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The Veterans' Bonus and the Evolving Presidency of Warren G. Harding

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Scholars attempting a positive reappraisal of Warren G. Harding's presidency claim that his political beliefs changed markedly during his short administration. This article concurs but suggests that revisionist writers underestimate the crucial part played in this metamorphosis by the president's clashes with Congress over cash compensation for war veterans. These confrontations shattered Harding's belief that the presidency and Congress could return to a cooperative working relationship after the tensions of the Roosevelt-Wilson era. The bonus clashes are, therefore, the defining moments of Harding's administration—eroding his partisan loyalty and forcing him to adopt the assertive, interventionist executive posture he had once criticized.

Between July 1921 and September 1922, the administration of Warren G. Harding was embroiled in a prolonged dispute with Congress on the issue of cash compensation for veterans of the First World War. The “soldiers” bonus debate was not a straightforward partisan struggle. In arguing its case for fiscal restraint in a time of recession, the Republican White House faced not only a coalition of Democrats and dissident Republicans but also the organized might of the American Legion of Ex-Servicemen, one of Washington’s most powerful lobbying groups. Further, the confrontation worsened tensions in an already-divided and rebellious Congress and raised the specter of class conflict by aggravating the resentment felt by many war veterans at their postwar economic status.

For scholars of the presidency, the most compelling feature of this dispute is its impact upon the leadership style and political convictions of Warren Harding. The countervailing pressures exerted by party leaders, lobbyists, journalists, and members of Congress upon the president, this article will suggest, forced him to abandon, at least temporarily, his settled political convictions. His once unshakable faith in Congress as a responsible legislative body was weakened and his confidence in partisan politics as a

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governing tool similarly declined. Harding's conduct during the bonus controversy, it will be argued, differs significantly from the stereotypical portrait of this "weak-willed" president—a portrait still more or less embedded in standard surveys of American history. This article adopts the broadly revisionist perspective of early 1920s politics offered within *The Available Man* (Sinclair 1965), *The Harding Era* (Murray 1969), and *Warren G. Harding* (Dean 2004) but suggests that, to date, curiously little emphasis has been placed upon the bonus debate as an important contributing factor toward what has been termed Harding's "metamorphosis" in office (Sinclair 1965).

The Harding Mythology

Unusual for a twentieth-century administration, there are comparatively few detailed, scholarly assessments of Harding's tenure. This is partly an accident of circumstance. His landslide election in November 1920 closed out an epoch of progressive reform and war, whereas his death, in August 1923, came only months before the true beginning of the "Roaring Twenties" and the later descent into depression and world war. Harding's presidency, therefore, tends to be regarded as something of a historical backwater, overshadowed at either end by momentous events and colorful characters.¹

Conversely, the *personality* of the twenty-ninth president has drawn attention and criticism entirely disproportionate to his seemingly dismal historical status. Portrayals of Harding published before the 1960s generally depicted him as a lazy, tragicomic figure, hen-pecked by a domineering wife, "controlled" by a corrupt political manager, "befuddled" by the complexities of policy making, and "overawed" by the responsibilities of his office. After his death, writers generally unsympathetic to his conservative social and political views produced accounts of the administration heavily reliant upon second-hand, impressionistic sources and, in some instances, simple gossip.² For four decades, as legal wrangles delayed the release of the late president's papers, these accounts were the primary source of reference for students of history. Equally dubious "memoirs" published by Harding's reputed mistress and by a discredited former Secret Service agent inflicted further damage by focusing public attention upon melodramatic stories of illegitimate children and murder plots.³ Subsequently, it seemed, no criticism of Harding or his administration could be deemed too derogatory or overblown. Thomas A. Bailey, who largely blamed Harding for terminating Woodrow Wilson's hopes for U.S. membership in the League of Nations, dismissed him as "morally sick" (Bailey 1945, 353). William Allen White pronounced him a man with "a weak heart and a thick head" (White 1928,

1. Paul Carter's short account of American politics of the 1920s, published in the late 1960s, includes the illuminating comment of one history graduate that students "never paid any attention to what the books said about Harding and Coolidge because we knew the professors were in a hurry to get to Roosevelt." See Carter (1968, 38).

2. See, particularly, White (1928); Allen (1931); and Adams (1939).

3. For the claim of Harding's paternity of an illegitimate daughter, see Britton (1927). For the claim that the president was poisoned by his wife, see Means (1930).

421). Samuel Hopkins Adams, referencing Sinclair Lewis's fictional Midwestern character, called Harding "an amiable, well-meaning, third-rate Mr. Babbitt" and "an ignoramus" (Adams 1939, 190).

After the president's death, some administration officials, including Interior Secretary Albert Fall, Veterans Bureau Chief Charles Forbes, and Attorney General Harry Daugherty, were indicted for corruption. The Teapot Dome scandals obsessed the press in 1924-1925 and were used by Harding's detractors as a blanket justification for their claims that the president's inability to judge character had resulted in an administration rife with thievery and incompetence.⁴ As James David Barber later observed, Harding's not inconsiderable political achievements were "lost in the fascinating revelations that began to emerge toward the end of his presidency" (Barber 1972, 193).

When the Harding presidential papers were finally opened to scholars in 1964, a modest reevaluation became possible, based upon an overdue shift of focus away from Harding's private affairs and toward his performance as a political leader. Murray, in particular, shed new light on the twenty-ninth president's executive style, policies, and achievements. These reappraisals, partially echoed later by Robert K. Ferrell and John Dean, measured Harding's performance against the political conditions and public demands of the 1920s rather than against the standard in executive dominance which was set by Franklin Roosevelt after 1932 and adopted as a yardstick by most historians and political scientists for the next forty years.⁵

Applying this yardstick, most accounts of Harding's political philosophy inevitably disapproved of his desire to restrain the presidency's growth in size and power. From the prevailing liberal perspective of the mid-twentieth century, this desire appeared short-sighted, even regressive. Harding's presidency, therefore, was condemned not merely for what it did or failed to do, but for what it *was*. Harding's political views had matured in the late nineteenth century, a period in which laissez-faire economic policies permitted rapid and largely unrestrained industrialization. In this period, the semi-dictatorial powers enjoyed by the executive during the Civil War had been sharply curbed by powerful congressional figures such as Thaddeus Stevens and Roscoe Conkling. Presidents of the "Gilded Age" were forced to tread carefully, both in their relations with Congress and in their assertions of independent authority. Between 1865 and 1901 (by which time aspiring Ohio politician Warren Harding was thirty-six years old) the executive branch endured a period of relative eclipse similar to that of the 1840s and 1850s.

By 1920, however, many in Congress were concerned that an irreversible shift in the constitutional balance of power *in favor of* the presidency had occurred since 1901.

4. No evidence has been uncovered that Harding was personally involved in, or benefited from, the illegal leasing of oil lands. Shortly before his death, he received information of the Veterans Bureau scandal, in which a vast amount of government supplies, intended for wounded veterans, was sold off for profit. Forbes fled to Europe and his deputy, Charles Cramer, committed suicide. Harry Daugherty escaped conviction on corruption charges but Albert Fall later received a prison sentence.

5. Despite Sinclair's nods toward revisionism, *The Available Man* still reflects 1930s-1970s economic orthodoxy in its brusque dismissal of "the extreme backwardness" of Harding's pro-business policies (Sinclair 1965, 202). The rise to prominence of supply-side theory after the 1970s prompted some conservative writers to reappraise Harding-Mellon economic policies in a more positive light.

Theodore Roosevelt and Woodrow Wilson, they argued, had deliberately weakened congressional authority by using the judiciary and the press as weapons against both the national legislature and the traditional concept of states' rights in pursuit of their own independent political agenda. This view was not universally held. Many, though not all, progressives regarded the government in Washington as an ideal engine for driving reform. They claimed that devising and applying new national standards in food hygiene, workplace safety, environmental protection, corporate behavior, and child labor enabled the federal government to expand the range of its regulatory activities and circumvent the greedy, short-sighted partisanship of Congress, which often worked against the interests of the American people as a whole.

The "Whig" theory of presidential power, for which conservative senators of *both* major parties had become nostalgic by 1920, was rooted in the older, nineteenth-century norm of a presidency constrained, on one side, by powerful House and Senate leaders and, on the other, by strict adherence to states' rights. Under this constitutional interpretation, presidents were expected to acknowledge the singular importance of Congress as a gathering of state representatives, as an arena of partisan power, and as a body more genuinely expressive of the wishes of American voters than the presidency could hope to be. Ulysses Grant, William McKinley, and William Howard Taft, Sinclair suggests, were content to follow this tradition (Sinclair 1965, 58-59). Roosevelt and Wilson, however, trampled it down—defying their party's leaders, transgressing states' rights, expropriating Congress's role as articulator of the public interest, and, at least in Roosevelt's case, encouraging the rise of a minor personality cult.

Harding, from his earliest days as a newspaper editor and Ohio politician, deplored these trends and the disruption they appeared to cause to the political system and to stable party politics. When Roosevelt bolted the Republican party in 1912 to campaign for the presidency on a third-party ticket, he attacked the former president for deserting his party—comparing him to Aaron Burr, "the same tendency to bully and browbeat, the same type of egotism and lust for power" (Dean 2004, 29). To Harding, as to Ronald Reagan later in the century, party loyalty was the central pillar of stable democratic government and presidential self-aggrandizement a dangerous weakness.

Wilson's error, equally grave in Harding's view, had been to ignore the legitimate authority of the Senate—the other political institution that Harding (a senator from 1915) most revered. Wilson's refusal to invite members of the Senate Foreign Relations Committee to join the U.S. delegation to the Versailles Peace Conference in 1918 helped undermine the prospects for ratification of the Versailles Treaty. His later refusal to consider amendments offered by Congress contributed significantly to its defeat.

The careers of Roosevelt and Wilson were effectively terminated by these errors of judgment but their actions created lasting bitterness. By 1920, both the Republican and Democratic parties were, in different ways, experiencing the damaging aftershocks of presidential hubris. Harding believed that, by reining in the presidency, by restoring its partisan accountability and compelling it to cooperate with, rather than dictate to, Congress, a repetition of these problems might be avoided. No Congress, he commented in 1920, could work constructively with a president who "entered the political arena like an armed gladiator" (Murray 1973, 23-24).

This argument was not simply the knee-jerk reaction of an unreconstructed nineteenth-century Whig. Despite his appeals for executive restraint, Harding did *not* support reducing the president's status to, in the words of President James Garfield, the "registering clerk of the Senate" (Sinclair 1965, 58). He had, for example, supported Roosevelt's efforts to regulate the trusts and protect the environment. He had also backed Wilson's centralization of economic and political power as a wartime expedient, suggesting to *New York Times* reporter Richard Barry, "Why not give him a full and free hand, not for his sake but for our sake?" (Russell 1969, 295). Once the war ended, however, he was among the first to call for the dismantling of the apparatus of control and to welcome the prospect of a return to "politics-as-usual."

In essence, Harding's much-derided call for a "return to normalcy" meant not simply a return to peace and prosperity or the return of U.S. troops from the battlefields of Europe but also the restoration of healthy partisan politics and a readjustment of power relations between the executive and legislature. It is important to note that he believed this would only be achieved by a *combination* of presidential *and congressional* self-restraint.⁶ He saw no merit in a system in which either institution served as a cipher for the other and called, instead, for cooperative relations between the two branches, with each respecting the constitutional prerogatives of the other.⁷ The executive should act with restraint in order to preserve its natural authority and public respect while continuing to perform one of its key functions—to check, where necessary, an ill-disciplined or authoritarian legislature. Many of his colleagues in Congress, however, did not share this moderate perspective and resented their perceived loss of autonomy during the Roosevelt-Wilson era. They looked forward to the virtual defenestration of presidential power after the elections of 1920.

Harding's supporters at the 1920 Republican convention in Chicago regarded him as the ideal candidate to restore "normalcy." Mark Sullivan, though not a supporter, described the senator's character as an "odd combination of modesty and self-effacement . . . with a marked streak of firmness" (Sullivan 1921, 616). He had a reputation as a conciliator, a good listener, and a shrewd politician with an intuitive grasp of popular sentiment. Democrats as well as Republicans considered these qualities highly marketable as a contrast to the Wilson era.⁸ Progressive critics, however, saw Harding's conciliatory instincts as signs of weakness and his nomination as a "conspiracy" between oil interests and a cabal of conservative Republican senators to place a "puppet" in the White House.⁹ Walter Lippmann declared that a "Regency of the Senate" was the secret aim underlying the Chicago "conspiracy" (Steel 1981, 168). The *New York Times* famously

6. This was also a declared goal of President Wilson, who approved a distinctly partisan strategy for Democrats in the 1918 midterm elections.

7. The candidate himself defined it as "normal procedure. The natural way. Without excess" (Murray 1969, 70).

8. They were also qualities in which Wilson was singularly deficient, possibly helping to explain why the Democrats also nominated a little-known Ohio newspaperman in 1920—Governor James M. Cox.

9. This claim, revisionist writers argue, ignores the chaotic nature of the convention. Deadlock between Frank Lowden and Leonard Wood led, predictably, to the search for a dark-horse compromise candidate. The 1920 convention, therefore, followed the example set by many nineteenth-century conventions. For useful accounts of the Chicago convention, see Bagby (1962) and Page (1920).

labeled the Republican nominee “the firm and perfect flower of the cowardice and imbecility of the senatorial cabal” (Barber 1972, 199). Cynicism was widespread and prepared the ground for later negative portrayals of Harding’s presidency. Karl Schriftgieser termed the choice of Harding as “a fraud upon the people” (Schriftgieser 1948, 20). Adams claimed Harding was the natural choice of Republican power brokers because, “with his inbred deference to party authority he was always ready to take orders. In fact, he welcomed them” (Adams 1939, 169).

As early as December 1920, Harding seems to have suspected that some Republicans in Congress regarded his election as a mandate for open rebellion against the executive. His private correspondence reveals he also deeply resented the claim that he was a “stooge.” His uncharacteristically blunt rejection of attempts by senior Republicans such as Frank Brandegee, Henry Cabot Lodge, and Hiram Johnson to influence his cabinet appointments probably stemmed from his growing sense of unease over relations with the new 67th Congress. On December 6, 1920, he visited the Senate to take his leave of his old colleagues. His speech was, for the most part, a genial and rather humble farewell but, in one key passage, the tone changed suddenly as he warned,

Something has been said about the “Senatorial oligarchy.” Of course, everyone here knows that to be a bit of highly imaginative and harmless fiction. . . . When my responsibilities begin in the executive capacity, I shall be as mindful of the Senate’s responsibilities as I have been jealous for them as a member; but I mean, at the same time, to be just as insistent about the responsibilities of the executive. (Sullivan 1921, 617)

In the April 1921 edition of the *World’s Work*, journalist Mark Sullivan, who had watched the speech from the press gallery, recalled this short passage of the speech as “the real thing Harding had to say” and detected a sudden and “most disquieting apprehension” among the listening members of Congress (Sullivan 1921, 616).

Origins of the Bonus Dispute

The idea of cash compensation for American servicemen returning home from active duty did not originate in the 1920s. In 1875, the 43d U.S. Congress passed House Bill 3341, proposing payment of around \$8 a month of federal money to support Civil War veterans who had defended the Union and for those whose injuries prevented them from finding permanent employment. Ironically, it was President Ulysses Grant, former commanding general of the Union armies, who killed the measure with a pocket veto. His veto message questioned whether many ex-soldiers had, in fact, asked for cash aid and expressed concern that a sizable proportion of the allotted monies would simply line the pockets of “claim agents and middlemen.”¹⁰ In any event, Grant argued, the country could not afford the financial burden of a long-term compensation scheme.

In 1919, the idea was revived by some Republican and Democratic congressmen, who proposed generous financial aid for the “doughboys,” regardless of whether they had

10. White House memorandum, “For the Press: For Evening Papers of Saturday July 16th.” Harding Presidential Papers, Box 545, Roll 0653, File 7.

returned from Europe disabled, slightly wounded, or unscathed. The bonus scheme was motivated partly by a genuine desire to express the nation's gratitude to its defenders and partly by the realization that the votes of ex-soldiers would be heavily influenced by the American Legion of Ex-Servicemen in the 1920 presidential campaign. The legion spearheaded the compensation drive, claiming that men who had stayed at home during the war had benefited from higher wages and price controls. It also insisted upon wage parity between ex-soldiers and civilian government employees, because thousands in the latter group had received cash subsidies after 1917 to help them adjust to wartime inflation.

The legion had offices in almost every state and was reputedly capable of mobilizing around five million voters. It was courted assiduously not only by politicians genuinely supportive of cash compensation but also by those worried for their own reelection margins. Thus, through the active support of some political leaders and the self-interest or sheer indifference of others, the bonus campaign gathered momentum.¹¹ Between 1918 and 1921, thirty-eight states passed some form of compensation law (Dean 2004, 107). Maine, Massachusetts, Rhode Island, Michigan, Missouri, New Jersey, Ohio, South Dakota, Wisconsin, and Washington all adopted a straightforward cash bonus scheme. Under the plans enacted by the first three of these states, each veteran was to receive a \$100 flat payment. Other states restricted amounts paid to \$10 or \$15 to each veteran for each month served in the armed forces and set ceilings of between \$100 and \$400 as the total payable per individual (Kettleborough 1922, 455-56). The amount of the bond issue required to subsidize these schemes placed heavy additional pressure upon state finances. Massachusetts made appropriations of \$495,000 during 1922 and a further \$447,000 in 1923 to finance aid payments, while the Michigan state government's annual bill totaled \$750,000 (Kettleborough 1924, 561).

In 1920, the national economy experienced a sharp downturn. Since 1917, wartime demand had artificially inflated profit margins and kept employment levels high. The end of hostilities brought falling demand, bankruptcies, closures, and rising unemployment just as returning ex-servicemen entered the job market. Unemployment stood at 1.5 million (4 percent of the workforce) in 1920. By 1921 it had reached over 5 million. As inflationary pressures forced up the cost of living, the nation braced itself for a tidal wave of refugees seeking to escape the postwar chaos of Europe. Rather than damping down the demands made upon state governments for additional expenditures, the combined pressure of these factors stimulated further urgent demands from bonus campaigners for federal assistance, whatever the long-term cost to the U.S. Treasury.

Around forty measures proposing varying forms of compensation for veterans (including cash compensation and financial assistance for house or farm purchases) were under consideration by the House of Representatives in June 1920. H.R. 14157 (the World War Veterans Adjusted Compensation bill) was approved in May 1920 but was still under consideration by the Senate Finance Committee when the 66th Congress adjourned in March 1921. This bill called for provision of \$2 billion by the U.S. Treasury

11. It is worth noting that prohibition gained momentum as a nationwide political force in the same way through the first two decades of the twentieth century.

to be paid at the rates of \$1.25 to each serviceman for each day served overseas after the first sixty-day period. It also advocated changes to the tax system to ensure that bonus payments could be properly funded. During the 1920 elections, the issue surfaced sporadically at the state and local party levels but did not feature prominently in either the Democratic or Republican national platforms. Voters sympathized with veterans' difficulties but many were now themselves suffering the effects of recession. Their attention, and that of leading presidential candidates, focused upon cutting taxes and raising tariffs on imported goods as incentives for economic recovery. Both major parties made positive noises over the *concept* of assistance for veterans. The nature and timing of such aid, however, was not specified.

Warren Harding, the Republican nominee, faced a dilemma because a majority of legislators supporting federal cash payments were his party colleagues in Congress. In campaign speeches he adhered to the GOP's 1920 election platform, which called for cuts in federal expenditures to reduce the national debt to a manageable size. In 1921, the debt, which had stood at \$1.2 billion in 1914, had climbed to \$24 billion (Perrett 1982, 130). This unprecedented rise alarmed Wall Street, the Treasury, and fiscal conservatives of both parties, who feared it would depress prospects for economic recovery. By offering deep cuts in federal spending in tandem with sizeable reductions in tax income, Republicans impressed voters with their fiscal rectitude but left little room for costly new projects.

Harding repeatedly assured the American Legion that wounded and disabled veterans would receive long-term medical care, physical rehabilitation, and job retraining from a Republican administration. A cash bonus, he added, was *feasible* but dependent upon economic conditions and a viable funding scheme. This formula permitted him to appear sympathetic to veterans' issues without committing himself to a policy at odds with his party's cost-cutting platform.

Aid for Wounded Veterans

Fifty veterans in wheelchairs sat close to the speakers' rostrum on March 4, 1921, as President Harding spoke to the crowd gathered before the east front of the Capitol. After denouncing wartime profiteering by individuals and corporations, he directly addressed the veterans,

A generous country will never forget the services you rendered, and you may hope for a policy . . . that will relieve any maimed successors from taking your place on another occasion such as this. (*The Outlook* 1921, 415)

The new administration's first priority was to deal with the problems of housing and medical treatment for wounded ex-servicemen. Standards of treatment for soldiers in state and private hospitals varied widely in 1921. Numerous agencies existed to aid wounded veterans but these were neither coordinated nor properly regulated by the federal government. In August 1921 the Federal Board for Vocational Education, which oversaw rehabilitation of veterans, and the Bureau of War Risk Insurance, which admin-

istered compensation for injuries received in action, were amalgamated into one large department—the Veterans Bureau. Harding gave the job of bureau director to the head of the existing War Risk Bureau, Charles Forbes. The new bureau, an unwieldy creation with a budget of around \$450 million and instructions to standardize the treatment of wounded military personnel, was intended to symbolize the president's determination to deliver on his promises to veterans (Anthony 1998, 329). Responding to complaints from Representative Joseph W. Fordney (R-MI) that many ex-servicemen were still not receiving adequate care, Harding pointed out that the government was vigorously pursuing its stated aims:

There are here and there exceptional cases of neglect, and attending complaint, but we are seeking them out and correcting them with all possible speed. It has not been possible to meet all the demands for special hospitalization, but we are building to that end, without counting the cost.¹²

It is probable the president knew that his comment on cost counting was not strictly true. On July 9, 1921, he had received a confidential memorandum from Harry Fidler, acting director of the Federal Board for Vocational Education, which recounted a July 7 meeting at which Fidler, Commerce Secretary Herbert Hoover, Labor Secretary James Davis, and Agriculture Secretary Henry Wallace had been present. The meeting recommended that the subsistence allowance of trainees under the Vocational Rehabilitation Act be reduced to \$70 a month.¹³ Fidler estimated a saving to the government of \$3 million a month and numerous other side benefits such as the encouragement of frugality and the weeding out of “undeserving” cases. The cuts, Fidler suggested, would also serve as a warning to veterans organizations that the government would not be coerced into spending more money than it could afford.

Costs of existing provision were already a burden on government funds. Since 1919, 107,824 ex-servicemen had taken some form of government-sponsored vocational training or rehabilitation program. By bureau estimates, a further 95,000 men would enroll by the close of 1921, at a maximum cost of \$160 per month each; 8,000 more men were being retrained *without* payment, with the government covering the costs of tuition and materials at \$35 per soldier per month. Against these figures, Congress's 1921 appropriation of \$65 million to cover these programs fell short of the total amount required by more than \$100 million (*Senate Journal* 1921, 194). The administration was sensitive to the potential political fallout from any attempt to further restrict funding. “Any reduction in the maintenance pay is going to be bitterly fought by the ex-service men's organizations,” Fidler noted, “Therefore, this matter requires the most careful handling.”¹⁴

12. Letter, WGH to Joseph W. Fordney, February 16, 1922. Harding Presidential Papers, Box 546, Folder 95. Harding was not yet aware that his choice of VA director was a disastrous one. Under Forbes's management, army surplus stock was pilfered and sold at inflated prices on the open market. When the scandal broke, in the spring of 1923, Harding fired Forbes, who fled to Europe to escape prosecution.

13. Harry L. Fidler, Memorandum to WGH, July 9, 1921. Harding Presidential Papers, Box 545, Folder 2.

14. Harry L. Fidler, Memorandum to WGH, July 9, 1921. Harding Presidential Papers, Box 545, Folder 2.

Despite his assurances to Fordney, Harding was also committed to supporting the campaign of Secretary Hoover and of Charles Gates Dawes, director of the new Bureau of the Budget, for cost effectiveness across all government departments and lower-level bureaus. Many congressional Republicans, however, wanted the president to move beyond soothing platitudes and express the nation's gratitude in hard cash.

The administration faced a dilemma. The multibillion-dollar cost of any projected bonus threatened the plans of Treasury Secretary Andrew Mellon for substantial cuts in taxation before the 1922 elections and Harding had committed himself to them as the centerpiece of his economic recovery strategy in his address to a special session of the 67th Congress on April 12, 1921. Conscious of pro-bonus sentiment inside his party and reluctant to provoke a confrontation, he offered to approve cash payments on condition that Congress legislated for a new sales tax to offset the cost. The proposal, he knew, stood little chance of acceptance because any new tax would take effect just before the 1922 midterms. Also, a majority in Congress opposed, on ideological grounds, any extension of federal taxation. The president probably intended to head off a pro-bonus revolt within his party, at least during his first term, by offering it a clearly unpalatable alternative.

Partisan and Philosophical Divisions

Harding's problems with the legislature ran deeper than the bonus issue. The 67th Congress of 1921-1923 was the most divided and rebellious since the Reconstruction era. After November 1920, Republicans held comfortable majorities over the Democrats of 59-37 in the Senate and 300 to 132 in the House.¹⁵ These wide margins increased the likelihood of rebellion and encouraged particularism in voting, with factions forming short-term coalitions in pursuit of their own regional or sectional interests. Murray observes of the political environment in postwar Washington, "Self-serving politics . . . was universal" (Murray 1973, 46).

Power in the new Congress was divided unequally between antagonistic blocs. The farm bloc represented the nation's depression-hit agricultural sector. By the early 1920s, overproduction and falling prices were forcing many smaller farms into bankruptcy—a problem compounded by the declining economic significance of rural America in the face of urbanization and industrialization. The farm bloc met these challenges by mounting guerrilla actions against legislation which they perceived as favoring business interests at the expense of farming communities. Through much of the decade, farm bloc leaders, such as Senator William S. Kenyon (R-IA) and Representative Lester Dickinson (R-IA), were able to marshal around 120 votes to slow or halt legislation supported by Wall Street and northeastern corporations until promises of higher tariffs or more cash relief for farmers had been secured (Trani and Wilson 1977, 59).

Other influential factions in the 67th Congress included the mainly conservative southern Democrats, who also distrusted the growing power of the corporations, and

15. The House also had one independent member during the 1921-1923 Congress.

pro-business Republicans, who enthusiastically promoted those interests. The once-powerful progressive bloc had been reduced to a rump, led by Senators George W. Norris (R-NE) and Robert LaFollette (R-WI). Implacably hostile to the agenda of conservative Republicanism, they harried the legislative agenda of the Harding and Coolidge administrations throughout the 1920s.

The new president's first hesitant efforts to impose order were undermined by Congress's hypersensitivity to any sign of executive assertiveness (broadly and negatively termed "Wilsonism" by conservatives of both parties). Harding believed Congress should not reassert its authority by reducing the executive to a condition of irrelevance, but his hopes for a harmonious working relationship were quickly disappointed. Republican party leaders, though dominant in theory, found it difficult in practice to control the faction-ridden 67th Congress. As a result, they were sometimes incapable of marshaling party support for the administration, even if they had wanted to. As Murray notes, "Congressional Republicans expected Harding to be weak, they *wanted* him to be weak" (Murray 1973, 43). Confrontation was thus inevitable, with the blocs determined to follow their own course, with or without executive assent. Harding faced a stark choice—to take a forceful stand against the bonus and risk defeat or to back down and, in so doing, confirm the view that he was a well-meaning but weak leader from whom reprisals need not be feared. Barely six weeks after the inauguration, Mark Sullivan noted wryly, "It would take an elastic imagination to picture Harding denouncing, as Wilson denounced, members of his party who voted against measures he wanted" (Sullivan 1921, 618).

First Skirmishes

These unpromising signs were compounded by Republican leaders' failure to develop a long-term legislative strategy. Harding, to their considerable surprise, had called a special session of Congress on April 12, 1921, and presented, in person, a wide-ranging legislative program. Apart from requests for swift action on tax and tariff reform, however, he left the job of prioritizing these issues to Senate Majority Leader Lodge and other leaders, who had only nominal control over their party members and none whatsoever over the opposition.

In early July 1921, the Senate Finance Committee reported out the Veterans' Adjusted Compensation bill (S.506) with recommendation for passage. The bill's preamble took issue with the notion of a "bonus" and attempted to seize the moral high ground:

This proposed legislation is generally referred to as the "Soldiers' Bonus bill." No name could be applied that could be more irrelevant. It is worse than erroneous. It stamps upon a just and unquestioned national moral obligation the designation "gratuity." (Senate Committee on Finance 1921, 1)

The bill proposed payment of \$1.25 a day per veteran for each day's service overseas, with an option to take an insurance plan payable at the end of a twenty-year period in place of cash installments. The insurance plan was designed to yield a benefit 40 percent larger

than the cash option. The committee's estimate for the total cost of the plan was \$1,560,000,000, assuming all veterans opted for the cash plan, and \$5,273,000,000 with the insurance option. The committee report also contained the suggestion that the scheme could be fully financed if the administration exerted pressure on America's wartime allies for prompt repayment of their debts (Senate Committee on Finance 1921, 2). This option was supported by public opinion and ex-servicemen's organizations and played upon isolationist views that a quid pro quo should be exacted from Europe after its rescue by the United States.

The administration was effectively boxed into a corner. Endorsing S.506 would represent a major setback to its fiscal policy but opposing it would bring accusations that the needs of ex-servicemen were being subordinated to European economic interests. Harding, however, restated his debt-reduction priorities and urged that legislation be delayed until a satisfactory scheme was found.

In early July, Secretary Mellon wrote to several Republican senators explaining that government revenues could not sustain the bonus. To New Jersey's Joseph E. Frelinghuysen, he argued that disabled veterans remained the administration's top priority but that "it would be unfortunate in the extreme while we are still struggling with that problem to dissipate our resources in a sweeping plan for cash payments."¹⁶

Despite this entreaty, the administration made little headway against the pro-bonus tide. Faced with humiliation, Harding took an unusual step.

At two o'clock on the afternoon of July 12, the president of the United States entered the Senate chamber, to respectful, if surprised, applause and bluntly demanded recommitment of S.506 to the Finance Committee. The first part of his address set the demands for bonus payments in the context of postwar domestic and world economic conditions. He stressed that the impracticality of a bonus was a consequence of natural economic laws, rather than stubbornness on the part of his administration. "We may rely on the sacrifices of patriotism in war," he declared, "but today we face markets, and the effects of supply and demand." Echoing his 1920 campaign speeches, he argued, "The only sure way to normalcy is over the paths nature has marked throughout all human experience." Although members hardly needed reminding, he also reiterated the three main elements of the Treasury's recovery strategy—sharp reductions in taxation (with concomitant falls in government revenues), refunding of the war debt, and adjustment of foreign loans. In pursuit of these objectives, it was necessary to accept that, in the short term, many citizens, including those who had risked life and limb for their country, would face economic hardship. "All the special acts ever dreamed of," he warned, "will not avoid all the distresses or ward off all the losses." Addressing the Finance Committee's suggestion that swift payment of reparations by Britain, France, and other allies would be sufficient to fund the bonus, he noted, "The world owes us heavily and will pay when restoration is wrought. If the restoration fails, world bankruptcy attends" (*Senate Journal* 1921, 193-94).

16. Letter, Andrew W. Mellon to J. S. Frelinghuysen, July 2, 1921. Harding Presidential Papers, Box 545, Folder 7.

The president described the bonus scheme as a “menacing effort to expend billions in gratuities,” which would “greatly imperil the financial stability of our country” (*Senate Journal* 1921, 193). Given the sensitivity of Harding’s political antennae, his choice of the word “gratuities” seems likely to have been a deliberate provocation to highlight the contrast between his view and that of bonus supporters.

This high-profile speech caught the pro-bonus forces off guard. Personal appearances by presidents in Congress had ceased early in the nineteenth century and had only been revived by Wilson in 1913. Harding could easily have chosen a less melodramatic way to state his case, as its effect was to anger many members, whatever their views on adjusted compensation. Inevitably, they scented incipient Wilsonism in the new White House. In the July 13 debates on the president’s address, Pat Harrison (D-AL) recalled Harding’s own past criticism of Wilsonian interventionism, adding, “If the President has changed his mind about the wickedness of executive encroachments, he ought to make public apology for his past utterances” (*Literary Digest* 1921, 11). Tom Watson (D-GA) flourished a copy of the Constitution and drew members’ attention to Article II, section 3, empowering the president of the United States to “give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient” (*Senate Journal* 1921, 193). Harding’s intervention, he declared, had strayed beyond these constitutional limits because its purpose had not been to inform Congress but to *berate* it and to urge it to inaction.

I say the President of the United States had no right to say what he said here yesterday . . . that kind of personal rule is absolutely antagonistic to our democratic form of government. I hope he will never come here again and ask that any measure . . . be retired to a chloroform committee, presided over by a chloroform Senator. (*Congressional Record* 1921, 3654)

Watson also took issue with Harding’s deliberately antagonistic use of the word “gratuities” in describing bonus payments. Awarding an entire year’s salary to the family of the recently deceased Chief Justice Edward D. White, he suggested, could also be seen as a “gratuity”—one to which the president had not objected (*Congressional Record* 1921, 3658).

The White House gambit paid off, however, and S.506 was returned to committee on July 15. Harding had outmaneuvered his opponents, ironically, by using the very tactic he had once criticized as presidential self-aggrandizement—a staged gesture designed to attract heavy press coverage and appeal to the public over the heads of members of Congress.

Press reaction bordered on the ecstatic. The *New York Times*, which had hardly bothered to conceal its disappointment at his nomination, now described Harding as “President of the whole people, not an opportunist politician” (Murray 1969, 187). The *Wall Street Journal* suggested that “Mr. Harding has seen better and further than his Congress, and it is small wonder that the leadership of his party has been thrust upon him” (*Literary Digest* 1921, 12).

The degree of surprise expressed in editorials after July 12 also showed how far the press had accepted at face value the president’s “Whiggish” tendencies. The *Literary*

Digest recalled his “theoretical abhorrence of executive interference and one-man power” but claimed that this wielding of executive authority “has not been voluntarily assumed, but has been thrust upon him in spite of his temperament” (*Literary Digest* 1921, 12). In a somewhat backhanded compliment, it welcomed the signs of “gradual drift in the direction of aggressive leadership” since his inauguration (*Literary Digest* 1921, 8). Other recent presidential actions—the calling of the Washington Disarmament Conference, the determined pursuit of tax reform and shipping subsidies, passage of tight immigration controls, emergency tariffs, aid to farmers, and the comprehensive overhauling of government finances—all now suggested to the *Digest* that the “lazy” and “affable” Harding had been a figment of progressives’ imagination. Mark Sullivan speculated that the president had deliberately understated his own abilities in order to lower expectations and increase his ability to surprise. If this was the case, he wrote, this shrewdness had paid off handsomely.

He was totally misapprehended. It was only a year ago that the phrase “creature of a Senatorial oligarchy” was the epithet of the opposition party. . . . Today, if that phrase is recalled at all, it is to point a joke on those who once believed it. (Sullivan 1922, 29)

Pursuing Sullivan’s concept of a shrewd, manipulative Harding raises the interesting possibility that his intervention was part of a broader strategy and may have been designed to achieve more than simply sending S.506 back to committee. On first appraisal, the *scale* of Harding’s intervention over the bonus does seem greatly disproportionate, as were the risks incurred in making it. By linking the presidency so clearly and publicly to recommittal of the bill, the loss of prestige if Congress had ignored his objections was potentially disastrous. Moreover, by breaking precedent in this way, Harding appeared almost to *invite* a congressional backlash, with some members now feeling obligated to demonstrate their independence from the executive.

Murray suggests Harding’s “precedent-shattering move” was the culmination of his frustration at a series of legislative logjams over the summer which the disorganized Republican majority was powerless to break (Murray 1973, 55-56). This is certainly one of the key contributing factors but, viewed in a wider context, the speech could also be represented as a deliberate ploy to draw press and public attention to the presidency itself. The Harding presidential papers offer few clues on this but it can, perhaps, be inferred from his own public comments and from a broad understanding of his political position in the summer of 1921.

From the moment he was nominated, Harding understood that most senior party officials, as well as Democrats and influential sections of the press, considered him to be a puppet, projected toward the Oval Office by a senatorial clique simply to abnegate executive power. In his private correspondence, as well as in a limited number of public statements, he sought to change this impression, stressing that he would curtail the excesses of the executive branch without surrendering its prerogatives. As stated earlier, however, he had become aware by December 1920 that few in his party or in Congress had taken him seriously. A dangerous combination of hostility to executive power and unusually widespread contempt for an incoming president meant that a defining clash of wills between Congress and the White House must come sooner rather than later. Such

a clash would consign Harding to the political impotence some senators clearly had in mind for him if he failed to move both resolutely and carefully. It was important, therefore, that the White House rather than Congress choose the *nature* and *timing* of executive intervention, if it could not choose the battleground itself. Harding, a shrewd judge of political climates, may have used his public statements of December 6, 1920, and April 12, 1921, deliberately to prepare the ground for this confrontation. This interpretation would more satisfactorily explain why, as president-elect, he chose to fire a broadside at the "Senatorial oligarchy" myth and why he surprised his party by appearing in person before Congress one month after his inauguration to present a substantial legislative agenda. The July 12 speech, in this context, was less an expression of short-term frustration than the culmination of a long-term process—the *third* deliberate assertion of executive authority in eight months and a direct intervention for which ample warning had been given. In a July 1921 letter to former Colorado Senator Charles S. Thomas, he underlined the point he had been trying to make, apparently without success, since the previous December: "I do not think a man would be fit to be the Chief Executive if he were not persuaded that he ought to perform his duties quite without regard to these unpleasant things."¹⁷

Press praise for the president after July 12 angered the American Legion and many ordinary ex-servicemen, whose protests now became increasingly tinted with the rhetoric of class war. Although tens of thousands of working-class Americans had answered their country's call in 1917, legion officials protested, the businessmen for whom Harding and Mellon now worked so diligently had earned healthy profits from inflated prices caused by high demand for some goods and by shortages in food and other essential commodities. A resolution submitted to the American Legion's Third National Convention declared,

We furthermore feel that the said Warren G. Harding is allied with the capitalists, the war profiteers and the money classes of our nation and holds in higher esteem the men of the classes who possess the almighty dollar than the men of the masses.¹⁸

Many letters and telegrams of protest sent to the White House reflected this anti-capitalist tone. One embittered veteran wrote,

just put this in your Jimmy pipe Mr. Harding the next War the Politicians and Chair Warmers of Washington will fight it and pay for it too and I think I will vote a self respecting Bolshevki Ticket after this.¹⁹

Department commander of the American Legion of Ohio, J. R. McQuigg, in a letter to Ohio Republican Senator Frank Willis denounced Mellon's appeals for fiscal

17. Letter, WGH to Senator C. S. Thomas, July 21, 1921. Harding Presidential Papers, Box 545, Folder 7.

18. "Resolution, Third National Convention of the American Legion." Harding Presidential Papers, Box 545, Roll 0688, Folder 7.

19. Telegram, John F. Fritz to WGH, July 7, 1921. Harding Presidential Papers, Box 545, Roll 0636, Folder 7.

restraint as “another stab in the back from the big business and financial interests of the country—the men who got their’s while the getting was good.”²⁰

Willis forwarded this letter to the president with an accompanying note which ironically echoed Harry Fidler’s memorandum, “The situation is delicate and will have to be handled *very* carefully.”²¹

Throughout his administration, Harding maintained the unusual and time-consuming habit of writing personal responses to dozens of letters from ordinary citizens, a habit which increased his workload significantly and eventually contributed to undermining his health. To criticism from San Francisco resident Harry Thompson of his tight fiscal policies, he argued, “It is better to preserve the stability of our institutions . . . than to wreck the Treasury in making this bestowal.”²² A more trenchant response was reserved for Morris Reisman of Atlanta, who had written to Florence Harding, accusing the administration of abandoning veterans and of deliberately concealing the fact that the Treasury could easily afford the bonus. The president responded,

I cannot let this suggestion pass without resenting it. . . . You are very much mistaken if you think any one in authority has such an estimate of the ex-service men as your letter would seem to indicate. I note that you say you . . . know very well that the government is in a position to pay you the bonus. You have a very great advantage over those who are charged with authority. No one in Washington believes it possible to enact a soldier compensation bill without laying a special tax to cover the cost thereof.²³

These personal letters probably won few converts to the administration’s cause but they revealed the seriousness with which Harding took even his most mundane duties as president. White House staff recalled that he stayed later at his desk than any chief executive in their experience, writing personal replies to Boy Scout organizations; to clubs and institutes celebrating anniversaries; and to individuals for their gifts of colorful daubings, inedible cakes, and stuffed moose heads. Such attention to detail was impractical but reflected his belief that the president should interact as directly as possible with the people and stand, as much as possible, above the partisan fray.

The Second Bonus Battle

The July 12 speech bought time for the administration but could not forestall another confrontation. Congressmen continued to come under pressure from local legion offices. A telegram from the legion’s Theodore Roosevelt Post no. 627 to Senator Medill McCormack warned,

20. Letter, J. R. McQuigg to Frank B. Willis, July 7, 1921. Harding Presidential Papers, Box 545, Roll 0645, Folder 7.

21. Letter, Frank B. Willis to WGH, July 9, 1921. Harding Presidential Papers, Box 545, Roll 0644, Folder 7.

22. Letter, WGH to H. S. Thompson, September 22, 1921. Harding Presidential Papers, Box 545, Roll 0258, Folder 9.

23. Letter, WGH to Morris Reisman, January 11, 1922. Harding Presidential Papers, Box 545, Roll 0268, Folder 9.

You must realize that the attitude of former service men and women in Illinois towards your future career . . . stands squarely upon your record with regards to the present National legislation. . . . We are now frankly giving you an opportunity to take a positive open stand disregarding party and presidential orders, and show us if you are our friend or our foe. There is no middle ground.²⁴

Early in 1922, the House Republican caucus ordered the Committee on Ways and Means to draft a new bonus proposal more amenable to compromise with the White House. Because Harding's objection to S.506 had centered upon the need to protect the Treasury from massive cash outlays in a time of recession, bonus advocates sought ways to stagger payments over a longer period of time. Representative Oscar Keller (R-MN) proposed getting around the funding problem by amending inheritance tax laws and taxing ownership of large landholdings. Both measures, Keller argued, would meet with public approval because "the Astors, the Goulds, and others, who are not even residents of our country . . . should be willing and anxious to aid financially . . . the boys who made such great sacrifices."²⁵

The final form of the new bonus bill proposed awarding each veteran an insurance certificate, against which banks would be able to lend up to 50 percent of face value (Murray 1969, 310). It passed the House of Representatives by 333-70 votes on March 23 and looked certain to succeed in the Senate (Dean 2004, 110). Mellon dismissed the new proposal, arguing that it still relied, ultimately, upon Treasury support. He advised that paid-up insurance would not be an attractive substitute in the minds of those seeking straight cash payments and that the total cost of the insurance option would be \$5,273,000,000. Although payments would be spread out over a longer period, no guarantee existed that, given the publicity surrounding the bonus, certificate holders would not at once dash, en masse, to take out loans against them, precipitating the cash drain the Treasury feared. Moreover, he argued in an internal memo on February 22, 1922, if loan requests held at low and steady levels throughout a period of twenty years, the Federal Treasury would face a "staggering liability" at the end of the compensation period. "It would create a grave situation," he warned, "to have from 3 to 5 billion dollars of cash liabilities mature at one time, even at the end of twenty years."²⁶

In May, Senate Finance Committee Chairman Porter McCumber, accompanied by Henry Cabot Lodge, visited the Oval Office to warn of the damaging impact the dispute was having on Republican grassroots support. Harding, his resolve stiffened by Mellon's advice, could not be persuaded to retreat. He may also have been aware that the total bill facing Illinois, Kansas, Maryland, Iowa, Pennsylvania, and Montana for bonus schemes to be submitted to state voters in the upcoming midterm elections had recently been estimated at \$321,000,000 (Kettleborough 1922, 456).

24. Telegram, John G. Little, Jr. to William B. McKinley and Medill McCormack, July 11, 1921. Harding Presidential Papers, Box 545, Roll 0062, Folder 7.

25. Letter, Oscar E. Keller to WGH, February 15, 1922. Harding Presidential Papers, Box 545, File 95, Folder 7.

26. Letter, Andrew Mellon to WGH, February 22, 1922. Harding Presidential Papers, Box 545, File 95, Folder 7.

On August 24, 1922, the president announced his willingness to veto the amended bill. The threat seemed to carry less weight than in 1921, however. Pro-bonus congressmen had already committed themselves irrevocably to the new bill. They had not forgiven Harding for his July 12 gambit and had no intention of retreating before the executive a second time. The farm bloc, displaying scant gratitude for the administration's efforts on its behalf the previous year, also supported the revised package. Its leaders were undoubtedly aware that another bonus battle meant further delay before the administration could deal with the tariff and tax concerns of the northeastern business bloc. The veto option was extremely distasteful to Harding, as it symbolized yet another failure to reach a consensus. In February 1922 he explained to Horatio S. Earle his reluctance "to live in a relationship which contemplated the use of such a symbolic weapon in driving for accomplishment."²⁷

Emotions on both sides ran high. William Borah denounced the bonus as "a conspicuous fraud" and a "shameless betrayal of the taxpayers." He also suggested that bonus supporters had insulted veterans by *undervaluing* their sacrifices. "They talk about gratitude for the soldier and yet they would pay that gratitude at \$2.00 a day—what we pay the ordinary charwoman."²⁸

The Republican congressional leadership was deeply divided. Harding was opposed not only by Henry Cabot Lodge but also by Frank Mondell, Republican floor leader in the House. On September 5, Lodge wrote to the White House from his home in Nahant, Massachusetts, respectfully suggesting the president reconsider his position. He argued that spreading compensation payments over forty years, rather than twenty, would mean that the Treasury could afford the required annual payouts. He added, "I think this is not a question that can possibly be settled by a failure to pass . . . (the bill) . . . now."²⁹ Lodge had once been Harding's superior and mentor on the Senate Foreign Relations Committee. He had also, allegedly, been a principal member of the conservative "cabal" which allegedly conspired for his nomination in 1920. His correspondence with Harding, however, showed little sign of a president under Senate control. Harding stressed his reluctance to take a step "which indicates a cross-current in the tide of party affairs," but,

I must be frank to say that I have never felt that we could justify the program of legalizing the adjusted compensation and then leave the Executive Branch of the government to struggle with the problem of carrying out the pledge of the Congress.³⁰

The comment betrayed his disappointment with his former colleagues, who, he believed, had forgotten the 1920 GOP platform and its pledge of fiscal restraint. Buckling under pressure from the American Legion, they sought to pass the buck to the White House. It could not have escaped Harding's notice that Lodge was also at odds

27. Letter, WGH to Horatio S. Earle, February 2, 1922. Harding Presidential Papers, Roll 230, no. 0538-9.

28. Letter, William E. Borah to Murray Brookman, September 6, 1922. William E. Borah Papers, Container 122. Library of Congress Manuscript Division.

29. Letter, Henry Cabot Lodge to WGH. September 5, 1922. Harding Presidential Papers, Roll 230, File 569.

30. Letter, WGH to Henry Cabot Lodge (undated). Harding Presidential Papers, Roll 230, File 569.

with Andrew Mellon. In 1921, the senator had pressed for Mellon's appointment, confident that he would protect the interests of business, ruthlessly cutting taxes and government spending. Lodge's subsequent support for the bonus must have seemed, to Harding, a bitter irony.

On September 14 and 15, 1922, H.R. 10874, the new World War Adjusted Compensation Act passed the House and Senate. The Senate voted 36-17 in favor, whereas the House passed it without even a formal roll call. The president's bluff had at last been called and for the next four days "Republicans held their breath" (Murray 1969, 312).

On September 19, Harding carried out his threat and vetoed the bill. The next day, bonus advocates marshaled their forces in an effort to override the veto with two-thirds majorities in both chambers. In the House, they won handily by a 258-54 margin. In the Senate, however, Lodge's efforts to deliver a stinging rebuke to the leader of his own party fell short by four votes (Trani and Wilson 1977, 79).

Press reactions to the White House's victory were, again, effusive. The *Washington Post* praised Harding's resolve and noted, "The veto will create no surprise in those who have followed the president throughout his dealing with this subject" (Murray 1969, 313).

Much of the correspondence flowing into the Oval Office came, once again, from outraged veterans. From New York, Alfred Gelkie wrote,

By tonight's paper I see, Mr. Harding, that you have carried out your oft-repeated threat and have vetoed the bonus, which is no more than I expected, knowing as I did your attitude towards the ex-serviceman who faced Bosche shrapnel . . . in defense of *you* and *yours*.³¹

The president again replied personally. Regarding Gelkie's complaint about the slow process of investigating claims by wounded veterans, he denied any reluctance on the government's part to produce funds but noted, acidly,

You may be interested to know that there are more claims for compensation on account of shell-shock than there were American participants on the battle front where shell-shock was possible.³²

His reassertion of executive authority helped Harding maintain his personal popularity but his party sustained unusually heavy losses in the 1922 midterm elections. Eight Republican senators and seventy-five representatives went down to defeat and many Republicans in the new 68th Congress blamed the administration for the scale of the losses. Harding was deeply discouraged by the results but press surveys of public opinion suggested voter anger was directed at Congress rather than the White House. Encouraged, Harding kept up the pressure on his party whenever possible. In spring 1923, he opened a campaign for U.S. membership in the World Court. This attempt to revive the

31. Letter, A. Gelkie to WGH, September 19, 1922. Harding Presidential Papers, Box 546, File 95, Folder 11.

32. Letter, WGH to A. Gelkie, September 26, 1922. Harding Presidential Papers, Box 546, File 95, Folder 11.

thorny issue of participation in international organizations, despite the inevitability of an isolationist backlash, was a further sign that he had more or less lost his dread of confrontation. His tour of the western United States during the summer of 1923 was, in part, a campaign for Court membership, resembling the 1919 League of Nations campaign by Wilson both in its defiance of certain blocs in Congress and in its impact on the president's health. By the time of Harding's death, in San Francisco on August 2, 1923, legislative-executive relations had reached a new low.

Harding's veto of the World War Adjusted Compensation Act brought a temporary halt to eighteen months of bitter wrangling. Over the next eighteen months, bonus advocates would regroup and, in 1924, compensation legislation was passed, overriding a second presidential veto. Congressional Republicans, nervous about the party's prospects in the fall 1924 elections, had no desire to further antagonize the legion. President Calvin Coolidge's failure to sustain his veto was only one of a series of embarrassing setbacks for the White House that year as Republican leaders treated the new president with barely concealed contempt.

Conclusion

The bonus confrontations of 1921-1922 were instrumental in changing President Warren Harding's understanding of the nature of the relationship between the presidency and Congress. Other factors, predating the first open confrontation in July 1921, had fueled his growing cynicism—notably cabinet appointment rows after November 1920 and his resentment at the widespread expectation that he would be a weak chief executive. The bonus issue, however, was a central factor because it laid bare the contradictions which existed, first, between the unpleasant reality of postwar politics and Harding's view of the ideal balance of power between Congress and the presidency and, second, between *his* interpretation of his election mandate and that preferred by congressional Republicans. Confronting a fractured party and unable to resolve these contradictions, the president's view of Congress changed swiftly from measured respect to deep cynicism.

He deplored the hectoring behavior of the Roosevelt and Wilson presidencies and sought to establish a more cooperative relationship between the two branches of government. Contrary to popular belief, however, this was as far as he was prepared to go in restoring the status quo ante. Although wishing to reverse the trend toward personal government, he would not countenance erosion of the president's constitutional authority as he perceived it. As Stephen Graubard observes, there would be “no return to the congressional government so characteristic of the late nineteenth century” (Graubard 2006, 209). In a sense, Harding had hoped to emulate the dignity and caution of William McKinley, and the widespread respect these qualities inspired, but could not, in the end, bring himself to adopt McKinley's self-restraint in his handling of presidential power or his relations with Congress. In a letter to his private secretary, George Christian, shortly after the July 12, 1921, speech, he confided, “I find I can not carry my pre-election ideals of an Executive keeping himself aloof from Congress” (Murray 1973, 56).

Harding and his party had fundamentally misunderstood each other's abilities and intentions from the outset. Although the president's public statements in 1920-1921 show that he had not underestimated the rebelliousness and anti-executive sentiment poisoning the 67th Congress, he certainly had *overestimated* the capacity of House and Senate leaders to maintain sufficient party discipline in support of the administration's agenda. For their part, Republican leaders misread, or simply ignored, the warnings Harding had given immediately after his election. Having judged his nomination to be a fluke resulting from a deadlock between better candidates, they failed to take him seriously either as a candidate or as president. A direct confrontation between the White House and Congress, however, was unlikely *unless* Harding perceived his independent executive authority was seriously threatened. By mid-July 1921, he clearly believed the threat had materialized. Congressional foot dragging over tax cuts and tariff revision and the prospective passage of the bonus appeared to erode his credibility as an effective political force. His use of the veto a year later highlighted the extent to which executive and legislature had drifted apart. Harding had become determined to slap Congress down whatever the electoral consequences for his party. Lodge and Mondell were equally prepared to humiliate their president in the interests of congressional autonomy and party electability. By any standards, the 67th Congress was unusually sullen and fractious. Its single most remarkable accomplishment was to alienate history's most "clubbable" ex-senator.

Sinclair was the first of the revisionist writers to describe the president's journey to disillusionment as a "metamorphosis." "Where Harding the Senator had felt it was his duty to follow," he observed, "Harding the President felt it was his duty to lead" (Sinclair 1965, 211).

Nevertheless, the significance of the bonus debate as the turning point in Harding's conduct of the presidency seems understated in most post-1964 works. Murray, alone, pays detailed attention to the confrontations themselves but does not specifically link them to the metamorphosis theory propounded by Sinclair (who gives the bonus surprisingly little space in his own work). Of the few remaining Harding texts, neither Trani and Wilson (1977), nor Ferrell (1996) or Dean (2004) accord great significance to the bonus clashes.

This article has attempted to demonstrate that this omission leaves a significant gap in the literature on the Harding presidency. The debates over adjusted compensation offer a unique insight into the evolution of a presidency and considerably strengthen the claim of revisionist scholars that the presidential reputation of Warren G. Harding requires further reassessment.

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