

Hugh Johnson

Subject File

Box 153-

2 Items

From the desk of—
HUGH S. JOHNSON

Dear Mr President.

Herewith my resignation
effective immediately.

Sincerely

Hugh S. Johnson

8/20/34



NATIONAL RECOVERY ADMINISTRATION
WASHINGTON, D.C.

PSF
Hugh Johnson

August 20, 1934

The President
The White House
Washington, D.C.

Dear Mr. President:

I am submitting to you my resignation effective at once.

It is with great regret that I do this. Since you began your campaign in 1932, I have worked as close to you as a brother. That is the way I feel about you.

Under your direction I helped to prepare the Recovery Act. With your consent I set up the organization in advance to put it into effect — both Titles. You asked me to take charge of its Administration. I told you of the personal sacrifice involved and of the inevitable end for me, which is now upon me, but said I had no political or personal ambition and, out of my love for you, would do anything you asked of me.

The day the Act was signed you called me in, in the presence of the Cabinet and, without warning, changed half the pre-arrangements to the end that the plan we had prepared was completely altered with an effect upon which I shall not comment. At that time I would, and then should have resigned except for the interposition of Secretary Perkins, whom, I then trusted implicitly.

You and I both knew what was inevitable — that N.R.A., being a complete orientation of an economic system, would be the shining target of attack. I repeatedly told you that my only concern was for you — that you could treat me as you would and publicly and privately said something to the effect, "Though he slay me, yet will I trust him".

Before you went to Hawaii, I told you again that my private circumstances were becoming impossible and I thought I should get out because I thought the attacks might be embarrassing to you but, as to me, I was willing to take them all.

I submitted to you a plan for reorganization which you seemed to think was good but you said as to my getting out — "Oh, some time later perhaps, but not now".

Last Saturday was the first time since your return that we have talked, except over the telephone. I told you again that I was your man, that I would do what you wanted, but that I still thought it would help you if I did get out. I told you of the destruction of my wife's

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health and you are well aware of the impairment of mine and of my fortune and the probable result from my defiance of industry that I would no longer be available for employment.

Quite to my surprise you told me that you "needed me and the country needed me", that I was not to leave you, that if N.R.A. became routine that you still wanted me in "more important jobs". I told you that some composition was badly needed in N.R.A. and that I would announce this, to which I understood you to assent. You said we would have a meeting Monday to "quiet down" Madam Secretary and Donald Richberg — which was the first intimation I had had that Richberg, who had been my trusted confidant for months, needed any "quieting down".

You called me today and proposed to me that I take a vacation and then go away to Europe to investigate results there for the purpose of a recommendation to Congress and to my request for information as to what would happen to the Administration of N.R.A., said, that it was a detail. Mr. Richberg in the meantime elected to say that a temporary organization I had set up to function during my absence was the worst I could have selected, and the whole list was composed of those with whom he had had difficulties. He clearly revealed that, between Saturday and Monday, he had utilized the position to which I had recommended him to you (on his assertion to me that all he wanted was so to ingratiate himself with you as to be appointed to the Supreme Court) to undermine and double-cross me. I was completely fooled by him until recently, but may I suggest to you that, if he would double-cross me, he would double-cross you. And, furthermore, if I may suggest that he has never had an organization or administrative job in his life.

If, after my entire life spent in this field, in one or two critical occasions of national importance — the draft — the mobilization of war industry and N.R.A., my advice is nothing as against his, I ought not to be here 24 hours.

To speak very frankly, after an intimate and affectionate conversation of Saturday, Mr. President, it was something less than kind of you, to bring me into the company of those two without warning and humiliate me in the presence of my enemies.

I think I have a right to speak to you heart to heart, for you are my friend. You cannot build up anything of the kind of close-knit organization around yourself that you will need before this is over on this kind of self-serving intrigues. As a swan song, may I say, as frankly to you as I think, from my service to you, that I am entitled to say that I saw Woodrow Wilson go out into the world acclaimed as no human being has

The President

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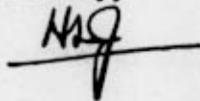
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ever been and I saw him go back to his little house in "S" Street at the Harding Inauguration, and none so poor to do him reverence — not anybody except real people like Cary Grayson.

I noted your reason that N.R.A. has too much publicity, that the settlement of the San Francisco and Chicago strikes were undesirable. Both threatened violence which cannot be overestimated. Both proved the utter breakdown of the labor systems. I thought I was doing you a service. I have no need of publicity. But if publicity against peace is the criterion, I am willing to withdraw. In seven major strikes of national threat I have been of some service. My enemies have been of none. If publicity flowed from that, it was never of my seeking.

I wish you well. The day will not be too long and the way too weary that I will not come to you if you need me. I think I have some public following but I never wanted anything out of government because I have already had much — more than my share. I am leaving merely because I have a pride and a manhood to maintain which I can no longer sustain after the conference of this afternoon and I cannot regard the proposal you made to me as anything more than a banishment with futile flowers and nothing more insulting has ever been done to me than Miss Perkins' suggestion that, as a valedictory, I ought to get credit for the work I have done with N.R.A. Nobody can do that for me. To use your own phrase Res Ipsa Loquitur.

Sincerely,

A handwritten signature in dark ink, appearing to be 'H. V. Whitney', written over a horizontal line.

C O P Y

Monday - 11 P.M.

August 20, 1934.

Dear Hugh:-

Your letter has come just 'as I was going to bed - tomorrow I have to go to Illinois for the Rainey funeral, but instead of going from there to Hyde Park I will return to Washington Thursday evening.

I do this because of you - because I think that you will care enough for me to want to talk with me quietly and alone.

It is just as true today as last Saturday or 1933 or 1932 that "I need you and the country needs you" - and that if N. R. A. becomes routine, as it is becoming in the course of the months ahead, I still want you for "more important jobs."

I am too fond of you and too proud of all you have done to offer you "futile flowers" - I want you for work which tonight you cannot see as bigger for the Nation than what you are now doing - You need the same kind of perspective which I acquired by cruising fourteen thousand miles! Therefore, my good friend, forget that letter and come and talk with me Friday morning early - say 10.30 A.M.

Your quotation of "Res Ipsa Loquitur" is rotten - it should be "No word is the last between friends."

Affectionately your friend,

PSF

HUGH S. JOHNSON

file (S) (2)

St. Regis Hotel, N.Y.
6/9/35

Dear Mr. President

The papers carry a statement that Donald is to be appointed to investigate the A. J. & T. -- a subject on which I made the only request I ever made to you but from which I have received no reply.

I have taken it on the nose for nothing pretty for several times & I guess I can take it again. I don't consult a soul about that request. Nobody knows that I made it & I will just withdraw it & not name any more.

Perhaps I am too bitter about Donald but to me -- to the flower of everything I cherished, beloved in as a religion & worked for with all my heart, he seemed like Aspid in Marguerite's garden -- under a spell so evil that every blossom he touched withered & turned to ashes under his hand until at length the whole garden was gone.

I can never forgive him & I thank his contact with NRA from the moment he began, as I ^{now} know, months before my resignation -- to undermine its structure, destroy it one of the principal parts of your policy & did you & your cause for more harm than it ever did me -- and it did me very great harm. Nobody who could work under the cloak of assumed intimate friendship

F. A. R. 2

HUGH S. JOHNSON

to betray his leader is a man or any part of a man.

I knew that his presence in NRA in the Senate, in the House, with Sabers & with Dubuque was a destruction barrier to it for months. It is said that he would have given his services & his efforts-- God save the man-- I never encountered him at 2 o'clock in the morning.

I am neither pulling nor rove nor having any of those non-masculine interludes you were telling me about & I'll be with you when some of the rest of them babies have worn out their real colours as such babies usually do.

Sincerely
Hugh S. Johnson

P. S. I wish I were going to be with you at West Point.

The President
Hy & Paul.

U. S. S. INDIANAPOLIS
U. S. NAVAL COMMUNICATION SERVICE

PSF
Gen Canis "J"
U.S.S. Indianapolis—11-15-36—1000.

DATE: 25 November 1936

INCOMING

CONFIDENTIAL

THE PRESIDENT

WITH REGARD TO THE INQUIRY YOU DESIRED BM TO MAKE
BM BELIEVES HUGH MIGHT BE RECEPTIVE TO YOUR SUGGESTION
ON SHIPPING.

S E EARLY

*File
Personal*
PRESIDENT'S FILE

filed 7/26/43

PSF

Gen. Counsel "g"
3-43

bill

By emphasizing the letting of war contracts to distressed small business, rather than to all small business, General Johnson during his first five months in office has succeeded in creating a WPA for small business. This was not the intent of Congress. The Act said that he was "to mobilize aggressively the productive capacity of all small business concerns, and to determine the means by which such concerns can be most efficiently and effectively utilized to augment war production."

In a speech before the Economic Club of Detroit on April 19, General Johnson said, "The job is to put to work the distressed small factories of the United States." The Senate Committee on Small Business seems to have changed his mind. He has redefined "distress" and the staff of the Corporation are now using the words "open capacity" instead. Unless this is backed up by a well organized program, the change in words will be meaningless.

In this same Detroit speech, by way of explaining his definition of the job, General Johnson went on to justify his plan to the big industrialists who were gathered together at the meeting. He said, "It is the course of wisdom at this time for big business to support its smaller competition. By support, I do not mean to build that into greater competition after the war. I mean that big business won't allow the war to destroy little business; taht big business won't take advantage of the war to destroy little business. But that little business won't take advantage of the war to unduly enhance their position. And that definition is geared to stop that." (Italics ours.)

General Johnson has recently set up regional boards of which the heavy majority membership represents big business—big industry and big distribution. By his own statement just submitted to the Senate Committee, he is transferring responsibility to these boards and converting the Washington headquarters into a mere service unit. Congress never intended that this authority should be delegated. General Johnson is thought by his subordinates to be grooming himself for Republican Governor of New Jersey. He hopes to "complete" his job by the close of the year with the help of big industry which will take over responsibility for keeping small business alive.

The job has been very wearing on General Johnson, whose health seems to have suffered. This, together with family troubles, has placed him under great strain.