

## At the Observation Post

*Any Departure Which Promises Fulfilment of Ambition May Displace the Doubts of a Nation as Well as of an Individual—This Seems to Be Happening Now*

WHEN a man builds a house or buys a farm for himself, he experiences, almost invariably, a marked refreshment of spirit. Those of us who have taken the plunge will remember the psychological satisfactions of the venture. Those of us who have not will have noticed their manifestation in the case of friends more fortunate or less fearful. With the decision made, with the plans in hand, with the prospect assured, or apparently so, of a home of one's own, patterned to a reasonable degree after one's dreams, life takes on a totally different aspect. A robust interest in something constructive overwhelms minor worries and irritations. A new sense of self-justification displaces doubts and boredom.

A similar lift, of course, may come from almost any departure which promises a fulfilment of ambition—a new job, a new business, what-have-you. And—here's the point of this piece—it may come to a nation as well as to an individual. Something of the kind, unless the signs and portents are hopelessly misleading, is happening to this country to-day.

Evidences of it have been piling up since the election with its emphatic indorsement of the Administration. Previously a hundred hesitations had assailed the soul of the American people. They ranged from those expressed by Doctor Wirt on the Right to the EPIC of Upton Sinclair on the Left. The Roosevelt plans and specifications, embodied in emergency legislation, underwent a passionate scrutiny and discussion. Suddenly the country came to a decision. It said to its Chief Architect: Go ahead with the house you have in mind.

### A Change of Tone

The decision once reached and registered, an extraordinary change of tone has infused the national spirit. Within a fortnight of the election the Directors of the Chamber of Commerce of the United States met and resolved that there was "evidence of a growing determination by business, industry and agriculture to cooperate in every possible manner to promote an improvement in recovery." They noted that the President had shown himself receptive to suggestions and they pledged the Chamber to such cooperation "in an endeavor to reach a common agreement upon a program which will be fair and just to all." These resolutions were drafted by a committee whose chairman was Silas H. Strawn, of Chicago, a friend of former President Hoover and long regarded as one of the "Tories" of the Chamber. They were adopted by the Directors without controversy.

The next day the Retailers' National Council, representing eleven great national



Good News for the Boys in the Trenches

—Harper in the Birmingham Age-Herald

retail associations, went into a huddle in Washington. The result was a decision to sound the eleven associations, through a uniform questionnaire, with respect to their views of recovery measures. According to Harold R. Young, its spokesman, the council felt that the retail trade could play an important part in advising the President and wished to cooperate with him.

Then followed a call for a convention of the nation's industrial leaders to be held in New York on December 5 and 6 under the auspices of the National Association of Manufacturers. "This is the time," the call said, "for industry to formulate a program upon which it can stand unitedly. It must be drafted in a full spirit of helpfulness with the Government in the mutual desire to eliminate unemployment by stimulating private enterprise."

Compare these expressions of purpose with a sentence or two from the speech of Donald R. Richberg, before the Southeastern Development Board at Atlanta. Mr. Richberg is No. 1 Man of the New Deal. His speech followed by a day the manufacturers' call. "In this twenty months of recovery and reconstruction," he said, "the foundations have been laid for a political economic system wherein private enterprise can compete for individual profit and at the same time can cooperate to maintain a proper balance between the interests of agriculture, trade, industry, management, labor and consumer. If the private managers of our financial and business institutions are ready and willing to build a new industrial structure upon these foundations, now is their opportunity."

Here, surely, is a reasonably cordial

welcome to the stampede of private business and finance to have a hand in shaping the house that the President has planned.

But quite as impressive an indication of the altered morale is the more or less abrupt discovery that business is already on the up-grade. Countless indications of this happy circumstance have been creeping into print with comment thereon reaching in some cases a new high of exultation.

Of fundamental importance is the Treasury's recent report that twenty-six national banks, closed since the bank holiday, received licenses in October to reopen. Only fifteen remain unlicensed with aggregate deposits of about \$13,000,000, or less than 1 per cent. of the total amount tied up in the 1,417 national banks which failed promptly to resume operations. Among State banks, only eight which are members of the Federal Reserve System had failed by the end of September to receive licenses. Figures for non-member State banks show 311 unlicensed with less than 1 per cent. of the total deposits of all State banks. If one couples this showing with the fact that only five small failures have occurred in 1934 among the more than 14,000 banks affiliated with the Federal Deposit Insurance Corporation, and with the reports from member-banks of the Federal Reserve System of an increase of nearly \$300,000,000 in loans on other than security collateral the improvement in the credit situation becomes apparent.

This improvement is reflected again in the last statement of the Reconstruction Finance Corporation. Since the beginning of the present fiscal year, on July 1, the RFC has shown a net income of \$8,000,000 as compared with a net outlay for the same period last year of \$200,000,000. The change is accounted for by the large repayment of advances previously made, to the sale of some of the collateral obtained against such advances and to the marked decline in the demand for new loans.

Meanwhile it has been recorded that department-store sales for the first nine months of 1934 were at the highest point reached in three years and that retail trade in general is well above the autumn level of last year with prospects for the great unloading of the Christmas season the best since 1930.

It would be exceedingly foolish to insist, on the strength of all this optimism, that recovery is assured, even tho Henry Ford is betting his money on the prospect. But one can say with the *New York Times* that "in the life of the individual, as well as of the State, highly to resolve is partly to achieve" and that "when people feel better, they are better." Certainly the people of the United States feel better.

W. M. H.

## News and Comment From the National Capital

*The President's Visit in the South Is Believed to Have Convinced Him That Political Control South of the Mason-Dixon Line Has Shifted to the Mass of Voters*

**T**HANKSGIVING finds President Roosevelt in the South this year, as in most other years since his attack of paralysis. He is, however, passing more time than usual in the South this Thanksgiving season. The accepted explanation in Washington is that he is improving the opportunity to "win back" that area which traditionally is the most strongly Democratic in the country.

Not that the South has actually broken away from the Democratic Party or the New Deal. In the elections last month, it continued to send solid Democratic delegations to Congress from every strictly Southern State. Mr. Roosevelt, in common with most other observing Administration men, has been aware that, under the New Deal, the South is undergoing a social and political change.

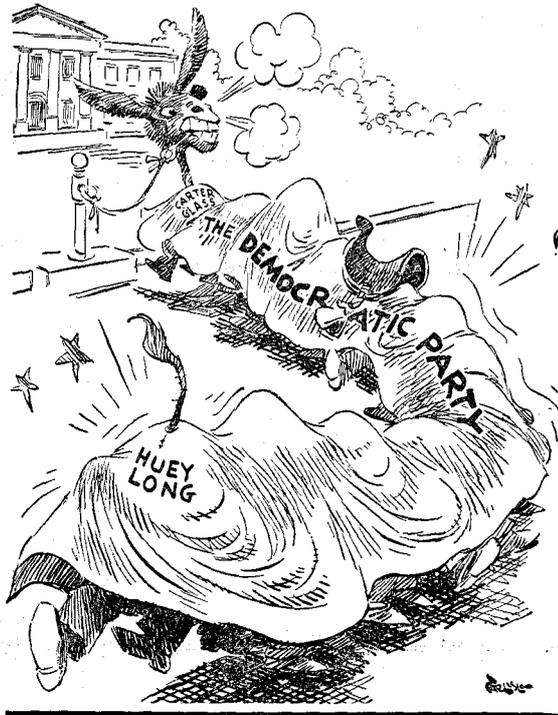
No one has been more conscious of this change than the Federal agents sent into that area from different departments of the Government. Many of them are Southerners by birth, and they have returned with various interpretations of what is evolving. Those of a conservative turn report that the remnants of the old Southern aristocracy apprehend the social effects of the New Deal, especially upon the colored population. Those of a radical or liberal turn point to the political triumphs of the Huey Longs, the Bilbos, the Talmadges, and the Holts, not to mention the occasional flashes of the Heflins and Bleases.

### Four Classes in Dixie

The orthodox Democrats examine the legislative party-irregularity of the Glasses, the Byrds, the Baileys, and the Gores in a region which enthroned old "King Caucus." These latter, or some of them, are actually in correspondence with kindred spirits in the North who wonder if the time is not at hand for a conservative coalition against radicals.

President Roosevelt, if his view-point is reflected in the White House circle, comprehends four classes in the South: the upper class, or the land-owning aristocracy; the poor white class, or the tenant-farmers; the colored population up from slavery; and the rising industrial population, chiefly typified by the textile workers.

The "Solid South" of post-Reconstruction days is viewed as having been controlled by the property-owning class. Under the social system which prevailed, this, it is explained, was easily understood.



The President's Strange New Charger

—Carlisle in the Des Moines Register

The negro vote was held in check by various devices. The poor-white vote was kept in hand. The industrial workers' vote was not formidable until comparatively recently.

What is happening in the transformation is believed to be reflected in Huey Long's successive victories in Louisiana, and the extension of his influence into Arkansas and Mississippi. He is said to be awakening the poor-white vote and the negro vote as well. However the negro vote may be developed, the poor-white vote greatly outnumbered what remains of the old Southern aristocracy. Huey Long and Bilbo made their appeal to it and won, the former with complete independence of the National Administration at a time when the President's popularity supposedly was overshadowing all else, and the latter against the implied opposition of the National Administration and of the orthodox Democrats.

Cole Blease, in South Carolina, and Tom Heflin, in Alabama, as seen here, made their appeal to the same sleeping giant among the electorate, but without the finesse of a Long or a Bilbo to put it over.

The Roosevelt Administration, tho cutting off all relations with Senator Long, and hardly taking Senator-elect Bilbo to its heart, is not unmindful of the source of electoral strength they have tapped. Mr. Roosevelt, in going down into the South a full two weeks in advance of Thanksgiving, and visiting several States below

the Mason and Dixon Line, is credited with having touched the same vein. Reports to Washington are that, in his traveling about to the sites of huge public-works undertakings, the President was cheered by the masses with all the enthusiasm that the West showed him last summer.

At the height of the cheering, it seemed, Governor Talmadge paid his courtesy call to the President, only to come away announcing from the housetops that the President should get about the South more if he would gage the skepticism about major alphabetical agencies.

Governor Talmadge, tho heading the State Government in the President's "other home" State, is as much on the "outs" with the Roosevelt Administration as is Huey Long. Not only did he clash openly with Federal Relief Administrator Hopkins, and win against an Administration candidate, but he dominated the Georgia Democratic State Convention which called for a halt in experimenting.

The circumstance that Georgia, on the one hand, can show such fine old Southern hospitality to the President, and, on the other hand, give political preferment to Georgia sons who oppose his policies, is one of the vagaries of the political outlook which the Roosevelt Administration does not overlook.

### Huey Long Is a Factor

Too shrewd a politician to show his hand in advance, the President is believed to have concluded that the South has changed definitely, that its political control may be shifting gradually from the aristocratic class, and that he will make a bid of his own for the mass vote there, as in the rest of the country.

Whether the New South tends to turn to the Left or the Right of the New Deal is a current subject of speculation. The Roosevelt Left Wingers feel certain it is heading well to the Left, and that the President will lose it if he does not turn back to the Left. These Left Wingers share the growing conviction that Huey Long is no mere political clown.

Those who warn that Huey Long is not to be laughed off point out that he proved a formidable, if not indispensable, factor in getting Mr. Roosevelt nominated for President. Many feel that his votes, if not his speech, enabled the Roosevelt forces to win the crucial test vote in the national convention of 1932. **DIogenes.**