

READING CHECK

What was the purpose of the Kellogg-Briand Pact?

VOCABULARY STRATEGY

Find the word *incentives* in the underlined sentence. Money, rewards, and praise are sometimes used as *incentives*. Use this information to help you figure out the meaning of *incentives*.

READING SKILL

Compare and Contrast Look at the diagram comparing similarities and differences between Presidents Harding and Coolidge. How did their differences influence their presidencies?

In 1920, fun-loving Warren G. Harding was elected President. Favoring big business, he named banker **Andrew Mellon** as Secretary of the Treasury. Harding raised protective tariff rates, which made it easier for U.S. producers to sell goods at home. In response, Europeans also raised tariffs, weakening the world economy. Harding did not like laws designed to protect workers and reform business. Instead, his Secretary of Commerce, **Herbert Hoover**, asked businesses to make voluntary changes.

Harding was a friendly man but not very intelligent. He named his poker-playing friends to important government positions. One friend, Charles Forbes, wasted millions of dollars while running the Veterans' Bureau. Another, Secretary of the Interior Albert Fall, took bribes to transfer control of oil reserves from the United States Navy to private oilmen. The incident became known as the **Teapot Dome scandal**. Fall was later sentenced to a year in jail. Harding died in 1923, before the full extent of the scandal came to light.

The new President, **Calvin Coolidge**, was quiet and honest. He appointed trustworthy men to jobs in the government. Like Harding, he mistrusted laws that restricted businesses. He reduced the national debt and lowered taxes to give incentives to businesses. Still, he ignored the country's other problems, such as low farm prices, racial discrimination, and low wages for workers.

In foreign policy, Coolidge pushed European governments to repay war debts. The 1924 **Dawes Plan** made it easier for Germany, Britain, and France to repay those loans. In 1928, 62 nations signed the **Kellogg-Briand Pact**. This treaty outlawed war, but it was quickly forgotten because it could not be enforced.

Review Questions

1. What was the Teapot Dome scandal?

2. How did Presidents Harding and Coolidge feel about laws that restricted businesses?
