

US History
Social & Political History of the 1920s

Learning Target:

I can analyze the Republican policies that encouraged business by examining the presidencies of William Harding and Calvin Coolidge in the 1920s.

5. The Republican Presidents of the 1920s

Warren Harding's Administration (1920 – 1923)

Theme of the administration –

“Less government in business and more business in government”

Harding's Cabinet –

- Included many businessmen
 - Sec. of Treasury – Andrew Mellon
 - Sec. of Commerce – Herbert Hoover
- Strong belief government should not interfere with economy unless aiding business

Two main goals of Harding's Administration –

1. Reduce the national debt –
 - National debt had grown from \$1 Billion to \$25 Billion due to war
 - Slashed spending and achieved a surplus to place on the debt
2. Promote economic growth –
 - Mellon proposed eliminating high wartime taxes on the rich
 - Rich would invest more money if taxes were low
 - Benefits will trickle down to the rest of American

Effects of Republican Policies –

- 1923 Harding's goals seemed to be working –
 - Unemployment was very low
 - Economic sectors experienced tremendous growth
 - Business boomed and thousands of mergers resulted
 - Antitrust laws were basically ignored
- Did Harding's goals always work?
 - Workers did not share in businesses prosperity
 - Business profits increased 60%; Workers income grew 10%
 - Many industries like textile faced pay cuts and unemployment

The Scandals of the Harding Administration –

-During midpoint of Harding's term several scandals started to become public

The Ohio Gang –

- Group of Harding's friends who came with him to D.C.
- Used their connection to the president to make financial gains illegally

The Scandals –

- Charles Forbes – Director of Veterans Affairs pocketed millions of dollars
- Attorney General Harry Daugherty – Resigned due to taking bribes

-The Teapot Dome Scandal –

- Albert Fall (Sec. of Interior) persuaded Sec. of Navy to transfer oil reserves to his dept.
- Fall granted private leases to oil reserves in Elk Hill, CA and the Teapot Dome reserves in WY in return for bribes
- Fall convicted and jailed for accepting bribes

“I have no trouble with my enemies . . . Buy my . . . friends, they're the ones that keep me walking the floor at night.” – Warren Harding

Calvin Coolidge's Administration (1923 – 1928)–

Harding Dies –

- August 1923 Harding died of an apparent heart attack in San Francisco while touring the West
- Vice President Calvin Coolidge was immediately sworn in as president
- Coolidge was silent, reserved, and stern contrasting greatly with Harding's outgoing personality – Called Silent Cal

First Actions of Coolidge –

- Tried to restore the reputation of the presidency by firing people involved in Harding's scandals
- Continued to promote Harding's pro-business policies since economy was booming

Coolidge As President –

- More pro-business than even Harding
- Cut more taxes on wealthy and vetoed legislation to help workers
- Argued that legislation to help workers or farmers limited private initiative
- Would have probably won reelection in 1928 but decided not to run
 - Found being president to burdensome and retired

Election of 1928 –

- Herbert Hoover will become the final Republican president of the decade
- He will be in office when the market crashes and prosperity comes to an end