

**CHAPTER 12** Section 2 (pages 419–421)

# The Harding Presidency

## BEFORE YOU READ

In the last section, you learned about some of the issues Americans faced following World War I.

In this section, you will read about President Harding and the issues his administration faced at home and abroad.

## AS YOU READ

Make a chart like the one below and fill it in with the major events of Harding's presidency. Take notes on the effects of each event.

### TERMS AND NAMES

**Warren G. Harding** 29th president of the United States

**Charles Evans Hughes** Secretary of state under Harding

**Fordney-McCumber Tariff** High tax on imports adopted in 1922

**Ohio gang** Harding's friends and advisors

**Teapot Dome scandal** Scandal surrounding Albert Fall

**Albert B. Fall** Secretary of the interior under Harding

EVENT	NOTES
Washington conference	reduced arms

## Harding Struggles for Peace

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### *How did Harding handle foreign affairs?*

In 1921, **Warren G. Harding** invited several major world powers to the Washington Naval Conference. Once there, Secretary of State **Charles Evans Hughes** urged that no more warships should be built for ten years and that the five major naval powers—the U.S., Great Britain, Japan, France and Italy—would scrap many of their existing warships. For the first time, nations agreed to *disarm* or reduce their weapons. In 1928, long after Harding left office, 64 nations signed the Kellogg-

Briand Pact. By signing the Pact, these nations said they would give up war as national policy.

Americans wanted to stay out of world affairs. But the United States still wanted France and Britain to repay the money they had borrowed during World War I.

Those two nations had suffered during the war. Their economies were too weak for them to repay the loans. To make matters worse, Congress passed the **Fordney-McCumber Tariff** in 1922. This tariff protected American business from foreign competition. But the tariff made it impossible for Britain and France to sell their goods in the United States.

As a result, France and Britain put pressure on Germany to pay its promised *reparations*. But Germany's economy had been destroyed. When Germany failed to make payments to France, French troops marched into Germany. To avoid another war, American banker Charles Dawes negotiated a settlement to end the loan crisis. Under the Dawes Plan, as the solution was called, the U.S. loaned money to Germany to pay back Britain and France which then repaid their American loan. Thus, the U.S. ended up getting paid with its own money. The solution left bitter feelings. Britain and France saw the U.S. as a miser for not paying its fair share of the costs of war; the U.S. felt Britain and France were financially irresponsible.

1. How did the Fordney-McCumber Tariff affect other countries?

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## Scandal Hits Harding's Administration

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### *How did scandal hurt Harding's administration?*

Some of Harding's cabinet appointments were excellent. But others caused problems. Three honest members of his cabinet were Charles Evans Hughes, Herbert Hoover, and Andrew Mellon. Hughes was secretary of state. He later became chief justice of the Supreme Court. The talented Herbert Hoover became secretary of commerce. Secretary of the Treasury Andrew Mellon reduced the *national debt* by about a third.

Other cabinet appointments caused problems. Some were part of the so-called **Ohio gang**. These were the president's poker-playing buddies from back home. They caused the president a great deal of embarrassment. It became apparent to some that the president's main problem was that he didn't understand many of the country's financial issues. This left him in the dark about practices going on in his own cabinet. He had to comply with whatever his advisers told him. Many of these people took advantage of the situation.

Charles R. Forbes, the head of the Veterans Bureau, was caught selling government and hospital supplies to private companies, and pocketing the money. Colonel Thomas W. Miller, the head of the Office of Alien Property, was caught taking a bribe.

One of the worst cases of corruption was known as the **Teapot Dome scandal**. It involved pieces of land called Teapot Dome and Elk Hills. This land was owned by the government and held large reserves of oil. **Albert B. Fall**, Harding's secretary of the interior, secretly leased the land to two oil companies. He received money and property in return.

Harding was not charged with corruption himself. He suddenly died in 1923, and Calvin Coolidge became president. Coolidge was then elected president in 1924.

2. What does the Teapot Dome scandal tell about President Harding?