

1. President Harding's political campaign promised a "return to normalcy."
2. Harding appointed several excellent members to his cabinet such as Herbert Hoover. However, most of his appointments proved to be corrupt selling government jobs, pardons and protection from prosecution.
3. Due to all the scandals, Harding preferred to spend time with honest friends called the "Ohio Gang."
4. Albert Fall, secretary of the interior, allowed private interests to lease US government land in return for bribes. The scandal became known as the Teapot Dome.
5. In the end of the investigations and trials, Fall avoided prison due to his connections.
6. Attorney General Daugherty's scandal resulted in his conviction and a prison sentence.
7. Coolidge believed that prosperity rested on strong unions and flexible business owners.
8. Coolidge's once said, "...the chief business of the American people is business."
9. At the start of the 1920's the nation had a large national debt. Harding's treasury appointment, Hoover, believed that the government should apply business principles to its operations.
10. Hoover believed in supply-side economics, which is when the government cuts taxes in order to provide more spending power to businesses and consumers. In turn, this increased investment and spending would expand the economy.
11. Secretary Hoover also tried to balance government regulation with cooperative individualism in which businesses would form trade associations and voluntarily share information with the government.
12. Hoover also ordered the Bureau of Foreign and Domestic Commerce to discover new markets.
13. By the 1920's the US was the dominant economic power of the world. Under secretary Hughes the US attempted to use its military power to promote peace and stability.
14. Many Americans favored isolationism and tried to promote peace using economic policies and arms control agreements.
15. Since a healthy European economy benefitted the US, Dawes negotiated settlement with the France and Britain in order to help save the German economy. American banks would loan money to Germany, who would in turn pay back their debts to France and Britain, which would enable France and Britain to pay back their debts to the US.
16. Due to a naval arms race, 8 nations met in Washington D.C. and negotiated a series of treaties that limited naval warship production. However, Japan felt angry because the treaties required them maintain a smaller navy than either the US or England.
17. The US and 14 other nations agreed to outlaw war and settle all disagreements peaceably in the Kellogg-Briand Pact.
18. Due to high productivity and low demand, prices of crops dropped causing a depression in US agricultural industry.
19. To help farmers, Congress passed the Fordney-McCumber Act in 1922. Through higher tariffs, this act helped raise crop prices.
20. Twice Congress passed a bill that would buy up surplus crops in order to raise prices for farmers. Coolidge vetoed the bills because he feared the law would actually spur farmers to increase production.