

JOHN D. RYAN

The Characteristics and the Record of the Able Organizer Who Now Has Charge of Our Airplane Construction

BY

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WHY was John D. Ryan chosen to head the aircraft production of the United States—the president of the Anaconda Copper Mining Company, who had never had any connection with the manufacture of airplanes? A business man who had personally known and dealt with him since first he rose to Montana prominence, undertook to state some of his qualifications immediately after the appointment was announced.

“Of course Ryan knows nothing about airplanes—now,” said this man. “He couldn’t tell two kinds apart. But who does know, except these engineers whose conflicting theories have been delaying the game? Within six weeks Ryan will know everything he’ll need to know, and the technical experts he confers with then will wonder how and when he mastered the subject so completely.

“He’ll have done it without ever having appeared to be studying anything up. How, I can’t tell you, except that he has an uncanny ability to absorb essential detail out of the air as he goes along. It isn’t that he ever lets minor points absorb *him* by any means. He always keeps free of that. No one will find him buried in figures, poring over specifications. But whenever any problem that calls for close technical knowledge is laid before him, he’ll have the facts all ready at his tongue’s end.”

The allowance of six weeks appears to have been generous. When Ryan went to work on the airplane job he told callers seeking interviews that he was simply learning the lie of the land and getting acquainted. That was all he could hope to do for the present. It would take some little time. He would rather make no promises and forecasts. For the future he thought results would be his best reports of progress.

But it is known that within nine days after he was shown his Washington office, he had

learned where every type of airplane in use against the Germans is being made, and in what numbers, and what materials go into them, and the sources of these materials, including all such sources in and available to this country. Also, specifically, where his own work should begin—what particular need of our belated plane manufacture called for his attention first, and what could be done about it within a given time. And his arrangements were in progress.

John D. Ryan’s credentials for this war responsibility are the business achievements of a meteoric career. At 54 he is biggest of our Big Four copper kings. He has been in the copper industry fourteen years. An executive taking on aircraft production just now will have to harmonize a dozen or more discordant and disgruntled factions, official, semi-official, and private, and get them all working together under his single direction. Ryan harmonized and merged the warring Montana copper companies, a feat which could only have been surpassed by a successful federator of the Balkan States in the old turbulent days.

He assumes a twofold task; he must increase and speed up the output of the existing airplane producers along the lines on which they are now engaged, and at the same time he must plan extension, open new lines, entertain new ideas, and foster evolutionary progress. Under his administration, first of the Amalgamated Copper Company and then of the Anaconda reorganization, the production of copper and other metal and mineral staples from those properties is said to have nearly trebled in a decade, and several successful side issues have been added. Meanwhile, in developing and utilizing Montana’s water power, Ryan has independently created a huge business of his own.

Examination of these achievements gives the best personal line on him. He is a difficult man to get a line on, by no means a

"picturesque figure" in the ordinary sense, and he quietly avoids the limelight species of publicity. Little is to be learned of him by seeing him, except by character-reading and intuition. He will talk Montana's future, or the future of hydro-electric development in the West, enthusiastically by the half hour when he has time. But he won't talk about himself and his own activities, and would thank none of his friends for talking about him for publication. Especially does he object to the Horatio Alger kind of biography sedulously written about all self-made big men. He has taken pains to make it clear that the few Alger-ian legends of his own rise are rubbish. For example, he never was a mine laborer in his life, and at the time when he made his start in Montana by buying a controlling interest in the Daly Bank in Butte, he was not a struggling drummer on \$100 a month, but manager of the Eastern branch of a large independent oil business—for which he had been on the road some years before. He already had a good income and a good rating.

SAYS SHERMAN LAW HELPS GERMANS

His chief natural advantage over other men appears always to have been greater foresight and the courage to realize on it. You can call this imaginative vision and "sanguine temperament" if you like, and attribute them to his being an Irish genius. His friends simply say horse sense, and let it go at that. His business creed, avowed frankly even when it was unpopular, is combination. Every one of his brilliant successes, like a military commander's—or a chess player's, has resulted from his having constantly seen the whole of his field at once, and not merely its immediate state, but all the potentialities in several moves ahead; and from his having patiently aligned all available forces to bear upon the future openings.

After the war began in Europe, and before the entrance of the United States, on the rare occasions when Ryan did any public speech-making he attacked the Sherman Anti-trust law, on the ground that it hopelessly handicapped American copper manufacturers, who when the war was over must meet German competition, the world around, by preventing their combining to extend American markets.

Friends recall with amusement a day, not so very remote, when older financiers of a conservative habit spoke of him as a plunger and

shook their heads over him. Plungers leap in the dark, but Ryan never does.

Two of his special qualifications for the aircraft job, on which when he was appointed much editorial stress was laid, are his diplomacy and his ability to handle men, both those whom he employs and those with whom he deals. As for diplomacy, his associates dislike some of the implications. They say Ryan in a business transaction is always frank and forthright, that people with whom he has business invariably get on with him because of his simple directness and the utter absence of pomp and circumstance from his make-up, also because they learn in the first three minutes that he means just what he says. "Anybody who ever met Ryan will always know where to find him." He has never bulwarked himself with aides and deputies, and he will go out of his way to avoid correspondence whenever he can possibly negotiate man to man, however unimportant the matter may seem.

But it must have been diplomacy, in the sense of tact and human insight, that cleared up the Montana mining situation as Ryan found it. In 1904, when he was made managing director by Amalgamated, the Amalgamated-Heinze feud was at its height. The Montana courts were full of it. Partisan lines in state politics were drawn between the hostile copper factions. Labor was involved, with F. Augustus Heinze, who had risen from the ranks, posing as the miner's friend and the champion of his rights, and figuring in periodicals of national circulation as a valiant lone-hand antagonist of an octopus.

HOW RYAN VANQUISHED HEINZE

Ryan outmaneuvered Heinze from the start. The Heinze interests were so badly beaten in the 1905 election of state legislators that Ryan suspected his adversary must be ready to consider selling out, and quietly approached him with a proposition. Heinze wanted badly enough to get out; nothing else remained for him to do; but he wanted to save face, especially with the miners, and to leave behind him the impression that the war had ended in a draw, and that his decision to retire had been purely voluntary.

Ryan was willing to let him keep up appearances, but was determined to close no deal that would not eliminate him, in Ryan's own words "root and branch," leaving him no chance of making more trouble.

The negotiations that followed took six months. As Ryan has told the story,

"Heinze would never meet me except in the most out-of-the-way places. He was mortally afraid that the Butte miners would learn he was preparing to sell out, as he was loudly promising to fight their battles for them if they would stand by him. We never entered a building by the same door. He never came to my office, and I never went to his. Instead, we would meet in the offices of one of our lawyers, or in the rooms of friends. One of our most important sessions was held in Providence, R. I., because he was then staying at Newport and I was in New York, and he did not want to run the risk of our being seen together at either place.

"From the very opening Heinze and I continued friendly, and though many times we came near breaking off, we continued to treat each other in good faith. He never once broke his word to me. We finally met one night, talked price from 9 o'clock to 3 o'clock in the morning, and reached an agreement."

Later, when Ryan undertook to reorganize all the old Amalgamated properties and subsidiaries for the final merger, he had to mediate between the corporation and numerous semi-independent mining companies, and between some of these companies themselves, long at loggerheads over the aggravated question of extra-lateral rights in the copper veins.

The law permitted an owner to work that part of a vein which had its apex or outcrop within the boundaries of his claim, wherever underground the vein might lead, "to the centre of the earth." This would have been decisive enough if the claims had been uniform, tracts and the ore-bearing strata continuous. Instead, the claims were a crazy-quilt, and the strata so contorted and faulted that workings of different mines were forever opening up the same subterranean territory, and lawsuits resulting. At the worst period, the total value involved in all such suits that were pending is said to have been near \$200,000,000.

Ryan's solution was a new "horse-sensible" basis for agreements. The principle on which he finally reconciled all the disputants was arbitrary mining limits, regardless of geology or of the unworkable law. Agreements in some of the cases were hard to reach. The feeling was old and bitter. The rivals distrusted each other, but they knew and trusted Ryan. His standing among them was above all question.

As for his handling of employees, he will never encounter in war work a more ticklish labor situation than he has repeatedly met in the copper industry. After Heinze sold out, the labor group which had supported him seemed for a while disposed to be vindictive. "But in all the time I dealt with labor," Ryan has said, "we had no strikes or lockouts. In fact our mines never lost a day from labor troubles. We paid good wages and we got good service. I have very little complaint to make of any dealings I ever had with labor during all my immediate connection with mining. I never have had any rows with it."

This sweeping statement despite the fact that a labor war in the Western mining regions is a perfectly genuine war, with bombs and bloodshed, and that one of the worst on record was waged in Butte later on, in 1914, between the Western Federation of Miners and an insurgent faction of union men who were members of the I.W.W. It began as a struggle for control of the local miners' union, in which both camps were represented, and it continued, after an I.W.W. bolt and the formation by the bolters of a union of their own, as a rivalry for closed-shop recognition. For years the Amalgamated mines had been closed-shop, under an agreement with the union by which union agents could order a shaft engineer not to lower a non-union workman into the mines. In the face of the labor war, Ryan proclaimed open-shop and a fair field, and stuck to his guns.

The state of affairs in Butte became anarchic. Besides the ostensible issues, bad blood between Charles H. Moyer, president of the Western Federation, and his former associate, William D. Haywood, then the I.W.W. leader, who had broken with Moyer after the Steunenberg trial, came to a head in this episode. The Industrial Workers dynamited homes of Federation union officers, and the hall of the Butte Union building when Moyer was trying to hold a mass meeting in it. A citizens' committee formed to protect life and property was nullified by intimidation. The Socialist mayor, accused by Moyer of I.W.W. affiliations, was later stabbed on the street by an I.W.W. man for having refused to deport a Finnish editor, whose paper had denounced the Industrial Workers. The mayor shot his assailant and mortally wounded him. Order was finally restored by the militia.

Through it all, Ryan's policy held firm, and mining business went on virtually as usual.

He particularly objects to legends that he has sometimes dealt with labor threats by thrashing unruly delegates singlehanded, and cowing whole disaffected mining camps with the fire in his eye. Physically and morally he is capable, at a glance, of having done it. But he says he never thrashed any one in his life!

"He doesn't go into the 'social welfare' idea," said a former Montana associate. "But every miner on Anaconda payrolls understands that the head of the concern is clean and fair and square, and that its employees get what they deserve, either way, if he knows anything about it. When he's visiting the properties he goes all over them, talking with the men. He knows a great many by name, and something about them. They know he's a human being. And they know that when any of them have a grievance they can come straight to Ryan, call him John, tell their troubles and get a hearing—and action if he thinks they're entitled to it.

"On the other hand," the speaker added, smiling, "they know he'd be just as ready to tell a whole organization to go to hell, if he decided that was where it ought to go!"

HIS RAILROAD ELECTRIFICATION

The Montana coal mentioned is not of good quality, it is hard and costly to mine, and the mines are inconveniently situated with respect to the copper mines and smelters. Maintaining a sufficient supply of the coal, even for haulage of ore, meant a great expenditure with unsatisfactory returns. Hence Ryan's attention to hydro-electric power.

The fall of water in the Missouri and its Montana tributaries, between the divide of the watersheds and the eastern state line, is 10,000 feet. Practically limitless power could be taken anywhere. Given the electro-mechanical devices, it would replace steam throughout the copper industries. The devices existed, but almost untried. Ryan looked into the matter and believed in them.

Two groups of local power plants existed, lighting the cities near by and running the street cars. They centred at Butte and Great Falls, the latter group controlled by James J. Hill. Ryan and a few associates financed their purchase, consolidated them, physically inter-connecting them with transmission lines and sub-stations, and built new storage dams to insure continuous flow. Ryan then, in 1913, completely electrified the Butte,

Anaconda & Pacific Railroad, between the cities of Butte and Anaconda. It was the first test of railroad electrification, and it was an ideal one—a hundred miles of tracks for a twenty-eight mile crow's-flight distance, with continuous heavy haulage over the worst negotiable grades. The cost of electrification was \$1,250,000.

HE FORESEES ELECTRIC RAILROADS

Its success was even greater than Ryan had hoped. The economy was more by half than the engineers had promised him, and within three years the tonnage handled had similarly increased, and he felt justified, in an article contributed to a journal of electrical engineering, in recommending study of the B. A. & P. experiment "to the management of any railroad called upon to move heavy traffic with limited track facilities."

But managements had not awaited his recommendation. Their engineers from all over the world had come to see for themselves. Transcontinental roads crossing the Rockies were particularly interested; it is said that one car in every five on such a road carries the road's own coal, and the problem of pushing freight over the mountains by steam power had been almost hopeless. Louis Hill, Great Northern president, took a trip of inspection on the B. A. & P. So did a committee for the Northern Pacific. The Chicago, Milwaukee & St. Paul was first to follow the Ryan lead. It has now electrified the mountain division of its Puget Sound extension, getting the current from the Montana Power Company, which has added a plant at Thompson Falls, across the divide on the Columbia River watershed, for its benefit.

And Ryan has written: "It requires no great stretch of the imagination to visualize the day when a continuous network of transmission lines will parallel the main railroads from the Eastern Rockies to the Pacific coast, conserving water power by using it, and benefiting the general public by lower rates, increased comfort in travelling, and an almost universal distribution of energy at less cost from 'white coal.'"

Meanwhile he applied the power to the mines. It largely replaced steam at once, and since has replaced it virtually altogether. A ventilating system operated by electricity has made possible mining in the sulphide ores at double the depth where the under-

ground heat formerly called a halt, water trickling from the rock 1,300 feet down at a temperature of 100°. The problem of mine hoists is solved. The workings are easily and adequately lighted. Underground fire disasters are greatly reduced, and when a fire starts, the new ventilation, clearing the deadly gas, enables the fire fighters to reach and check it.

GOOD SERVICE AND LOW CHARGES

Among the incidental benefits has been the rise of a great new production of electrolytic zinc. And, besides supplying the mines and the railroads, the Montana Power Company furnishes most of the current industrially and privately used in the state outside the mining field.

All of which so exercised certain statesmen that in 1915 President Ryan was called before a Congressional investigating body to tell whether the company's business didn't constitute a state monopoly. He took the investigators' breath away by answering promptly and pointedly that it did.

"The company," he stated, "does 95 per cent. of the business in its line. It has a monopoly, not of the water power resources but of the market, and that is because the service it gives is so good, and the charges are so low, that there is no possibility of any competition."

The committee's subsequent researches verified his testimony, and disclosed the fact that Montana led the world in per capita consumption of electric energy.

John D. Ryan was born in 1864 at Hancock, Michigan, in the Copper Range Mines district on Lake Superior, which his father had discovered. Growing up in the Michigan copper country he made friendships which directly helped him later to the friendship of Marcus Daly, the copper empire builder of Montana, who began as a mine laborer, and was "selling the coat off his back" to file his claims in the Anaconda region when its future was hidden from other mining men. But young Ryan did not immediately turn to mining or drift to Montana. At 17 he went to work in one of the general stores of an uncle of his, and he stuck there till 25, when he tried Denver.

"I was in Denver six months before I found

a job to suit me—and I wasn't hard to suit," he has declared. The job he finally found was that of a salesman of lubricating oils. It led him up and down and across the whole of the West. In Montana he sold Daly oils. He never worked for Daly, although the latter made him offers; instead, he rose through several stages of managerial responsibility in the oil business. But he did learn enough through Daly to open his eyes to Montana opportunities.

When Daly died, in 1901, his important chain of banks, of which he had been mate, captain, and crew of the captain's gig, had to be reorganized. Ryan took a large interest in the bank in Butte, and became its president with general charge of the chain.

His banking experience was his special course in Montana life and conditions. He graduated so well that by 1904 H. H. Rogers selected him to manage the Amalgamated properties, and Ryan's management so impressed Rogers that in 1907, when Rogers's health failed, hopelessly as he knew, he brought Ryan to New York to break him in for larger responsibilities. Upon the death of Rogers in 1908, Ryan was elected his successor in the presidency of Amalgamated.

The new president's consolidation of the affiliated copper interests was completed by 1910, and in 1914 Amalgamated was dissolved. The Anaconda reorganization now produces about one-fifth of the world's copper, and is the world's largest producer of silver and high-grade zinc. It has added heavy interests in newly opened mines in Utah and other Western states, and in South America. As for Ryan, the incomplete list of his presidencies and directorships, which, except his birth and marriage dates, is all the material biographical directories have obtained his consent to publish, follows: president of the Anaconda Copper Mining Company, the Montana Power Company, the U. S. Metals Selling Company; vice-president and a director of the Green Cananea Copper Company; director of the Guaranty Trust, the Inspiration Consolidated Copper, the International Smelting, and the Tobacco Products companies, and of the Mechanics & Metals National Bank, and the St. Paul Railroad.