[123] But with the disappearance of deflation,

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121. The historian Isaac Campos suggests to me that the failure to debunk the myth of Truman's post-presidential financial struggles may be related to a general turning way in the discipline from what is sometimes referred to as "Great Man" history, in favor of the many contemporary varieties of social history, that focus more on the lives of ordinary people.

122. *See Real, Relative, and Nominal Prices*, ECONLIB, https://www.econlib.org/library/Topics/College/realrelativenominalprices.html [https://perma.cc/BLG7-7W6B] (last visited Mar. 14, 2022).

123. For example, one historical CPI calculator concludes that $100 in 1795 would represent $115 of purchasing power in 1940. MEASURING WORTH, https://www.measuringworth.com/calculators/uscompare/index.php [https://perma.cc/D28R-WTFK] (last visited Mar. 14, 2022) (enter "1795" as the

continual inflation, whether sharp or mild, has made the difference between nominal dollars and constant dollars grow ever-larger over the past seven decades.[124]

So, for example, the government's Consumer Price Index calculates that $100 in 1945 would have the same buying power as $1,496 in 2021.[125] And while it is true that people are aware of this fact in at least a general way, it is also true that many people, including some highly educated and ordinarily perceptive observers, fail to take inflation into account properly when making economic judgments about the past.

But measuring the inflation rate is by itself a very incomplete and inadequate way of measuring changes in both absolute and relative wealth over time. Some other ways of measuring changes in the real meaning of nominal dollar values include calculating labor value (the multiple of the average wage that would be necessary to buy a good or service), income value (the multiple of the average income that would be necessary to buy a good or service), and economic share (the worth of a good or service divided by total economic output at a particular time).[126]

We can appreciate, in at least a rough and ready way, why inflation adjustments by themselves are not sufficient tools for understanding changes in relative wealth over time by calculating the amount of income that an individual or family would need at any time to put that person or family at a certain point in the national income distribution. So, for example, when Harry Truman began to serve his full presidential term in 1949, the ninety-fifth percentile of family income in the United States that year was $8,066.[127] Most people are aware that, because this sum is expressed in nominal

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"Initial Year"; enter "100" as the "Initial Amount"; and enter "1940" as the "Desired Year").

124. For a discussion of the economic and political significance of continually inflationary economies versus economies in which nominal prices fluctuate in the long term in both directions, see THOMAS PIKETTY, CAPITAL IN THE TWENTY-FIRST CENTURY 102–03 (Arthur Goldhammer trans., 2014).

125. *See* MEASURING WORTH, https://www.measuringworth.com/calculators/uscompare/relativevalue.php [https://perma.cc/D28R-WTFK] (last visited Mar. 14, 2022).

126. *See id.*

127. *See Historical Income Tables: Families*, U.S. CENSUS BUREAU, https://www2.census.gov/programs-surveys/cps/tables/time-series/historical-income-families/f01ar.xlsx [https://perma.cc/6TH4-NXKP] (last visited Mar. 14, 2022).
[hereinafter Income Tables].

dollars, comparing it to present economic values requires adjusting for inflation. Thus, per the Consumer Price Index, $8,066 in 1949 would, in terms of buying power, be equivalent to $87,541 in 2021.[128]

But, in regard to questions of *relative income*, this latter figure by itself is still very misleading. A family income of $87,541 today would place a family not in the ninety-fifth percentile of income, but almost exactly at the national median.[129] To be at the ninety-fifth percentile of family income today, a family would need an income of $304,153—that is, a sum three-and-a-half times larger in constant, inflation-adjusted dollars, than the comparable sum seventy years ago. This should not be surprising given that America is an immensely wealthier country today that it was in 1949: per capita GDP was more than four times larger in 2019 than it was in 1949.[130]

In what follows, I will adjust nominal dollar figures in two ways: by accounting for inflation and by also accounting for changes in relative wealth. So, for example, a family with an income of $8,066 in 1949 would need an income today of $87,541 to simply account for changes in the nominal prices of goods and services between then and now, but would need an income of $304,153 to enjoy the same *relative* degree of income, relative to other Americans, that a family with an income of $8,066 enjoyed seventy years ago.

This brings us to the following questions: What was Harry Truman's financial situation when he became president in April of 1945, how much wealth did he acquire in his nearly eight years in the White House, and how much more did he obtain during the five years immediately afterwards when he lobbied strenuously and ultimately successfully for the passage of the Former Presidents Act, which became law in August of 1958?

It is worth noting that much of the information I describe below was publicly available even when Truman was pushing for the enactment of the Former Presidents Act.[131] It is true that some of it

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128. *See* MEASURING WORTH, *supra* note 125 (enter "1949" as the "Initial Year"; "8066" as the "Initial Amount"; and "2020" as the "Desired Year").

129. *See id.*

130. *See Real Gross Domestic Product Per Capita*, FRED ECONOMIC DATA, https://fred.stlouisfed.org/series/A939RX0Q048SBEA [https://perma.cc/MFZ8-DAKN] [hereinafter *Real GDP*].

131. For example, Truman's salary was a matter of public record between 1935 and 1953, as were the basic financial details of the contract he signed for his memoirs three weeks after leaving office.

has only become available in the last few years with the release of Bess Truman's personal papers to the public.[132] Yet the latter documents merely supplement, rather than radically alter, a picture that should have in at least its broad outlines been quite clear sixty-three years ago when the FPA was enacted.

The kernel of truth that would eventually bloom into the myth that Harry Truman left the White House with minimal financial resources, and would remain in those circumstances until Congress altered them with the passage of the FPA, is that when he ascended to the presidency, Truman did in fact have a relatively modest net worth. Truman made very little money prior to becoming a U.S. senator in 1935 at the age of fifty. After he undertook what would turn out to be a failed business venture—a men's clothing store—in the years immediately after his service in World War I, he secured a position as a county administrator, with the help of Kansas City's Pendergast political machine, that paid $3,500 a year.[133] This was at the time no more than a solidly middle-class income, though it did have the advantage that his government salary could not be garnished by the creditors who had lent him money to start the clothing store.[134]

And while Truman did finally acquire a large salary when he was elected to the Senate—$10,000, which was several times more than the income of the average American family—his expenses during his Senate years were quite high: He lived in an expensive area of Washington, he was maintaining a residence back in Missouri, he was sending his daughter to an expensive private college, and he was supporting various impecunious relatives.[135]

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132. Bess Truman's personal files contain Harry Truman's tax returns for every year between 1935 and 1972, with the exception of 1936 and 1941. These documents include, along with already public information such as Truman's official salaries, other financial data, such as what Truman claimed were his professional expenses in the years after he left the White House, what he was paid to appear on Edward R. Murrow's program *See It Now* in 1957, and what capital gains he received for selling the land that had been the site of the Truman family farm. They also contain Truman's own estimates of his net worth in December of 1953 and January of 1959.

133. *See* Paul Campos, *The Truman Show: How the 33rd President Finagled His Way to a Post-White House Fortune—and Created a Damaging Precedent*, N.Y. MAG. (July 24, 2021), https://nymag.com/intelligencer/2021/07/the-truman-show.html [https://perma.cc/53AC-ZZKA].

134. *See generally* MCCULLOUGH, *supra* note 13; HAMBY, *supra* note 16.

135. *See* Joseph J. Thorndike, *Tax History: Harry Truman's Tax Returns Have a Story to Tell*, TAX ANALYSTS (Apr. 10, 2014),

One indication of the degree of financial pressure Truman was under is that, in 1941, he decided to place his wife on his Senate staff payroll where she soon became the highest-paid person on it.[136] The evidence of exactly what work Bess Truman performed in this position is not well documented.[137] (This arrangement became a potentially damaging political embarrassment to Truman in the summer of 1944 when he was being considered by President Roosevelt for the vice presidential slot on that year's Democratic ticket).[138]

Thus, it was that, when he turned sixty in 1944, Truman's net worth appears to have been only about $7,400. He owned no real estate, nor apparently any stocks; per the extensive documentation in Bess Truman's financial files, the sum total of his life savings at the time seems to have been about $2,400 in a savings account in the Hamilton National Bank and $5,000 in savings bonds.[139]

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http://www.taxhistory.org/thp/readings.nsf/ArtWeb/1C91AC0FA1A9E39E85257D1B0041C876?OpenDocument [https://perma.cc/WB33-PGXQ]

136. *See* Ferrell, *supra* note 16, at 168–69. Ferrell reports that Bess Truman's salary soon rose to $4,500, which made her one of the highest paid staffers in Congress.

137. *See* MCCULLOUGH, *supra* note 13, at 284. ("How much real work [Bess] did would remain a matter of opinion among the staff, none of whom were as well paid. At one point he advised her privately to 'only just drop in and do some signing' of letters."). Hamby remarks that the Trumans knew "they were skirting impropriety," and that "Bess never put in a standard forty-hour week at the office and, indeed, seems to have been seldom seen there." *See* HAMBY, *supra* note 16, at 262.

138. *See* MCCULLOUGH, *supra* note 13, at 308. After Roosevelt named Truman to the ticket, this did indeed become a campaign issue. Clare Booth Luce referred in print to Roosevelt's new running mate's wife as "Payroll Bess," which infuriated Truman. *See id.* at 331.

139. One possible explanation for Truman's pursuit during his immediate post-presidential years of what were, given his now-great wealth, economically trivial pension benefits, is that prior to becoming president he had in fact been in a potentially quite precarious economic position. If FDR had not picked Truman to replace Henry Wallace on the 1944 ticket, Truman could easily have lost his Senate re-election bid in 1946, given that this turned out to be a wave election year for Republican candidates. At the time, congressional pensions did not yet exist, and the new federal Social Security program provided meager benefits for someone of Truman's age. A 62-year-old former senator with a modest net worth, who for decades had had no profession other than holding elective office, and whose political mentors had been swept from the scene, could well have faced serious economic struggles in his old age. Perhaps Truman's understandable monetary anxieties in the years before fate carried him into the White House continued to influence him, long after he had acquired a substantial fortune.

When President Roosevelt died on April 12, 1945, Truman's income took a massive upward leap. Indeed, one thing that discussions of Truman's finances, even those undertaken by otherwise careful and scrupulous biographers, invariably fail to take into account properly is that, in the years that Truman occupied the presidency, that office was vastly higher paid than it is today (the president's current salary is $400,000 per year).[140]

Again, we can calculate how much higher the presidential salary was then than it is today in terms of both inflation and relative income. The president's annual salary was $75,000 for the nearly four years that Truman served in the office during the remainder of what would have been President Roosevelt's fourth term.[141] In the fourth year of that term, Congress enacted legislation to raise the presidential salary to $100,000 per year, although the constitutional prohibition on altering a president's compensation during that president's current term of office kept the new salary from going into effect until Truman began to serve his new term in January of 1949.[142] (Exactly what role Truman played in this legislative process is unknown, but it is fair to assume that the idea of enacting this raise did not occur to members of Congress spontaneously).

These were, at the time, enormous sums. Here is the current value of the salary Truman collected as president expressed in 2021 dollars.[143] Note that in 1945, he received a presidential salary for only the last eight and one half months of the year:

1945: $847,622

1946: $1,084,568

1947: $921,626

1948: $839,866

1949: $1,109,951

1950: $1,132,938

1951: $1,131,185

1952: $1,044,965

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140. *See* Tom Murse, *Presidential Salaries Through the Years*, THOUGHT CO, https://www.thoughtco.com/presidential-salaries-through-the-years-3368133 [https://perma.cc/GAT7-VJQN] (last updated Jan. 19, 2021).
141. *See id.*
142. *See id.*
143. *See CPI Calculator*, *supra* note 97.

But again, taking only inflation into account gives us a very inaccurate picture of what these sums actually represented in the middle of the twentieth century, at a time when the nation's per capita GDP was only about a quarter of what it is today.[144] Here is the current value of Harry Truman's presidential salary, expressed in terms of relative income; that is, in terms of how much a person would have to earn today to be in the same economic position relative to other Americans as Truman was to the Americans of his day during his time in office.[145]

1945: $1,916,164

1946: $2,749,543

1947: $2,827,102

1948: $2,763,534

1949: $3,771,497

1950: $3,531,216

1951: $3,376,098

1952: $3,217,939

How large was this income at the time? IRS tax data indicate that Truman's salary during his first term was higher than the total adjusted gross income of 99.8% of all taxpayers.[146] When his salary was increased in 1949, this number went up even more.[147]

We can further contextualize Truman's presidential salary by comparing it to the salaries of other people near the top of the socio-economic system at the time. For example, that salary was fairly comparable to the total compensation—not just the salary—of the top corporate officers of America's largest corporations.[148] A recent study found that the median compensation of three highest paid

144. *See Real GDP*, *supra* note 130.

145. *See CPI Calculator*, *supra* note 97. These relative income calculations represent the proportional difference between Truman's salary and family income at the 95th percentile of family income in the relevant years. That difference is then applied to family income at the 95th percentile in 2019 (the most recent year for which these data are available).

146. *See* BUREAU OF INTERNAL REVENUE, U.S. TREAS. DEP'T, STATISTICS OF INCOME FOR 1945 (1951).

147. *See* 103 CONG. REC. S. 103, 198–221 (daily ed. Jan. 13, 1949).

148. *See* CAROLA FRYDMAN & RAVEN E. SAKS, HISTORICAL TRENDS IN EXECUTIVE COMPENSATION: 1936-2003, at 44 (2005), https://web.stanford.edu/group/scspi/media/_media/pdf/Reference%20Media/Frydman%20and%20Saks_2005_Elites.pdf [https://perma.cc/6DNP-LJ9H].

corporate officers at the fifty largest companies in America in the 1940s was $97,577, i.e., less than Truman's presidential salary at the end of that decade.[149]

Another striking comparison that illuminates how much money Truman was making as president is provided by comparing it to the salary of whoever was the highest-paid player in major league baseball in each of the years he held the office. Truman's salary was higher than that of any major league player in six of his eight years as president.[150] In two other years—1949 and 1950—it was exactly the same as the record-breaking $100,000 salary Joe DiMaggio received in those seasons.[151] (That figure remained the highest single-season salary received by any major league player, until Willie Mays was paid $105,000 in 1963).[152]

But even these comparisons understate how much President Truman was being paid in real world terms. Consider that, beginning in January of 1949, the presidential compensation statute was amended to not only raise the president's salary from $75,000 to $100,000, but also to give the president a $50,000 annual expense account, to, per the enabling legislation, "assist in defraying expenses relating to or resulting from the discharge of his official duties."[153] (This sum was equivalent to $561,000 in 2021 dollars).[154]

The most noteworthy aspect of this change, for the purposes of analyzing Truman's finances, is that, initially, no disclosure mechanism accompanied the creation of this expense allowance. On the contrary, if Truman chose to pocket some or even all of this money as personal income—this would, per the statute's plain language, be plainly illegal—there was no way for anyone else to determine this had happened, since no expenditure of this money on Truman's part was taxable, or for that matter even reportable.[155] (As we shall see, this was not, or should not have been, a merely hypothetical concern). While Truman was legally required to use this

149. *See id.*

150. *See* Michael Haupert, *MLB's Annual Salary Leaders Since 1874*, SOC'Y FOR AM. BASEBALL RSCH., https://sabr.org/research/article/mlbs-annual-salary-leaders-since-1874/ [https://perma.cc/Z56H-ZBZL] (last visited Mar. 14, 2022).

151. *See id.*

152. *See id.*

153. 103 CONG. REC. S. 103, 198–221 (daily ed. Jan. 13, 1949).

154. *See id.*

155. The relevant language in the statute created "an expense allowance of $50,000 to assist in defraying expenses related to or resulting from the discharge of his official duties, for which expense allowance no tax liability shall accrue and for which no accounting shall be made by him." *See id.*

money only for "defraying expenses related to or resulting from the discharge of his official duties," there was, at the beginning of Truman's elected term, no regulatory mechanism to stop Truman from choosing to treat the money as a de facto—and tax-free—salary supplement. Furthermore, there was no requirement that he return any undrawn funds still in the account at the end of his presidency.[156]

Indeed, the legislative history of the statute's adoption reveals that members of Congress were keenly aware of, and concerned about, the possibility that the expense allowance might be abused in some way.[157] Thus, an extensive floor debate in the Senate in January of 1949, just days before the statute was passed, included two separate attempts to amend the law's language to guard against that possibility.[158]

The first amendment, proposed jointly by Senator Donnell of Missouri and Senator Morse of Oregon, would have required the president to provide an accounting, supported by vouchers, of any funds drawn from the expense account.[159] After that amendment failed to be adopted, other senators proposed another amendment that would have required the president to provide a written certification whenever he drew funds from the account that the funds were being used to defray, in the words of the statute, "expenses related to or resulting from the discharge of his official duties" and for no other purpose.[160]

This amendment generated a tie vote, thereby failing (at the time, the office of the Vice President was vacant, so no tiebreaking

156. Indeed, a requirement that any unspent funds in the expense account be returned to the Treasury was not added until 2004. *See supra* note 3. Significantly, the $50,000 annual expense allowance has never been adjusted for inflation, despite the fact that, in real dollars, it is now worth less than 9% of what it was worth when Truman was benefitting from it. *See id.*

157. *See* CONG. REC. 169, 199, 220 (1949).

158. *See id.* at 199, 220. The debate regarding the bill took place in a hurried and harried atmosphere, because of extreme time pressure: if the measure was not signed into law before January 20 at noon, the provisions regarding altering the president's compensation would be constitutionally prohibited from applying to President Truman's new term that began on that day. This time pressure was so extreme that the House did not even refer the bill to a committee prior to voting on it, which led to complaints during the floor debates that the normal procedures for consideration were not being followed.

159. *See id.* at 198, 199.

160. *See id.* at 217, 220.

vote was available).[161] Notably, several supporters of the more stringent amendment, requiring an accounting of precisely what expenses were being defrayed via the account, voted against the certification requirement on the grounds that it constituted little more than an empty formality.[162]

It is also worth noting that at no point in either the Senate or House debates on the bill did anyone suggest that an unscrupulous president might simply pocket any excess funds in the expense account; rather, the discussion revolved around the possibility of improper expenditures being made out of the account, such as for example using funds from it to help pay for campaign activities.[163]

Soon after the creation of the expense account, further concerns seem to have arisen about how it was actually being employed. In any event, in 1951 the law was changed.[164] The revised statutory language provided that "no accounting, *other than for income tax purposes*, [] shall be made by [the president]."[165] In other words, from that point on, any money Truman withdrew from the account that was not used for defraying legitimate expenses incurred in the discharge of the president's official duties needed to be reported as ordinary income to the IRS and taxed accordingly.[166] Notably, Truman did not report that any funds from the expense account had been converted to personal income on either his 1951, 1952, or 1953 tax returns.[167]

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161. *See id.* at 220. Until the passage of the 25th amendment, no mechanism existed for filling the office of the vice president, if the vice president ascended to the presidency.

162. *See id.* at 221.

163. *See id.* at 199–200.

164. *See* 3 U.S.C.S. § 102 (amended 1951).

165. *See id.* (emphasis added).

166. *See id.* Per the statute's revised language, money that Truman withdrew from the account and then spent on defraying official expenses would be deductible from his income, but any money he withdrew that he did not then spend on such expenses was to be treated for tax purposes as simply part of his salary. *See id.*

167. *See* Form 1040: U.S. individual Income Tax Return of Harry S. and Bess W. Truman (1951), https://s3.amazonaws.com/pdfs.taxnotes.com/2019/H_Truman_1951.pdf [https://perma.cc/PN5D-YDFR]; Form 1040: U.S. Individual Income Tax Return of Harry S. and Bess W. Truman (1952), https://s3.amazonaws.com/pdfs.taxnotes.com/2019/H_Truman_1952.pdf [https://perma.cc/6YA8-9NCR]; Form 1040: U.S. Individual Income Tax Return of Harry S. and Bess W. Truman (1953), https://s3.amazonaws.com/pdfs.taxnotes.com/2019/H_Truman_1953.pdf[https://perma.cc/K7DD-WVL4].

Whatever concerns regarding potential misappropriation of the expense account funds may have motivated this statutory change were in fact well warranted. A few months after leaving office, in one of several handwritten wills preserved in Bess Truman's personal files, Truman let Bess know where some of that expense account money had ended up: in a safety deposit box at the Columbia National Bank in Kansas City.[168]

"The cash in the box at the Columbia has been for emergency use," he wrote. "I kept it in the little safe in the White House as long as I was there. It came out of the $50,000.00 expense account that was not accountable for taxes. It should be put into bonds except what you need for immediate use."[169]

Truman had access, over the four years of his second term, to a total of $2.2 million, in 2021 dollars, in an account that he could, given the initial absence of any reporting requirement, convert covertly into a salary supplement. But that sum, as enormous as it is, still constitutes a considerable understatement in regard to how much money the expense account represented in relative economic terms. Consider that, in terms of relative income, a family would have had to earn $6.9 million in 2021 dollars to make as much money as that extra $200,000 represented in that era.[170]

But even this sum is an understatement of the value of that money at the time. For the first half of his term, any money Truman withdrew from this account for use as personal income was not taxable, and when it became taxable in 1951, Truman did not report any of the money he withdrew from the account on his tax returns. The marginal federal income rate Truman was legally required to pay on this income was 90%.[171] Given this, the value of the money

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168. Draft will, Truman Financial Records, Harry S. Truman Library and Museum, Independence, Missouri (Dec. 26, 1953) (copy on file with the author).

169. *Id.*

170. *See Income of Families and Persons in the United States: 1950*, U.S. CENSUS BUREAU (Mar. 25, 1952), https://www.census.gov/library/publications/1952/demo/p60-009.html [https://perma.cc/9W4J-SDHY]. The $200,000 deposited in the expense account between 1949 and 1952 represented 5.69 times the sum total income earned by families at the 95th percentile of family income over those four years. In 2019, the 95th percentile of family income was $304,153.

171. *See Federal Income Tax Brackets (Tax Year 1950)*, TAX-BRACKETS.ORG, https://www.tax-brackets.org/federaltaxtable/1951 [https://perma.cc/SU8J-Q6R9] (last visited Mar. 14, 2022). Indeed, it is quite possible that, in after-tax terms, Truman was the highest salaried employee in the United States in 1952. Note that if Truman had been paying the taxes he was required to pay on the income from the expense account, he would have needed a

Truman pocketed from the account, in terms of relative income, could be estimated to be equivalent to more than $10 million in 2021 terms. All this makes it that much more startling that the note to Bess Truman quoted above reveals Truman was converting funds in the account into literal cash, which he would then store in the White House safe.[172] When we examine what Truman's net worth was at the time he left the White House, these facts will take on considerable significance in regard to the question of how much compensation he actually extracted from his presidency.[173]

The windfall of the White House expense account also serves as an indirect reminder that, in practical terms, the Truman household was in a very different position than the captains of American industry and baseball superstars who enjoyed similar salaries to the president's: Unlike those residents of the top of the economic pyramid, the Truman family had little in the way of personal expenses during their years in the White House.

During their time in office, presidents are responsible for some personal expenses: for example, presidents must pay for their own groceries—although not for the professional chef and kitchen staff that prepare their meals—their clothes, and for various basic household items.[174] But the vast majority of expenses that an upper class family in America would normally incur—a mortgage, property maintenance, utilities, medical care, transportation, and payments to third parties to perform domestic labor—are paid for the president's family by the government. Consider that the White House employs a full-time staff of nearly 100 people, along with 250 part-time employees, to maintain the massive mansion, which every incoming president is given a generous allowance to redecorate. Presidents

salary of $600,000 to net the same after-tax salary he netted in that year. IRS data for 1955 indicate that only about 800 taxpayers in the entire nation reported an income of $600,000 or more, and of course the overwhelming majority of that income would have been from sources other than salary.

172. *See* Campos, *supra* note 133.

173. *See infra* Section III.E.

174. *See* Kevin Liptak & Cassie Spodak, *White House Living Not Total Free Ride*, CNN POLITICS (June 10, 2014, 7:21 PM), https://www.cnn.com/2014/06/10/politics/presidential-debt/index.html [https://perma.cc/AA6K-6W8X]. The extent to which the $50,000 expense allowance created in 1949 could be used to pay for the president's day to day living expenses was a matter that members of Congress themselves appeared to be uncertain about at the time they created that allowance. *See* 103 CONG. REC. S. 103, 199 (daily ed. Jan. 13, 1949).

have their own taxpayer-provided private plane and helicopter, movie theater, bowling alley, swimming pool, and vacation home.[175]

Two countervailing factors should be taken into account when considering how much of his compensation as president Truman was able to save by the time he left the White House: First, during the years Truman was in office, very high-income earners such as himself were required to pay a very high effective federal tax rate. As president, Truman paid an average of 49% of his official salary in federal taxes.[176] This is about double the effective rate that someone at a comparable relative income level would pay today.[177] Second, during his years in the White House, Truman did have a number of significant personal expenses that clearly would not have been covered by the government. These included his daughter's college expenses, the cost of supporting his very elderly mother and his unmarried, unemployed sister, and the costs of maintaining his residence in Independence, Missouri where his wife spent much of her time during Truman's presidency.

Nevertheless, given Truman's stupendous salary, the fairly limited personal expenses the Truman family incurred during his presidency, and most of all the striking fact that Truman's official salary was supplemented by what in 2021 dollars were more than $550,000 per year of expense account funds, all or almost all of which Truman could, and apparently did, choose to convert covertly into personal compensation, it would have been reasonable for his biographers to assume that during his years in the White House, Truman saved nearly all, or even more than all, of what was still an enormous official after-tax income. (As we shall see, such an assumption would have been correct).

In sum, Truman earned approximately $9.5 million in official salary in inflation-adjusted 2021 dollars, during his eighteen years in Washington, and a vastly larger amount—around $30 million—in relative economic terms. These figures make his complaints in 1957 to House Majority Leader John McCormack that "[i]t seems rather peculiar that a fellow who spent eighteen years in government service . . . should have to go broke" to write his memoirs sound more than a little discordant.[178] Far from representing some sort of financial sacrifice on his part, Harry Truman's government service

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175. *See generally* KATE ANDERSEN BROWER, THE RESIDENCE: INSIDE THE PRIVATE WORLD OF THE WHITE HOUSE (1st ed. 2015).

176. *See* Thorndike, *supra* note 135.

177. See Statistics of Income For 1945, *supra* note 146, at 320.

178. OFF THE RECORD, *supra* note 16, at 347.

earned him a veritable fortune that was in relative economic terms many times larger than the sums someone would receive today for occupying the same positions.[179] Indeed, the idea, propagated so successfully by David McCullough's Pulitzer Prize-winning biography nearly thirty years ago, that Truman left the White House with very little money, never made any sense on its face.[180]

Let us now consider Truman's purported financial struggles in the five and one half years between the end of his presidency and the passage of the Former Presidents Act. It is true that, as McCullough notes, when Truman's presidency ended he had no formal source of income other than a small Army pension.[181] Over the next few years, when he was lobbying Congress and the public for post-presidential benefits, Truman made much of the fact that he was not exploiting his tenure in office for financial gain—a claim that, as we have seen, continues to be echoed constantly in discussions of the supposedly less scrupulous behavior of more recent presidents.[182] The Former Presidents Act, runs the argument, was justified by Truman's difficult financial circumstances and in particular by his refusal to ameliorate them by taking economic advantage of his status as a former president.[183]

In fact, beginning almost on the day he left the White House Truman employed his fame as a former president to make a staggering amount of money.[184] Truman's income between the end of his presidency and the passage of the Former Presidents Act in August of 1958 came from three primary sources: his sale of his memoirs; other writing, lecturing, and guest appearance fees; and his sale of the site of the Truman family farm to real estate developers.[185]

179. Someone who today served as a United States senator for ten years, and then president of the United States for eight years, would receive $4.94 million, i.e., about half of what Truman was paid in constant, inflation-adjusted dollars. *See Senate Salaries (1789 – Present)*, U.S. SENATE, https://www.senate.gov/senators/SenateSalariesSince1789.htm [https://perma.cc/JZ5Y-QZ47] (last visited Mar. 14, 2022). The latter sums do not include the money from the presidential expense account that Truman converted to personal savings. *See* 3 U.S.C.A. § 102 (West).

180. *See supra* note 16 and accompanying text.

181. *See* MCCULLOUGH, *supra* note 13.

182. *See* Karabel, *supra* note 69 and accompanying text.

183. *See* Campos, *supra* note 133.

184. *See* MCCULLOUGH, *supra* note 13, at 932.

185. *See* Thorndike, *supra* note 135.

A. The Memoirs

Approximately three weeks after the end of his presidency, Truman signed a contract with *Life* magazine to publish his memoirs.[186] The contract was for a flat fee of $600,000.[187] Over the next several months, Truman's lawyers negotiated an arrangement with the IRS, finalized in September 1954, to structure the payment of the contract in a way that would reduce Truman's tax liabilities arising from it.[188]

This deal stipulated that the payment of the $600,000 would be made in six yearly installments of $100,000, rather than a lump sum, and that Truman would be allowed to estimate ahead of the payment of the installments what the deductible expenses incurred during composition of the memoirs were likely to be.[189] This latter sum would then be deducted from each yearly installment on a pro rata basis, meaning that in each tax year during which the payments were made, Truman would only be taxed on that portion of the payment that represented his estimated net profit from the project.[190]

Adjusted simply for inflation, this $600,000 contract would be worth approximately $5.6 million in 2021 dollars.[191] Adjusted for relative income, a similar book contract in 2021 would require a payment to the author of $16 million.[192]

As we have seen, the story of Harry Truman's post-presidential financial struggles has managed to survive in the face of these staggering figures because of David McCullough's widely cited assertion that Truman netted "only" $37,000 on the contract, after compositional expenses and taxes.[193] (It is worth noting that, at the time, $37,000 was equivalent to more than three years of the total *pre-tax* income of families at the 95th percentile of family income, so even this was actually a very large sum, especially considering that it purportedly represented Truman's *post-tax* profit from the

186. *See* MCCULLOUGH, *supra* note 13, at 932.
187. *See id.*
188. *See* Thorndike, *supra* note 135.
189. *See id.*
190. *See id.*
191. *CPI Calculator*, *supra* note 97.
192. This relative income figure is derived by comparing the 95th percentile of family income in 1957 (the midpoint in the disbursement of the memoirs' installment payments) with what Truman was owed under the contract, and then applying the ratio between these two figures to the 95th percentile of family income in 2019.
193. *See* MCCULLOUGH, *supra* note 13, at 963.

contract. A comparable sum today would be nearly one million dollars.)[194]

In any event, it is difficult to convey adequately just how absurd the assertion that Truman's effective profit on the contract was only $37,000 always was.[195] McCullough explains that 94% of the value of the book contract never reached Truman himself because McCullough accepts on their face the claims in Truman's 1957 letter to House Majority Leader John McCormack that Truman incurred $153,000 in expenses composing the book and answering fan mail, and that Truman paid an 67% effective tax rate on the earnings.[196]

Even if we accept all these figures as accurate—in fact, as we shall see, they were completely fictitious—Truman's math still made no sense whatsoever: If we deduct $153,000 from $600,000, and then apply a 67% effective tax rate, the total profit from the memoirs would have been $149,000, not $37,000. ($149,000 was at the time equivalent to $1.4 million in 2021 dollars, and $4 million in terms of relative income.)[197]

In fact, a perusal of the Schedule C attachments to Truman's tax returns during the years when the installment payments on the memoirs were made (1955 through 1960) reveals that Truman enjoyed a net profit of at least $299,186 on the memoirs, although the real number was probably a good deal higher.[198] Per those schedules, Truman's agreement with the IRS stated that he anticipated spending $86,814.52 on the book's production, leaving a net profit, before tax, of $513,185.48.[199] Since in the years Truman received the installment payments he paid an average effective tax of 41.7%, this yields a net profit, after expenses and taxes, of a few hundred dollars short of $300,000.[200]

Converted to 2021 dollars, this means Truman enjoyed, in inflation-adjusted terms, a post-tax and expenses profit from the

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194. *See* Income Tables, *supra* note 127.

195. *See* MCCULLOUGH, *supra* note 13, at 963.

196. *See id.*; OFF THE RECORD, *supra* note 36, at 346.

197. *See CPI Calculator*, *supra* note 97. The relative income calculation is derived by comparing family income at the 95th percentile at the time to Truman's purported net profit on the memoirs.

198. *See* Thorndike, *supra* note 135.

199. *See* Form 1040: U.S. Individual Income Tax Return of Harry S. and Bess W. Truman (1955), https://s3.amazonaws.com/pdfs.taxnotes.com/2019/H_Truman_1955.pdf. These figures are laid out in the Schedule C attachment to Truman's 1955 return.

200. *See* Thorndike, *supra* note 135.

memoirs of $2,866,000.[201] But again, in terms of relative income, this is a radical underestimate: a writer today, to earn a comparable post-tax profit on a book, would need to make approximately $7,600,000—*after* taxes and expenses.[202]

And indeed, Truman may have earned a good deal more from the project. Truman's tax returns in the years immediately after he left the White House are full of what, to put it charitably, could be characterized as some very puzzling numbers.

First, Truman's Schedule Cs from his 1953, 1954, and 1955 returns—the years when all the work on the book's production was performed, and presumably paid for—indicate that Truman's total expenses incurred in the production of all his professional income, added up to $41,667 for the three years combined, i.e., less than half of what his lawyers estimated the expenses for producing the book would end up costing him.[203] (Ordinarily, deductions for professional expenses must be claimed in the tax years when the expenses were incurred.)[204]

A difficulty here is that if any or all of the $41,667 in professional expenses Truman claimed between 1953 and 1955—this is actually an enormous sum equal to $417,000 in 2021 dollars—were incurred in the production of the memoirs, then Truman would be double counting those expenses against his income. This is because, according to his tax returns, all the deductible expenses associated with the production of the book were supposed to be reflected in the installment payments he received between 1955 and 1960, from which the book's estimated production expenses had already been deducted prior to calculating Truman's tax liability in each of those years.[205]

On the other hand, if Truman was *not* double counting the memoirs' expenses, then according to his tax forms, he paid no less than $265,453 in professional expenses between 1953 and 1960 when the last installment payment on the memoirs was made.[206] If we

201. *See CPI Calculator*, *supra* note 97.

202. This figure is derived by comparing Truman's net profits from the memoir, after taxes and expenses, to the 95th percentile of family income during the years when he received the installment payments on the book.

203. Truman delivered the final manuscript to the publisher in July of 1955. *See* Thorndike, *supra* note 135.

204. *See* 26 U.S.C.A. 162(a) (West) ("There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred *during the taxable year* in carrying on any trade or business . . . .") (emphasis added).

205. Truman Taxes, *supra* note 132.

206. *See id.*

convert this figure to 2021 dollars, it becomes evident that this is a staggering and literally incredible sum: $2,589,000![207]

Mysteriously, as soon as the memoirs project was complete, Truman's professional expenses, which were already extraordinarily high—recall that they collectively totaled more than $400,000 in 2021 dollars during his first three post-presidential years—suddenly shot up to bizarrely stratospheric levels: in 2021 dollars, $402,846 and $399,274 in 1956 and 1957, respectively.[208] In addition, these numbers either involved double counting the expenses associated with writing the memoirs or Truman's claimed professional expenses in these years were even higher: in 2021 dollars, over $500,000 annually.

It is probably impossible, at a remove of more than six decades, to untangle what was actually going on when Truman claimed such unbelievably high professional expenses, but it is impossible to not at least suspect that what may have been going on was some egregious tax fraud.

Furthermore, the sort of arrangement Truman entered into with the IRS in 1953, in which the expenses for the memoirs project were estimated in advance, requires the taxpayer to, at the conclusion of the project, reconcile the actual expenses incurred with the pre-production estimate of those expenses.[209] There is no evidence anywhere in Truman's tax returns that any such reconciliation ever took place.[210]

Still, in regard to the central question of whether Truman committed a fraud on Congress and the public when he claimed he would have been in serious financial distress if he and his siblings had not inherited the family farm, all these are side issues. Even taking the calculations in his tax returns at face value, Truman earned, *after* taxes and expenses, millions of dollars from the

207. *CPI Calculator*, *supra* note 97. Truman's tax records claim, assuming that the expenses from the memoirs were not being double counted, that he paid $1.4 million, in 2021 dollars, in office salaries alone between 1953 and 1958. This is, given rates of pay for research assistants and secretarial help at the time, a literally incredible figure.

208. *See* Campos, *supra* note 133.

209. *See* Alice Phelan Sullivan Corp. v. United States, 381 F.2d 399, 403 (Cl. Ct. 1967) (laying out the inclusionary tax benefit rule and holding that if an expense is deducted in Year 1, and later events reverse that deduction, the offsetting events generate income to the extent the original deduction has now been rendered inappropriate).

210. *See* Campos, *supra* note 133.

memoirs, in inflation-adjusted terms, and even more in terms of relative income.[211]

B. Other Writing, Lecturing, and Guest Appearance Fees

Another aspect of Truman's post-presidential finances that has been overlooked or ignored by his biographers and other commenters has been that, quite apart from his fabulously lucrative memoirs, Truman also made an enormous amount of money from other sources in the years immediately after he left the White House. He did so by writing occasional magazine articles, giving lectures at various venues, and making paid media appearances.[212]

The most startling example of the latter source of income was Truman's appearance on Edward R. Murrow's CBS television program *See It Now*.[213] This program was broadcast in February of 1958, but Murrow's interview of Truman was filmed a year earlier, from February 8-15, 1957, in Islamorada, Florida.[214] Here is what Truman had to say about the fact that he was not receiving any financial support from the federal government in his post-presidential years: "You know, the United States Government turns its Chief Executives out to grass. They're just allowed to starve. . . . If I hadn't inherited some property that finally paid things through, I'd be on relief right now."[215]

What the immense prime time national television audience for this interview—the first of its kind ever given by a former president—did not know was that apparently Truman had been paid $25,000 to give it.[216] This sum is found on the Schedule C attachment

211. *See* Thorndike, *supra* note 135.

212. *See Harry S. Truman Papers: Post-Presidential Papers*, HARRY S. TRUMAN LIBR. & MUSEUM, https://www.trumanlibrary.gov/library/truman-papers/harry-s-truman-papers-post-presidential-papers [https://perma.cc/W5E7-DG2V] (last visited Mar. 14, 2022); *Harry S. Truman Lecture at Columbia University on the Presidency*, HARRY S. TRUMAN LIBR. & MUSEUM, https://www.trumanlibrary.gov/soundrecording-records/sr75-1-harry-s-truman-lecture-columbia-university-presidency [https://perma.cc/6D4M-K6WK] (last visited Mar. 14, 2022); *Motion Picture MP-66-3 Through 66-14*, HARRY S. TRUMAN LIBR. & MUSEUM, https://www.trumanlibrary.gov/movingimage-records/mp66-3-through-66-14 [https://perma.cc/3HJ5-HU3N] (last visited Mar. 14, 2022).

213. *See Motion Picture MP66-3 Through 66-14*, *supra* note 212.

214. *See* Jack Gould, *Human Document: Murrow Interview of Truman Offers Study of Man and Office Holder*, N.Y. TIMES, Feb. 3, 1958, at 46; *Motion Picture MP66-3 Through 66-14*, *supra* note 212.

215. *See* HAMBY, *supra* note 16, at 628.

216. *See* Campos, *supra* note 133.

to Truman's 1957 tax return, under the category "Personal Appearances."[217] Median family income in America that year was $4,914.[218]

The audience might have been even more startled to learn that Truman was in the process of earning, between 1953 and 1960, $197,500 from his occasional writings, lectures, and public appearances.[219] Again, all this income—equivalent to $1,926,000 in 2021 dollars—was quite apart from the fortune he received for his memoirs.[220]

All told, in the eight years immediately after he left the presidency, Truman collected $797,500 from the direct exploitation of his post-presidential fame.[221] This is, in inflation-adjusted terms, equivalent to $7.78 million.[222] And in terms of relative income, a person today would need to have earned $20.2 million over the past eight years to have made as much money, relative to the earnings of his fellow Americans, as Truman made between 1953 and 1960 just from these activities.[223]

C. Sale of the Truman Family Farm

Interestingly, while lobbying for the passage of the Former Presidents Act, Truman kept insisting that what was saving him from penury was the sale of the Truman family farm, which his maternal grandfather, Solomon Young, had originally purchased in the mid-nineteenth century.[224]

In his January 10, 1957, letter to John McCormack, Truman claimed that "[h]ad it not been for the fact that I was able to sell some property that my brother, sister and I inherited from our mother I would practically be on relief."[225] The latter phrase must have been much in his mind, as less than four weeks later he told Ed Murrow

217. *See* Truman Taxes, *supra* note 132.
218. *See* Income Tables, *supra* note 127.
219. *See* Truman Taxes, *supra* note 132.
220. *See CPI Calculator*, *supra* note 97; FERRELL, *supra* note 16, at 387.
221. *See* Truman Taxes, *supra* note 132.
222. *See CPI Calculator*, *supra* note 97.
223. The relative income figure is derived by comparing Truman's income from these activities over these years with family income at the ninety-fifth percentile at the time.
224. *See* OFF THE RECORD, *supra* note 36, at 346.
225. *See id.*

that if he "hadn't inherited some property that finally paid things through, I'd be on relief right now."[226]

Characteristically, David McCullough presents Truman's claims about how the sale of the family farm saved him from poverty without evincing even a hint of skepticism regarding them:

> 'I sure hate to see the old place go,' he was quoted in the *Kansas City Star*. But the sale, as he also said, meant financial security at last, for Truman, as for [his brother and sister] Vivian and Mary Jane. And while, with the transaction went a good deal of sadness, it affirmed the old faith that come what may, land was wealth to count on. It wasn't Truman's rise to political power or his world renown, his books or lectures or the legacy of his wife's family that saw him through in the end, but the old farm at Grandview.[227]

As is so often the case when it comes to Harry Truman's finances, what actually happened with "the old place" turns out to be a complicated story regarding which Truman's own account was at times less than accurate in several important particulars.

First of all, contrary to Truman's representations, he and his siblings did not inherit the Grandview farm from their mother.[228] In fact, their mother had lost what by then remained of the original farm to creditors in 1940 after an odd and disconcerting set of events related to Truman's senatorial re-election campaign that year.[229]

The Grandview farm was approximately 1,500 acres when Solomon Young died in 1892.[230] By the time Harry Truman was working it as a young man fifteen years later, it had been reduced to 600 acres.[231] Various financial stresses led Truman's mother, Martha Ellen Truman, to sell off more of it after World War I and to heavily mortgage the remainder.[232] By 1940 she owned 287 acres

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226. *See* HAMBY, *supra* note 16, at 628.

227. *See* MCCULLOUGH, *supra* note 13, at 962–63. Hamby makes a similar claim:

All the Trumans—Harry, Vivian, and Mary Jane—joined the ranks of the financially independent by selling most of the old family farm to a real estate developer. Nevertheless, both Harry and Bess felt insecure. The 'job' of being a former president carried a lot expenses; federal law provided no remuneration.

HAMBY, *supra* note 16, at 628.

228. *See The Young-Truman Farm,* HARRY S. TRUMAN LIBR. & MUSEUM, https://www.trumanlibrary.gov/education/student-resources/places/grandview/young-truman-farm [https://perma.cc/5L2S-85DB] (last visited Mar. 14, 2022) [hereinafter *Young-Truman Farm*].

229. *See id.*

230. *See id.*

231. *See id.*

232. *See id.*

encumbered by a now-overdue short-term $35,000 mortgage that her son Harry had helped arrange with the Jackson County School Board in 1938.[233] In fact, this mortgage was probably illegal under Missouri law at the time, which did not allow a property to be mortgaged for more than its fair market value, which was estimated to be $22,680.[234]

The overdue mortgage was not foreclosed on for more than a year because the Jackson County Court at the time was controlled by elements of Kansas City's Pendergast political machine, which Truman eventually became by far the most prominent protégé.[235] But when the court came into different hands after Republicans defeated the Pendergast candidates, foreclosure proceedings moved forward, and Martha Truman was ejected from her lifelong home.[236] Truman, no doubt correctly, saw this development as a politically motivated—although perfectly legal—attack on him as he was preparing to run for a second senatorial term. Yet somewhat surprisingly, he seems to have been either unable or unwilling to arrange alternative financing for the property.[237]

After Truman became president in 1945, three of his friends acquired the property by paying off Jackson County for the by-then $43,000 debt.[238] They then sold eighty-seven acres and the farmhouse to Harry's brother Vivian and, in 1946, the remaining 200 acres to

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233. *See* HAMBY, *supra* note 16, at 209.

234. *See id.*

235. *See id.* When he first joined the Senate in 1935, Truman was referred to derisively by some critics as "the Senator from Pendergast." *See* MCCULLOUGH, *supra* note 13, at 221.

236. *See* HAMBY, *supra* note 16, at 209.

237. Truman's apparent passivity during this entire incident is somewhat puzzling. *See id.* While $35,000 was a considerable sum in 1940, it would seem that a sitting U.S. senator could have done more to prevent his 87-year-old mother from being evicted from her lifelong home. *See id.* It appears Truman, who was in the middle of a difficult re-election campaign, was embarrassed by the sketchy nature of his previous efforts to refinance the property with the help of the forbearance of the Pendergast-controlled county court. *See id.* In any event, Truman remained quite bitter about the matter:

> When Judge Fred Klaber, Truman's only friend on the county court, asked him for comments on a purchase offer in 1941, the senator retorted, "That old squint-eyed son-of-a-gun, who is the Presiding Judge [George Montgomery], . . . caused a lot of suffering to a grand old woman, and I hope he's happy over it. You own the place, do as you please with it." His rage vented, Truman then sent a note to Jim Pendergast urging him to try to get the county's land business turned over to a pliable agent.

Hamby, *supra* note 16, at 262.

238. *See* Young-Truman Farm, *supra* note 232.

Harry.[239] Over the next few years, the three Truman siblings acquired other portions of the original parcel until by the early 1950s they owned 529 acres.[240]

The farm was just fifteen miles from downtown Kansas City, and in the postwar period its value for commercial development was increasing rapidly—so much so that, when Truman sold most of his holdings in it in a series of transactions between 1954 and 1959, he received a total of $566,633 from these sales—certainly a handsome return on an investment that in the course of a little more than a decade increased several-fold in value.[241] (Truman's profit on these transactions was equivalent to about $4.5 million in 2021 dollars).[242]

D. Truman's Post-Presidential Income Adjusted for Inflation and Relative Income

Adding these various sources of wealth together, we can analyze Harry Truman's annual income during the years when he was lobbying for passage of what became the Former Presidents Act as well as the two years immediately following when he received the last two installment payments on his memoirs. Each year below features three figures: Truman's income in nominal (current) dollars, in constant, inflation-adjusted 2021 dollars, and in terms of relative income, that is, in terms of how much money someone would have

239. *See id.*

240. *See id.*

241. Truman Taxes, *supra* note 132. Truman sold 98 acres in 1954 for $75,000, after purchasing that land in 1945 for $14,736. *See id.* He sold 59.8 acres in 1955 for $130,295.77, after purchasing that land in 1945 for $8,239.12. *See id.* He sold 31.9 acres in 1955 for $65,000, after purchasing that land in 1952 for $31,910. *See id.* He sold 15.9 acres in 1956 for $13,864, that he purchased in 1946 for $1,863.90. *See id.* He sold seven lots in 1957 for $11,000, that he purchased in 1945 for $2,991. *See id.* He sold 220 acres in 1958 for $220,000, that he bought in 1946 and 1955 for $53,832.10. *See id.* He sold a lot in 1959, for $37,850.75, that he purchased in 1945 for $44.12. *See id.* He sold another lot that year for $13,621.50, that he also purchased for $44.12 in 1945. *See id.* All in all, Truman spent $113,660 to acquire these properties, and then sold them for $566,633. *See id.* According to the Harry S. Truman Library, $23,000 of the $53,832.10 purchase of 220 acres that Truman acquired in 1946 and 1955 were for the 200 acres he bought in the former year. *See id.* This would mean that Truman spent $82,828 during his presidency buying back pieces of the old family farm. *See id.* He also spent an additional $18,750 shortly after leaving the White House, to buy out the three-quarters share in his late mother in law's house that was not inherited by his wife. *See id.* (This was the first and only residence Truman would ever own). *See id.*

242. *See CPI Calculator*, *supra* note 97.

to make today to have the same income relative to other Americans that Truman enjoyed relative to the Americans of his time.[243]

1953

Nominal Dollars: $34,177

2021 Dollars: $343,294

Relative Income: $1,018,913

1954

Nominal Dollars: $13,565

2021 Dollars: $135,748

Relative Income: $395,399

1955

Nominal Dollars: $141,413

2021 Dollars: $1,425,756

Relative Income: $4,057,401

1956

Nominal Dollars: $121,543

2021 Dollars: $1,202,896

Relative Income: $3,239,229

1957

Nominal Dollars: $139,140

2021 Dollars: $1,332,946

Relative Income: $3,680,251

1958

Nominal Dollars: $137,085

2021 Dollars: $1,276,906

Relative Income: $3,473,427

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243. Truman's income is stated in terms of his gross income, as listed on his tax returns, rather than his adjusted gross income. This is because family income, which provides the baseline for the comparison in regard to relative income, is calculated by the U.S. Census's Current Population Survey using gross income, not AGI. *See* Income Tables, *supra* note 127. Relative income is again derived by comparing Truman's income in each of these years to family income at the 95th percentile in those years.

1959

Nominal Dollars: $169,502

2021 Dollars: $1,568,010

Relative Income: $4,026,986

1960

Nominal Dollars: $152,615

2021 Dollars: $1,387,946

Relative Income: $3,433,887

Note that during these years, Truman paid an average effective tax rate of 41%, meaning that his after-tax income can be estimated readily by multiplying these figures by .59.[244] Per contemporary IRS data, Truman's compensation during these years was on average higher than that of approximately 99.92% of American taxpayers.[245]

E. Harry Truman's Post-Presidential Net Worth

The foregoing figures make clear that the standard narrative about Harry Truman's post-presidential finances bears no relationship whatsoever to the historical reality. Furthermore, now that Bess Truman's personal financial files have become available to researchers, we have Truman's own estimates of his actual net worth, both at the time he left the White House and at the time Congress enacted the Former Presidents Act.[246]

In a holographic draft will dated December 26, 1953, that is, eleven months after he left office, Truman laid out his then-current financial situation to his wife.[247] He listed their current assets as the following:

Land: $250,000

Bonds: $250,000

Cash: $150,000

Book: $100,000[248]

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244. *See* Truman Taxes, *supra* note 132.

245. *See* Internal Revenue Service, Statistics of Income: Individual Tax Returns for 1955, at 18 tbl.1 (1958), https://www.irs.gov/pub/irs-soi/55inar.pdf [https://perma.cc/ZYM3-HZDU].

246. *See* Campos, *supra* note 133.

247. Draft will, *supra* note 168.

248. *See id.*

Where these then-enormous sums came from is not mysterious. Indeed, Truman himself informed Bess in the text of the document that the "bonds, land and cash all come from savings of presidential salary and free expense account. It should keep you and Margaret comfortably."[249]

Truman's liquid assets at this time were equivalent to 119% of the entire post-tax official White House salary Truman received during his eight years in office.[250] Specifically, during his years as president, Truman netted $335,596 after taxes on his White House salary.[251] Over this time, he apparently acquired $400,000 in liquid assets and spent approximately $83,000 on land purchases.[252] He also bought a three-quarters share in the ownership of his late mother in law's house for $18,750 shortly after leaving Washington.[253] (Bess Truman had already inherited a one-quarter share of the property).[254] And while Truman's household expenses during his eight years in office were low, they were not non-existent.[255] In addition, Truman noted in the December 26, 1953, draft will in Bess Truman's personal files that all of the money and land whose value he was listing in the document came from a combination of savings from his presidential salary and from the tax-free expense account.[256] Thus, both simple mathematics and Truman's own representations indicate that Truman must have converted all or nearly all of the $200,000 deposited into the White House expense account between 1949 and 1953 into personal wealth.[257]

This does not appear to have been, strictly speaking, legal.[258] What is even more dubious, from a tax law perspective, is that after

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249. *See id.*
250. *See* Truman Taxes, *supra* note 132.
251. *See* Campos, *supra* note 133.
252. *See id.*
253. *See id.*
254. *See* Campos, *supra* note 133.
255. *See generally* Liptak & Spodak, *supra* note 174.
256. *See* Draft will, *supra* note 168.
257. *See* Campos, *supra* note 133.
258. One could make a very strained argument that, by not including any reporting requirement regarding the use of the money prior to October 1951, Congress did not necessarily object to allowing Truman to convert the expense account funds into personal wealth. Indeed, some members of Congress complained that, structured as it was, the expense allowance could end up functioning as a covert salary enhancement. *See* 103 CONG. REC. S. 103, 198–221 (daily ed. Jan. 13, 1949). The plain language of the statute clearly prohibits such a use of the funds, however. *See* 3 U.S.C.S. § 102 (amended 1951). Unless we treat much of its language as purely precatory, no possible reading of the statute would allow Truman to do what

any conversion of the expense account funds into personal income became an explicitly taxable event in 1951, Truman did not report any such conversion on his taxes in either that year or in the following two tax years.[259]

Note that on a dollar for dollar basis, expense account funds converted to salary would have been much more valuable to Truman than money from his official salary since the former funds were not taxed prior to 1951, and Truman simply did not report this income when it did become taxable.[260] Given that the money from the expense account should have been taxed at a 90% rate in 1951 and 1952, Truman's appropriation of that money made his salary, practically speaking, several times larger than his official pay.[261]

And Truman's December 1953 estimate of his net worth was, if anything, a substantial understatement. For one thing, as we have seen, the memoirs netted Truman at least $300,000 after taxes and expenses.[262] For another, the Grandview farmland Truman had reacquired over the previous few years ended up being sold in transactions that generated reportable capital gains of $290,725, off a basis from purchases that added up to a little more than one-third that amount.[263]

Nevertheless, even Truman's quite conservative estimate of his net worth just months after leaving the White House indicates that, by all ordinary standards, he departed the presidency a very wealthy man.

Consider that fully ten years after Truman made this estimate, the net worth of an American family at the 99th percentile of family net worth was $186,981.[264] If we take into account both inflation and economic growth between 1953 and 1963 to estimate the likely

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he evidently did, which was to convert the entire expense account into cash savings and bonds, and to repurchase the Grandview farm property.

259. *See* Truman Taxes, *supra* note 132.

260. *See id.*

261. *See Federal Income Tax Brackets (Tax Year 1951)*, TAX-BRACKETS.ORG, https://www.tax-brackets.org/federaltaxtable/1952 [https://perma.cc/FJ98-GF3J] (last visited Mar. 14, 2022).

262. *See supra* note 193 and accompanying text.

263. *See* Truman Taxes, *supra* note 132. Note that at this time the tax code's automatic deductions for capital gains ensured that reportable capital gains would be far smaller than a taxpayer's actual net profit. Truman, for example, sold land that he acquired for a total of $113,600 for $566,633, yet this resulted in reportable capital gains of only $290,725.

264. *See Nine Charts About Wealth Inequality in America*, URBAN INST. (Oct. 5, 2017), https://apps.urban.org/features/wealth-inequality-charts/index.html [https://perma.cc/4HMX-K3NK] [hereinafter *Wealth Inequality*].

growth in family net worth at the 99th percentile over the course of these years, we can estimate that the 99th percentile of family income in 1953 was around $126,000.[265] If we then remove Truman's estimate of the value of the memoirs—the contract for which he signed three weeks after leaving the White House—when calculating his net worth on the day he left the presidency, we can estimate that the Truman family's net worth on that day was about 5.2 times the net worth of an American family at the 99th percentile of net worth in 1953.[266]

To interpret what these numbers mean in regard to *relative* wealth, note that the 99th percentile of family net worth in America in 2020 was $11.1 million.[267] This suggests that Harry Truman's net worth when he left the presidency was equivalent to a net worth of about $58 million in America today in regard to how wealthy he was in comparison to other Americans at that time.[268]

And of course Truman's estimate of his net worth in December of 1953 includes none of the wealth that was generated by the vast sums—equivalent to many millions of dollars in simple inflation-adjusted terms and far more in terms of relative income—that Truman earned in his first few years after leaving the presidency, via books, articles, lectures, and media appearances.[269] It is certain that, as rich as Truman was when he left Washington, he was a good deal richer when he lobbied Congress successfully to grant him the benefits he received under the Former Presidents Act.

Indeed, in a document in Bess Truman's files from January 1959—five months after the passage of the FPA—Truman estimates his net worth at the time as being $1,046,788.86.[270] This suggests that at the time that Congress was passing the FPA to ameliorate Harry Truman's supposed financial struggles, he had a net worth of approximately $72 million, in terms of what someone's net worth

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265. *See* Income Tables, *supra* note 127.
266. *See id.*
267. *See Average, Median, Top 1%, and All US Net Worth Percentiles*, DQYDJ, https://dqydj.com/average-median-top-net-worth-percentiles/ [https://perma.cc/GJ77-B97C] (last visited Mar. 14, 2022).
268. *See id.*
269. *See supra* notes 184–243 and accompanying text.
270. *See* Holographic note, "Bank Balances as of January 30, 1959," Bess Truman Financial Records, Harry S. Truman Library and Museum, Independence Missouri (copy on file with the author.)

would have to be today, to be as relatively wealthy now as Truman was then.[271]

Conclusion: Harry Truman and the Politics of Nostalgia

On its face, it is difficult to explain why American taxpayers should, for example, be paying $130,000 every single month just to rent personal office space for Bill Clinton, George W. Bush, and Barack Obama—men who are each worth many tens of millions of dollars, and, who in the case of Bill Clinton and Barack Obama, became rich because they were former presidents of the United States.[272]

It is even more difficult to explain why taxpayers should spend millions of dollars supplementing the post-presidential income of Donald Trump—a purported billionaire who seems to have run for president in the first place as a kind of fundraising scheme, and whose post-presidency promises to be, if past is prologue, a nonstop attempt to extract money from his millions of loyal followers.[273]

All this illustrates is that the Former Presidents Act's intended effects on the post-presidential behavior of its beneficiaries is impossible to find.[274] Indeed, all modern former presidents have reaped huge financial windfalls from their exploitation of their status as former chief executives of the United States. And, rather than providing a contrast to this pattern, Harry Truman's post-presidency both pioneered and epitomized it.

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271. *See id.* (explaining this calculation is based on the assumption that the growth in family net worth between 1959 and 1963 paralleled the growth in family income over those four years. Thus, Truman's net worth in 1959 was approximately six and a half times that of an American family at the 99th percentile of net worth. A family at that same percentile of net worth in 2020 had a net worth of $11.1 million).

272. *See* Brady, *supra* note 4.

273. *See* Shane Goldmacher & Rachel Shorey, *As Trump Raked in Cash Denying His Loss, Little Went to Actual Legal Fight*, SAN DIEGO UNION TRIB. (Feb. 1, 2021), https://www.sandiegouniontribune.com/story/2021-02-01/as-trump-raked-in-cash-denying-his-loss-little-went-to-actual-legal-fight [https://perma.cc/XS4F-T7DF] ("[W]hile Trump's efforts to delegitimize the election did not keep him in power, they did spur millions in contributions from loyal supporters and provided both him and the party with an enormous infusion of cash.").

274. The absence of such evidence is particularly significant, given that the original legislative purpose of the Former Presidents Act was, in the words of one of its congressional supporters, to ensure that former presidents would not have "to write and lecture to gain a livelihood in their final days." *See* 85 CONG. REC. 18942 (1958).

It is true that Truman struggled financially for much of his life, and that even in his fifties his large Senate salary was stretched by the needs and demands of various impecunious relatives.[275] But Truman made genuinely enormous sums of money in his nearly eight years in the White House and even larger sums in the years immediately afterward, all as a result of his presidential fame. In a precise inversion of the meaning ascribed to it by the standard historical narrative, Truman's financial biography illustrates exactly why the Former Presidents Act has always been a bad law that has never had any reasonable justification in public policy.

President of the United States is neither a pensionable career path nor a title of quasi-nobility. There is no reason why American taxpayers should be forced to spend millions of dollars per year supplementing the incomes of men who were either already rich when they became president or became rich as a result of their public service.

That Harry Truman's purported post-presidential financial struggles have turned out to be totally imaginary merely emphasizes why the FPA never had any justification to begin with. Rather than address the FPA with reformist tweaking, Congress should rescind the law altogether. Especially as Donald Trump's post-presidency threatens to make an especially spectacular mockery of the statute's original purpose.[276]

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275. Truman's mother and siblings struggled financially for many years, including after Truman became a senator. Truman at times used his government position to try to help them, especially his sister Mary Jane, who became the caretaker of Truman's mother in her old age: "Mary Jane and Mamma also had to be taken care of. In January 1944, Truman appointed Mary Jane an 'additional clerk, based in the Kansas City area at $1,800." *See* HAMBY, *supra* note 16, at 262.

276. Note that the FPA contains no statutory limits on how much money a former president can charge the government annually for office space (former presidents Clinton, Bush, and Obama are each charging the government more than $500,000 per year for this emolument), nor on the identity of the landlord that will be paid for providing this service. Any such limits enforced over the six decades since the enactment of the law have been purely customary. *See* Former Presidents Act, 3 U.S.C. § 102. In other words, the only thing that might keep Donald Trump from renting office space from, for example, the Trump Organization for some exorbitant sum is the possibility that Congress might rebel against such a flagrant—but legal—abuse of the statute's original purpose. The question of whether Congress could enact legislation to specifically revoke Trump's benefits under the FPA, without also revoking those benefits for other former presidents, raises difficult constitutional issues, specifically in regard to whether such legislation would constitute an unconstitutional bill of attainder. *See also* Mears, *supra* note 11, at 188 (footnotes omitted) ("Any special legislation enacted to revoke or reduce a former President's retirement benefits could be struck down as a bill of attainder, as an ex

Harry Truman's post-presidential career became the basis for a wholly fictitious historical narrative about how, despite leaving the White House nearly penniless, his principled refusal to cash in on his presidential fame still serves as an object moral lesson to today's less scrupulous post-presidential entrepreneurs. It is a story, in other words, that illustrates what might be called the politics of nostalgia.[277]

For no doubt complex reasons, Truman became, shortly after his death in 1972, one of the subjects of a more general wave of cultural nostalgia that swept over America during the Watergate era.[278] The Truman nostalgia boom featured, among other things, the publication of Merle Miller's 1974 oral biography *Plain Speaking*, the 1975 hit song "Harry Truman," by the rock group Chicago, and later that year the biographical play and subsequent film, *Give 'em Hell, Harry!* starring James Whitmore.[279]

Even as the Watergate scandal and its aftermath dominated the headlines, Americans seemed to long for an idealized version of this plain-spoken son of the Midwestern soil, who might have used some curse words from time to time, but at least could be counted on to keep his hand out of the public till. These desires are no doubt part of the ultimate explanation for the remarkable fact that Truman's gigantic presidential salary and his stupendous book—both matters of public concern—did not interfere with the creation of a narrative,

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post facto law, or as a deprivation of due process and equal protection rights."). *Compare* United States v. Lovett, 328 U.S. 303, 315 (1946) (holding "Section 304 falls precisely within the category of Congressional actions which the Constitution barred by providing that 'No Bill of Attainder or ex post facto Law shall be passed'"), *with* Nixon v. Adm'r of Gen. Servs., 433 U.S 425, 475 (1977) (holding that "the Act [at issue] imposes no punishment traditionally judged to be prohibited by the Bill of Attainder Clause").

277. It should be unnecessary to note that this Article makes no pretense to evaluating Harry Truman's political career as a whole, or even for that matter his overall personal character. Why Truman, who by all indications lived in, financially speaking, a fairly modest manner after leaving the White House felt himself impelled to engage in the discreditable behavior revealed here is a question beyond the scope of this study. For a more general analysis of the politics of nostalgia, see PAUL CAMPOS, A FAN'S LIFE (forthcoming, University of Chicago Press, 2022).

278. On the nostalgia boom of the mid-1970s, see RICK PERLSTEIN, THE INVISIBLE BRIDGE 166–67 (2014).

279. *See* MERLE MILLER, PLAIN SPEAKING: AN ORAL BIOGRAPHY OF HARRY S. TRUMAN 15 (Berkley Publ'g Co. 1974); *The Hot 100*, BILLBOARD, https://www.billboard.com/charts/hot-100/1975-04-05/ [https://perma.cc/AZS3-58J7] (last visited Feb. 1, 2022) (noting that "Harry Truman" reached a peak chart position of number thirteen on the Billboard Hot 100 charts, on April 5, 1975); *GIVE 'EM HELL, HARRY!* (Permut Presentations Sept. 18, 1975).

always incredible on its face, that Truman left the White House with little or no money, and then, despite his difficult financial circumstances, chose not to cash in on his presidential fame.[280]

Another part of the explanation for that fact is surely confirmation bias. Truman's biographers, and in particular David McCullough, have all evidently operated from the axiom that Harry Truman was not the sort of man who would tell outrageous lies about his financial status for a purpose as petty as extracting wholly unneeded pension benefits from Congress.[281] Yet if Truman was a rich man when he left the White House, and if he made a further fortune immediately after leaving office by exploiting his fame, then his statements to Congress and to the American public about his financial situation would have been dishonorable mendacities. And everyone knew Truman was an honorable man.

Therefore, Truman's various statements along these lines, absurd as they might seem on their face to anyone not working from an irrebuttable presumption that he was telling the truth, were taken to constitute sufficient proof that Truman's claims that he would be on welfare if he had not inherited the family farm were actually true.[282]

Yet another factor at play in this story is the striking inability of even many highly educated and otherwise perceptive critics to adjust their interpretations to take into account properly the economic significance of nominal dollar figures. Such critics know in the abstract, of course, that $100,000 was a good deal more money seventy years ago than it is today.[283] Nevertheless, just how much more money it really was is something that they—and we—find very difficult to actually appreciate unless we force ourselves to grapple with the relevant figures in a more concrete way.[284]

For example, when we learn that Harry Truman was paid $25,000 in 1957 to be interviewed on national television—an

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280. *See Harry Truman's Obsolete Integrity*, N.Y. TIMES (Mar. 2, 2007), https://www.nytimes.com/2007/03/02/opinion/02iht-edjacoby.4775315.html [https://perma.cc/ADA9-6PN9].

281. *See* Campos, *supra* note 133.

282. *See id.*

283. *See* MCCULLOUGH, *supra* note 13, at 928.

284. For example, consider David McCullough's evaluation of Truman's financial situation when he left the White House, with the relevant dollar figure expressed in 2021 dollars rather than, as in McCullough's text, nominal dollars: "[W]hile he and Bess had managed to put aside part of his [$1.1 million per year] salary as President during his second term, primarily in government bonds, it was in all probability a modest amount." *See id.*

occasion that he employed to complain about his financial struggles—we may think that this sounds like a good deal of money.[285] Still, the matter is put in quite a different light if we consider that this sum was five times greater than the typical American family's entire yearly income at the time.[286]

In this regard, a failure to adjust for inflation is not even our most significant intellectual failure; rather, our bigger mistake is in failing to appreciate the vast increase in the overall wealth of America since the days of Harry Truman's presidency and the years immediately following.[287] After all, above the level of brute survival, the social meaning of wealth is always profoundly relative: Assuming neither of us is starving, whether you or I are rich is really a question of how much wealth we have relative to each other and to the rest of our community.[288]

Harry Truman was rich not just because he had an inflation-adjusted net worth of around $6.5 million when he left the White House and of about $9.5 million five and one half years later when Congress granted him a generous package of benefits, but even more so because these sums, as enormous as they are, were actually many times bigger in relative social terms in the 1950s.[289]

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285. *See* Michael Hiltzik, *Trump Will Get Millions in Post-Presidential Benefits, Thanks to Harry Truman's Lies*, L.A. TIMES (Aug. 5, 2021, 1:38 PM), https://www.latimes.com/business/story/2021-08-05/trump-post-presidential-benefits [https://perma.cc/6U8H-WDYE].

286. *See* U.S. DEP'T OF COM., CURRENT POPULATION REPORTS: CONSUMER INCOME REP. P60-29 (1958).

287. *See* Robert J. Shiller, *The Economy Grew Even Faster in Truman's Presidency. So What?*, N.Y. TIMES (Aug. 10, 2018), https://www.nytimes.com/2018/08/10/business/the-economy-grew-even-faster-in-trumans-presidency-so-what.html [https://perma.cc/U936-35TE].

288. *See* John Maynard Keynes, *Economic Possibilities for our Grandchildren* (1930), *in* ESSAYS IN PERSUASION 365 (New York: W.W. Norton & Co. 1963) ("Now it is true that the needs of human beings may seem to be insatiable. But they fall into two classes – those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings may be, and those which are relative in the sense that we feel them only if their satisfaction lifts us above, makes us feel superior to, our fellows. Needs of the second class, those which satisfy the desire for superiority, may indeed be insatiable; for the higher the general level, the higher still are they. But this is not so true of the absolute needs – a point may soon be reached, much sooner perhaps than we are all of us are aware of, when these needs are satisfied in the sense that we prefer to devote our further energies to non-economic purposes.").

289. Recall that, in terms of relative wealth, a person would have needed a net worth of approximately $58 million in 1953 and $72 million in 1959 to be as

In the end, it may be that the remarkably durable fiction that Harry Truman left the White House with very little money, and yet despite his financial struggles still refused to monetize his post-presidency, is a product of, more than any other single factor, a widespread cultural longing for a simpler and more innocent past. But the past is never simple or innocent.

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rich as Truman was relative to other Americans at the time. *See* Campos, *supra* note 133.