

## Reflect

Answer the Qs in the margin.

What economic strategies did Harding favor?

How was Hoover's approach to labor and business unusual?

Explain one of the scandals in your own words.

How did Vice President Coolidge come to take office?

# Ch7.2 The Business of Government

## Harding Administration

- In 1920 Warren G. Harding was elected President, promising a “return to .....””
- Unlike Progressives, Harding favored ..... interests & reduced federal regulations.
- His Secretary of the Treasury **Andrew** ..... was for low taxes & efficiency in government.
- Mellon cut the federal budget from a wartime high of \$18 billion to \$ ..... billion.
- Secretary of Commerce Herbert ..... sought voluntary cooperation between labor and business.
  - Instead of relying on legislation to improve labor relations, Hoover got business and labor leaders to .....together.
- Harding was a popular, fun-loving president who trusted others to make decisions for him.
  - Some advisors, such as Mellon and Hoover, were honest, capable, and trustworthy.
  - Others, including a group known as the “..... Gang,” were not so civic-minded.
- **Some Scandals of Harding's Administration**
  - Charles Forbes, head of the .....Administration, wasted millions of dollars on overpriced, unneeded supplies.
  - Attorney General Harry Daugherty accepted ..... from criminals.
  - Secretary of the Interior Albert ..... took bribes in return for federal oil reserve leases.
- **The Teapot Dome scandal became public.**
  - In 1921, Fall took control of federal ..... reserves intended for the navy.
  - He then leased those reserves to private oil .....
  - Fall was sent to prison.
  - President Harding did not live to hear all of the scandal's details. He died in 1923.

## Coolidge Admin

- In August 1923, Vice President Calvin ..... became President.
- Coolidge was a quiet, honest, frugal Vermonter.
- As President, he admired productive business leaders.

## Reflect

**Answer the Qs in the margin.**

What triggered middle and upper class prosperity?

Who did not enjoy prosperity?

How did the US influence world policy?

In what way was it beneficial to the US create the Dawes Plan?

- Coolidge believed that “the chief business of the American people is .....”
  - Coolidge continued Mellon’s policies to reduce the national ..... trim the budget, and lower taxes.
  - The country saw huge industrial profits and spectacular growth in the stock market.
  - The middle and upper classes ....., especially in cities.

**Not everyone shared in the era’s prosperity.**

- Farmers struggled as agricultural prices .....
- Labor ..... fought for higher pay and better working conditions.
- African Americans and Mexican Americans faced severe discrimination.
- Coolidge ignored such issues, believing it was not the federal government’s job to legislate ..... change.

**Under Harding and Coolidge, the United States assumed a new role as a ..... leader.**

- Much of U.S. foreign policy was a response to World War I’s devastation.
- The **Washington Naval Disarmament Conference** ..... construction of large warships.
- The **Kellogg-Briand Pact**, signed by 62 countries, outlawed .....
- But the U.S. refused to join the World Court.

**During this period the United States also became a world economic leader.**

- To protect American businesses, Harding raised ..... on imported goods by 25%.
- European nations retaliated, creating a tariff .....
- The ..... **Plan** loaned money to Germany so that Germany could pay reparations to Britain and France; in turn, those countries could repay the U.S. for wartime loans.

**Reflect**

**SUMMARY-** Summarize your notes using at least 6 complete sentences:

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