MajGen Smedley Darlington Butler, "Old Gimlet Eye," stands in a very characteristic pose, with thumbs hooked in pockets. (USMC photo)

THE

MARINE WHO SAVED THE REPUBLIC, OR DID HE?

By Dennis R. Carpenter

Smedley Darlington Butler is one of the most fascinating figures in American military history. An iconic Marine Corps hero, he led Marines in combat all over the globe: Cuba, the Philippines, China, Nicaragua, Haiti and France. He was awarded the Medal of Honor in 1914 for his role in the capture of Veracruz, Mexico. Within a year, he won a second Medal of Honor for his command of a Marine detachment in Haiti.

Some historians have argued that Butler might have been awarded an earlier Medal of Honor for action near Tientsin, China, 13 July 1900, had the award been authorized for Navy, Marine and Coast Guard officers at that time. Instead, he was awarded a Brevet Medal. In addition to the combat valor Butler exhibited abroad, did he "save" the American Republic after he retired from the Marine Corps?

In a nation closely attuned to conspiracy theories, volumes about the New Deal can be read with scant mention of a little-known plot to seize the White House. While testifying before the House Un-American Activities Committee in 1934, retired Major General Butler outlined a detailed conspiracy to overthrow the government. That alleged plot received little attention, and a silence about the event prevails. Perhaps Butler's deposition, given under oath, was simply an aberration justifiably consigned to the dustbin of history. Or, is a more thorough examination of the evidence long overdue?

The Great Depression began with the 1929 stock market crash and persisted, without interruption, until the United States entered World War II in 1941. Rather than a single traumatic crisis that played out over time, the Depression was a series of smaller crises that coincided with and were shaped by one another. During that era, America's political and financial order came under vicious attack. Within the volatile political climate, MajGen Butler was thrust into the midst of one of the most bizarre episodes in American government.

The outspoken general's first opportunity to reach a mass audience was as a result of his relationship with the Bonus Expeditionary Force (BEF), also known as the Bonus Army. The self-titled group of unemployed WW I veterans wanted immediate payment of bonuses scheduled to be paid in 1945. In the spring of 1932, the Bonus Army, some 20,000 strong, marched on Washington, D.C., demanding a payout of veterans benefits. By July, after weeks of demonstrating and lobbying, the Bonus Army failed to influence Congress to pass a Bonus Bill. The legislation was designed to pay veterans more than $2 billion in bonus certificates in advance of the promised 1945 due date.

President Herbert Hoover adamantly opposed the Bonus Bill, and although it was passed by the House, it was defeated soundly by a Republican majority in the Senate. After the bill failed to pass, many members of the Bonus Army, by then a somewhat ragtag group, remained in Washington. Their families camped along the banks of the Anacostia River and in vacant Washington buildings, and while not starving, they were hungry. The demoralized demonstrators began disbanding.

James E. Van Zandt, the leader of the Veterans of Foreign Wars, urged MajGen Butler to show his solidarity with the Bonus Army. Seething with rage over what he believed was the shabby treatment of America's veterans, the general decided to address the thousands of remaining demonstrators. The veterans, some of whom had fought under MajGen Butler, revered him in peacetime as they had in war. He stood up and said, "You hear folks call you fellows 'tramps,' but they didn't call you that in 17 and 18. … [Y]ou have as much right to lobby here as the United States Steel Corporation!" He urged them to remain politically organized and united in spite of the powerful opposition.

The general also advised the marchers to stay peaceful and thereby retain the sympathy of the great majority of the American people. President Hoover, however, called out riot troops, led by General Douglas MacArthur, Chief of Staff, U.S. Army, to clear out the campground at bayonet point. Wearing gas masks, the soldiers moved down Pennsylvania and Constitution avenues and fired tear gas. The White House unleashed the force of the U.S. military on American citizens, and it was an eerie reminder of the veterans' suffering on the Western Front.

The Hoover administration's insensitive provocation influenced the general, a lifelong Republican, to become a Franklin D. Roosevelt supporter. A week after the Bonus Army disbanded, Butler offered FDR his help in the upcoming presidential campaign. Roosevelt welcomed the general as a campaign speaker, and Butler proved to be especially effective addressing veterans' rallies. FDR trounced Hoover in the general election. Then, during President Roosevelt's first term, the general was contacted by a clandestine, nameless group of corporate powerbrokers.

As FDR's New Deal grew in strength, it came under attack from several quarters. Business leaders and disaffected conservative Democrats formed the American Liberty League in 1934 to lobby against what they viewed as the New Deal's reckless spending and radical reforms.

BGen Smedley Butler, his 3d Brigade headquarters, the recently organized Sixth Marine Regiment and Fighting Plane Squadron (VF) 3M arrived in Shanghai, May 1927, to reinforce the 4th Marines. The 3d Brigade parade at left was in Tientsin in 1928. (Clem Russell Collection)

Below: As commander of Marine Corps Base Quantico, Va., each year BGen Butler would march his men to a prominent Civil War battlefield and re-enact a campaign. In this photo, from the left: General of the Armies John J. Pershing, President Warren G. Harding, MajGen John A. Lejeune and BGen Butler (pointing) tour the Gettysburg re-enactment camp in July 1922.

Right: ADM C. S. Williams, Commander in Chief Asiatic Fleet, escorted by BGen Butler and staff, visited the 3d Brigade in Tientsin, probably in 1927, as ADM Williams was relieved by RADM Mark Bristol in September 1927. (Clem Russell Collection)

LIBRARY OF CONGRESS

The Liberty League's leadership was a showcase of corporate America's gilt-edged captains of industry. The league called for the retention of the gold standard and a tightening of the money supply. Former Democratic Party presidential nominees Al Smith and John W. Davis were prominent Liberty League directors who lined up against FDR's policies.

After his bitter experience with the Bonus Army, MajGen Butler embarked on a series of national speaking engagements. His theme, "War Is a Racket," resonated with his audience. The biggest racketeers, he said, were Washington politicians, arms merchants, Wall Street bankers and corporate America. The general's barnstorming speeches electrified veterans and jobless workers, who turned out in ever-increasing numbers. Nevertheless, one interest group was less than enthusiastic about MajGen Butler's searing indictment of America's mistreatment of its disinherited citizens.

A group of industrial leaders moved to entice the fiery military hero to rally the nation's disgruntled veterans to support a shadowy plot to bring down the New Deal. Those corporate heads saw Butler, probably the nation's most recognized and popular military figure, as indispensable for a successful political putsch.

The plot germinated in 1933 when shadowy characters began to wend their way to MajGen Butler's home in Newtown Square, Pa. The most active and frequent visitor, bond broker Gerald MacGuire, worked as a liaison between MajGen Butler and the group's leaders, including Grayson Murphy, a prominent Wall Street banker and MacGuire's boss. A founder of the American Legion, Murphy also was director of numerous industrial conglomerates. The conspirators encouraged Butler to help mobilize and prepare 500,000 veterans to march on Washington.

MacGuire assured the general that his army's weapons and equipment could be obtained by the Remington Arms Co. on credit through the du Pont family. He claimed that the mere show of force in Washington would allow the plotters to take over the government peacefully in a few days. Once Roosevelt was forced to step aside, MajGen Butler would become "secretary of general affairs."

Butler wrote that immediately after first meeting the plotters' agents, he "smelled a rat." He strove to learn more about their motives and decided to play along with their venal scheme. During the next year, Butler met with several of the leaders, who assured him that he could count upon endless financial resources to support the movement. On one memorable occasion, in September 1933, MacGuire visited MajGen Butler in Newark, N.J., when the general was scheduled to speak at a VFW gathering.

The bond salesman prodded the general to make a speech in support of the gold standard at the American Legion convention to be held in Chicago. Ever the skeptic, MajGen Butler probed MacGuire's claim about access to unlimited financial resources. The bond broker pulled out his bulging wallet and deposited 18 $1,000 bills on MajGen Butler's hotel bed. MacGuire said that the money would cover expenses for the general and his veteran entourage during their stay in Chicago.

MajGen Butler was fuming, but he did not want to reveal his true feelings. Either he was being set up or the plotters actually believed that they could have him for a price. The general chided MacGuire to take the money back and indignantly as-

serted that he did not deal with lackeys or go-betweens. If the principal conspirators were ready to negotiate, then Butler would deal with them on a one-on-one basis.

By November 1934, the general was determined to reveal the plotters' identities and their plan to overturn the government. Butler was sworn in before the House Un-American Activities Committee, presided over by Representative John W. McCormack, who would become Speaker of the House. The committee was in special session, and Butler's testimony exposed some of the most powerful men in America. Included in the group were Murphy, the du Pont brothers and John W. Davis, then the chief attorney for J.P. Morgan and Company.

"This was no piker setup. This was no shoestring khaki-shirt fascist movement,"

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BGen Butler stands with his wife, Ethel Conway Peters Butler—he called her Bunny. They were married in June 1905.

said MajGen Butler. The Marine hero's evidence was confirmed by the prize-winning journalist P. Coley French of *The Philadelphia Record*. On balance, the committee found Butler's charges credible. The general, however, was frustrated by what he perceived as the investigation's failure to put the upper-echelon conspirators under oath. In their defense, some committee members claimed that they were wary of confronting widely known individuals with the evidence presented at the hearing.

The national media, including *Time* magazine and *The Washington Post*, derided Butler's charges, and many newspapers suppressed the story. *Time* described Butler's testimony as tantamount to a "plot without plotters." The committee's final report, published in February 1935, concluded, "There is no question that certain persons had made an attempt to establish a fascist organization in this country."

Moreover, they were able to "verify all the pertinent statements made by Gen Butler." While the public's reaction to the general's accusations bordered on indifference, veterans rallied behind the beleaguered Marine officer. James Van Zant, the VFW president, supported Butler's testimony, stating that he, too, had been approached by the same Wall Street conspirators. In his book "1000 Americans," respected editor George Seldes wrote of the existence of "one of the most reprehensible conspiracies of silence in the long (and disgraceful) history of American journalism." The pro-business bias reflected in the press was partly attributable to its dependence on corporate advertising.

Did a conspiracy actually exist? There were no indictments, criminal prosecutions or public identifications of the alleged plotters. Moreover, an aura of Hollywood drama certainly was associated with the alleged Wall Street conspiracy. The committee's hearing ended abruptly after MajGen Butler's testimony. Yet, a number of congressional observers believed that a group of well-connected Americans conspired to seize the White House.

John L. Spivak, a noted foreign correspondent, was one of the few reporters to read the committee's uncensored 26 Nov. 1934 report to the House of Representatives. Interviewed in the 1970s, Spivak said, "Those who are still alive and know the facts have kept their silence so well that the conspiracy is not even a footnote in American histories."

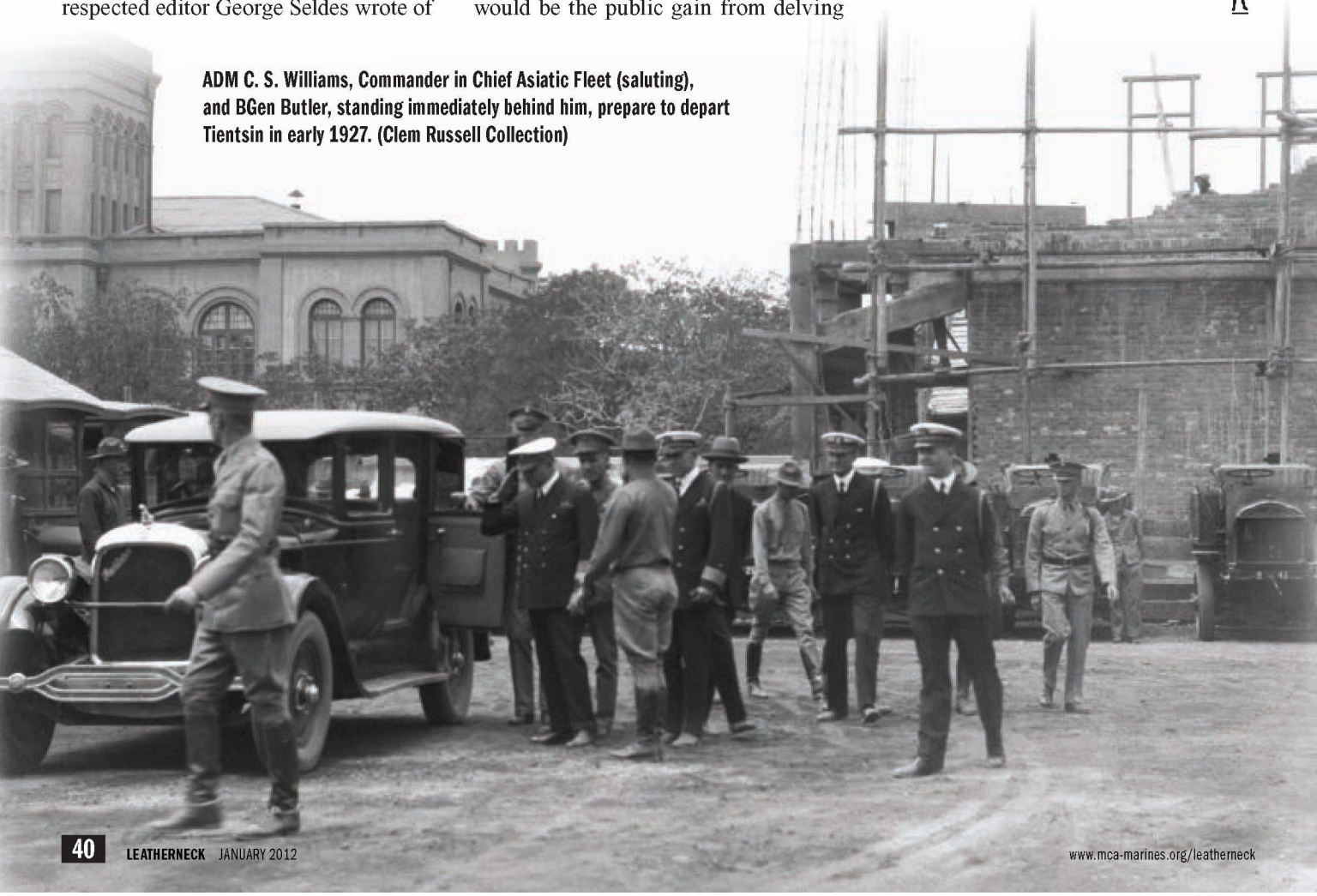
He believed that the Justice Department did not initiate criminal proceedings against the plotters because of pure political pragmatism. In his book "A Man in His Time," Spivak speculated: "What would be the public gain from delving deeper into a plot that was already exposed and whose principals could be kept under surveillance?"

Americans should be grateful that MajGen Butler, who rejected the opportunity to become a dictator of the United States, was instrumental in keeping others with political aspirations from assuming the same position.

After he retired from Congress, Rep. McCormack was interviewed, at age 81, by historian Jules Archer. McCormack confirmed the role that the long-forgotten Marine general played in saving America from a political coup d'etat. He said, "I cannot emphasize too strongly the very important part the general, hero of the Marines, played in stopping this attempt to overthrow the government."

Editor's note: There is a review of the book "Smedley D. Butler: A Biography" in the August 2011 Leatherneck. *The book is available from the MCA bookstore at www.marineshop.net/index.htm.*

Dennis Carpenter, a writer and professor of history at Brooklyn's Long Island University, wrote a two-volume set, "Anyone Here a Marine?" His most recent Leatherneck *article was "The Marine Corps-Law Enforcement Foundation: A Foundation to Build On," published in August 2010.*



ADM C. S. Williams, Commander in Chief Asiatic Fleet (saluting), and BGen Butler, standing immediately behind him, prepare to depart Tientsin in early 1927. (Clem Russell Collection)