

Chapter 8 Lesson 1

Politics of the 1920's

The Harding Administration

- 1) Harding appointed several excellent individuals to positions in his government
 - a. Herbert Hoover-Secretary of Commerce
 - b. Andrew Mellon-Secretary of the Treasury
 - c. Charles Evans Hughes-Secretary of State
- 2) Harding and his friends often hung out and played poker, they were known as the Ohio Gang
- 3) However, he also appointed several of his friends, who created scandals and used their power for their own gain.
 - a. Charles Forbes-sold medical supplies from veteran's hospitals and kept the money
 - b. Teapot Dome Scandal-Albert Fall (Secretary of the Interior)-allowed private companies to lease land at Teapot Dome containing Navy oil reserves, in return Fall took bribes. When it was over Fall became the first cabinet secretary to go to jail
 - c. Harry Daugherty-Attorney General-was investigated for taking bribes to sell a German business(confiscated during WWI) to a German agent-he refused to testify and was fired by Calvin Coolidge(President after Harding died)
- 4) Harding died on August 2, 1923-probably from complications of a heart attack, Calvin Coolidge became president

The Coolidge Administration

- 1) Coolidge was different from Harding he was quiet and was commonly known as Silent Cal
- 2) He kept the capable cabinet members and removed the others
- 3) He believed that business leadership not government involvement would lead to prosperity
- 4) He was nominated for President in 1924 and easily won.

Economic Prosperity

- 1) Andrew Mellon as Secretary of Treasury was responsible for economic policy.
- 2) He had three goals:
 - a. Balance the budget
 - b. Reduce government debt
 - c. Cut taxes
- 3) He believed that these policies would push economic growth and Americans would make more money, and then pay more in taxes. This is known as supply-side economics. By 1928, Congress had reduced tax rates dramatically. The federal budget also fell significantly.
- 4) Herbert Hoover (Secretary of Commerce) also helped to promote economic growth. He tried to balance government regulation with the idea of cooperative individualism (encouraged businesses to form associations and share information with the government).

Trade and Arms Control

- 1) America had gone from being a debtor nation to a creditor nation and the US tried to use its new economic status to promote peace
- 2) Most Americans favored isolationism (avoiding involvement in other nation's affairs). Many believed that America would be safer and more prosperous if it stayed isolated.
- 3) We really were not capable of being truly isolationist because we were too powerful and too connected economically to other nations, so we relied on economic policies and arms control agreements
- 4) The Dawes Plan: an economic plan to help England and France with their war debts and to help Germany with paying its reparations. American banks loaned Germany money to make its reparations payments to England and France. In return England and France agreed to accept smaller reparations amounts and to use the money to help pay their war debts to us. (created by Charles G. Dawes)
- 5) The Washington Conference: 1921-United States invited eight major nations to meet in Washington to discuss naval arms limitations. (Britain, Japan, France, Italy, China, Belgium, the Netherlands and Portugal) Sec of State Evans proposed a 10 year halt on building warships. It led to the Five Power Naval Limitation treaty between Britain, Japan, US, France and Italy but Japan was unhappy because the agreement required that their navy be smaller than the US and Britain.
- 6) The Kellogg-Briand Pact: 14 nations led by France and the US agreed to abandon war and settle their disputes by peaceful means
- 7) The London Naval Treaties: extended the Washington Conference/ agreed to ratios on war ships and halting arms races until 1936. In 1934, Japan stated that they would not renew the treaty in 1936. In 1935, the five met and Britain, US and France signed again but Japan and Italy refused.