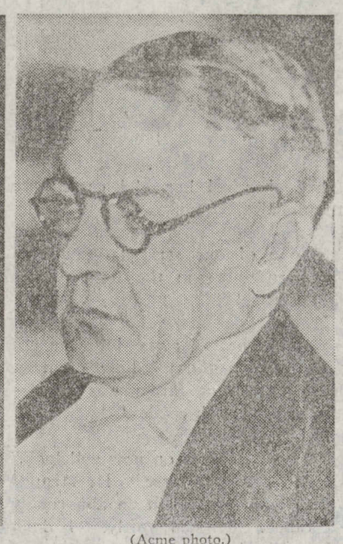
HIS ROCKY RIDE TO INDUSTRIAL DICTATORSHIP

(Associated Press photo.)

(Acme photo.)



(Acme photo.)

". . . . headstrong . . . . . bossy . . . . . blustering . . . . . unyielding . . . ."

advocate general to prepare first what was called a 'rough draft'—double-spaced foolscap, typewritten manuscript—which, after correction, was recopied on letter-sized paper, single-spaced, and prepared for the signature of the judge advocate general. In this case no such final form was ever prepared. The original memorandum was submitted to the secretary of war bearing General Crowder's initials and a few unimportant penciled interlineations, some by General Crowder and some by the undersigned.

"Secretary Baker sent this back to our office, marked 'approved,' with his signature. In effect it proposed the plan on which the draft was finally executed, the essentials of which were use of existing electoral machinery for registration, decentralization of the draft among state agencies, utter removal of the aspect of military administration from execution of the law and substitution of civilian agencies therefor, determination of exemptions by neighbors and acquaintances of registrants, and the element of selection of the fittest rather than conscription of the unwilling.

"Now, as to the general staff or war college memorandum which came to my attention about this time. It covered some 250 typewritten pages, and my understanding is that it was rejected by Mr. Baker as being wholly unworkable and certainly unwieldy. It proposed registration by postmasters through a postcard system.

"Anyone who had any experience with the actual enrollment of registrants and determination of exemption claims knows the impracticability of this. Instead of using state agencies, it erected a completely new federal administrative system, paralleling or replacing state agencies somewhat on the pattern of the civil war draft, which latter was about as complete a failure as anything our government ever attempted.

"About the only instruction I received from General Crowder in preparing the plan and erecting the mechanism of the 1917-1918 draft was to avoid every principal element of the civil war system.

"The rest of the story is pretty well known history, and the sole object of this letter is to demonstrate that the draft, like nearly every other logical organizational and administrative action of this country in the World war, was not the result of Von Moltke-like preparation, but was an improvisation begun either after war had been declared or had become imminent."

General Pershing corrected his memoirs, and when they came out in book form he had given credit to the judge advocate general's office, but he did not mention General Johnson personally.

General Johnson, upon winning his law degree at the University of California, had delivered a commencement address on the topic, "The Conscription of Armies in Time of War." The general says that this address was philosophical instead of detailed, but that in general idea the same plan was followed in the actual World war draft as had been discussed by the embryo lawyer in his collegiate speech.

The old-timers who served in the judge advocate general's office during the war don't remember the Johnson draft, but undoubtedly it was used, as General Johnson says, in the preparation of the final draft.

The bill as it went to congress was drawn, according to the attaches of the office, by the then Maj. James J. Mays, who died five or six years ago, a colonel, in the Walter Reed hospital. During the preparation of the act Mays worked in close co-operation with Brig. Gen. Samuel T. Ansell, who later became acting judge advocate general, and with United States Senator George W. Chamberlain of Oregon, who was chairman of the military affairs committee and was to carry the administration's fight for the bill on the floor of the senate.

The first section of the act fell short in some phases of meeting the requirements of the army, and amendments to it were written, after the bill was before congress, by Maj. Charles Warren.

There is some question as to why General Johnson should boast of his authorship of the draft law when his real accomplishment, which everybody concerned concedes he bossed completely, was the actual work of putting the draft into effect.

The reason undoubtedly is found in Johnson's boyish pride in his vocabulary and his fascination for seeing his brain children in print. He loves to use big words, has a naive penchant for adjectives, color, and drama in whatever he writes. As a lawyer he has filled his briefs with dashing splashes of drama, confounding his associate barristers and the courts, who were accustomed to the fine, dry, and dignified verbiage of Blackstone.

Newspaper men catching a colleague reading his own story are wont to gibe him for "reading your favorite author, eh?"

Hugh Johnson's favorite author is Hugh Johnson. He lists himself in "Who's Who" as the creator of "Williams of West Point," published in 1907 and still selling, and "Williams on Service," 1909, but long ago out of print. Both are books for boys, the former being a stirring tale of a West Pointer ostracized for cowardice because he refused to fight a bully, and not until he had dashed across the goal line for a great winning touchdown was it disclosed that Williams had promised his dear, dead mother, after injuring a man in a fist fight, that he would never fight again. Johnson probably got his text from his own smashing of the buck's jaw in the barroom at Baguio.

For his work in organizing the draft, registering 24,237,325 Americans and getting 2,952,927 into service, ferreting out slackers, General Johnson on July 9, 1918, was awarded a D. S. M., the citation being "for especially meritorious and conspicuous service in the provost marshal general's office in connection with the planning and execution of the draft laws."

The story has been told many times how Johnson had 30,000,000 draft blanks already printed and mailed to 80,000 sheriffs and mayors in the country while "the little group of willful men," as Wilson called them, were fighting the passage of the act in congress. Secretary Baker and General Crowder didn't know of Johnson's unauthorized action; at first Crowder worried, but not after Baker had applauded.

The blunt truth of the matter is, as those in the department have said privately many times, that General Crowder was just a figurehead in organizing the draft and that Johnson has not spread these facts, while others have.
dominated him completely. It should be noted that Johnson

The story is told that when Crowder was given the assignment to put the draft over he asked Johnson to come with him into the provost marshal general's department.

"And if I do," replied this captain to the question of a brigadier general, "I want to know who's going to be boss." He said it belligerently, as though he didn't much give a damn whether he went in or not, and indeed he probably didn't, as he was then angling for an assignment to active duty.

General Crowder knew that he needed a man of ruthlessness, ability, and authority to bully through the draft arrangements, and while he must have shrunk from the bellicosity of this still "Toughy" Johnson, who wanted to be boss and no doubts about it, he finally agreed, as delicately as he could put it, to let Johnson run the show.

Johnson did run the show. He drew up regulations, organized boards, ran roughshod over individuals who got in his way, blustered at them if they'd stand for it, was contemptuous of people's rights.

He was swiftly promoted during the course of these duties from captain to major, then lieutenant colonel and colonel, and on April 15, 1918, he had the distinction of being the youngest brigadier general appointed since the civil war. Later younger men, including Pelham D. Glassford, won that rank.

Johnson had completed the work on the draft organization and had served simultaneously as chairman of the war department committee on education and special training.

President Wilson then put him on the war industries board, headed by Bernard M. Baruch, who from that time on through all these years has been Johnson's mentor and closest friend. General Johnson was in charge of purchases and supplies, and in that capacity had much to do with the fastening of a war grip on American industry.

It was then that Johnson saw the ruthless power which government could exert over industry, dictating absolutely its supply, its production, its shipping, its sources of raw materials. He may not have reckoned deeply and philosophically that the war spirit of the people provided most of that power, and not the laws of congress or the war industries board.

But during all this time Johnson had been chafing to get to France. Pershing, with whom he had served in the Mexican bandit chase, had asked for Johnson when he took command of the A. E. F., and when Crowder refused to release his fire eater, Pershing promised Johnson he would send for him later.

The other duties which had crowded upon Johnson kept him in Washington despite his bellows that he wanted to fight, but at length he got his friend, Barney Baruch, to intercede for him, and in August of 1918 he was sent to Camp Fremont, California, to command the 15th infantry brigade on its way to France. He didn't know it, but he was too late.

He brought the outfit to Camp Mills, New York, and five times he saw the men and himself loaded on transports, and five times, owing to the confusion over the impending cessation of hostilities, he was loaded off again. When the armistice was signed he disgustedly took his outfit to Camp Lee, Virginia.

Going back to the judge advocate general's office in Washington, he stuck out the annoyances of undoing the army only a month and on Feb. 25, 1919, he resigned from the service with the rank of brigadier general in the national army, major in the regular army.

He had received an offer from George N. Peek, who had served with him on the war industries board and who is now the taskmaster over the administration's agricultural experimenting.

Peek had been selected by John Willys as the man to save the Moline Plow company, Moline, Ill., from the postwar collapse which threatened it. It was a $37,000,000 corporation, tottering at the time, according to the present story as it is told by Chicago bankers.

Peek and Johnson failed as the "miracle men" in this task, however, and through three successive reorganizations the whole structure fell apart. Chicago bankers, headed by the late Frank O. Wetmore, dropped Peek out of the picture and had made arrangements to liquidate the company.

Johnson, according to the tales now unearthed in Chicago, as well as according to his own account, urged that the liquidation as planned would not bring the maximum realization out of the assets, and he pleaded for a chance to do the job of selling various plants and other assets.

Bankers in charge of the company's affairs gave him the opportunity, and they say he did a good job with high pressure salesmanship methods. At the end he asked for the privilege to purchase the plow works at Moline, sole remaining unsold asset, and, rewarding him for his job, or so it is now told, the bankers' committee permitted Johnson to raise the capital, which he did. Johnson says he raised $1,500,000 for the venture, put the company on a paying basis, and in 1929 sold out for cash and securities which he valued at $5,000,000.

But, according to records, the company was merged into the Minneapolis-Moline company, and owners of the old Moline company, of which Johnson was chairman of the board, received 120,000 shares of common stock in the new corporation and $500,000 in cash. The price range for this stock in 1929 was from 22⅞ to 12⅛, indicating a consideration far below the $5,000,000 mark.

The general himself says that "Peek and I went out as sort of a wrecking crew," and says that he caused the true financial status of the company to be first disclosed to the bankers holding a large part of its paper.

That is the story as it is told by the Chicago bankers. In Moline some of the thousands whose savings were lost in the crash say that they have never been told, if such is the case, that the company was tottering when Peek and Johnson arrived. They are inclined to blame the two men for wrecking the company, and to regard the proceeds of the liquidation fund given to them, which Johnson says had first been reckoned at 15 cents on the dollar, but that he had managed to squeeze 55 per cent out of it, as not adequate.

While engaged in the plow business General Johnson, on the side, cleaned up $43,350 as a special attorney for the state of Illinois in the sanitary district lake levels case, and even here his characteristic bullheadedness manifested itself.

The sanitary district under the late convicted president, Tim Crowe, had been vastly lavish in doling out hundreds of thousands of dollars for attorney fees, especially to members of the Illinois legislature, who later were to vote on bond issues for the district. Most of them did not work at all.

General Johnson, however, was retained as a hard-working counsel by his close friend, Cy Dietz, who had been appointed by former Attorney General Oscar E. Carlstrom to represent the state in the case. Dietz, once a Northwestern football star, who later was elected to the Illinois Supreme court and died after a short time in office, drew $107,000 in fees from the sanitary district, paying Johnson out of this amount. Both lawyers were paid at the rate of $150 a day while in Washington and $100 daily while in Illinois.

Although Carlstrom and Dietz were Republicans, their selection of Johnson was in no sense political, it is maintained by both Carlstrom and Johnson. Some doubt as to the general's true politics has been raised since his ascent to the commissariat, but he dispelled that with an announcement that he was a lifelong Democrat, as were his father and grandfather before him.

(Acme photo.)

Mrs. Hugh Samuel Johnson.

Johnson applied himself industriously to the case, according to the former attorney general and other lawyers in the famous suit.

At one stage in the proceedings days had been spent in presenting evidence before Charles Evans Hughes, now chief justice of the Supreme court, but then a special master appointed to hear the sanitary district case. When the evidence was all in a conference was held on the length of time to be consumed in oral argument. It was agreed that Edmund D. Adcock, who concededly knew more concerning the facts of the case than any other living man, would open the defense for the district; that General Johnson would then argue on behalf of the state, and that the masterful James M. Beck, noted constitutional lawyer, was to draw the entire woof of the case together in a comprehensive close. Both sides of the case were allowed a specified number of hours for argument, and the defense agreed to allot definite time to the three arguments.

Mr. Adcock argued up to the time limit given him and gave way to General Johnson. The latter drew a 400-page written brief from his portfolio and began to read it, a procedure which in itself was not customary, the usual delivery being spontaneous.

The general read on and on, finally exceeding the time he had agreed upon with the others. Mr. Hughes declared a recess, and the defense colleagues sought to prevail upon General Johnson to give way to Mr. Beck. The general grunted his refusal, and when the hearing was resumed he determinedly continued in his transgression upon Mr. Beck's time. Johnson's was concededly a meritorious presentation, although some of the long discussion concerned matters which were not in controversy.

When at last Johnson had read the last sentence on the last page of his brief he had taken a full two hours of the time allotted to Mr. Beck, who was forced to curtail much of his own argument as a result.

After Johnson had withdrawn from the Moline Plow company's affairs he went to New York, and from that time, in 1929, until he was summoned to assume the role of industrial dictator, he was associated with Barney Baruch.

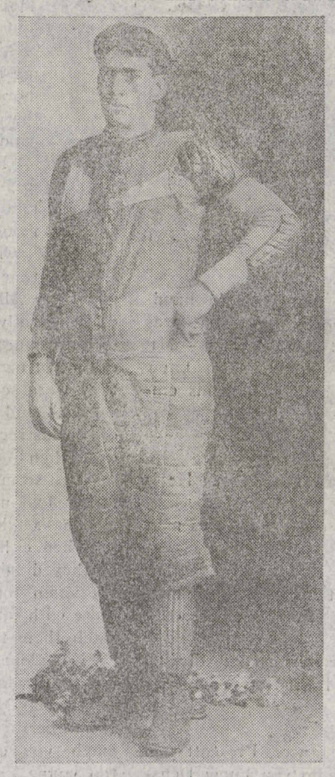
Acting as the Baruch "chief of staff" in plotting the financier's market campaigns, Johnson searched in the world of statistics and obtained data on the condition of the many companies in which Baruch "invested" or "gambled," the choice of word depending upon the point of view.

Johnson toiled with his chief in analyzing the earnings and the assets of corporations, gauged the abilities of their officers, studied the general trends of the market and the economic welfare of the nation itself. He went into the field interviewing business men, listened for tips that might bring millions in market profits.

How much Baruch made is Baruch's business, and he doesn't tell it. How much Johnson made out of it is likewise a secret. There is little doubt in Wall street that Baruch rode the market downward in the long toboggan, for he and Johnson were aware in 1928 that the crash was coming.

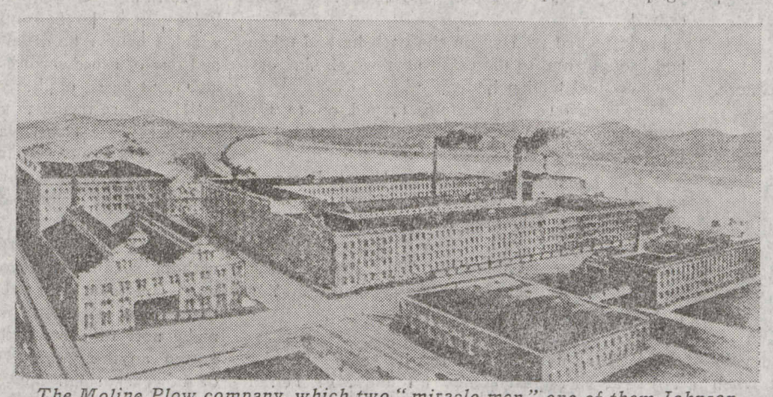
Over this long route, then, has come our present taskmaster of industry.

Heads together—Barney Baruch and his "chief of staff," now the industrial dictator of the United States. (Associated Press photo.)

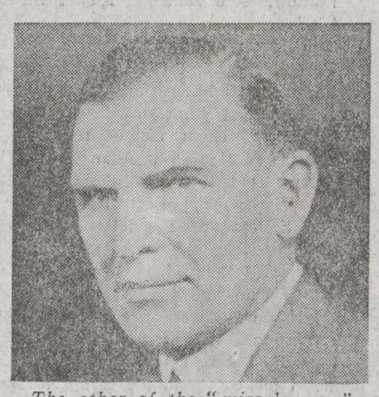


". . . . Drew $107,000—paying Johnson $150 a day . . ."

Hugh Samuel, with an arm and a hand like Mussolini's, reviewing the New York parade.



The Moline Plow company, which two "miracle men," one of them Johnson, were unable to save from postwar collapse.



The other of the "miracle men," George N. Peek. (Acme photo.)