

IN 1933 A USMC GENERAL WAS ASKED TO LEAD A PLOT TO OVERTHROW THE U.S. GOVERNMENT



WILLIAM GROPPER, "ROT FRONT" (THE NEW MASSES, 1933)

BY DAVID GALLAGHER

The United States Marine Corps celebrated its 230th birthday on November 10, a day before the 86th anniversary of the World War 1 Armistice. Perhaps in commemoration of the USMC birthday, the U.S. Postal Service is issuing stamps honoring notable Marines. Two-time Medal of Honor winner Smedley Darlington Butler might not be one of them: although he is one of only two Americans to win the MOH twice (Marine Sergeant Dan Daly is the other) the following story is why he probably won't appear on a stamp.

In 1933 the richest businessmen in the United States were petrified. President Franklin D. Roosevelt's first 100 days in office had changed the American economic system in ways that few could have foreseen, ways many leaders of industry believed were the first steps toward communism. Some, enthralled by the German economic turnaround under Adolf Hitler, hoped for a similarly charismatic military leader in the United States. Some did more than hope.

A shadowy group of such businessmen tried to recruit 52 year old retired U.S. Marine General Smedley D. Butler as the figurehead to lead their coup. Although twice awarded the Medal of Honor in the course of his military career, after retiring from the Corps in 1931 Butler had become an outspoken critic of U.S. military interventions around the globe. This made him very unpopular with the public — and unlikely to be recorded as a hero in American history texts. But that's exactly what he turned out to be.

Short, thin and wiry, weighing only about 140 pounds, Smedley Darlington Butler was a high school dropout from a devout Quaker family who joined the Marines when he was 16, lying about his age. Being the son of Congressman Thomas Butler, who also served as chairman of the House Naval Affairs Committee, secured Butler a commission, but he worked hard to stand on his own merits and proved to be a fierce soldier. A maverick and an idealist, Butler disliked "armchair admirals" and "desk warriors," as he derisively called them.

In 1900, Butler volunteered to join a contingent of Marines being sent to China during the Boxer Rebellion. After a particularly bitter engagement in northern China, Butler, a lieutenant and four enlisted men carried a wounded man 17 miles back to their unit. During the invasion of Vera Cruz, Mexico, in 1914, Butler received his first Medal of Honor, which he felt he had not earned. Only after refusing it twice and under pressure from his superiors did he reluctantly agree to wear the medal.

In 1915, the United States sent troops to quell unrest in Haiti. Butler commanded a party of 700 Marines and sailors on a foray into Haiti's interior to capture Fort Rivière. Leading Marines from the 15th Company through a small opening in the fort's wall, Butler engaged its Caco rebel defenders in hand-to-hand combat, seized the bastion and earned his second Medal of Honor.

Butler remained in Haiti from 1915 to 1918 to organize and oversee the Haitian constabulary. When the U.S. entered World War 1, he pushed to join the American Expeditionary Forces in France, but was disappointed to be given command of Camp Pontanezen, a vast debarkation depot near Brest, in 1918. Butler managed the camp with his usual efficiency, but after the armistice was signed on November 11, 1918, he did a lot of hard thinking as he watched wounded, maimed and shell-shocked soldiers pass through Pontanezen on their way home. "Gradually it began to dawn on me to wonder," he explained, "what on earth these American boys are doing getting wounded and killed and buried in France."

In 1929, Butler at age 48 became the youngest major general in the U.S. armed forces, and the youngest in Marine Corps history. He was ordered to Quantico, Virginia, where he transformed the mosquito-infested camp into a first-rate military facility. He expected to be named Commandant of the Marine Corps, but he had made too many enemies — a junior brigadier general, Ben H. Fuller, was given the post. That insult was the last straw. On October 1, 1931, one of the Marine Corps most highly decorated officers resigned.

Butler busied himself on the lecture circuit, speaking to veterans' groups and others. He often railed against American interventionism abroad, especially when he felt the intervention was meant to assist American business interests. His strongest and most shocking speech was published in book form in 1935, under the title *War Is A Racket*:

"War is a racket. It always has been. It is possibly the oldest, easily the most profitable, surely the most vicious. It is the only one in which the profits are reckoned in dollars and the losses in lives...."

"I served in all commissioned ranks from Second Lieutenant to Major-General. And during that period, I spent most of my time being a high-class muscle man for Big Business, for Wall Street and for the Bankers. In short, I was a racketeer, a gangster for capitalism. I helped make Mexico, especially Tampico, safe for American oil interests in 1914. I helped make Haiti and Cuba a decent place for the National City Bank boys to collect revenues. I helped in the raping of half a dozen Central American republics for the benefits of Wall Street. The record of racketeering is long. I helped purify Nicaragua for the international banking house of Brown Brothers in 1909-1912. I brought light to the Dominican Republic for American sugar interests in 1916. In China I helped to see to it that Standard Oil went its way unmolested."

In that inflammatory speech, Butler advocated a strong military, but only for national defense. The unlikely warrior had become an even more unlikely opponent of war.

Meanwhile the 1930s had seen economic hardship on an unprecedented scale. The stock market collapse of 1929 and subsequent business failures, soup lines and displaced families called for drastic measures.

Following his inauguration on March 4, 1933, President Franklin Delano Roosevelt called a special session of Congress, and declared a "Bank Holiday" — an emergency four-day closure of all banks. He would later pass a series of laws that became the New Deal. American business interests feared what they viewed as dangerous economic experiments, and were appalled by FDR's decision to take the nation off the gold standard. What had started as emergency measures to get people working again were seen by some as a radical redistribution of wealth, and the first step toward communism.

This was the economic and political climate the summer of 1933 when Gerald MacGuire, a bond salesman for Wall Street banker Robert Sterling Clark and a former commander of the Connecticut American Legion, approached Butler. MacGuire

wanted Butler to speak publicly in support of the gold standard, on the pretense that the bonus that was due veterans would not be worth as much if the gold standard was not reinstated.

Butler was suspicious of MacGuire's motives, and he remained silent. In a series of meetings, MacGuire then explained in more detail what was really going to happen. A group of businessmen wanted Butler to deliver an ultimatum to Roosevelt. The President would pretend to become sick and incapacitated from his polio, and allow a newly created cabinet officer, a "secretary of general affairs," to run the nation in his absence. If Roosevelt refused, Butler would raise an army of 500,000 war veterans and force him out of office.

MacGuire was certain that the plot could succeed. "You know the American people would swallow that," he told Butler. "We have got the newspapers. We will start a campaign that the President's health is failing. Everyone can tell that by looking at him, and the dumb American people will fall for it in a second."

Wanting to learn who was behind the plot, Butler called for sessions with some of the leaders. In a meeting with banker Clark, he was told that money was no object — Clark was willing to spend half of his \$60 million fortune to save the other half. MacGuire also candidly described the kind of government the plotters intended to create after Roosevelt's removal. "We need a fascist government in this country," he said, "to save the nation from the communists who want to tear it down and wreck all that we have built in America."

It should be noted that in 1933 the major crimes of fascism were still in the future. In many circles Benito Mussolini and Adolf Hitler were regarded as honorable men who had stepped up to save their respective countries from economic disaster. Businessmen of the 1930s had particular reason to admire how fascism resolved the issues of labor unions and social unrest. Several perfectly legal Fascist groups had already sprung up in the United States. Many of them openly supported Hitler and Mussolini in Europe, and echoed their political and racist sentiments at home. Fear of a worldwide Jewish conspiracy was not limited to European groups — the first American branch of the Nazi Party was formed in the Bronx in 1922, and the German-American Bund was formed as an ethnic organization sympathetic to Hitler's policies.

After his meetings with MacGuire and Clark, Butler asked Paul French, a friend and experienced reporter, to verify the facts of the case. French met twice with an agent of the conspirators and was able to confirm Butler's suspicions. According to Jules Archer's thoroughly researched 1973 book *The Plot to Seize the White House*, several well-known politicians and businessmen beside Clark and MacGuire were implicated in the plot. They included Irene DuPont, a chemical industrialist; Grayson Murphy, a director of Goodyear, Bethlehem Steel and J.P. Morgan banks, as well as MacGuire's boss at the brokerage (and the original bankroller of the American Legion, formed after World War 1 to "offset radicalism"); William Doyle, a former state commander of the American Legion; John W. Davis, a former Democratic Presidential candidate and senior attorney for J.P. Morgan; Al Smith, a former New York governor and co-director of the American Liberty League (and a 1928 Democratic Presidential contender); and John J. Raskob, a former chairman of the Democratic Party and a high-ranking DuPont officer.

Instead of heading the conspiracy, Butler immediately went public. He testified in Congress before the McCormack-Dickstein Committee, which was already hearing testimony on other Fascist intrigues. (This would later become the notorious House Un-American Activities Committee of the 1950s.) The committee held secret executive hearings on November 20, 1934. Sworn testimony showed that the plotters represented notable families — Rockefeller, Mellon, Pew, Pitcairn, Hutton — and leading corporations. The committee heard the testimony of Butler and French, but refused to call any of the group of plotters for questioning except MacGuire. In fact, the committee deleted the names of the co-conspirators from its final report.

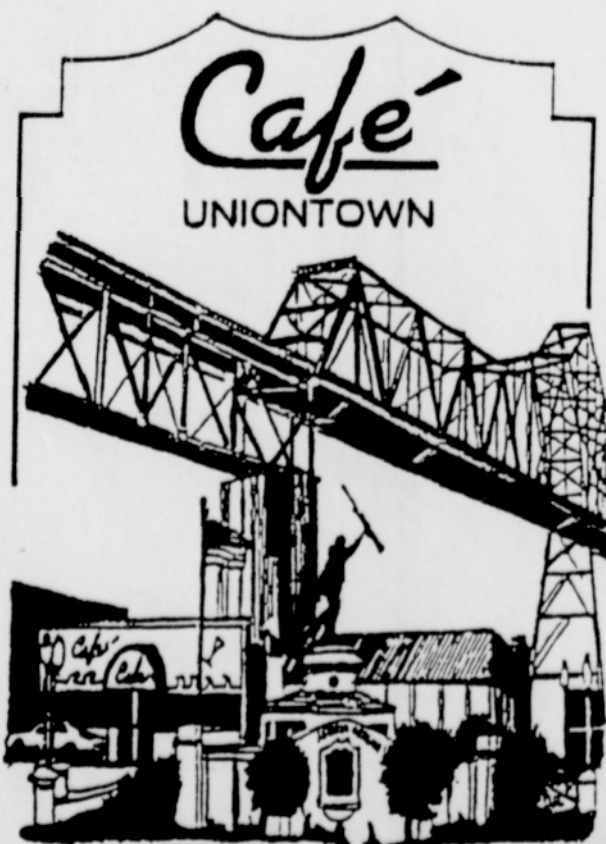
While official attention seemed to diffuse the plot, public reaction to the accusations was muted. The media would not pick up the story. Butler, appalled by this "whitewash," went on national radio to denounce what he saw as a coverup, but with little success. A *New York Times* headline read "Committee Calm Over Butler 'Plot' — Has No Evidence to Warrant Calling Johnson & Others Named, It Declares." Correspondence between Congressman Dickstein and Roosevelt, however, indicates they believed Butler's account of the conspiracy, and committee members were far from calm. Dickstein complained directly to the *Times* and demanded a retraction of its original article.

On December 3, 1934, *Time* magazine ran a story that openly ridiculed Butler under the headline, "Plot Without Plotters." The retired Marine general's claims were either ridiculed or ignored by most other mainstream news outlets as well, even though the committee had only issued a preliminary report. The committee's final report, however, stated that "certain persons made an attempt to establish a fascist organization in this country," and that the committee "was able to verify all pertinent statements made by General Butler."

True to form, the same publications that initially ridiculed Butler downplayed the committee's final report. *The New York Times* made no mention of the plot in its headline on the report and buried the first mention of Butler in the sixth paragraph of the article.

In addition to the media's bias, there was no official reaction to the committee's findings. While MacGuire was clearly guilty of perjury, he was never charged. Nor were any of the other conspirators charged with any crime. Some have argued that because the people implicated in the plot were in charge of some of America's largest and most profitable companies, no one, not even Roosevelt, wanted to rock an already shaky economic boat.

In spite of the hands-off approach that both the government and the media took in handling the conspirators, their plan for a coup d'état had failed miserably. In retrospect, it is clear why: General Butler was the wrong man for the job. True, he had had a long, distinguished military career; veterans loved him, and he could presumably have organized a great number of them overnight. But what the plotters failed to see was that Butler's stance, on any issue, was based on his principles. When the opportunity to stand up for them came along, he did just that.



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