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**THE LAST POPULIST – GEORGE WASHINGTON ARMSTRONG  
AND THE TEXAS GUBERNATORIAL ELECTION OF 1932,  
AND THE ‘ZIONIST’ THREAT TO LIBERTY AND  
CONSTITUTIONAL GOVERNMENT**

*by Kenneth E. Hendrickson, Jr.*

On November 11, 1932, Miriam Amanda “Ma” Ferguson, one of the half dozen most incompetent people ever to hold the position, was elected to her second term as governor of Texas. Her nearest rival was Republican Orville Bullington, a reactionary lawyer from Wichita Falls. Surprisingly, in view of the financial woes of the time, Bullington made a strong showing because many Democrats, disgusted by the questionable outcome of the primaries which had brought defeat to Governor Ross Sterling, and appalled by the return of “Ma” and her controller husband James B. Ferguson to the political center stage, had declined to support their party’s candidate.<sup>1</sup>

Lost on most Texans during the campaign was the presence of a third candidate. His name was George Washington Armstrong, and he represented an obscure political organization of his own making called the Jacksonian Democratic Party. A businessman with bases of operation in both Fort Worth and Natchez, Mississippi, Armstrong had been drawn into politics by his obsession with the money question. He ran for governor because he wanted to revolutionize the banking and currency system of Texas and the nation.

George Washington Armstrong was born on January 26, 1866, in Joyce County. His father, Ramsey Clark Armstrong, was a Methodist minister and a founder of Texas Wesleyan University. His mother, Matilda Smyth Armstrong, was a daughter of George Washington Smyth, a signer of the Texas Declaration of Independence. Young George was educated at the University of Texas where he received his law degree in 1886. In 1888 he settled in Fort Worth where he practiced law for fifteen years. He was elected county judge of Tarrant County in 1894 and served two terms. Ever after he insisted on being addressed as “Judge” Armstrong.

Abandoning the practice of law in 1903, Armstrong went into oil, live-stock, and banking and achieved great success. He was active in the development of the Batson field in Hardin County (1903-05), and the Petrolia field in Clay County (1905-07). He helped found the First National Bank and several other business ventures, including Texas Steel Company, in Fort Worth and he was also a founding member of the Fort Worth Chamber of Commerce. Later, Armstrong developed a 25,000-acre cattle ranch near Hickory, Oklahoma, which he sold in 1917. He then moved his livestock to new holdings in Adams County, Mississippi, and there he discovered additional deposits of petroleum.<sup>2</sup>

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During World War I, Armstrong over-extended himself in his effort to produce cattle and manufactured products. When prices collapsed after the war he was unable to pay his obligations and a two-year struggle to extricate himself from his troubles failed. Convinced that it was the nation's financial system and not his own decisions that had led him to ruin, Armstrong began what he later called "a thorough investigation" of the complex financial relationships involving the United States government, the Federal Reserve System, and the leading private banks of the nation. He concluded that he and many others were victims of a monstrous conspiracy and he outlined his views in 1922 in a privately published book titled *The Crime of '20*.<sup>3</sup>

In *The Crime of '20*, the first of many books Armstrong wrote on banking and finance, he argued that the real purpose of the Federal Reserve System was to rule the country and its primary tool was the gold standard, which he described as "the most infamous device ever created for controlling prices and wages and to despoil the producer of a just reward for his toil and the wealth he creates." It was the gold standard, he fumed, through which Jewish bankers controlled the destiny of men and nations. Through it they could produce a disparity in exchange value and render many people unable to sell their products. This led to poverty and suffering throughout the world.

Armstrong observed that the struggle of the farmer and the worker for higher wages and prices was one of long standing and had led frequently to bloodshed. It was an injustice that could be ended in an orderly and legal manner, but only if the problem was properly understood. The contest, wrote Armstrong, was between the value of money and the value of service; between those who thrive in prosperous times and those who thrive upon the adversity of others. It was between money, which represents service long since rendered, and the present labor of living men. It was between an ample volume of money issued and regulated by the government and a restricted volume issued and regulated by bankers.<sup>4</sup>

As a result of his "study" of the banking and currency system Armstrong "discovered" that the Jewish international banking firm, N.M. Rothschild and Sons of London, had been the dominating financial power in the world for over a century. It was a perpetual family partnership of enormous wealth that never published statements or reports. Other international banks were related to it either as partners or agents. It controlled the Bank of England, and through its agent, Paul Warburg, it was responsible for creating the Federal Reserve System in the United States.<sup>5</sup>

Armstrong also "learned" that the Jewish international banking firm was responsible for the establishment of the gold standard and through it controlled the economies of the world. It was responsible for all the panics, depressions, and wars of the past century and was then in the process, through the Zionist movement, of creating a World Empire. Armstrong decided that it was his job to stop this mighty demonic force and the way to do it, he thought, was to create an alternative money system. The Judge published his ideas in two subsequent books, *The Calamity of '30*, and *A State Currency System: To Hell*

with *Wall Street*, which appeared in 1931 and 1932. In the former he argued that the depression of 1929 was attributable largely to the deflationist policies of the Federal Reserve System in much the same way that the depression of 1921-1922 had been caused by a conspiracy within the national banking community. In the second book Armstrong proposed his solution: the abolition of the Federal Reserve System and its replacement with a state banking system similar to that which had existed before the Civil War, along with the re-establishment of the silver standard. Ignoring the fact that the absence of a centralized banking system had produced financial chaos earlier, Armstrong argued that his proposal would end the financial woes of the nation and the state of Texas by increasing the money supply. This would lead to higher wages, higher prices, and more available credit.<sup>6</sup>

Of course, Armstrong's ideas were not new. They were traceable to the views of the Greenbackers and Silverites of the Reconstruction era. Neither were Armstrong's ideas about the gold standard and its advocates entirely accurate. Those who promoted the gold standard were actually the economic liberals of the nineteenth century, men who stood for such principles as free trade, sound money, and a society functioning in accordance with the laws of nature. These principles, they believed, would lead to progress. They believed that societies that followed natural law would be harmonious; that social welfare would result from every man in society following his self-interests; and that the pursuit of self-interest (provided it followed natural law) was justifiable and moral. These were the Utilitarians. They might have been wrong, but they were not conspirators. They thought they had discovered the pathway to prosperity for all and among them was Nathan Meyer Rothschild of the House of Rothschild, Armstrong's nemesis.<sup>7</sup>

Armstrong believed that Paul Warburg was a creature of the Great Conspiracy he had created in his imagination and that Warburg was responsible for the creation of the Federal Reserve System, the engine that drove the conspiracy in America. Warburg did, in fact, play a major role in the birth of the Federal Reserve, but the reality differed considerably from Armstrong's fantasy. Born in Hamburg, Germany, in 1868, Warburg was descended from a prominent banking family. In 1895, he married Nora Loeb, whose father was a partner in Kuhn, Loeb, and Company, one of Wall Street's most respected banking houses. Six years later he moved his permanent residence to the United States and accepted a partnership in his father-in-law's firm. He soon discovered that the structure of the American banking and financial system was primitive by European standards. Put in simplest terms, the problem was that the American system, based upon the National Banking Act of 1863, made for a rigid amount of currency that could not meet unusual demands and a system of reserves that pyramided in New York City.

Warburg fretted about these problems for years and finally began to speak out after the panic of 1907. He was an adviser to the National Monetary Commission created under the terms of the Aldrich-Vreeland Act, and thus became acquainted with Republican Senator Nelson Aldrich of Rhode Island, chairman of the Senate Finance Committee and head of the commission.

Warburg believed the United States needed a central banking system that would give the country an elastic currency based upon modern commercial bills payable in gold. He also believed that the issuance of bank notes should be restricted to only a few entities, or maybe even one, and that any new system should be governed by a combined group of politicians and businessmen. Warburg did not originate the idea of an elastic currency but he soon became its foremost advocate.

Senator Aldrich did not agree with Warburg at first, but eventually he came around to the banker's point of view. In 1910, Warburg and several representatives of the New York banking community assisted Aldrich in drafting a bill to be presented to Congress. This bill, subsequently known as the "Aldrich Plan," called for the establishment of a central bank in Washington with an elastic issue based upon gold and commercial paper. The bank was to have fifteen branches located throughout the country. It was to be the fiscal agent of the United States and a lender of last resort to the banking community. The bank was also to have the power to rediscount – that is, to discount commercial paper that members had already discounted – and thus it could issue new paper money that could stay in circulation until the paper upon which it was issued was redeemed. The Aldrich Plan was the foundation upon which the edifice of the Federal Reserve System was constructed eventually.<sup>8</sup>

The Federal Reserve Act, which passed Congress in December 1913, was a compromise including elements of the Aldrich Plan and another plan proposed by Senator Robert Owen of Oklahoma. The Aldrich Plan, which was submitted by Senator Carter Glass of Virginia, was thought by many to be too conservative because it left a great deal of power in the hands of the bankers. The Owen Bill, on the other hand, contained two principles that appealed to reformers; that the central governing board should be government appointees exclusively, and that new currency should be an obligation of the United States government, not bankers. Debates on these proposals raged from May until December and resulted in the passage of the Glass-Owen Act.<sup>9</sup>

The new system was definitely an improvement. Instead of a single central bank, it established twelve regional banks. Stock in these banks was owned by member banks – the country's national banks and any state bank or trust company that wished to join. The reserve banks received deposits from and made loans to member banks. Through the Open Market Committee, the reserve banks could buy and sell bonds and bills of exchange to thus ease or tighten credit. However, the system was not perfect. Membership was not required and there remained many more state banks than national banks. Still, eighty percent of the nation's banking resources were held by member banks. The Federal Reserve Board had no control over state banks and, as events would show, little over its own members. This was the system that carried the nation through World War I and into the 1920s.<sup>10</sup>

George Armstrong's views on the causes of his and others' financial woes early in the 1920s were largely fantasy, but they had some basis in fact. Dur-

ing World War I the economy experienced significant expansion – it “heated up,” to use a modern slang expression – and the result was that the cost of living more than doubled between 1913, when the Federal Reserve was created, and late 1918, when the war ended. This dangerous inflationary trend resulted directly from Federal Reserve policy during the war. To accommodate ever increasing demands for credit, the Fed kept interest rates low. This led to a rapid expansion of the money supply and put strain on the gold reserve ratio – the relationship between the amount of currency in circulation and the gold reserves held by the banking community. Responding to this problem in 1920, the Federal Reserve abruptly raised the rediscount rate from four to seven percent; this produced a sharp deflationary effect, and by mid-1921 prices had fallen precipitously. A sharp rise in unemployment and a retraction of available credit affected many people adversely. One of those to suffer was George W. Armstrong.<sup>11</sup>

It was in this context that Armstrong came to believe that Federal Reserve policy was part of a vast international Jewish conspiracy. He blamed Paul Warburg and Federal Reserve Governor William P. Harding for his troubles, claiming both were party to the conspiracy with many others in the banking community. The truth was that the Federal Reserve Board was committed to the gold standard and believed it vital to the maintenance of price stability in the long run. One might argue that the abrupt policy change in 1920 was an over-reaction, but little more. The Federal Reserve consistently followed a policy aimed at price stability throughout the decade. This was done by offsetting the effect of gold outflows on the money supply by selling equivalent amounts of securities. The dominant figure in the development and application of this policy was Benjamin Strong, governor of the Federal Reserve Bank of New York. Strong died in 1928 at what turned out to be a critical moment in the nation’s financial history, and no one with his skill and influence came forward to replace him. During the four year period following Strong’s death the Federal Reserve failed to maintain an effective monetary policy aimed at price stability and prices spiraled downward thirty percent by 1932. This could have been avoided by more aggressive action but it was not forthcoming, and thus Federal Reserve policy was a contributing factor in the economic collapse that followed.<sup>12</sup>

It can be argued that Federal Reserve policy was flawed – few economists would disagree with that – but there is no persuasive evidence to support the existence of an international conspiracy such as that which beclouded the mind of George W. Armstrong. Nevertheless, he pushed on with his crusade, persuaded now more than ever that reverting to an alternative money system would rescue Texas and the nation from the havoc of the Great Depression.

Armstrong promoted his ideas through correspondence with friends and associates and the sale of his books. He mailed his works to many people and he hired Marcus Bright to travel around the state peddling them in drug stores, grocery stores, and hotel lobbies. Bright did not sell many books but reported to the Judge that he had talked to many people who seemed favorably inclined toward Armstrong’s ideas.<sup>13</sup> Armstrong received numerous communications

from people throughout the country who had heard of his theories. Some were voices from the past such as William Hope Harvey. Forty years earlier, during the silver craze of the 1890s, Harvey wrote a pamphlet titled *Coin's Financial School* which became the veritable bible of the Silverites. Now nearly ninety years of age, Harvey lived in Monte Ne, Arkansas, and presided over a miniscule organization called the Liberty Party. He wrote to Armstrong praising his work and proposing that the Judge run for governor on the Liberty Party ticket. Harvey claimed that he could "turn out hundreds of people" who would work for the Judge in Texas and get the party's name on the ballot. Armstrong responded with thanks but said that if he ran it would be as a Democrat.

Most of Armstrong's encouragement came from closer to home. For example, Don H. Biggers of Lampasas wrote: "... your candidacy certainly appeals to me... your... idea beats all the newspaper schemes or projects... it is more effective and more economical."<sup>14</sup>

By early 1932 Armstrong had just about decided that he should run for office. Politics, he had concluded, offered the only realistic way to present his ideas to the public. He would run for governor. The incumbent, Houston millionaire Ross Sterling, was unpopular, and his only real competitors were former Governor Miriam Ferguson and her husband. The Fergusons had the support of many country folk but were also despised by many others because of their association with corruption and incompetence. Armstrong decided that he could defeat either Sterling or the Fergusons in the Democratic primary. His plan was to gain control of the Texas Democratic Party by winning the primary and then put the support of the state behind the presidential candidacy of Governor "Alfalfa" Bill Murray of Oklahoma, who shared his views on the money question.<sup>15</sup>

On the last day of February 1932, Armstrong opened his campaign with a radio speech broadcast over station KTAT in Fort Worth. He summarized his views on all the major issues of the day, but of course his first priority was the money question. He argued that increasing the money supply was essential to the restoration of prosperity and reminded listeners that those in control of the national government cared nothing about their problems. Congress had recently considered and rejected three measures that would have produced inflation. These included a bill calling for the remonetization of silver; the Patman Bill, which called for the immediate payment of the proposed Soldiers' Bonus; and the Lafollette-Costigan Bill, which would provide \$750 million to fund direct relief and road construction. Instead, Congress came out in favor of selling government bonds to get more money into circulation. This, said Armstrong, was a smoke screen to cover the Federal Reserve's continued effort to "steadily and relentlessly control both money and credit."<sup>16</sup>

In the weeks that followed Armstrong broadened the array of issues he intended to discuss as he pursued the Democratic nomination. He detailed his plan for the abolition of the Federal Reserve and the restoration of a state-controlled banking system, but he also came out against the power and influence of the railroads. His specific target was a law passed by the Texas

legislature in 1931 that limited the size of trucks and freight loads to 7000 pounds or less. This law was designed to protect roads, but Armstrong believed it to be the work of the railroad lobby, which hoped to protect itself from the competition of the trucking industry. He called for the immediate repeal of this law. He also demanded that the Railroad Commission be abolished or restructured because it lacked real power to regulate railroads. The commission, said the Judge, was simply an appendage of the Interstate Commerce Commission (ICC), which in turn was controlled by administrators who worked hand-in-glove with the corporate leaders of the railroads themselves.<sup>17</sup>

Even though Armstrong did not have an effective organization, he persuaded himself that he had a chance to win the Democratic primary. He thought that by heaping abuse on Sterling and the Fergusons that he could attract the support of the masses. He received encouragement from those who agreed with him but little else. Included among his supporters, in addition to the Murrayites in Oklahoma, were the Texas Veterans Voters' Union, led by Charles P. Smith of Henderson; the Texas Taxpayers' Association, led by D.M. Jones and E.G. Senter of Dallas; and the Texas Truckers' Alliance, led by R.W. Peckham of Houston. These groups had small constituencies and little money and were led by people whose views were as unrealistic as those of Armstrong. Still, their support bolstered his ego and blinded him to the impossibility of his quest.<sup>18</sup>

One of Armstrong's closest friends was John Henry Kirby, a lumber baron and president of the Kirby Lumber Company in Houston. Kirby had bailed Armstrong out of his financial troubles a decade earlier and now Armstrong performed a similar service for Kirby, whose business had been adversely affected by the Depression. Kirby was the only one of Armstrong's close associates who disagreed with his banking and financial theories and opposed his foray into politics. Kirby wrote to Armstrong to dissuade him from plunging ahead:

I regret very much ... that you are taking on a political activity that will ... imperil your business affairs ... . What compensation can you get out of the certain defeat you must know you will meet in the effort to put over in Texas the wild Oklahoma Bull, who is no more fit to be President of the United States than Frank Norris is to be Governor of Texas ... . If the character of your candidate ... was not in itself a hardship to you the effort you will make to sell your State Currency plan to the public will, of itself, destroy you among those whose favor you must have if you [are to] succeed with your affairs.

Kirby pleaded with Armstrong to drop his obsession with the structure of the money system and tend to his business affairs. "Men with more leisure than you have and of a wider audience have failed to do what you are trying to do ... . Your effort ... in the few brief weeks of the present campaign, to make any dent on the public mind is much like the assault of Don Quixote on the windmill."

With remarkable foresight Kirby went on to outline the obstacles Armstrong would face if he proceeded with his venture. He pointed out that the Judge had no real political organization and little money. Worse, there was



no significant constituency to which he could appeal. Crooked politicians would not support him because he was "an honest and upright man." Bootleggers would oppose him because, even though he favored prohibition, he loathed corruption. Bankers would oppose him because of his financial views. Businessmen would oppose him because they favored stability "rather than the chaos that would accompany your new currency scheme." Finally, Kirby added, nearly all the farmers belonged to the Ferguson group. "So," he concluded, "where are you going to get your support?"<sup>19</sup>

It was a fair question with significant implications, but it was one that Armstrong chose to ignore. He told Kirby that the governor's office in itself meant nothing to him. He would run to publicize his financial plan and only so long as he perceived a chance for Murray's nomination. Of course, Murray never had a chance, but even after that became clear, Armstrong persevered. He decided to proceed with his campaign as a protest against Franklin Delano Roosevelt and in the vain hope that he could still "sell" his plan to the people of Texas. He counseled Kirby not to worry about his campaign expenses. Those would be derived from the sale of his books.<sup>20</sup>

Despite the optimism he voiced to Kirby, Armstrong began to see that he could not win the Democratic nomination for governor. That victory would go either to Governor Sterling or Miriam Ferguson. To make matters worse, the "Alfalfa" Bill for President campaign stalled and the nomination went to Governor Franklin Delano Roosevelt of New York. Armstrong did not think much of Roosevelt and even less of his running mate, House Speaker John Nance Garner. Disturbed and disappointed by these developments, Armstrong withdrew from the Democratic primaries but not from the race for governor.<sup>21</sup>

On August 7, 1932, surrounded by about fifty followers in the Baker Hotel in Dallas, Armstrong founded the Good Government Party and was named its gubernatorial candidate. His running mate for lieutenant governor was Charles P. Smith of Henderson, his loyal supporter and leader of the Texas Veterans' Voters' Union whose purpose was to lobby on behalf of the Patman Bill. The platform of the new party was a litany of Armstrong's views. It called for the abolition of the Federal Reserve System; the remonetization of silver at "16 to 1;" a return to price-and-wage levels as they had existed in April 1920; the immediate payment of the Veterans' Bonus; a moratorium on the payment of all bonds and mortgages; an increase in the inheritance tax to one hundred percent on all estates exceeding \$500,000; the limitation of campaign expenditures to \$3 million; and the preservation of the Eighteenth Amendment.<sup>22</sup>

Armstrong promised his followers a vigorous campaign, but within a week after the founding of the Good Government Party he contacted Rentfro B. Creager, state chairman of the Republican Party, and Orville Bullington, the Republican candidate for governor. The Judge proposed fusion between the two parties, arguing that a Republican candidate had no chance to win. He proposed that Bullington withdraw so he could be the fusion candidate. He would then be assured of victory because he would have Republican support plus the votes of the many Democrats who despised the Fergusons. This may

have been Armstrong's plan from the beginning, but it was dreadfully weak and immediately rebuffed by both Creager and Bullington.<sup>23</sup> At that point, Armstrong probably should have heeded Kirby's advice and dropped out of the race, but he was determined to push on to the bitter end.

Armstrong's candidacy, of course, was doomed from the start and he encountered many signs of that dreary fact during the weeks that followed. The first was a letter from Texas Secretary of State Jane Y. McCallum pointing out that another organization in Hidalgo County bearing the name Good Government Party had been in existence since 1925. Armstrong's new party would have to change its name, a move that was bound to cause confusion. The Judge and his friends considered several possibilities, including Bolter's Party, Good Government for All Party, American Good Government Party, Independent Bimetallic Party, and Jacksonian Democratic Party. They settled on the latter.<sup>24</sup>

To make matters worse, all of John Kirby's unpleasant predictions came true. Armstrong's campaign received practically no press coverage, he could not buy time on the well-known radio stations, and Marcus Bright continued to experience frustration trying to sell his books. Charles P. Smith never left Henderson to campaign – he had no money – and neither the Voters' Union, the Taxpayers' Association, nor the Truckers' Alliance provided effective support.<sup>25</sup>

In desperation, Armstrong sought help elsewhere. After Governor Sterling was eliminated from the race in the highly questionable outcome of the Democratic primaries, Armstrong asked for his blessing. He wrote to Sterling to say that "your support will ensure my election." Many Republicans, he pointed out, were fed up with the dictatorial methods of Rentfro B. Creager. He charged that Creager had engineered Bullington's nomination because both were tools of the railroad lobby. Many Republicans, he declared, were poised to vote either for Ferguson or himself. An endorsement from Sterling would surely move them in Armstrong's direction. Concluding his plea, Armstrong wrote: "While I have sought the office of Governor in opposition to you, I have done so decently. I have never at any time made any character or personal attacks on you and I have often gone out of my way to express my confidence in your integrity."<sup>26</sup>

Sterling's mind and memory were apparently much sharper than Armstrong thought. He told the Judge that practically no one supported his platform, that Bullington offered the best hope to defeat the Fergusons, and that he intended to support the Republican candidate. He concluded:<sup>27</sup>

I note what you say regarding your campaign and that you did not at any time make any kind of personal attack on me and that you had often gone out of your way to express confidence in my integrity. I heard you when you made a radio speech in Houston and what you said about me was anything but complimentary. You said I was insipid and incompetent . . . This . . . is absolutely false and I am willing to put my record against that of any man who has ever held the office of Governor of Texas.

The Judge also attempted to rally the support of the Ku Klux Klan. Late in October he wrote a desperate letter to Imperial Wizard Hiram W. Evans

asking for help: "I ought to have the support of the prohibitionists and the Klan," he wrote, "for I have always been a consistent prohibitionist and a loyal and consistent friend of the Klan."<sup>28</sup>

Evans responded that he wished Armstrong well, but that the Klan supported Bullington. The Judge was stunned: "I do not understand your statement that there is reason for the Klan to support Bullington. [He] introduced the resolution at the Republican state convention condemning the Klan. I am informed also that he is now trying to corral the negro [sic] vote on grounds that he has been anti-Klan."<sup>29</sup> Apparently, Evans offered no reply, but in any case the Klan was not a factor in the outcome of the election.

To describe the result of Armstrong's campaign as a disaster would be an optimistic view. "Ma" Ferguson defeated Orville Bullington by a vote of 522,395 to 317,590, while less than 1,000 ballots were cast for the Judge.<sup>30</sup> When Smith wrote to inquire how many votes they had received, Armstrong replied that he did not know. The situation had become so bad that he had lost interest, he said.<sup>31</sup> If he lost interest in politics, Armstrong did not lose interest in the money question nor did he alter his views in any way. Through Smith he called upon the Fergusons to summon a statewide conference to consider the establishment of a state banking system, to draw up a plan similar to that Armstrong had long advocated, and submit it to the legislature. If this were not done, Smith suggested, financial conditions would continue to deteriorate and the ultimate result would be revolution.<sup>32</sup> The Fergusons ignored this proposal.

As for his political future, Armstrong was uncertain. At one point he would say that never again would he run for office; at another he would talk about running for the United States Senate against Tom Connally in 1934. As it turned out he did not run for office again, but he remained active in public affairs as an outspoken foe of the New Deal and his favorite target, the international Jewish conspiracy to control the world.<sup>33</sup> His first effort in 1933 was to form a statewide Farmers' Holiday Association in Texas. This organization, spearheaded by Milo Reno in Iowa, sought to call attention to the unspeakable conditions experienced by rural Americans in the depth of the Depression and to demand redress. In Texas, as elsewhere, the Holiday movement lost its punch with the passage of the Agricultural Adjustment Act in March.<sup>34</sup>

In addition to reforms like the Agricultural Adjustment Act, Roosevelt remonetized silver early in his administration, but none of this made a convert of Armstrong. His loathing of the president deepened as time went by. As a businessman and a farmer he complied, more or less, with that New Deal legislation he thought might be helpful, but he concluded that Roosevelt's tactics and policies trampled upon constitutional government and that Roosevelt sought to make himself a dictator. By the end of the decade Armstrong counted himself among those who openly called for Roosevelt's impeachment.<sup>35</sup>

Armstrong also saw his fortune continue to increase during the 1930s. In spite of the Depression, his enterprises survived and by the end of the decade he was once again a wealthy man. He put much of his money into the development of his Mississippi properties and spent most of his time there. He

also traveled extensively and devoted his leisure to writing more books in which he expanded his attack upon Jewish bankers and the threat of the international Zionist movement as he understood it. In *The Reign of the Elders* (two volumes) and *The Rothschild Money Trust*, written between 1937 and 1940, he attacked Roosevelt as a pawn of the international Jewish conspiracy and accused the president of a desire to bring America into a war to preserve the Jewish-dominated British Empire.<sup>36</sup>

*The Rothschild Money Trust* was published anonymously, but the government was well aware of its origins and the Federal Bureau of Investigation delved into Armstrong's affairs in 1943. He feared that he might be indicted for his anti-government, anti-Semitic statements, but he was not, probably because he steadfastly refused to admit his authorship. After escaping this threat he wrote in his diary, "I am proud of these books but I do not intend to help the FBI make out a case against me or anyone else for writing the truth. I do not wish to be persecuted; and in fact, there is danger of assassination. What a travesty on the Atlantic Charter and the alleged Four Freedoms."<sup>37</sup>

Toward the end of World War II, Armstrong published another book entitled *The March of Bolshevism*. He produced two more books, *World Empire* and *The Marshall Plan Exposed*, and distributed them as widely as possible, but concluded that the only effective way to spread his views among the American people and save the republic from certain destruction was through the educational system. To that end, he established the Judge Armstrong Foundation in 1945. He intended to exert increasing influence upon education by means of conveying large donations to willing institutions through this medium.<sup>38</sup>

Meanwhile, impressive deposits of petroleum were discovered on his Mississippi properties and the prospect of enormous wealth lay before him. He attributed this development to the will of God. Suddenly, he had found religion. In January 1948, he wrote:<sup>39</sup>

I formerly doubted the fables of the Old Testament and the miracles of the New, but now I not only believe in God but in the divinity of Jesus Christ as His instrument of reform in the world. He was a reformer and an anti-Semitic in that He protested the traditions and doctrines of the Talmud and of "the scribes and the Pharisees and hypocrites." It was through His efforts that Christianity was established. He has given me the intelligence and the experience to understand the subject of money and the Semite control of it, and the will and courage to expose this. I cannot attribute the fortune that I have in prospect to myself or to any cause other than God's direction.

By early 1949 Armstrong believed the time had come for him to make the first move in his effort to control education. In February he received a communication from the Board of Trustees of Jefferson Military College in Washington, Mississippi. Jefferson was a small secondary institution – even though it bore the name "college" – with a proud Southern heritage dating back to its founding in 1802. Armstrong learned that the "college" was nearly broke and was requesting a loan of \$6,500 to meet current expenses. Armstrong saw this as an opportunity to advance his scheme for the promotion

of "Christian White Supremacy" through the educational system and he responded immediately.

Having already been rebuffed by several schools including Southern Methodist University in Dallas, Armstrong laid a proposition before the trustees of Jefferson that would be difficult for anyone to refuse. Not only would he loan the college a paltry \$6,500, he would give them 27,000 acres of his Mississippi oil lands with a potential value near \$50 million. Of course, there were strings attached to this munificent offer. The college was to reduce the size of the board from fifteen to five and allow the Judge to name three members, and the college was to agree to admit only white Christians.<sup>40</sup> They had never admitted blacks, of course, but now they were to reject Orientals and Jews as well. Armstrong saw absolutely no problem with this. "Blacks and Jews have their own schools," he grumbled later, "why cannot white Christians have theirs?"<sup>41</sup>

At first the trustees saw no problem either and they accepted Armstrong's proposal, but when word of this amazing offer leaked out and stories appeared in the press, some of them unflattering to both the Judge and the little school, they had second thoughts. On October 29, 1949, nationally syndicated columnist and commentator Walter Winchell devoted his entire radio program to a denunciation of the deal, calling Armstrong a "hate monger" and a "bigot." With that the pressure became too great to be resisted further and board members rescinded the agreement. They were able to raise several thousand dollars by other means and continued to struggle along until the college closed in 1965.<sup>42</sup>

Meanwhile, more of Armstrong's oil lands proved up and he became fabulously wealthy. He could have supported several colleges, although he made no further effort to do so. He died in 1954 at the age of eighty-eight, but his legacy lives on in the form of the Armstrong Foundation, headquartered in Natchez. Operated by Armstrong's grandson, Thomas, the foundation supports ultra-conservative causes and maintains close ties with ultra-conservative organizations such as the Council for National Policy. As of January 1, 1999, the Armstrong Foundation had assets of \$17.6 million and had made grants totaling \$767,269.<sup>43</sup>

George W. Armstrong often said that he wanted to render public service. He truly believed that he had something to offer. He never deviated from his critique of the banking and money system, though he eventually profited from it mightily. During that period of his life when he sought public office his arguments sounded much like those voiced by the Populists of an earlier generation. He would have remembered them well and was surely indebted to them for many of his ideas, although he never said as much. Still, his demands for inflation, free-and-unlimited coinage of silver, banking reform, and railroad regulation obviously echoed his predecessors. He was convinced that such reforms would bring on the perfection of American society.

Another, more sinister characteristic that he shared with the Populists was his anti-Semitism. Many of his intellectual forebears believed, as he did, that the banking systems of the nation and the western world were controlled by

Jews and directed by a Zionist plot. Armstrong harbored this belief long after his ardor for other notions had cooled. By the late 1930s it had developed into an obsession, and by the end of World War II it had broadened further into a twisted belief that Jews were somehow involved in the threat of international communism. Armstrong believed that all efforts to restructure the world in the interest of peace were parts of a colossal plot to create a "World Empire" controlled by communists and Jews. These efforts included the Bretton-Woods Agreement, the United Nations Charter, and the Marshall Plan. He attacked them all with vigor.<sup>44</sup>

Throughout most of his life George W. Armstrong was a man of means. Early in his career he made significant contributions to the economic development of Texas, especially Fort Worth. Toward the end he possessed fabulous wealth and could have rendered great public service by supporting accredited institutions of higher learning and philanthropies without attaching outrageous conditions. But he chose not to do that. He chose instead another path that led to oblivion. Today, save for the little-known Armstrong Foundation, there are no monuments to his name. There are few people who even remember his name.

#### NOTES

<sup>1</sup>Kenneth E. Hendrickson, Jr., *The Chief Executives of Texas: From Stephen F. Austin to John B. Connally, Jr.*, (College Station, 1995), pp. 173-179.

<sup>2</sup>Leon B. Blair, "George Washington Armstrong," *The New Handbook of Texas* (Austin, 1996), I, p. 243.

<sup>3</sup>George Washington Armstrong, *Memoirs of George W. Armstrong* (Austin, 1958), p. 250.

<sup>4</sup>George W. Armstrong, *The Crime of '20: An Official History of Frenzied Finance* (Dallas, 1922).

<sup>5</sup>Armstrong, *The Crime of '20*.

<sup>6</sup>George W. Armstrong, *A State Currency System: To Hell With Wall Street* (Dallas, 1932).

<sup>7</sup>Walter T. Nugent, *The Money Question During Reconstruction* (New York, 1967), pp. 52-54.

<sup>8</sup>Michael A. Whitehouse, "Paul Warburg's Crusade to Establish a Central Bank in the United States," <http://Woodrow.mpls.frb.fed.us/pubs/regionalREG895D.html>.

<sup>9</sup>Arthur S. Link, *The New Freedom* (Princeton, 1956), pp. 199-240.

<sup>10</sup>Oscar T. Barck and Nelson T. Blake, *Since 1900* (New York, 1994), pp. 113-115.

<sup>11</sup>J. Alfred Broadus, Jr., President, Federal Reserve Bank of Richmond, "Central Banking Then and Now," <http://minneapolisfed.org/pubs/region/rcg939b.html>.

<sup>12</sup>Broadus, "Central Banking . . ."; David C. Wheelock, "The Strategy, Effectiveness, and Consistency of Federal Reserve Monetary Policy, 1924-1933," *Explorations in Economic History* (1989), XXVI, pp. 453-476.

<sup>13</sup>Marcus Bright to George W. Armstrong, March 12, 14, 20, 1932, AR 335-88-14, George W. Armstrong Papers, University of Texas-Arlington, Arlington, Texas; hereinafter cited as GWA Papers, UTA.

<sup>14</sup>Don H. Biggers to George W. Armstrong, March 23, 1932, AR 335-88-18, GWA Papers, UTA.

<sup>15</sup>George W. Armstrong to Don H. Biggers, March 28, 1932, AR 335-88-14, GWA Papers, UTA.

<sup>16</sup>Manuscript of George W. Armstrong radio speech, February 28, 1932, AR 335-95-3, GWA Papers, UTA.

<sup>17</sup>Manuscript of George W. Armstrong radio speech, April 23, May 19, 1932, AR 335-95-1; AR 335-95-2, GWA Papers, UTA.

<sup>18</sup>R.W. Peckham to Armstrong, August 10, 16, 1932, AR 335-92-28; Charles P. Smith to Armstrong, April 5, 18, 19, 27, AR 335-93-15; D.M. Jones to Armstrong, March 28, 1932; Armstrong to Jones, March 3, 1932; AR 335-91-3; Armstrong to Governor R. S. Sterling, AR 335-93-15, GWA Papers, UTA.

<sup>19</sup>John H. Kirby to George W. Armstrong, February 5, 18, 1932, AR 335-91-13, GWA Papers, UTA.

<sup>20</sup>George W. Armstrong to Kirby, February 9, 20, 1932, AR 335-91-13, GWA Papers, UTA.

<sup>21</sup>Charles P. Smith to Armstrong, July 26, August 4, 1932; Armstrong to Smith, July 24, 1932, AR 335-93-18; Smith to Armstrong, August 9, 11, 1932, AR 335-93-19; Armstrong to R.W. Peckham, August 7, 1932, AR 335-92-28; Armstrong to E.G. Senter, July 18, 1932, AR 335-93-18, GWA Papers, UTA.

<sup>22</sup>Minutes of the Organization of the Good Government Party, August 9, 1932, AR 335-95-1, GWA Papers, UTA.

<sup>23</sup>George W. Armstrong to R.B. Creager, August 10, 25, 1932; Creager to Armstrong, August 16, 19, 1932, AR 335-89-8; Armstrong to Orville Bullington, August 4, 16, 1932; Bullington to Armstrong, August 5, 1932, AR 335-88-19, GWA Papers, UTA.

<sup>24</sup>Jane Y. McCallum to Armstrong, September 3, 1932; Charles P. Smith to Armstrong, September 6, 1932, AR 335-93-20, GWA Papers, UTA.

<sup>25</sup>Charles P. Smith to Armstrong, September 26, 28, 1932, AR 335-93-20, GWA Papers, UTA. There are no records in the Armstrong Papers indicating that the campaign received financial support from any organization.

<sup>26</sup>Armstrong to R.S. Sterling, October 10, 1932, AR 335-93-21, GWA Papers, UTA.

<sup>27</sup>Sterling to Armstrong, October 13, 1932, AR 335-93-21, GWA Papers, UTA.

<sup>28</sup>Armstrong to Hiram W. Evans, October 16, 24, 1932, AR 335-90-10, GWA Papers, UTA.

<sup>29</sup>Hiram W. Evans to Armstrong, October 21, 1932; original in possession of the author. Armstrong to Evans, October 24, 1932, AR 335-90-10, GWA Papers, UTA.

<sup>30</sup>Wichita Falls Record News, November 12, 1932.

<sup>31</sup>Charles P. Smith to Armstrong, December 1, 1932; Armstrong to Smith, December 3, 1932, AR 335-93-22, GWA Papers, UTA.

<sup>32</sup>Charles P. Smith to James E. Ferguson, December 23, 1932, AR 335-93-22, GWA Papers, UTA.

<sup>33</sup>George W. Armstrong to Wright Patman, December 10, 1932; Patman to Armstrong, December 19, 1932, AR 335-92-31, GWA Papers, UTA.

<sup>34</sup>George W. Armstrong to E.G. Senter, January 27, 1933; Armstrong to Charles P. Smith, January 27, 1933; Armstrong to H.M. Keeling, January 22, March 16, 24, 1933; Armstrong to T.S. Tilson, March 14, 1933; Armstrong to L. Gough, March 16, 1933; Charles P. Smith to Armstrong, March 28, 1933; Smith to Keeling, March 18, 1933; Armstrong to Senator Morris Sheppard, August 2, 1933, all in possession of the author.

<sup>35</sup>George W. Armstrong, *Memoirs*, pp. 304, 308, 309, 311.

<sup>36</sup>Armstrong, *Memoirs*, pp. 319, 326, 327, 330.

<sup>37</sup>Armstrong, *Memoirs*, p. 351.

<sup>38</sup>Armstrong, *Memoirs*, pp. 357, 361, 363, 364.

<sup>39</sup>Armstrong, *Memoirs*, p. 365.

<sup>40</sup>Stanley N. Murphy, chairman, Executive Committee, Board of Trustees, Jefferson Military College, to Allan J. Armstrong, February 2, 1949; George W. Armstrong, Jr., to Armstrong, February 18, 1949; Allan J. Armstrong to Major General George Van Horn Mosely, April 12, 1949; Mosely to Armstrong, April 15, 1949; Armstrong to *The Natchez Democrat*, May 5, 1949; Armstrong to Senator John E. Rankin, July 16, 1949; Allan J. Armstrong to George Van Horn Mosely, October 26, 1949, AR 335-161-5, GWA Papers, UTA.

<sup>41</sup>Jackson Daily News, November 14, 1949.

<sup>42</sup>New York Times, October 26, 28, 29, 30, 31, November 3, 12, 1949; Statement of Gerard Brandon, President, Board of Trustees, Jefferson Military College, October 29, 1949; Marilyn R. Allen to Stanley Murphy and Dr. Umphrey Lee, President, Southern Methodist University, October 30, 1949; Allan J. Armstrong to George Van Horn Mosely, November 1, 1949, AR 335-161-6, GWA Papers. Jefferson College, Manuscript Collection, Boxes 39 and 85; Mississippi Department of Archives and History, Archives and Library Division. In this collection are hundreds of letters relating to donations made to the college after Armstrong's offer was declined.

<sup>43</sup>New York Times, October 2, 1954; The Armstrong Foundation, Foundation Finder, <http://fdncenter.org/egi-bin/finershow.cgi?id=TEXAS003>.

<sup>44</sup>Armstrong, *Memoirs*, pp. 365, 370.