

SMITH THREATENS A REVOLT ON ROOSEVELT LEADERSHIP; CALLS NEW DEAL SOCIALISM

WARNS OF CLASS STRIFE

Ex-Governor Sees Danger of Government by a Bureaucracy.

OUR RESOURCES 'DRAINED'

Middle Class Will Pay Administration's Debt by Indirect Taxes, He Says.

'32 PLEDGES HELD BROKEN

Not a Candidate for Office, He Says—Cheered by 2,000 Liberty League Diners.

The text of Mr. Smith's speech appears on Page 36.

By **TURNER CATLEDGE.**
Special to THE NEW YORK TIMES.

WASHINGTON, Jan. 25.—Democracy's "happy warrior" tonight sounded the bugle call for revolt.

In a ringing speech delivered at the first annual dinner of the American Liberty League and broadcast by radio to the four corners of the United States, former Governor Alfred E. Smith gave the signal, at least for his own followers, to "take a walk" from the leadership of President Roosevelt, and in so doing completed the groundwork for an anti-administration movement which his sponsors hoped might sweep the nation in the coming Presidential campaign.

Replete with the stinging sarcasm and biting wit of which he is master but missing in the personal attack which many had expected to hear, the speech called for a return of the Democratic party to the principles enunciated in the national platform of 1932, to which, the speaker declared, no one ever made a greater commitment than did the President who was elected thereon.

His reading of excerpts from that document and the witty and sarcastic comments with which he presented them brought rounds of approving applause from the diverse audience before him, including Democrats, Republicans and independents, white and black.

Capitalists Heavily Represented.

The listeners in the dining room, who numbered 2,000, in the aggregate, represented, either through principals or attorneys, a large portion of the capitalistic wealth of the country. Foregathered in the gilded banquet hall of the Mayflower Hotel were principally those identified with the stop-Roosevelt movement.

They included Republican officeholders and those who held power before the Democratic sweeps of 1932 and 1934; former Democratic leaders who were shorn of official following as a result of the same popular tide and politically minded people in general who, as the result of Supreme Court decisions or other causes, appeared ripe for the revolution which tonight's meeting was intended to start.

Noticeably absent were any of the leaders in the present-day Democratic party management, either Federal officials, civilian party stalwarts or members of the House and Senate.

But Governor Smith spoke only as a Democrat. Before taking his place before the audience and microphones to deliver his long-heralded address, he listened with obvious impatience to two other speeches, one by Dr. Neil Carothers, director of the College of Business Administration at Lehigh University, "a good Mississippi Democrat who went to Lehigh to teach economics to Northern Yankees," and the other by the former Federal Judge Charles I. Dawson of Louisville.

Introduced by Borden Burr, a Birmingham attorney who was toastmaster, as "Al Smith of America," the former Democratic standard bearer launched vigorously into an hour's attack on the New Deal, without once mentioning the appellation under which the present administration has proceeded or referring personally to Mr. Roosevelt.

As he spoke he could look into the faces of another Democratic candidate for President, John W.

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NEW DEAL ASSAILED SHARPLY BY SMITH

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Davis, and a former prominent Republican Senator, David A. Reed of Pennsylvania, who bit the dust in the Democratic landslide of 1934.

Also to his fore was his old friend, former Governor Ely of Massachusetts, who presented his name to the convention in Chicago in 1932, and to his left was the former Governor Ritchie of Maryland whose friends had hoped to run him in between Smith and Roosevelt for the Democratic nomination the same year.

Hints at "Taking a Walk."

Mr. Smith left no doubt as to what he had in mind for himself and his followers in the party during the coming months. Summing up his views of the performance of the present administration, in the light of the Chicago platform, he looked to the future:

"My mind is now fixed upon the convention in June in Philadelphia," he said. "The committee on resolutions is about to report, and the preamble of the platform is:

"We the representatives of the Democratic party in convention assembled, heartily endorse the Democratic administration."

"What happens to the disciples of Jefferson and Jackson and Cleveland when that resolution is read out? Why, for us it is a wash-

out. There is only one or two things we can do. We can either take on the mantle of hypocrisy or we can take a walk, and we will probably do the latter."

This remark, made with a characteristic Smithsonian gesture as he leaned toward the microphone and twisted his mouth in a snarling expression, brought the loudest cheer from the audience. The demonstration was so prolonged that Jouett Shouse, president of the Liberty League, signaled for silence as radio time was passing swiftly.

Not Seeking Office.

Early in his address Mr. Smith had given assurance that he was not seeking the nomination for himself. He disclaimed anything personal in what he was doing. Nor, said he, did he represent any group or any man.

"I am in possession of supreme happiness and comfort," he said. "But I do speak for what I believe to be the best interests of the great rank and file of the American people, in which class I belong."

It was not easy to speak against a Democratic administration. He was born in the Democratic party and expected to die in it. "I was attracted to it in my youth because I was led to believe that no man owned it," he said.

Sees Dangers Ahead.

"What are these dangers that I see?" he asked. "The first is the arraignment of class against class. It has been freely predicted that if we were ever to have civil strife again in this country it would come from the appeal to the passions and

prejudices that come from the demagogues who would incite one class of our people against the other."

He had met good and bad industrialists, good and bad financiers and good and bad laborers, but "I also know that there can be no permanent prosperity in this country until industry is able to employ labor, and there certainly can be no permanent recovery upon any governmental theory of soak-the-rich or soak-the-poor."

"Government by Bureaucracy."

"The next thing that I view as being dangerous to our national liberty is government by bureaucracy instead of what we have been taught to look to: government by law. Just let me quote something from the President's message to Congress:

"In thirty-four months we have set up new instruments of public power in the hands of the people's government, which power is wholesome and appropriate, but in the hands of political puppets of an economic autocracy, such power would provide shackles for the liberties of our people."

"Now, I interpret that to mean that if you are going to have an autocrat take me.

"The next thing that is apparent to me is the vast building up of new bureaus of government, draining the resources of our people, to pool and redistribute them, not by any process of law but by the whim of the bureaucratic autocracy."

"Now, what would I have my party do? I would have them re-establish and re-declare the princi-

ples that they put forth in that 1932 platform.

"No administration in the history of the country came into power with a more simple, a more clear or a more inescapable candidate than the party that was inaugurated on the fourth of March in 1933, and, listen, no candidate in the history of the country ever pledged himself more unequivocally to his party platform than did the President who was inaugurated on that day.

"Millions and millions of Democrats, just like myself, all over the country, still believe in that platform. What we want to know is, why wasn't it carried out?"

"And listen, there is only one man in the United States of America that can answer that question."

Declaring that the Roosevelt administration had substituted socialism for democracy, Mr. Smith said "that is why the Supreme Court is working overtime throwing the alphabet out of the window three letters at a time."

Quotes From 1932 Platform.

He read the 1932 declaration pledging the party to drastic reduction in governmental expenditure, abolition of useless commissions and offices and elimination of extravagance, "to accomplish a saving of not less than 25 per cent in the cost of the Federal Government."

But "no offices were consolidated, no bureaus were eliminated" and "the alphabet was exhausted."

He quoted another declaration of 1932, the one pledging the mainte-

nance of the national credit and the balancing of the budget.

"How can you balance a budget if you insist upon spending more money than you take in," he asked.

He summed up with the assertion that of all the important promises only two had been redeemed—regulation of the stock market and repeal of prohibition.

Compares New Deal to Socialism.

He suggested to his audience that they lay the creed of the Socialist party alongside of the performances of the present régime and note how they tallied.

"And incidentally," he added, "let me say that it is not the first time in recorded history that a group of men have stolen the livery of the church to do the work of the devil."

"Now, after studying this whole situation, you will find that that is at the bottom of all of our troubles," he continued. "This country was organized on the principles of a representative democracy, and you can't mix socialism and communism with that. They are like oil and water—they refuse to mix."

"And, incidentally, let me say to you, that is the reason why the United States Supreme Court is working overtime throwing the alphabet out of the window, three letters at a time."

He leaned toward the audience in a confidential manner and said:

"How do you suppose all this happened? Here is the way it happened. The young brain trusters

caught the Socialists in swimming and they ran away with their clothes."

It was all right with him "if they want to disguise themselves as Norman Thomas or Karl Marx or Lenin or any of the rest of that bunch."

"But what I won't stand for," he added, his voice raising with the upthrust of his fist, "is to let them march under the banner of Jefferson, Jackson or Cleveland."

Concluding, he said there could be only one capital, "Washington or Moscow."

"There can be only one atmosphere of government, the clear, pure, fresh air of free America or the foul breath of communistic Russia. There can be only one flag, the Stars and Stripes, or the red flag of the goddess Union of the Soviet. There can be only one national anthem, 'The Star Spangled Banner' or 'The Internationale.' There can be only one victor. If the Constitution wins we win. But if the Constitution—stop!

"Stop there—the Constitution can't lose. The fact is it has already won, but the news has not reached certain ears."