

Politics of the Roaring Twenties

Section 2

The Harding Presidency

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

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

Use a chart to take notes on the effects of the major events of Harding's presidency.

HARDING STRUGGLES FOR PEACE (Pages 419–420)

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

Section 2, *continued*

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?

SCANDAL HITS HARDING'S ADMINISTRATION

(Pages 420-421)

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?

Name _____ Class _____ Date _____

Section 2, *continued*

In the blank boxes below, write one or two words that describe how each nation, person, or group felt about the issues listed.

1. Americans → Kellogg-Briand Pact	
3. Americans → Immigrants	
5. Harding → Administration scandals	

2. Britain and France → Dawes Plan	
4. Ohio gang → Public service	
6. Americans → Harding	

Ch 12.1 quiz

Select the letter of the term, name, or phrase that best matches each description. Note: Some letters may not be used at all. Some may be used more than once.

- | | |
|--------------------|-----------------------|
| a. anarchists | f. A. Mitchell Palmer |
| b. communism | g. Sacco and Vanzetti |
| c. Ku Klux Klan | h. quota system |
| d. John L. Lewis | i. isolationism |
| e. Calvin Coolidge | |

- _____ 1. This established the maximum number of immigrants who were allowed into the United States from each foreign country.
- _____ 2. Although its membership sharply increased as a result of the Red Scare and nativism, its power declined once its criminal activity and racial violence became exposed.
- _____ 3. This is a policy of abstaining from involvement in world affairs.
- _____ 4. This is an economic and political system based on a single party government ruled by a dictatorship.
- _____ 5. Their radical opposition to any and all forms of government led many with similar beliefs to be harassed, arrested, and deported during the Red Scare.
- _____ 6. As Attorney General, he sent government agents out on a series of illegal raids to hunt down suspected radicals.
- _____ 7. As the governor of Massachusetts during the Boston police strike, he opposed the strikers and called out the National Guard to restore order.
- _____ 8. As president of the United Mine Workers, he led the miners on a strike that eventually resulted in a significant wage increase.

12.2 Write either True or False in the blanks. The underlined sections are the facts in question.

- _____ 1. The Kellogg-Briand Pact rejected war as an instrument of national policy.
- _____ 2. As a result of the Washington Naval Conference, Britain and France were not able to sell enough goods to pay off their war debts.
- _____ 3. The Dawes Plan arranged for loans to be made to Germany so that it could pay war reparations.
- _____ 4. The Ohio gang consisted of various enemies of President Warren G. Harding who took advantage of their political positions to gain wealth and influence.
- _____ 5. The Teapot Dome scandal involved the secret leasing of oil-rich lands owned by Albert B. Fall to private oil companies.

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Section 3

The Business of America

Terms and Names

Calvin Coolidge President of the U.S. (1923–1929) succeeded to presidency on death of Harding, elected in 1924

urban sprawl The outward expansion of cities

installment plan An easy way to borrow money to buy goods

Before You Read

In the last section, you read about Harding's presidency. In this section, you will read about the economy of the 1920s.

As You Read

Use a web diagram to take notes on the changes in business and technology in the 1920s.

AMERICA'S INDUSTRIES

FLOURISH (Pages 422–424)

How did the success of certain industries affect American life?

The new president, **Calvin Coolidge** said, "The chief business of the American people is business." Both Coolidge and his Republican successor, Herbert Hoover, favored government policies that promoted business and limited government interference.

The automobile changed the American landscape. New roads were built, and new businesses sprang up such as gas stations, repair shops, public garages, motels, tourist camps and shopping centers. Automobiles ended the isolation of rural families and gave young people and women more independence. Cars also made it possible for people to live farther from their jobs. This led to **urban sprawl**, as cities spread out in all directions.

Cities in Ohio and Michigan grew as major centers of automobile manufacturing. States that produced oil

such as California and Texas also prospered.

The automobile also became a status symbol. Everyone wanted to have one. By the late 1920s, about 80 percent of all the cars in the world were in the United States.

The airline industry also grew. Planes carried the nation's mail. Passenger service began.

1. Name three ways the automobile changed American life.

AMERICA'S STANDARD OF LIVING SOARS (Pages 425–426)

How did the American household change?

Another major change was the spread of electricity. In the 1920s, electric power stretched beyond big cities to the suburbs. Still, farms lacked electricity.

Section 3, *continued*

Americans began to use all kinds of electrical appliances. Radios, washing machines, and vacuum cleaners became popular. These appliances made housework easier. One result was more leisure time for families. Another effect was to increase the number of women working outside the home.

More consumer goods appeared on the market. Businesses used advertising to sell these goods. Ads didn't just give information about the product. Now, they used psychology. They tried to use people's desire for youth, beauty, and popularity to sell products. Things that once were luxuries became necessities. Some brand names became known nationwide.

Businesspeople formed organizations to do charity work. They also formed organizations to promote business.

2. How did advertising change American life?

A SUPERFICIAL PROSPERITY

(Pages 426–427)

What hidden problems did the economy have?

Most Americans had confidence in the prosperity of the 1920s. The national income rose from \$64 billion in 1921 to

\$87 billion in 1929. Most businesses seemed to make fortunes. The stock market reached new heights. But this prosperity hid two big problems.

First, business was not as healthy as it seemed. As workers produced more goods, businesses grew. Large businesses bought up, or merged with, smaller ones. But as businesses grew, business managers made much more money than workers did. Also, mining companies, railroads, and farms were not doing well.

Second, consumer debt rose to high levels. Businesses needed to sell all the goods they were now producing. So they encouraged customers to buy on the **installment plan**. This was a form of borrowing. Customers could make low payments over a period of time. That way people could afford to buy more. Banks provided money at low interest rates. Advertising also pushed the idea of buying on credit. Average Americans were spending more money than they actually had.

3. Describe two economic problems hidden by the business boom of the 1920s.

Name _____ Class _____ Date _____

Section 3, *continued*

In the first column, write notes to describe how the inventions and trends of the 1920s changed American life. In the second column, write the name of a related company or product that contributed to the boom of the 1920s.

Invention or Trend	Effects of the Invention or Trend	Company or Product
1. Automobiles		
2. Airplane industry		
3. Alternating electrical current		
4. Modern advertising		
5. Installment plan		

Why should Americans in the 1920s have shown greater concern for their future? Note three things that were, or might have been, seen as “clouds in the blue skies of prosperity.”

1.

2.

3.

12.3 classwork

1. In each box below, write notes explaining one way in which the invention or innovation of the 1920s helped to increase America's standard of living.

1. Automobile

2. Airline industry

3. Alternating electric current

4. Modern advertising methods

5. Business mergers

6. Installment plan