

C. Political - Dominated by Republicans

1. Warren G. Harding (1921-1923)

a. Election of 1920

- James M. Cox - Democrat
  - campaigned for membership in the League
- Front Porch Campaign
  - avoided the League questions
  - "return to normalcy"

b. "Return to Normalcy"

- less government, reduced federal spending, and restricted use of Presidential Powers
- pro business
  - higher tariffs
  - lower taxes
  - inactivity of regulatory agencies

c. Foreign Policy

- favored isolationism
- made separate peace with Germany (1921) - no League
- Washington Conference
  - Five Power Treaty (1922): naval disarmament
  - Nine Power Treaty (1922): respect for territorial integrity and independence of China
  - Four Power Treaty (1922): respect Pacific possessions; differences settled by joint conference
- \* overall unenforceable, gave Japan time to build navy
- \* insisted on payments of war debts.

d. Domestic

- began planned federal spending
- Budget and Accounting Act
  - Bureau of the Budget
  - General Accounting Office
- Fordney-McCumber Tariff Act (1922)
  - raise tariffs
  - cut off European trade
  - led to retaliation by Europe
  - lowered income taxes
  - aid to veterans
  - The Veterans Bureau Act (1921)
  - vetoed "Bonus" bill

e. Scandals - "Ohio Gang"

- Charles R. Forbes - head of Veterans Bureau - stole money - \$250 million
  - Harry M. Daugherty - Atty. General - involved in rigged sales of public property - never convicted
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**Teapot Dome Scandal** - Albert Fall - Secretary of the Interior -leased national oil reserves to private companies for "loans" and gifts. Teapot Dome, Wyoming and Elk Hills, California

*On Aug. 2, 1923, Harding died, shortly after the full extent of the scandals was revealed.*

2. Calvin Coolidge - "Silent Cal"

a. "Business of America is business"

- encourage and regulate as little as possible
- reduce government spending
- lower taxes
- vetoed aid to farmers
- McNary-Haugen Bill
- buy surplus goods

\* his failure to act on economic matters helped to bring on the Great Depression.

b. Foreign Policy

- continued isolationist policies
- Kellogg-Briand Pact (Pact of Paris)(1928)
  - Sec. of State - Frank B. Kellogg
  - French Foreign Minister - Aristide Briand
    - 1) signed by 60 nations
    - 2) outlawed war as instrument of peace
    - 3) no power of enforcement
- combined "dollar diplomacy" and "Good Neighbor" policies

3. Hoover

a. Election of 1928 - defeated Alfred E. Smith

- Roman Catholic - NYC, lost traditionally "Solid South" states
- "wet" - anti-prohibition
- Republican claim to prosperity

b. Business Philosophy

- credited "rugged individualism"
- gov't interference would hurt economic progress and personal liberty
- high tariffs, low taxes, balanced budget

c. Foreign Policy

- revoked the Roosevelt Corollary

d. Bonus Army March (July, 1932)