Chapter Six

HARDING AND THE SCANDALS

Having been personal attorney for Warren G. Harding before he was Senator from Ohio and while he was Senator, and thereafter until his death.

—And for Mrs. Harding for a period of several years, and before her husband was elected President and after his death,

—And having been attorney for the Midland National Bank of Washington Court House, O., and for my brother, M. S. Daugherty,

—And having been Attorney-General of the United States during the time that President Harding served as President,

—And also for a time after President Harding’s death under President Coolidge,

—And with all of those named, as attorney, personal friend, and Attorney-General, my relations were of the most confidential character as well as professional,

—I refuse to testify and answer questions put to me, because: The answer I might give or make and the testimony I might give might tend to incriminate me.

—Harry M. Daugherty’s written reply when called upon by Judge Thatcher for information for the Federal Grand Jury in New York, March 31, 1926. (Punctuation revised.)

ON THE morning of March 4, 1921,—a brilliant morning with a frosty air and a wind which whipped the flags of Washington,—Woodrow Wilson, broken and bent and ill, limped from the White House door to a waiting automobile, rode down Pennsylvania Avenue to the Capitol with the stalwart President-elect at his side, and returned to the bitter seclusion of his private house in S Street. Warren Gamaliel Harding was sworn in as President of the United States. The reign of normalcy had begun.
March 4, 1921: what do those cold figures mean to you? Let us turn back for a moment to that day and look about us.

The war had been over for more than two years, although, as the Treaty of Versailles had been thrown out by the Senate and Woodrow Wilson had refused to compromise with the gentlemen at the other end of the Avenue, a technical state of war still existed between Germany and the United States. Business, having boomed until the middle of 1920, was collapsing into the depths of depression and dragging down with it the price-level which had caused so much uproar about the High Cost of Living. The Big Red Scare was gradually ebbing, although the super-patriots still raged and Sacco and Vanzetti had not yet come to trial before Judge Thayer. The Ku-Klux Klan was acquiring its first few hundred thousand members. The Eighteenth Amendment was entering upon its second year, and rum-runners and bootleggers were beginning to acquire confidence. The sins of the flappers were disturbing the nation; it was at about this time that Philadelphia produced the "moral gown" and the Literary Digest featured a symposium entitled, "Is the Younger Generation in Peril?" The first radio broadcasting station in the country was hardly four months old and the radio craze was not yet. Skirts had climbed halfway to the knee and seemed likely to go down again, a crime commission had just been investigating Chicago's crime wave, Judge Landis had become the czar of baseball, Dempsey and Carpentier had signed to meet the following summer at Boyle's Thirty Acres, and Main Street and The Outline of History were becoming best sellers.

The nation was spiritually tired. Weared by the excitement of the war and the nervous tension of the Big Red Scare, they hoped for quiet and healing. Sick of Wilson and his talk of America's duty to humanity, callous to political idealism, they hoped for a chance to pursue their private
affairs without governmental interference and to forget about public affairs. There might be no such word in the dictionary as normalcy, but normalcy was what they wanted. Every new administration at Washington begins in an atmosphere of expectant good will, but in this case the airs which lapped the capital were particularly bland. The smile of the new President was as warming as a spring thaw after a winter of discontent. For four long years the gates of the White House had been locked and guarded with sentries. Harding's first official act was to throw them open, to permit a horde of sight-seers to roam the grounds and flatten their noses against the executive window-panes and photograph one another under the great north portico; to permit flivvers and trucks to detour from Pennsylvania Avenue up the driveway and chortle right past the presidential front door. The act seemed to symbolize the return of the government to the people. Wilson had been denounced as an autocrat, had proudly kept his own counsel; Harding modestly said he would rely on the "best minds" to advise him, and took his oath of office upon the verse from Micah which asks, "What doth the Lord require of thee but to do justly, and to love mercy, and to walk humbly with thy God?" Wilson had seemed to be everlastingly prying into the affairs of business and had distrusted most business men; Harding meant to give them as free a hand as possible "to resume their normal onward way." And finally, whereas Wilson had been an austere academic theorist, Harding was "just folks": he radiated an unaffected good nature, met reporters and White House visitors with a warm handclasp and a genial word, and touched the sentimental heart of America by establishing in the White House a dog named Laddie Boy. "The Washington atmosphere of today is like that of Old Home Week or a college class reunion," wrote Edward G. Lowry shortly after Harding took office. "The change is
amazing. The populace is on a broad grin.” An era of good will seemed to be beginning.

Warren Harding had two great assets, and these were already apparent. First, he looked as a President of the United States should. He was superbly handsome. His face and carriage had a Washingtonian nobility and dignity, his eyes were benign; he photographed well and the pictures of him in the rotogravure sections won him affection and respect. And he was the friendliest man who ever had entered the White House. He seemed to like everybody, he wanted to do favors for everybody, he wanted to make everybody happy. His affability was not merely the forced affability of the cold-blooded politician; it was transparently and touchingly genuine. “Neighbor,” he had said to Herbert Hoover at their first meeting, during the war, “I want to be helpful.” He meant it; and now that he was President, he wanted to be helpful to neighbors from Marion and neighbors from campaign headquarters and to the whole neighborly American public.

His liabilities were not at first so apparent, yet they were disastrously real. Beyond the limited scope of his political experience he was “almost unbelievably ill-informed,” as William Allen White put it. His mind was vague and fuzzy. Its quality was revealed in the clogged style of his public addresses, in his choice of turgid and maladroit language (“non-involvement” in European affairs, “adhesion” to a treaty), and in his frequent attacks of suffix trouble (“normalcy” for normality, “betrothment” for betrothal). It was revealed even more clearly in his helplessness when confronted by questions of policy to which mere good nature could not find the answer. White tells of Harding’s coming into the office of one of his secretaries after a day of listening to his advisers wrangling over a tax problem, and crying out: “John, I can’t make a damn thing out of this tax problem. I listen to one side and they seem right, and then—God!—I
talk to the other side and they seem just as right, and here I am where I started. I know somewhere there is a book that will give me the truth, but, hell, I couldn’t read the book. I know somewhere there is an economist who knows the truth, but I don’t know where to find him and haven’t the sense to know him and trust him when I find him. God! what a job!” His inability to discover for himself the essential facts of a problem and to think it through made him utterly dependent upon subordinates and friends whose mental processes were sharper than his own.

If he had been discriminating in the choice of his friends and advisers, all might have been well. But discrimination had been left out of his equipment. He appointed Charles Evans Hughes and Herbert Hoover and Andrew Mellon to Cabinet positions out of a vague sense that they would provide his administration with the necessary amount of statesmanship, but he was as ready to follow the lead of Daugherty or Fall or Forbes. He had little notion of technical fitness for technical jobs. Offices were plums to him, and he handed them out like a benevolent Santa Claus—beginning with the boys from Marion. He made his brother-in-law Superintendent of Prisons; he not only kept the insignificant Doctor Sawyer, of Sawyer’s Sanitarium at Marion, as his personal physician, but bestowed upon him what a White House announcement called a “brigadier-generalcy” (suffix trouble again) and deputed him to study the possible coordination of the health agencies of the government; and for Comptroller of the Currency he selected D. R. Crissinger, a Marion lawyer whose executive banking experience was limited to a few months as president of the National City Bank and Trust Company—of Marion.

Nor did Harding appear to be able to distinguish between honesty and rascality. He had been trained in the sordid school of practical Ohio politics. He had served for years as the majestic Doric false front behind which Ohio lobbyists
and fixers and purchasers of privilege had discussed their "business propositions" and put over their "little deals"—and they, too, followed him to Washington, along with the boys from Marion. Some of them he put into positions of power, others he saw assuming positions of power; knowing them intimately, he must have known—if he was capable of a minute's clear and unprejudiced thought—how they would inevitably use those positions; but he was too fond of his old cronies, too anxious to have them share his good fortune, and too muddle-minded to face the issue until it was too late. He liked to slip away from the White House to the house in H Street where the Ohio gang and their intimates reveled and liquor flowed freely without undue regard for prohibition, and a man could take his pleasure at the poker table and forget the cares of state; and the easiest course to take was not to inquire too closely into what the boys were doing, to hope that if they were grafting a little on the side they'd be reasonable about it and not do anything to let old Warren down.

And why did he choose such company? The truth was that under his imposing exterior he was just a common small-town man, an "average sensual man," the sort of man who likes nothing better in the world than to be with the old bunch when they gather at Joe's place for an all-Saturday-night session, with waistcoats unbuttoned and cigars between their teeth and an ample supply of bottles and cracked ice at hand. His private life was one of cheap sex episodes; as one reads the confessions of his mistress, who claims that as President he was supporting an illegitimate baby born hardly a year before his election, one is struck by the shabbiness of the whole affair: the clandestine meetings in disreputable hotels, in the Senate Office Building (where Nan Britton believed their child to have been conceived), and even in a coat-closet in the executive offices of the White House itself. (Doubts have been cast upon the
truth of the story told in *The President's Daughter*, but is it easy to imagine any one making up out of whole cloth a supposedly autobiographical story compounded of such ignoble adventures?) Even making due allowance for the refraction of Harding's personality through that of Nan Britton, one sees with deadly clarity the essential ordinariness of the man, the commonness of his "Gee, dearie" and "Say, you darling," his being swindled out of a hundred dollars by card sharpers on a train ride, his naïve assurance to Nan, when detectives broke in upon them in a Broadway hotel, that they could not be arrested because it was illegal to detain a Senator while "en route to Washington to serve the people." Warren Harding's ambitious wife had tailored and groomed him into outward respectability and made a man of substance of him; yet even now, after he had reached the White House, the rowdies of the Ohio gang were fundamentally his sort. He had risen above them, he could mingle urbanely with their superiors, but it was in the smoke-filled rooms of the house in H Street that he was really most at home.

Harding had no sooner arrived at the White House than a swarm of practical politicians of the McKinley-Foraker vintage reappeared in Washington. Blousy gentlemen with cigars stuck in their cheeks and rolls of very useful hundred-dollar bills in their pockets began to infest the Washington hotels. The word ran about that you could do business with the government now—if you only fixed things up with the right man. The oil men licked their chops; had they not lobbied powerfully at the Chicago convention for the nomination of just such a man as Harding, who did not take this conservation nonsense too seriously, and would not Harding's Secretary of the Interior, Albert B. Fall, let them develop the national resources on friendly and not too stringent terms? The Ohio gang chuckled over the feast awaiting them: the chances for graft at Columbus had been a piker's
chance compared with those which the mastery of the federal government would offer him. Warren Harding wanted to be helpful. Well, he would have a chance to be.

§ 2

The public at large, however, knew little and cared less about what was happening behind the scenes. Their eyes—when they bothered to look at all—were upon the well-lighted stage where the Harding Administration was playing a drama of discreet and seemly statesmanship.

Peace with Germany, so long deferred, was made by a resolution signed by the President on July 2, 1921. The Government of the United States was put upon a unified budget basis for the first time in history by the passage of the Budget Act of 1921, and Charles G. Dawes, becoming Director of the Budget, entranced the newspaper-reading public with his picturesque language, his underslung pipe, and his broom-waving histrionics when he harangued the bureau chiefs on behalf of business efficiency. Immigration was restricted, being put upon a quota basis, to the satisfaction of labor and the relief of those who felt that the amount of melting being done in the melting-pot was disappointingly small. Congress raised the tariff, as all good Republican Congresses should. Secretary Mellon pleased the financial powers of the country by arguing for the lowering of the high surtaxes upon large incomes; and although an obstreperous Farm Bloc joined with the Democrats to keep the maximum surtax at 50 per cent, Wall Street at least felt that the Administration's heart was in the right place. Every foe of union labor was sure of this when Attorney-General Daugherty confronted the striking railway shopmen with an injunction worthy of Mitchell Palmer himself. In January, 1923, an agreement for the funding of the British war debt to the United States was made in Washington; it was shortly
ratified by the Senate. The outstanding achievement of the Harding Administration, however, was undoubtedly the Washington Conference for the Limitation of Armaments—or, as the newspapers insisted upon calling it, the "Arms Parley."

Since the war the major powers of the world had begun once more their race for supremacy in armament. England, the United States, and Japan were all building ships for dear life. The rivalry between them was rendered acute by the growing tension in the Pacific. During the war Japan had seized her golden opportunity for the expansion of her commercial empire: her rivals being very much occupied elsewhere, she had begun to regard China as her special sphere of interest and to treat it as a sort of protectorate where her commerce would have prior rights to that of other nations. Her hand was strengthened by an alliance with England. When Charles Evans Hughes became Secretary of State and began to stand up for American rights in the Orient, applying once more the traditional American policy of the Open Door, it was soon apparent that the situation was ticklish. Japan wanted her own way; the Americans opposed it; and there lay the Philippines, apparently right under Japan's thumb if trouble should break out! All three powers, Britain, Japan, and the United States, would be the gainers by an amicable agreement about the points under dispute in the Pacific, by the substitution of a three-cornered agreement for the Japanese-British alliance, and by an arrangement for the limitation of fleets. Senator Borah proposed an international conference. Harding and Hughes took up his suggestion, the conference was called, and on November 12, 1921—the day following the solemn burial of America's Unknown Soldier at Arlington Cemetery—the delegates assembled in Washington.

President Harding opened the first session with a cordial if profuse speech of welcome, and true to his policy of leav-
ing difficult problems to be solved by the "best minds," left Secretary Hughes and his associates to do the actual negotiating. In this case his hands-off policy worked well. Hughes not only had a brilliant mind, he had a definite program and a masterly grasp of the complicated issues at stake. President Harding had hardly walked out of Memorial Continental Hall when the Secretary of State, installed as chairman of the conference, began what seemed at first only the perfunctory address of greeting—and then, to the amazement of the delegates assembled about the long conference tables, came out with a definite and detailed program: a ten-year naval holiday, during which no capital ships should be built; the abandonment of all capital-shipbuilding plans, either actual or projected; the scrapping, by the three nations, of almost two million tons of ships built or building; and the limitation of replacement according to a 5-5-3 ratio: the American and British navies to be kept at parity and the Japanese at three-fifths of the size of each.

"With the acceptance of this plan," concluded Secretary Hughes amid a breathless silence, "the burden of meeting the demands of competition in naval armament will be lifted. Enormous sums will be released to aid the progress of civilization. At the same time the proper demands of national defense will be adequately met and the nations will have ample opportunity during the naval holiday of ten years to consider their future course. Preparation for offensive naval war will stop now."

The effect of this direct and specific proposal was prodigious. At the proposal of a naval holiday William Jennings Bryan, sitting among the newspaper men, expressed his enthusiasm with a yell of delight. At the conclusion of Hughes's speech the delegates broke into prolonged applause. It was echoed by the country and by the press of the world. People's imaginations were so stirred by the boldness
and effectiveness of the Hughes plan that the success of the conference became almost inevitable.

After three months of negotiation the delegates of Japan, Great Britain, and the United States had agreed upon a treaty which followed the general lines of the Hughes program; had joined with the French in an agreement to respect one another's insular possessions in the Pacific, and to settle all disagreements by conciliatory negotiations; had prepared the way for the withdrawal of Japan from Shantung and Siberia; and had agreed to respect the principle of the open door in China. The treaties were duly ratified by the Senate. The immediate causes of friction in the Pacific were removed; and although cynics might point out that competition in cruisers and submarines was little abated and that battleships were almost obsolete anyhow, the Naval Treaty at least lessened the burden of competition, as Secretary Hughes had predicted, and in addition set a precedent of profound importance. The armaments which a nation built were now definitely recognized as being a matter of international concern, subject to international agreement.

Outwardly, then, things seemed to be going well for Warren Harding. He was personally popular; his friendly attitude toward business satisfied the conservative temper of the country; his Secretary of the Treasury was being referred to, wherever two or three bankers or industrialists gathered together, as the "greatest since Alexander Hamilton"; his Secretary of Commerce, Herbert Hoover, was aiding trade as efficiently as he had aided the Belgians; and even discouraged idealists had to admit that the Washington Conference had been no mean achievement. Though there were rumors of graft and waste and mismanagement in some departments of the Government, and the director of the Veterans' Bureau had had to leave his office in disgrace, and there was noisy criticism in Congress of certain leases of oil lands to Messrs. Doheny and Sinclair, these things at-
tracted only a mild public interest. When Harding left in the early summer of 1923 for a visit to Alaska, few people realized that anything was radically wrong with his administration. When, on his way home, he fell ill with what appeared to be promaine poisoning, and on his arrival at San Francisco his illness went into pneumonia, the country watched the daily headlines with affectionate concern. And when, just as the danger appeared to have been averted, he died suddenly—on August 2, 1923—of what his physicians took to be a stroke of apoplexy, the whole nation was plunged into deep and genuine grief.

The President’s body was placed upon a special train, which proceeded across the country at the best possible speed to Washington. All along the route, thousands upon thousands of men, women, and children were gathered to see it slip by. Cowboys on the Western hills dismounted and stood uncovered as the train passed. In the cities the throngs of mourners were so dense that the engineer had to reduce his speed and the train fell hours behind schedule. “It is believed,” wrote a reporter for the *New York Times*, “to be the most remarkable demonstration in American history of affection, respect, and reverence for the dead.” When Warren Harding’s body, after lying in state at Washington, was taken to Marion for burial, his successor proclaimed a day of public mourning, business houses were closed, memorial services were held from one end of the country to the other, flags hung at half mast, and buildings were draped in black.

The innumerable speeches made that day expressed no merely perfunctory sentiments; everywhere people felt that a great-hearted man, bowed down with his labors in their behalf, had died a martyr to the service of his country. The dead President was called “a majestic figure who stood out like a rock of consistency”; it was said that “his vision was always on the spiritual”; and Bishop Manning of New York, speaking at a memorial service in the Cathedral of St. John
the Divine, seemed to be giving the fallen hero no more than his due when he cried, "If I could write one sentence upon his monument it would be this, 'He taught us the power of brotherliness.' It is the greatest lesson that any man can teach us. It is the spirit of the Christian religion. In the spirit of brotherliness and kindness we can solve all the problems that confront us. ... May God ever give to our country leaders as faithful, as wise, as noble in spirit, as the one whom we now mourn."

But as it happens, there are some problems—at least for a President of the United States—that the spirit of brotherliness and kindness will not alone solve. The problem, for example, of what to do when those to whom you have been all too brotherly have enmeshed your administration in graft, and you know that the scandal cannot long be concealed, and you feel your whole life-work toppling into disgrace. That was the problem which had killed Warren Harding.

A rumor that the President committed suicide by taking poison later gained wide currency through the publication of Samuel Hopkins Adams's *Revelry*, a novel largely based on the facts of the Harding Administration. Gaston B. Means, a Department of Justice detective and a member of the gang which revolved about Daugherty, implied only too clearly in *The Strange Death of President Harding* that the President was poisoned by his wife, with the connivance of Doctor Sawyer. The motive, according to Means, was a double one: Mrs. Harding had found out about Nan Britton and the illegitimate daughter and was consumed with a bitter and almost insane jealousy; and she had learned enough about the machinations of Harding's friends and the power that they had over him to feel that only death could save him from obloquy. Both the suicide theory and the Means story are very plausible. The ptomaine poisoning came, it was said, from eating crab meat on the presi-
dential boat on the return from Alaska, but the list of supplies in the steward’s pantry contained no crab meat and no one else in the presidential party was taken ill; furthermore, the fatal “stroke of apoplexy” occurred when the President was recovering from pneumonia, Mrs. Harding was apparently alone with him at the time, and the verdict of the physicians, not being based upon an autopsy, was hardly more than an expression of opinion. Yet it is not necessary to accept any such melodramatic version of the tragedy to acknowledge that Harding died a victim of the predicament in which he was caught. He knew too much of what had been going on in his administration to be able to face the future. On the Alaskan trip, he was clearly in a state of tragic fear; according to William Allen White, “he kept asking Secretary Hoover and the more trusted reporters who surrounded him what a President should do whose friends had betrayed him.” Whatever killed him—poison or heart failure—did so the more easily because he had lost the will to live.

Of all this, of course, the country as a whole guessed nothing at the time. Their friend and President was dead, they mourned his death, and they applauded the plans of the Harding Memorial Association to raise a great monument in his honor. It was only afterward that the truth came out, piece by piece.

§ 3

The martyred President had not been long in his grave when the peculiar circumstances under which the Naval Oil Reserves at Teapot Dome and Elk Hills had been leased began to be unearthed by the Senate Committee on Public Lands, and there was little by little disclosed what was perhaps the gravest and most far-reaching scandal of the
Harding Administration. The facts of the case, as they were ultimately established, were, briefly, as follows:

Since 1909, three tracts of oil-bearing government land had been legally set aside for the future hypothetical needs of the United States navy—as a sort of insurance policy against a possible shortage of oil in time of emergency. They were Naval Reserve No. 1, at Elk Hills, California; No. 2, at Buena Vista, California; and No. 3, at Teapot Dome, Wyoming. As time went on, it became apparent that the oil under these lands might be in danger of being drawn off by neighboring wells, the flow of oil under the earth being such that if you drill a well you are likely to bring up not only the oil from under your own land, but also that from under your neighbor's land. As to the extent of this danger to these particular properties there was wide disagreement; but when gushers were actually opened up right on the threshold of the Elk Hills Reserve, Congress took action. In 1920 it gave the Secretary of the Navy almost unlimited power to meet as he saw fit the problem of conserving the Reserves. Clearly there were at least two possible courses of action open to him. He might arrange to have offset wells drilled along the edge of the Reserves to neutralize the drainage, or he might lease the Reserves to private operators on condition that they store an equitable amount of the oil—or of fuel oil—for the future requirements of the national defense. Secretary Daniels preferred to have offset wells drilled.

But when Albert B. Fall became Secretary of the Interior under President Harding, he decided otherwise. During 1921—on the eve of the Conference for the Limitation of Armaments—certain high officers in the navy were sufficiently nervous about possible trouble with Japan to declare that the navy must at once have fuel oil storage depots built and filled and ready for use at Pearl Harbor and other strategic points. This idea suited Mr. Fall perfectly. He had come into office as the ally of certain big oil interests, and
being a politician without illusions, he saw a chance to do them a favor. He would lease the reserves in their entirety to private operators, and meet the needs of the navy by using the royalty oil which these operators paid the Government for the purpose of buying fuel oil tanks and filling them with fuel oil. To be sure, the Secretary of the Navy alone had power to lease the Reserves, and Fall was not the Secretary of the Navy; but that was not an insuperable difficulty.

Less than three months after President Harding took office, he signed an Executive Order transferring the Reserves from the custody of the Secretary of the Navy to that of the Secretary of the Interior. On April 7, 1922, Fall secretly and without competitive bidding leased Reserve No. 3, the Teapot Dome Reserve, to Harry F. Sinclair's Mammoth Oil Company. On December 11, 1922, he secretly and without competitive bidding leased Reserve No. 1, the Elk Hills Reserve, to Edward F. Doheny's Pan-American Company. It has been argued that these leases were fair to the Government and that no undue profits would have accrued to the lessees if the contracts had been allowed to stand. It has been argued that the necessity for keeping secret what were thought of as military arrangements was sufficient excuse for the absence of competitive bidding and the complete absence of publicity. But it was later discovered that Fall had received from Sinclair some $260,000 in Liberty bonds, and that Fall had been “lent” by Doheny—without interest and without security—$100,000 in cash.

After a long series of Senate investigations, governmental lawsuits, and criminal trials which dragged out through the rest of the decade, the Doheny lease was voided by the Supreme Court as “illegal and fraudulent,” the Sinclair lease was also voided, and Secretary Fall was found guilty of accepting a bribe from Doheny and sentenced to a year in prison. Secretary of the Navy Denby—who had amiably
approved the transfer of the Reserves from his charge to that of Fall—was driven from office by public criticism. Paradoxically, both Doheny and Sinclair were acquitted. But Sinclair had to serve a double term in prison in 1929: first, for contempt of the Senate in refusing to answer questions put to him by the Committee on Public Lands, and second, for contempt of court in having the jury at his first trial shadowed by Burns detectives. (One of the jurors declared that a man had approached him with the suggestion that if he voted right he would have an automobile "as long as this block.")

Such are the bare facts of the oil lease transactions. But they are only a part of the story. For after the Senate Committee's first important disclosures, early in 1924, and President Coolidge's appointment of the useful Mr. Owen Roberts and the ornamental Ex-Senator Atlee Pomerene as a bi-partisan team of Government prosecutors to take whatever legal action might be called for on behalf of the Government, Messrs. Roberts and Pomerene discovered that certain bonds transferred by Sinclair to Fall had come from the exchequer of a hitherto unheard-of concern called the Continental Trading Company, Ltd., of Canada. And the history of the Continental Trading Company, Ltd., as it was gradually dragged to light, was not only highly sensational but highly illuminating as a case-study in current American business ethics. This is what had happened:

On the 17th of November, 1921—a few months before the Fall-Sinclair contract was made—a little group of men gathered in a room at the Hotel Vanderbilt in New York for a business session. They included Col. E. A. Humphreys, the owner of the rich Mexia oil field; Harry M. Blackmer of the Midwest Oil Company; James E. O'Neil of the Prairie Oil Company; Colonel Robert W. Stewart, chairman of the board of the Standard Oil Company of Indiana; and Harry F. Sinclair, head of the Sinclair Consolidated Oil Company.
At that meeting Colonel Humphreys agreed to sell 33,333.333 barrels of oil from his oil field at $1.50 a barrel. But he discovered that he was not, as he had supposed, to sell this oil directly to the companies represented by the other men present. He was asked to sell it to a concern of which he had never heard, a concern which had only just been incorporated—the Continental Trading Company, Ltd. The contract of sale was guaranteed on behalf of the mysterious Continental Company by Sinclair and O’Neil. And the Continental straightway resold the oil to Sinclair’s and O’Neil’s companies, not at $1.50 a barrel, but at $1.75 a barrel,—thereby diverting to the coffers of the Continental a nice profit of twenty-five cents a barrel which might otherwise have gone to the other companies whose executives were gathered together. A profit, it might be added, which in the course of time should amount to over eight million dollars.

As a matter of fact, it never amounted to as much as that. For after a year or more the Senate became unduly inquisitive and it was thought best to wind up the affairs of the Continental Trading Company, Ltd., and destroy its records. But before this was done, the profit of that little deal pulled off at the Hotel Vanderbilt had piled up to more than three millions.

With these millions, as they rolled in, President Osler, the distinguished Canadian attorney who headed the Continental, purchased Liberty bonds. And the bulk of these bonds (after taking out a 2-per-cent share for himself) he turned over, in packages, to four of the gentlemen who had sat in on the conference at the Vanderbilt, as follows:

To Harry M. Blackmer, approximately $763,000.
To James E. O’Neil, approximately $800,000.
To Colonel Robert W. Stewart, approximately $759,000.
To Harry F. Sinclair, approximately $757,000.
And did these gentlemen at once report to their directors
and stockholders the receipt of the bonds and put them into the corporate treasuries? They did not.

Blackmer, according to the subsequent (very subsequent) testimony of his counsel, put his share in a safety deposit box at the Equitable Trust Company in New York, where in 1928 it still remained.

O'Neil turned over his share to his company, but not until May, 1925.

Stewart handed his share to an employee of the Standard Oil Company of Indiana to be held in trust for the company in the vaults of the company, but never told any other associates of this except one member of the company's legal staff, and never disclosed to his directors what he had done until 1928, when he finally turned over the bonds to them. The trust agreement was written in pencil.

Sinclair, according to his own testimony, did not take the directors or officers of his company into his confidence until 1928, and kept his share of the bonds in a vault in his home. He did not keep all of them there very long, however, or the brave history of the Continental Trading Company, Ltd., might never have come to light. A goodly portion of them (as we have already seen) he turned over to Fall. Another goodly portion, amounting to $185,000, he "loaned" (in addition to an outright gift of $75,000), to the Republican National Committee, later getting back $100,000 of it. The "loan" was made to Will H. Hays, who had been chairman of the Republican National Committee during the Harding-Cox campaign of 1920, had later been appointed Postmaster-General by President Harding, and had finally resigned to become supervisor of morals for the motion-picture industry. Mr. Hays was czar of the movies by the time Sinclair handed him the bonds, but being a conscientious man, he was trying to get the 1920 Republican campaign debt paid off. To this end he attempted to use the Sinclair "loan" in a very interesting way. He and his lieu-
tenants approached a number of wealthy men, potential donors to the cause, and told them that if they would contribute to meet the deficit they might have Sinclair bonds to the amount of their contributions. How long they might keep the bonds was not made clear—at least in Hays’s testimony before the Senate Committee on Public Lands. This method of concealing an enormous Sinclair contribution was euphemistically called, by the moral supervisor of the movies, “using the bonds in efforts to raise money for the deficit.”

§ 4

So much for our little lesson in governmental practice and in the fiduciary duties of business executives in behalf of their stockholders. Now let us turn to the lighter side of the oil scandals. Lighter, that is, for those who were in no way implicated. There is a certain grim humor in the twistings and turnings of unwilling witnesses under the implacable cross-examination of Senator Walsh of Montana, without whose resourceful work the truth might never have been run to earth. Some of the scenes in the slowly-unfolding drama of the investigations, some of the sojourns of interested parties on foreign shores, some of the odd tricks of memory revealed, are not without an element of entertainment. Let us go back over the record of that long investigation and study a few of them, item by item.

Item One. Who Loaned Fall the Money?

In the autumn of 1923—not long after Harding’s lamented death—Senator Walsh’s committee learned of a recent sudden rise to affluence on the part of Secretary Fall. For some time previously Fall had been in financial straits; he had not even paid his local taxes for several years. But now all was changed. Mr. Fall had even purchased additional land near
his New Mexican ranch, and in this purchase had used a considerable number of hundred-dollar bills. The Walsh committee at once became bloodhounds on the scent: hundred-dollar bills are as exciting to investigators as refusals to testify or refusals to waive immunity. From whom had Fall been receiving money? Fall wrote the committee a long letter, denying absolutely that he had ever received a dollar from Mr. Doheny or Mr. Sinclair, and in tones of outraged innocence explained that he had received a loan of $100,000 from Edward B. McLean of Washington, a millionaire newspaper-owner whose ample hospitality Harding and his associates had often enjoyed.

Mr. McLean was in Palm Beach and unable to come to Washington to testify about this loan. The committee might perhaps have been expected to let the matter go at that. But they did not. Mr. McLean was wanted—and it began to appear that he was extremely unwilling to be examined. He and his friends engaged in a voluminous correspondence by coded telegrams with his aides in Washington, discussing the progress of affairs in messages such as

_Haxpwo sent over buy bonka and householder bonka sul-
 try tkvuep prozoics sepic bepelt goal hocusing this
 pouted proponent_

Finally Senator Walsh all too obligingly journeyed to Palm Beach to take McLean’s testimony there. Yes, McLean had made a loan to Fall. But he had made it in the form of three checks. Secretary Fall had shortly returned the checks; they had not even passed through the banks, and there was no record whatever of the transaction.

Clearly this brief and unusual financial transaction threw little light on the prosperity of the Ex-Secretary of the Interior or his use of cash in large denominations. Another explanation was necessary. Whereupon—on January 24, 1924—the lessee of Naval Reserve No. 1, Edward L. Doheny, took the stand. He, too, had loaned $100,000 to Fall. The
money had been carried from New York to Washington in a satchel. But the loan had nothing to do with any lease of oil-bearing land. It was a bona fide loan made to accommodate an old friend. The elderly oil magnate drew a touching picture of his long years of comradeship with Fall. Was $100,000 a rather large sum to be loaned this way in cash? Why, no, it was "just a bagatelle" to him. It was not at all unusual for him "to make a remittance that way." Was there a note given for the loan? Yes; Doheny would search for it. Later he produced it—or rather, a fragment of it. The signature was missing. Fearing that he might die and that Fall might be unduly pressed for payment by cold-blooded executors, Doheny had torn the note in half and given the part with the signature to Mrs. Doheny—and she had mislaid it. The explanation was perfect—though some years later the Supreme Court seemed to regard it with skepticism.

*Item Two. Six or Eight Cows*

Just before the generous Doheny took the stand, the newspapers had been treated to a first-class front-page story. Archie Roosevelt, son of the great T. R. and brother of the lesser T. R. (who was Harding's Assistant Secretary of the Navy), had come before the Walsh Committee as a volunteer witness. Archie Roosevelt was an officer in one of the Sinclair companies, and he had something to get off his mind. His brother had urged him to tell all. He (Archie) had been told by one G. D. Wahlberg, confidential secretary to Sinclair, that Sinclair had paid $68,000 to the manager of Fall's ranch, a circumstance which, in view of the relentless way in which Senator Walsh was running down evidence, apparently had caused Wahlberg some uneasiness. Furthermore, Sinclair had sailed for Europe—not only had sailed, but had done so very quietly, without letting his name appear on the passenger list. The committee called Wahlberg. This gentleman was even more uneasy at the com-
mittee table than he had been in talking to Archie Roosevelt, but he had a charming explanation for what he was said to have said. Roosevelt must have misunderstood him. He had said nothing about $68,000. What he must have said was that Sinclair had sent "six or eight cows" to Fall's ranch. (Which was true, after a manner of speaking: Sinclair had indeed made a present of live stock to Fall; not precisely "six or eight cows," but a horse, six hogs, a bull, and six heifers.) You see how the misunderstanding arose? You see how much "sixty-eight thous" sounds like "six or eight cows"?

The Committee on Public Lands did not seem to see. They lifted a collective eyebrow. So a little later Wahlberg tried again. This time his explanation was even more delightful. He had been consulting his memory, and had decided that what he must actually have said when he sounded as if he were talking about $68,000 going to the manager of the Fall ranch, or the Fall farm, was that $68,000 was going to the manager of the "horse farm"—by which he had meant the trainer at Sinclair's celebrated Rancocas Stables. This $68,000 represented the salary of Hildreth, the trainer, together with his share of the winnings of Zev and other Sinclair horses.

"Horse farm"—there seemed to be something less than idiomatic about the phrase. The collective eyebrow was not lowered.

*Item Three. The Silences of Colonel Stewart—and Others*

The Senate committee was hot on the trail—or rather on two trails. But then and thereafter the various gentlemen who could give it the greatest assistance in following these trails to the end revealed a strange reluctance to talk and a strange condition of memory when they did talk. Secretary Fall was declared by his physicians to be a "very
sick man” who ought not to be pressed to testify. When he finally did testify, he refused to answer questions which might “tend to incriminate” him. Sinclair, as Archie Roosevelt had told the committee, had gone to Europe; after he returned, he too refused to answer questions; it was this refusal which led to his conviction for contempt. After his acquittal on the graver charge of conspiracy to defraud the government he at last spoke out; he admitted that he had turned over the bonds to Fall, but insisted that they were given in payment for a one-third interest in Fall’s ranching and cattle business.

Blackmer had gone to Europe and could not be induced to return. O’Neil had gone to Europe and could not be induced to return. Osler of the Continental Trading Company was somewhere at the ends of the earth. And as for Colonel Stewart, only the insistence of John D. Rockefeller, Jr., induced him to come from Cuba to face the committee. When he did face it, early in 1928, he testified as follows: “I did not personally receive any of these bonds. I did not make one dollar out of the transaction.” Less than two months later, after Sinclair’s acquittal had somewhat reduced the tension, he admitted that over three-quarters of a million dollars’ worth of these bonds had been delivered to him, and that he had not told the directors of his company about them for several years.

Item Four. The Testimony of Mr. Hays

In 1924 Will H. Hays, preceptor of motion-picture morality, was called before the Senate committee. He was asked how much money Sinclair had contributed to the Republican Party. Seventy-five thousand dollars, he said.

In 1928, after the history of the Continental bonds had become somewhat clearer, Mr. Hays was asked to face the committee again. He told them the full story of Sinclair’s
“loan” of $185,000 in addition to his gift. Why had he not told this before? He had not been “asked about any bonds.”

**Item Five. The Reticence of Mr. Mellon**

A few days after Mr. Hays gave his second and improved version of the Sinclair contributions, the cashier of Charles Pratt & Company was called before the committee to testify about $50,000 worth of Sinclair-Continental Liberty bonds which had been left by Hays with the late John T. Pratt, to be held against a contribution of the same amount—after the ingenious Hays plan—by Mr. Pratt to the Republican Committee. The cashier produced a card on which Mr. Pratt had noted the disposal of the bonds and the payment of his contribution. And in the corner of this card was a minute notation in pencil, as follows:

\[
\begin{align*}
\$50,000 \\
Andy & \text{ Weeks} \\
DuPont & \\
Butler &
\end{align*}
\]

Senator Walsh examined the card.

**Senator Walsh:** I can make out “Weeks,” and I can make out “DuPont,” and I can make out “Butler,” but what is this other name? It looks like Andy.

**The Cashier (using a magnifying glass):** It’s Weeks, DuPont, Butler, and the other name must be Candy. . . . Yes, it might be Andy.

**Senator Nye:** And who is Andy?

**The Cashier:** I have no idea who Andy can be. I can think of no one known as Andy.

There was a roar from the crowd in the room. Everybody knew who Andy must be. Senator Walsh dispatched a note to Andrew W. Mellon, Secretary of the Treasury, to ask him if he could explain the notation. This Mr. Mellon obligingly did without delay.
Late in 1923, Mr. Mellon explained—at just about the
time when the Teapot Dome investigation was getting un-
der way—Hays had sent him some bonds. "When Mr. Hays
called shortly thereafter, he told me that he had received
the bonds from Mr. Sinclair and suggested that I hold the
bonds and contribute an equal amount to the fund. This I
declined to do."

The Secretary had acted with strict integrity. He had sent
the bonds back, and instead of following Hays's suggestion
he had made an outright contribution of $50,000. He
added that he had "had no knowledge of what has developed
since, that is, of the Teapot Dome lease matter."

It is perhaps worth noting, however, that this testimony
was given in 1928. For more than three years not only the
Senate committee, but Messrs. Roberts and Pomerene, the
public attorneys appointed by President Coolidge to prose-
cute the government suits, had been trying to discover just
what had become of the Continental bonds, and during all
that time the Secretary of the Treasury was aware that in
1923 he had been offered Liberty bonds which came from
Sinclair. He said nothing until that little card turned up
with Andy (or possibly Candy) penciled on it. A small mat-
ter, perhaps; but surely it revealed the Secretary as a paragon
of reticence when his testimony might cast discredit on the
money-raising methods of his party.

Thus comes to an end—as of this writing, at least—the
remarkable story of Teapot Dome and Elk Hills and the
Continental Trading Company, Ltd. The Executive Order
transferring the leases, which may be said to have begun it
all, was promulgated in June, 1921, when Harding was new
in office, and the Stillman divorce trial was impending, and
Dempsey was preparing to meet Carpentier, and young
Charles Lindbergh had not yet taken his first ride in an air-
plane. By the time Sinclair and Stewart had told their stories
and Hays had revised himself and Secretary Mellon had overcome his reticence, Lindbergh had flown to Europe and Herbert Hoover was corralling delegates for the Republican nomination; by the time Harry Sinclair emerged from his unwelcome term of service as apothecary in the Washington jail, the bull market had come down in ruin and the Post-war Decade was dying. Secretary Fall's term as guardian of the national resources for the Harding Administration had been brief, but the aftermath had been as long and harrowing as it was instructive.

Oh yes—there is one more thing to add. The oil: what became of the oil that started it all, the oil that the patriots of the Navy Department had been so anxious to have immediately available in case of trouble in the Pacific? There had been a good deal of excitement about bonds and hundred-thousand-dollar loans, but everybody seemed to have forgotten about that oil. Production in the properties leased to Sinclair and Doheny was stopped; but you may recall that the danger of drainage into neighboring wells had been much discussed in 1921. The neighboring wells went right on producing, and it is said that part of the oil from them—including, in all probability, some drawn from within the Reserves—was sold to the Japanese Government!

§ 5

The oil cases were the aristocrats among the scandals of the Harding Administration, but there were other scandals juicier and more reeking. Let us hold our noses for a moment and examine a few of them briefly.

There was, for example, the almost incredible extravagance and corruption of the Veterans' Bureau under Charles R. Forbes, a buccaneer of fortune (and one-time deserter from the army) whom Harding had fallen in with on a visit to Hawaii. Harding was so taken with Forbes that in 1921
he put him in charge of the Government's work for those
disabled war heroes in whose behalf every public man con-
sidered it his duty to shed an appreciative tear. Forbes held
office for less than two years, and during that time it was
estimated that over two hundred million dollars went astray
in graft and flagrant waste on the part of his Bureau. Forbes
went on a notorious junket through the country, supposedly
selecting hospital sites which in reality had already been
chosen. His Bureau let contracts for veterans' hospitals al-
most without regard for price; for instance, a contract for a
hospital at Northampton was let to a firm which asked some
thirty thousand dollars more than the lowest bidder. It was
charged that Forbes had an arrangement with the builders
of some hospitals whereby he was to pocket a third of the
profits. Preposterous purchases of hospital supplies were
made: the Veterans' Bureau bought $70,000 worth of floor
wax and floor cleaner, for instance—enough, it was said, to
last a hundred years—and for the cleaner it paid 98 cents
a gallon, although expert testimony later brought out the
fact that it was worth less than 4 cents a gallon exclusive of
the water which it contained. Quantities of surplus goods
were sold with the same easy disregard for price: 84,000
brand-new sheets which had cost $1.37 each were sold at 26
or 27 cents apiece, although at that very moment the Bureau
was purchasing 25,000 new ones at $1.03 apiece. "At one
time," reported Bruce Bliven, "sheets just bought were ac-
tually going in at one end of the warehouse [at Perryville,
Maryland] as the ones just sold were going out the other,
and some of them by mistake went straight in and out
again." More than 75,000 towels which had cost 19 cents
each were sold for 3 3/8 cents each. These few facts are
enough to show with what generous abandon Forbes spent
the money appropriated to care for the defenders of the Re-
public. Forbes went to Leavenworth in 1925 for fraud.

There was rampant graft in the office of the Alien Prop-
erty Custodian as well. Gaston B. Means has charged that attorneys who came to Washington to file claims for the return of properties taken over from Germans during the war were advised to consult a Boston lawyer named Thurston, that Thurston would charge them a big fee for his services, the claim would be allowed, and the fee would be split with those in authority. Be that as it may, the evidence brought out in the American Metal Company case was sufficient to indicate the sort of transaction which was permitted to take place.

The American Metal Company was an internationally-owned concern 49 per cent of whose stock had been taken over by the Alien Property Custodian during the war on the ground that it belonged to Germans. This stock had been sold for $6,000,000. In 1921 a certain Richard Merton appeared at the Custodian’s office with the claim that this 49 per cent had not been German, but Swiss, and that the Swiss owners, whom he represented, should be reimbursed. The claim was allowed after Merton had paid $441,000 in Liberty bonds to John T. King, Republican National Committeeman from Connecticut, for “services” which consisted of introducing him to Colonel T. W. Miller, the Custodian, and to Jess Smith, Attorney-General Daugherty’s man Friday. It was brought out at Miller’s trial that at least $200,000 of this $441,000 was paid over to Jess Smith “for expediting the claim through his acquaintance in Washington”; that Mal S. Daugherty, brother of the Attorney-General, sold at least $40,000 worth of Merton Liberty bonds and shortly thereafter deposited $49,165 to his brother’s account; and that Colonel Miller also got a share of the money. Miller was convicted in 1927 of conspiracy to defraud the Government of his unbiased services and was sentenced to eighteen months in prison. Daugherty was also brought to trial, but got off. After two juries had been unable to agree as to his guilt or innocence, the indictment against him was dis-
missed—but not before it had been brought out that in 1925 this former chief legal officer of the Government had gone to his brother's bank at Washington Court House, Ohio, and had taken out and burned the ledger sheets covering his own account there, and his brother's account, and another account known as "Jesse Smith Extra."

It was during the grand jury investigation which preceded the American Metal Company case that Harding's Attorney-General wrote the remarkable statement which appears at the head of this chapter. During his trial Daugherty failed to take the stand in his own defense, and his attorney, Max Steuer, later explained this failure in another equally remarkable statement:

"It was not anything connected with this case which impelled him to refrain from so doing. . . . He feared . . . that Mr. Buckner would cross-examine him about matters political that would not involve Mr. Daugherty, concerning which he knew and as to which he would never make disclosure. . . . If the jury knew the real reason for destroying the ledger sheets they would commend rather than condemn Mr. Daugherty, but he insisted on silence."

Could there be a more deliberate implication that Harding's Attorney-General could not tell the truth for fear of blackening the reputation of his dead chief? Call Daugherty's silence, if you wish, the silence of loyalty, or call those statements an effort to hide behind the dead President; in either case the Harding Administration appears in a strange light.

Charges still more damaging wereboldly made by Gaston B. Means in 1930. He stated that as a henchman of the Ohio gang he used to engage two adjoining rooms at a New York hotel for the collection of prohibition graft from bootleggers who were willing to pay for federal protection; that he would place a big goldfish-bowl in one of the rooms, on a table which he could see by peeping through the door from
the next room; that each bootlegger would come at his appointed hour and minute and leave in the bowl huge amounts of cash in thousand-dollar or five-hundred-dollar bills; that as soon as the bootlegger left, Means would enter, count the money, and check off the contribution; and that in this way be collected a total of fully seven million dollars which he turned over to Jess Smith, the collector-in-chief for the Ohio Gang, who shared an apartment in Washington with Attorney-General Daugherty.

Means further asserted that the swag from this and other forms of graft was kept hidden—many thousand dollars at a time—in a metal box buried in the back yard of the house which he occupied at 903 Sixteenth Street in Washington; he described this house and yard as being protected with a high wire fence and fitted out with a code signal system and other secret devices such as would delight a gang of small boys playing pirate.

Jess Smith committed suicide—at least that was the official verdict—in 1923 in the apartment which he shared with Harry Daugherty. Means claimed that just before this tragedy took place, the gang had discovered that Smith—like the careful shopkeeper he had been before he was brought to Washington by Daugherty to occupy a desk in the Department of Justice—had kept a record of all the cash which had passed through his hands, and that Smith, terrified at the thought of his guilt and his secret knowledge, had been playing with the idea of turning state’s witness against the gang. According to Means, the gang thereupon decided that Smith must be disposed of. Although Smith was afraid of firearms, he was persuaded to purchase a revolver on one of his trips to Ohio. And the “suicide” which followed—so Means plainly indicated, as many others had already suspected—was no suicide at all.

Finally, Means drew attention to the astonishing mortality among those who had been in on the secrets of the
gang. Not only had Smith dropped out of the picture, but also John T. King (who had received the Merton bonds), C. F. Hately (a Department of Justice agent), C. F. Cramer (attorney for the Veterans’ Bureau), Thurston (the Boston lawyer who represented many clients before the Alien Property Custodian), T. B. Felder (attorney for the Harding group), President Harding, Mrs. Harding, and General Sawyer. They had all died—most of them suddenly—within a few years of the end of the Harding Administration.

No matter how much or how little credence one may give to these latter charges and their implications, the proved evidence is enough to warrant the statement that the Harding Administration was responsible in its short two years and five months for more concentrated robbery and rascality than any other in the whole history of the Federal Government.

§ 6

And how did the American people take these disclosures? Did they rise in wrath to punish the offenders?

When the oil scandals were first spread across the front pages of the newspapers, early in 1924, there was a wave of excitement sufficient to force the resignations of Denby and Daugherty and to bring about the appointment by the new President, Calvin Coolidge, of special Government counsel to deal with the oil cases. But the harshest condemnation on the part of the press and the public was reserved, not for those who had defrauded the government, but for those who insisted on bringing the facts to light. Senator Walsh, who led the investigation of the oil scandals, and Senator Wheeler, who investigated the Department of Justice, were called by the New York Tribune “the Montana scandal-mongers.” The New York Evening Post called them “mud-gunners.” The New York Times, despite its Democratic
leanings, called them "assassins of character." In these and
other newspapers throughout the country one read of the
"Democratic lynching-bee" and "poison-tongued partisans
ship, pure malice, and twittering hysteria," and the inquiri
ies were called "in plain words, contemptible and
disgusting."

Newspaper-readers echoed these amiable sentiments. Substan
tial business men solemnly informed one another that
mistakes might have been made but that it was unpatriotic
to condemn them and thus to "cast discredit on the Gov
ernment," and that those who insisted on probing them to
the bottom were "nothing better than Bolsheviki." One of
the leading super-patriots of the land, Fred R. Marvin
of the Key Men of America, said the whole oil scandal was
the result of "a gigantic international conspiracy . . . of
the internationalists, or shall we call them socialists and
communists?" A commuter riding daily to New York from
his suburb at this period observed that on the seven-o'clock
train there was some indignation at the scandals, but that
on the eight-o'clock train there was only indignation at their
exposure and that on the nine-o'clock train they were not
even mentioned. When, a few months later, John W. Davis,
campaigning for the Presidency on the Democratic ticket,
made political capital of the Harding scandals, the opinion
of the majority seemed to be that what he said was in bad
taste, and Davis was snowed under at the polls. The fact
was that any relentless investigation of the scandals threat
ened to disturb, if only slightly, the status quo, and distur
bance of the status quo was the last thing that the dominant
business class or the country at large wanted.

They had voted for normalcy and they still believed in it.
The most that they required of the United States Govern
ment was that it should keep its hands off business (except
to give it a lift now and then through the imposition of
favorable tariffs and otherwise) and be otherwise unobtru-
sive. They did not look for bold and far-seeing statesmanship at Washington; their idea of statesmanship on the part of the President was that he should let things alone, give industry and trade a chance to garner fat profits, and not "rock the boat." They realized that their selection of Harding had been something of a false start toward the realization of this modest ideal. Harding had been a little too hail-fellow-well-met, and his amiability had led him into associations which brought about unfortunate publicity, and unfortunate publicity had a tendency to rock the boat. But the basic principle remained sound: all the country needed now was a President who combined with unobtrusiveness and friendliness toward business an unimpeachable integrity and an indisposition to have his leg pulled; and this sort of President they now had. The inscrutable workings of Providence had placed in the office left vacant by Harding the precise embodiment of this revised presidential ideal. Calvin Coolidge was unobtrusive to the last degree; he would never try to steer the ship of state into unknown waters; and at the same time he was sufficiently honest and circumspect to prevent any unseemly revelry from taking place on the decks. Everything was, therefore, as it should be. Why weaken public confidence in Harding's party, and thus in Harding's successor, by going into the unfortunate episodes of the past? The best thing to do was to let bygones be bygones.

As the years went by and the scandals which came to light grew in number and in scope, it began to appear that the "mistakes" of 1921-23 had been larger than the friends of normalcy had supposed when they vented their spleen upon Senator Walsh. But the testimony, coming out intermittently as it did, was confusing and hard to piece together; plain citizens could not keep clear in their minds such complicated facts as those relating to the Continental bonds or the Daugherty bank-accounts; and the steady passage of time
made the later investigations seem like a washing of very ancient dirty linen. Business was good, the Coolidge variety of normalcy was working to the satisfaction of the country, Coolidge was honest; why dwell unnecessarily on the past? Resentment at the scandals and resentment at the scandalmongers both gave way to a profound and untroubled apathy. When the full story of the Continental Trading Company deal became known, John D. Rockefeller, Jr., as a large stockholder in the Standard Oil of Indiana, waged war against Colonel Stewart and managed to put him out of the chairmanship of the company; but the business world as a whole seemed to find nothing wrong in Colonel Stewart’s performance. The voice of John the Baptist was a voice crying in the wilderness.

Yet the reputation of the martyred President sank slowly and quietly lower. For years the great tomb at Marion, Ohio, that noble monument to which a sorrowing nation had so freely subscribed, remained undedicated. Clearly a monument to a President of the United States could hardly be dedicated by anybody but a President of the United States; Harding’s successors, however, seemed to find it inconvenient to come to Marion for the ceremony. Late in 1930, over seven years after Harding’s death, the Harding Memorial Association met to consider what should be done in this embarrassing situation. That dauntless friend of the late President, Harry M. Daugherty, who had once refrained from testifying because he knew things “as to which he would never make disclosure,” made a florid speech in which he declared that the American people had never been swayed “by the lip of libel or the tongue of falsehood.” He proposed that the dedication be indefinitely postponed. The resolution was duly passed. Later, however, it was decided by those in high position that the matter could not very well be left in this unsatisfactory position, and that good Republicans had better swallow their medi-
cine and be done with it. President Hoover and ex-President Coolidge accepted invitations to take part in the dedication of the tomb in June, 1931, and the dedication accordingly took place at last. But a certain restraint was manifest in the proceedings. It was not so easy in 1931 as it had been in 1923 to compose panegyrics upon the public virtues of that good-natured man who had "taught us the power of brotherliness."