

September 2010

*The Wisdom of  
President Warren  
G. Harding\**

***POLICY***  

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***STUDY***  

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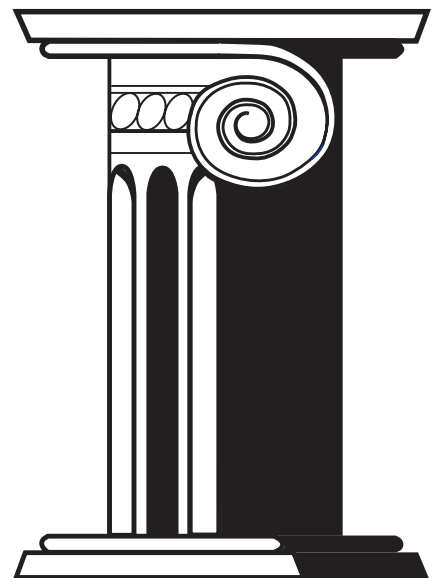
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by

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**PUBLIC INTEREST**



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September 2010

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**Dr. Don Racheter,  
President**

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# *The Wisdom of President Warren G. Harding*

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The Republican Ascendancy of the 1920s is associated with a return to conservative politics with the presidential administrations of Warren G. Harding, Calvin Coolidge, and Herbert Hoover. Warren G. Harding, who was elected President in the election of 1920, initiated an era of conservative government based upon policies that were rooted in constitutional limited government.

In the 1920 presidential election, Harding campaigned on a “return to normalcy,” which translated into an abandonment of the progressive domestic and foreign policies associated with President Woodrow Wilson and a return toward constitutional limited government. President, Harding began his administration with a commitment to uphold the principles of the American Founding.

President Harding’s major challenge was to pull the nation’s economy out of depression at the end of World War I. The nation faced 11.7 percent unemployment and much economic uncertainty. In the process the national debt had escalated because of the war, tax rates were extremely high, and government spending was out of control. The solution that Harding utilized was to restore the economy by stimulating the private sector by reducing regulations and slashing tax rates. In addition, he reduced government spending and started to chisel away at the national debt.

Harding also appointed pro-business individuals to regulatory agencies and he nominated conservatives to the Supreme Court. Some of President Harding’s Court appointments included Chief Justice William Howard Taft and Justice George Sutherland, both of whom are considered judicial conservatives. Harding also advocated a policy of civil rights and civil liberties for African Americans. He also pushed for and achieved immigration reform and he addressed the importance of Americanization and citizenship.

The policies initiated by President Warren G. Harding were rooted and committed to constitutional principles. The Harding economic program, which was continued by President Calvin Coolidge, was responsible for creating the roaring economy of the 1920s.

As the United States struggles with economic uncertainty of a double-dip recession, 9.5 percent unemployment, out-of-control government spending, escalating debts and deficits, expansion of the regulatory state, increasing tax rates, among other problems, policymakers can learn from history. Although the situation and circumstances of today’s problems may not match exactly with those that confronted Harding, he understood, unlike his progressive colleagues, that the principles of the American Founding would never be insufficient to deal with policy problems.

## *Executive Summary*

*“Warren G. Harding, who was elected President in the election of 1920, initiated an era of conservative government based upon policies that were rooted in constitutional government.”*

# *The Wisdom of President Warren G. Harding*

*“Harding’s  
victory ushered in an  
Administration that  
would fight to  
restore  
constitutional  
government and roll  
back progressive  
idealism.”*

There have always been those in American politics who have urged caution, prudence, and compromise; those who denounce the act of hubris, of political overreaching, but they have been all too few in number, and their appeal has never possessed the éclat or the grandeur of ideological denunciation and crusading fervor.

Stephen J. Tonsor<sup>1</sup>

## **Introduction**

“Conservatives recognize that a morally serious person is one who has learned to value what he has been given,” wrote Bruce P. Frohnen, a constitutional scholar and political theorist.<sup>2</sup> On a national level we have been blessed with a nation governed by a Constitution that limits the powers of government and protects liberty, whether it be economic, religious, or civil. In 1838, appearing before the Young Men’s Lyceum of Springfield, Illinois, Abraham Lincoln spoke of the “political religion of the nation.”<sup>3</sup> He urged the nation to have a “reverence for the Constitution and laws.”<sup>4</sup>

Lincoln’s “political religion” for the nation was based on respect and faithfulness to the Declaration of Independence, the Constitution, and the rule of law. For Lincoln, a

commitment to the principles of the American founding was essential not only in developing character, but also for our national preservation. The scholar and philosopher Richard Weaver maintained that “it is no accident that in our day the friends of liberty have been pleaders of constitutional government.”<sup>5</sup> A true statesman is one who defends and adheres to constitutional government. “In America, of course, the founding is determinative, and the Constitution stands at the very center of American political conservatism,” wrote historian Stephen J. Tonsor.<sup>6</sup>

American politics since the Philadelphia Convention of 1787 has seen many defenders of constitutional government. One forgotten defender of constitutional government was Warren G. Harding. Harding, a newspaper publisher and Senator from Ohio, was elected President in the election of 1920. Harding’s political promise of a “return to normalcy” marked a return to conservatism, nationalism, and constitutionalism, and his election represented a return to a “conservative political tradition.”<sup>7</sup> Harding’s victory ushered in an Administration that would fight to restore constitutional government and roll back progressive idealism.

The early decades of the twentieth century were dominated by progressive administrations that dismissed the idea of a traditional limited government as designed by the Found-

ers. Despite the presidency of William Howard Taft both the administrations of Theodore Roosevelt, a Republican, and Woodrow Wilson, a Democrat, moved the nation away from limited government and toward the administrative state.

The progressives argued that the Constitution was obsolete; that is, the idea of limited government may have worked in Thomas Jefferson's time, but had no place in the modern twentieth century. The progressives believed in a "living" Constitution that "evolves" with the times. "Progressives had in mind a variety of legislative programs aimed at regulating significant portions of the American economy and society and at redistributing private property in the name of social justice."<sup>8</sup>

Harding, just as Lincoln, revered the Constitution. He believed it was divinely ordained by God. "I can well believe that the hand of destiny must have directed them; and the supreme accomplishment was wrought because God Himself had a purpose to serve in making the new Republic," stated Harding.<sup>9</sup>

As President, Harding faced a severe economic depression, out-of-control federal spending and debt, and high taxation. His Administration was marked by a commitment to limited government and a desire to return the executive branch back to a more limited role in the constitutional system. Emblematic of Harding's political philosophy

was his campaign slogan of "return to normalcy," which called for a return to conservative constitutional government based on limiting the size and scope of government through the reduction of spending and taxes. Harding also appointed conservatives to both the judiciary and regulatory agencies who would uphold property rights rather than encourage regulation.

The historian Robert H. Ferrell in the introduction to *Our Common Country: Mutual Good Will in America*, a collection of Harding speeches, noted that the words Harding spoke were "what the country needed" in his time, "and what it needs now."<sup>10</sup> The wisdom of Warren G. Harding can be applied to today's policy problems. In the fall of 1920 in Des Moines, Iowa, Ohio Senator Warren G. Harding called for "a new baptism of constitutionalism in the republic," and he stated that the "Constitution is the rock on which we build; it is the foundation on which this republic will endure."<sup>11</sup>

Today, the United States faces multiple problems in which the wisdom of Warren G. Harding can be applied. Harding's views on the Constitution, immigration, the economy, and civil rights, were all rooted in a traditional constitutional conservatism. Policymakers can learn much from Harding and other conservatives from the 1920s who adhered closely to constitutional government.

## *The Wisdom of President Warren G. Harding*

*"The wisdom of Warren G. Harding can be applied to today's policy problems."*

# *The Wisdom of President Warren G. Harding*

*“I am recalling the federal Constitution as the very base of all Americanism, as the ark of the covenant of American liberty, as the very temple of equal rights, as the very foundation of all our worthy aspirations.”*

## **The Constitution**

For conservatives within the Republican Party during the 1920s, the Constitution was the foundation of the American system. These Republicans, or old-right conservatives, believed that the Constitution limited the powers of government and protected economic liberty. “A veritable cult of Constitution worship” was attributed to many of the conservative leaders during the 1920s.<sup>12</sup> Warren G. Harding, Calvin Coolidge, Andrew Mellon, Herbert Hoover, William Howard Taft, Justice George Sutherland, James Beck, among others fit this mold of reverence for the Constitution. A number of conservative intellectuals joined in the defense of limited constitutional government and free-markets in the 1920s and 1930s. Conservative intellectuals and writers such as Irving Babbitt, H.L. Menken, Albert J. Nock, among others, may not have completely agreed on political and economic philosophy, but had a lasting impact on future intellectuals and writers.

The conservatives of the 1920s viewed the Constitution as a “document of ‘conservative self-restraint,’ which is something more than a written formula of government — it is a great spirit.”<sup>13</sup> When Harding was elected, Senator Henry Cabot Lodge stated that he [Harding] “would carry on ‘in the old and accepted Constitutional ways.’”<sup>14</sup> “I am recalling the federal Constitution as the

very base of all Americanism, as the ark of the covenant of American liberty, as the very temple of equal rights, as the very foundation of all our worthy aspirations,” noted Harding.<sup>15</sup> In his speech accepting the Republican nomination, Harding addressed the need to return to constitutional government. “Our first committal is the restoration of representative popular government, under the Constitution,” argued Harding.<sup>16</sup>

Harding, just as with President Taft, advocated limiting the constitutional role of the presidency. President Woodrow Wilson urged an aggressive presidency and broad executive power. Harding disagreed with Wilson’s approach to executive power. Harding stated that “no man is big enough to run this great republic,” and he argued for cabinet government with a “cabinet of highest capacity.”<sup>17</sup> Once in office, Harding selected, to the most extent, a highly capable Cabinet. He selected Charles Evans Hughes as Secretary of State, Herbert Hoover as Secretary of Commerce, Henry C. Wallace as Secretary of Agriculture, and Andrew Mellon, as Secretary of the Treasury.

Harding also advocated improving the comity between the executive branch and Congress that had been damaged during the debate between President Wilson and the Senate over the League of Nations. President Harding’s goal was to restore the constitutional balance be-



tween the presidency and Congress. As Gene Healy noted, Harding's presidency was restrained and "one that spoke more softly and shunned grand schemes to remake American society."<sup>18</sup>

Harding also refuted the progressive attacks on the Constitution as an obsolete document:

Men often times sneer nowadays like it were some useless relic of the formative period, seemingly unmindful that on its guaranties rests the liberty which permits ungrateful sneering. Others pronounce it timeworn and antiquated and unsuited for modern liberty, but they forget that the world's orderly freedom has come its inspiration.<sup>19</sup>

For Harding the Constitution was sacred and he said "let no one proclaim the Constitution unresponsive to the conscience of the republic." This meant that the Constitution did not need to evolve to meet the needs of the twentieth century; rather, following the principles of the American founding would result in solving modern policy problems. As Harding stated: "certain fundamentals are unchangeable and everlasting."<sup>20</sup> He understood that the Constitution limited the power of Congress and reserved "to the people in the states and their political subdivisions control of their local affairs."<sup>21</sup>

The notion that the Constitution was antiquated was absurd to Harding who said that "it was so soundly conceived and so masterfully written that its provisions fully meet the actual governmental needs of a hundred and twenty millions of people, as well as the conditions which are revealed in an experience of a hundred and thirty-three years — and, I believe, of all the years to come."<sup>22</sup> The Constitution, Harding stated, "promptly responds to American conviction and is the rock on which is built the temple of orderly liberty and the guaranteed freedom of the American republic."<sup>23</sup>

Harding was not just philosophically committed to the Constitution, but he put constitutional government into practice through his economic policies and in his appointments to the United States Supreme Court. President Harding during his time in office nominated four Justices to the Supreme Court, including nominating former President William Howard Taft to serve as Chief Justice. President Harding's nominees to the Court were all highly experienced conservative jurists.

Taft, who is the only former President to be appointed to the Court, was a conservative jurist and a defender of a strict constructionist interpretation of the Constitution.<sup>24</sup> The Taft Court of the 1920s was a defender of property rights and limited government — the constitutional philosophy that was the core

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# *The Wisdom of President Warren G. Harding*

*“The Taft Court, just as with the Harding administration, was a conservative Court in conflict with progressivism.”*

of Harding’s philosophy and administration. Harding “had the opportunity to restructure the Supreme Court” through his appointment of George Sutherland, Pierce Butler, and Edward Sanford, all of whom were “conservative, property-oriented lawyers.”<sup>25</sup> In addition, Sutherland, Butler, and Sanford had impeccable academic credentials and helped form the conservative block on the Taft Court.

The Taft Court, just as with the Harding administration, was a conservative Court in conflict with progressivism. “Scholars see the 1920s as a battleground between traditionalists fearful of the new ways and modernists eager to shed the shackles of older ideas and practices,” wrote constitutional historian Melvin Urofsky.<sup>26</sup> Progressives believed that not only was limited government out of date, but they also viewed the Constitution as a “living” document that changes with the times. The Harding administration rejected such a philosophy and both President Harding and Chief Justice Taft had to fight against progressive philosophy. The struggle for Harding and Taft was “to maintain the older jurisprudence” against those progressives who wanted “the Court to promote a law reflective of newer ideas and conditions.”<sup>27</sup>

President Harding’s appointments to the Supreme Court, with the exceptions of Taft and Sutherland, are seen as poor — by progressive standards

— in comparison to the progressive jurists of the era such as Oliver Wendell Holmes, Louis Brandeis, and Benjamin Cardozo. In fact, Justice Sutherland and Justice Butler were part of the infamous “Four Horsemen of the Apocalypse,” a name given by progressive New Dealers because both Justices struck down many of President Roosevelt’s New Deal programs as being unconstitutional. The judicial records of Taft, Sutherland, Butler, and Sanford were certainly not in the progressive tradition, but rather in the tradition of the original intent of the Founders. “When their total performance is considered, their service and contributions to the law add luster to their own reputations, as well as Harding’s unfortunately short term of service.”<sup>28</sup>

President Harding also nominated “sixty federal judges at various ranks, and nearly all were Republicans, and the credentials of these individuals were viewed as high.”<sup>29</sup> Harding also appointed James M. Beck as Solicitor General in his administration. Beck, who later served as a member of Congress, was a staunch conservative who believed in a strict interpretation of the Constitution. He was a constitutional scholar and prolific author and defender of both limited government and conservative political philosophy. Beck was also an opponent of Roosevelt’s New Deal and he believed “the people’s only hope lay in a return to individualism, to the



spirit of the Constitution, to the precepts and examples of the Founding Fathers.”<sup>30</sup>

The administrative state — federal bureaucracies and regulatory agencies — which arose in the early twentieth century in the presidencies of Theodore Roosevelt and Woodrow Wilson, was seen as interfering too much in the economy. Harding was responsible for appointing new personnel to these administrative agencies. “With the return of the Republican Party, the personnel of regulatory commissions took a decidedly conservative cast.”<sup>31</sup> For example, Harding appointed pro-business conservatives to the Interstate Commerce Commission, Federal Reserve Board, Federal Trade Commission, and the Tariff Commission.<sup>32</sup> “Under Harding, the government thus took on an increasingly pro-business appearance.”<sup>33</sup>

President Harding believed that following the principles of the American Founding was essential for national survival and character. Harding stated that “it is good to meet and drink at the fountains of wisdom inherited from the Founding Fathers of the republic.”<sup>34</sup> Harding and the conservatives of the 1920s believed in preserving constitutional limited government and believed that wisdom was found in the Founding Fathers rather than the new ideas of the twentieth century. “The things most needed are not new ideas, but new sincerity and a new consecration to truth already

uttered,” stated Harding.<sup>35</sup>

Harding believed “political whims and popular personalities will come and go, but political principle stands everlastingly true; sometimes it is obscured by the passing storm, but it stands like a beacon unchanging, to guide the pilots of nations.”<sup>36</sup> Harding’s philosophy was rooted in constitutionalism and it was clearly demonstrated not only by his public policy, but also through his judicial and administrative appointments. Harding and other conservatives of the 1920s placed a high regard on the Constitution and argued that constitutional drift was detrimental to national survival. Harding warned the nation to be ever watchful of constitutional drift — a warning that can apply to today. Harding stated: “I wonder what the great [George] Washington would utter in warning...if he could know the drift today.”<sup>37</sup>

### **Americanism and Citizenship**

In addition to the debate over President Wilson’s League of Nations and economic concerns, the issue of Americanism was central to the presidential election of 1920.<sup>38</sup> Harding was seen as a nationalist, and many of his speeches trumpeted Americanism and the greatness of the American Founding. Harding gave reverence to history and faith, and spoke in admiration of George Washington, Alexander Hamilton, Abraham Lincoln, and William

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*“Harding believed that responsible citizenship included an understanding of history and the principles of the Constitution.”*

McKinley. Harding took pride in the founding principles and history of the United States.

Harding believed that at the heart of Americanism is the Constitution. Not only did Harding reject the progressive view of an antiquated Constitution, but he argued that “the trouble is that its sacredness, if not forgotten, has been too little proclaimed.”<sup>39</sup> Harding believed that responsible citizenship included an understanding of history and especially the principles of the Constitution. Harding stated that “the American of today, tomorrow, and so long as the republic endures and triumphs, must be schooled to the duties of citizenship...”<sup>40</sup> “We have the duty to preserve the inherited covenant of the fathers; we have the obligation to hand on to succeeding generations the very republic which we inherited,” noted Harding.<sup>41</sup>

The Harding administration also proposed immigration reform, by limiting immigration, and to “Americanize” those individuals who were already in the nation. In 1921, Harding signed the Emergency Quota Act, which placed limitations on immigration.<sup>42</sup> In his address accepting the Republican nomination for President, Harding stated that he was in favor of “established standards for immigration, which are concerned with the future citizenship of the republic, not with mere manpower in industry.”<sup>43</sup> “I believe that every man who dons the garb of American citizenship and walks in the

light of American opportunity must become American in heart and soul,” noted Harding.<sup>44</sup> As Harding stated:

I firmly believe that if our government... had taken as much pains to familiarize the incoming foreigner with American ideal... as the radicals have taken to misrepresent and misinterpret our Constitution, there would be far less trouble in this country today.<sup>45</sup>

Harding believed that “if any man seeks the advantages of American citizenship, let him assume the duties of that citizenship,” and he argued that “one cannot be half American and half European or half something else...”<sup>46</sup> This immigration reform was continued under President Calvin Coolidge.

## **The Economy**

In his address dedicating the Harding memorial, President Herbert Hoover made reference to the economic depression that Harding inherited from the aftermath of World War I and the economic policies of the Wilson administration. “At the aftermath of war our national finances were disorganized, taxes were overwhelming, agriculture and business were prostrate, and unemployment wide spread,” noted Hoover.<sup>47</sup>

Warren G. Harding’s han-

dling of the depression of 1920-1921 was based on limited- government policies. His economic policy consisted of cutting government spending, reducing the debt, and substantial tax reduction. Harding also believed that government operations needed to be more efficient and business methods injected into governing, a view shared by Andrew Mellon. A more detailed treatment of Harding's economic policies can be read in Public Interest Institute's *POLICY STUDY*: "How to 'Return to Normalcy' in America: Follow the Example of President Warren G. Harding."<sup>48</sup>

The national economy was the dominant domestic policy issue. Prior to Harding's election, in the aftermath of World War I, the economy fell into a severe depression. President Woodrow Wilson, who had centralized the economy during the war, did not address demobilization of the economy because he was more interested in getting Senate approval of the League of Nations. Harding also realized that the Great War resulted in a tremendous growth of government and he stated that "government in recent time assumed a more complex relationship to the public than it ever sustained before."<sup>49</sup> He also warned that as a result of the centralization of the economy "there has grown a school of thought which assumes that even in time of peace the same autocratic authority might well be exercised

in the general interest."<sup>50</sup>

Harding's goal was not just economic recovery, but to battle against the progressive ideology that wanted to transform the nation away from constitutional government. "We must uproot from our national government the yearning to undertake enterprises and experiments which were never intended as the work of our government..." argued Harding.<sup>51</sup> He believed that business and industry suffered from too much government intervention in the economy. "American business has suffered from staggering blows because of too much ineffective meddling by government..." noted Harding.<sup>52</sup>

Harding also argued that the administrative state (regulatory agencies) had grown too powerful and "good government has almost been allowed to die on our hands, because it has not utilized the first sound principles of American business."<sup>53</sup> "The government of the United States," argued Harding "has been allowed to degenerate into an inadequate piece of administrative machinery."<sup>54</sup> Harding argued that the administrative state was undermining not only business confidence, but also constitutional government. He argued that "our time-tested democratic institutions are robbing our representative government of its place in our republic in order to fatten administrative authority and replace the will of the people by the will of the willful."<sup>55</sup>

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*“The economy suffered from swelling government spending, rising debt, and punishing high tax rates because of the war.”*

The depression of 1920-1921 featured in a decline in prices, a peak in unemployment of 11.7 percent, and a decline in both business and agriculture.

The entire economy was impacted by the depression:

The dramatic collapse brought much dissatisfaction to rural America, but labor and industry also suffered. Unemployment in non-farm jobs grew from 2.3 percent in 1919 to 4.0 percent in 1920, and up to 11.9 percent in 1921, with more than five million unable to find work. For those persons who remained employed, wages declined 20 percent. And businesses closed as capital dried up, with 100,000 bankruptcies in 1921.<sup>56</sup>

In addition, as economic historian Thomas E. Woods wrote, “by the middle of 1920 the downturn in production had become severe, falling by 21 percent over the following twelve months.”<sup>57</sup> Economic historian Jim Powell noted that “the estimated Gross National Product [GNP] plunged 24 percent from \$91.5 billion in 1920 to \$69.6 billion in 1921.”<sup>58</sup>

The economy suffered from swelling government spending, rising debt, and punishing high tax rates because of the war. Both the corporate and income tax rates had been extremely high during the Wilson admin-

istration. Economic historian Burton W. Folsom noted that Wilson “used the income tax to raise much of the money to wage war: rates started at four percent and soared to seventy-seven percent on top incomes. Corporate taxes rose to eighteen percent.”<sup>59</sup> In addition to high rates of taxation “the national debt had skyrocketed from \$1.5 billion in 1916 to \$24 billion in 1919.”<sup>60</sup>

During the presidential campaign of 1920, Harding had called for a “return to normalcy,” Harding’s slogan was rooted in the tradition of President William McKinley. Harding did not propose progressive reforms as Theodore Roosevelt did with his Square Deal or Wilson did with New Freedom, but rather argued that “any wild experiment will only add to the confusion.”<sup>61</sup> Harding even poked fun at President Wilson’s New Freedom agenda in a *World’s Work* article. Harding wrote:

Some of us Americans recall the doctrine called ‘the New Freedom.’ I believe, after all is considered, that there may be a little idealism of a simple and old-fashioned kind in seeking a new freedom from too much government in business and not enough business in government, a new freedom to restore representative government in place of

one-man war powers, a new freedom from tinkering with business and bungling with government, a new freedom from propaganda which makes us forget that deeds are better than words.<sup>62</sup>

Harding believed that the best policy solution was rooted in limited constitutional government and he pushed an economic agenda — the normalcy agenda — based on cutting government spending, reducing taxes, paying down the national debt, and reducing regulations on the private sector.

“Harding was a confirmed conservative on the matter of taxation, government economy, and the relationship between government and business.”<sup>63</sup> Harding “always decried high taxes, government waste, and excessive governmental interference in the private sector of the economy.”<sup>64</sup> He advocated government based on business methods. Harding also argued that the “government ought to ‘strike the shackles from industry’” and that “‘we need vastly more freedom than we do regulation.’”<sup>65</sup>

Harding’s policy objective was to inject business methods into the government to bring efficiency through cutting government spending and streamlining regulations. In addition, he believed that cutting spending and taxes would stimulate the private sector to start growing, which in turn lower

unemployment and unleash the free-enterprise system. As Harding stated:

We will attempt intelligent and courageous deflation and strike at government borrowing which enlarges the evil, and we will attack the high cost of government with every energy and facility which attend Republican capacity. We promise that relief which will attend the halting of waste and extravagance, and the renewal of the practice of public economy, not alone because it will relieve tax burdens, but because it will be an example to stimulate thrift and economy in private life.<sup>66</sup>

Harding relied upon Secretary of the Treasury Andrew Mellon to carry out his economic agenda. Both Harding and Mellon agreed that in order to end the depression the government had to reduce expenditures, pursue substantial tax reform, and pay down the debt; and allowing the private sector to grow. Mellon also argued that cutting tax rates would not only result in a growth in the private sector, but also in more revenue to the federal government, which was a forerunner to supply-side economics. In addition, both Harding and Mellon were budget hawks, which meant supporting a bal-

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anced budget and streamlining the budget process.

“I know of no more pressing problem at home than to restrict our national expenditures within the limits of our national income, and at the same time measurably lift the burdens of war taxation from the shoulders of the American people,” argued Harding.<sup>67</sup> The most severe problems facing the economy, Harding argued, consisted of uncontrolled spending and high taxation:

The unrestrained tendency to heedless expenditure and the attending growth of public indebtedness, extending from federal authority to that of state and municipality and including the smallest subdivision, constitute the most dangerous phase of government... We shall hasten the solution and aid effectively in lifting the tax burdens if we strike resolutely at expenditure. It is far more easily said than done. In the fever of war our expenditures were so little questioned, the emergency was so impelling, appropriation was so unimpeded that we little noted the millions and counted the Treasury inexhaustible. It will strengthen our resolution if we ever keep in mind that a continuation

of such a course means inevitable disaster.<sup>68</sup>

In fact, Harding had to fight Congress in regard to cutting back on expenditures, especially popular entitlement programs such as the Veterans’ Bonus Bill for World War I veterans. Harding did not generally oppose providing aid to veterans, but with the current economic situation and an out-of-control spending he opposed such an entitlement as being fiscally unsound.<sup>69</sup>

In December of 1921, President Harding’s planned spending for fiscal year 1922-1923 was about \$3.5 million, and by the end of the fiscal year the budget was in surplus.<sup>70</sup> During the fiscal years 1922 and 1923, Secretary Mellon noted that “each closed with a surplus of about three hundred and ten million dollars above all expenditures...”<sup>71</sup> Jim Powell summarized the Harding spending record:

Federal spending was cut from \$6.3 billion in 1920 to \$5 billion in 1921 and \$3.2 billion in 1922. Federal taxes fell from \$6.6 billion in 1920 to \$5.5 billion in 1921 and \$4 billion in 1922.<sup>72</sup>

In addition, the “federal government paid off debt, which had been \$24.2 billion in 1920 and it continued to decline until 1930.”<sup>73</sup> This policy was continued by President Calvin



Coolidge and Andrew Mellon, who continued on as Secretary of the Treasury.

Harding and Mellon were also successful in initiating substantial tax relief. The Mellon tax cuts proved to be successful in restoring the economy. As economist Veronique de Rugy wrote:

After five years of very high tax rates, rates were cut sharply under the Revenue Acts of 1921, 1924, and 1926. The combined top marginal normal tax and surtax rate fell from 73 percent to 58 percent in 1922, and then to 50 percent in 1923 (income over \$200,000). In 1924, the top tax rate fell to 46 percent (income over \$500,000). The top rate was just 25 percent (income over \$100,000) from 1925 to 1928, and then fell to 24 percent in 1929.<sup>74</sup>

The Harding-Mellon tax reductions were not only targeted to the wealthy, but also to those with lower incomes. The tax cuts were continued into the Coolidge administration and fueled the booming economy of the 1920s, which saw a growth in entrepreneurship and low unemployment.

Some libertarians and free-market conservatives applauded President Harding's policies on the federal budget and taxes, but they are appalled by his

advocacy of a high protective tariff. Harding, just as with most conservatives of his era, believed in the protective tariff, an economic policy that was rooted in the philosophy of Alexander Hamilton, Henry Clay, Abraham Lincoln, and William McKinley. The Republican Party was the high tariff party in the 1920s. Harding believed that a tariff would benefit and protect American industry, agriculture, and labor. As he stated in his acceptance speech for the Republican presidential nomination: "I believe in the protective tariff policy and know we will be calling for its saving Americanism again."<sup>75</sup> President Harding pushed for tariff reform and Congress passed the Fordney-McCumber tariff, which allowed tariff flexibility, while also raising rates on both industrial and agricultural goods.

The Harding economic policies turned the depression of 1920-1921 into a short-lived depression by fueling the private sector of the economy through tax cuts and shrinking the federal government through budget reform, spending reduction, curbing regulation, and paying down the national debt. "Harding and Mellon had done nothing except cut government expenditures by a huge forty percent from Wilson's peacetime level, the last time a major industrial power treated a recession by classic laissez-faire methods..." wrote historian Paul Johnson.<sup>76</sup>

## *The Wisdom of President Warren G. Harding*

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*“Harding believed that ‘America would never realize her full potential until blacks and whites could count on equal treatment under the law in society in which men and women would be judged as individuals rather than on the color of their skin.’”*

## **Civil Rights and Civil Liberties**

In addition to his support of constitutional limited government, President Harding dealt with issues pertaining to civil rights and civil liberties. In the aftermath of World War I and the red scare, Harding freed the jailed socialist leader Eugene Debs and 25 other individuals who had been imprisoned during World War I.<sup>77</sup> In addition, although certainly not a feminist by today’s standard, Harding did support increased opportunities for women and “unshackling child labor.”<sup>78</sup>

He also supported civil rights for African Americans. Harding supported an anti-lynching law and he argued that “the federal government should stamp out lynching and remove that stain from the fair name of America.”<sup>79</sup> He also argued that African Americans “should be guaranteed the enjoyment of all their rights, that they have earned the full measure of citizenship bestowed...”<sup>80</sup> Harding’s goal in terms of race relations was to stabilize racial issues and “offer a blueprint for better race relations in the country as a whole.”<sup>81</sup>

In the fall of 1921, President Harding delivered a speech in Birmingham, Alabama, commemorating the semicentennial of the city. The purpose for his address was not only commemorating the semicentennial, but also to address civil rights policy and “his ideas for a revival of Republicanism in

the South.”<sup>82</sup> In this speech, Harding stated that the “race problem is national rather than merely sectional.”<sup>83</sup> Harding noted that the problem was national because of the migration that took place during World War I as many African Americans left the South for jobs in Northern factories.<sup>84</sup> He also made reference to the African American soldiers who fought in World War I and “that their sacrifices in blood on the battlefields of the Republic have entitled them to all freedom and opportunity, all sympathy and aid that the American spirit of fairness and justice demands.”<sup>85</sup> Harding also called for increased educational opportunities and he said, just as with immigration, the nation must “sedulously avoid the development of group and class organizations in this country.”<sup>86</sup> David Keene summarized Harding’s historic speech when he wrote that Harding believed that “America would never realize her full potential until blacks and whites could count on equal treatment under the law in a society in which men and women would be judged as individuals rather than on the color of their skin.”<sup>87</sup> Robert K. Murray, a historian of the Harding administration, wrote that the “Birmingham address was the most important presidential utterance on the race question since Reconstruction days, and regardless of motivation, required considerable courage.”<sup>88</sup>

President Harding's Birmingham speech caused controversy and Congress even considered an anti-lynching bill, which Harding supported, but the legislation went down to defeat at the hands of southern Democrats.<sup>89</sup> "Still the fact remained that Warren Harding was the only President between the Square Deal and the Fair Deal (President Truman) who examined the question of race relations in a fresh way," wrote Robert Murray.<sup>90</sup>

Harding also believed the importance of property rights as not only essential for economic liberty and free-enterprise, but also as a fundamental constitutional right. He reinforced the importance and relationship between human rights and property rights. "If there are no property rights, there is little, if any, foundation for national rights, which we are ever being called upon to safeguard," stated Harding.<sup>91</sup> Harding's Supreme Court appointments, especially Justice George Sutherland, believed strongly in protecting property and economic liberty.

### **Conclusion and Legacy**

"Throughout the twenties, national political power was held by men who rejected the basic assumptions of the progressives and the vision of Wilsonian internationalists," wrote economic historian Robert Sobel.<sup>92</sup> Certainly Harding rejected progressivism and advocated normalcy. Harding's

political program of normalcy was rooted in a conservative tradition of constitutional limited government. Harding was not an ideologue nor did he have a rigid ideology. Harding was a prudent politician, who believed in gradual conservative change. "Normalcy did not possess the tight ideological coherence of a political doctrine. It was rooted in a set of key conservative principles — smaller government, lower taxes, cost-cutting and a reduction in government regulation of industry and the economy," wrote Niall Palmer, a British historian of the 1920s.<sup>93</sup>

President Harding's foreign policy was also rooted in a traditional "America first" approach. Harding did not believe in the idealistic foreign policy of "democracy expansion" that Wilson envisioned with the League of Nations. Harding's foreign policy was concerned with establishing a just peace after World War I and although the nation did not join the League of Nations, national foreign policy did not return to isolationism. President Harding and his Secretary of State Charles Evans Hughes initiated the Washington Naval Conference, which led to the disarmament of naval powers in the aftermath of the Great War. Harding described the Washington Naval Conference as an "outstanding, historical, monumental achievement."<sup>94</sup>

Harding was also concerned with the new Communist government in Russia and he

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*“He understood the dangers of the Soviet ideology and its threat to liberty.”*

described “Russia only as a supreme tragedy, and a world warning, the dangers of which we must avoid if our heritage is to be preserved.”<sup>95</sup> He understood the dangers of the Soviet ideology and its threat to liberty. Harding’s foreign policy was based on “modified internationalism,” which placed American interests and sovereignty first, rather than ideological foreign policy.<sup>96</sup>

Harding’s policy of normalcy “set the philosophical and structural framework for the politics and even for the day-to-day operation of the federal government for the remainder of the decade.”<sup>97</sup> The policies of the Harding administration were continued by President Coolidge and dominated the Republican Party philosophy during the 1920s. As President, Harding fulfilled many of his policy objectives and he adhered to the Republican Party platform of 1920. Harding’s policies were not based on bold experimentation and government power as were those of President Franklin D. Roosevelt.

Warren G. Harding was not as intellectual as Wilson, nor did he enjoy twelve years in the White House like Franklin D. Roosevelt in which to burnish his liberal legacy, but he did have a firm understanding of the limited role of government under the Constitution. Harding has had many detractors since his untimely death, but policymakers can learn much from his policies. Today the United

States is facing a severe budget crisis as the nation copes with a \$13 trillion debt and escalating deficits, a national economy struggling to emerge out of a recession with 9.5 percent unemployment, a national problem with immigration, and an effort by President Barack Obama and Democrat leaders to strengthen the administrative state by renewing the Great Society through expanding regulation and inventing entitlements in the form of universal health care.

Applying the policy of normalcy to the problems of today would provide a solid solution. Harding’s economic policy, which was responsible for creating the “roaring twenties,” was based on cutting taxes and allowing the free-enterprise system to work. He held the line on government spending by reducing spending and paying down the national debt, while at the same time reducing regulations on business. Harding also demonstrated leadership by opposing the Bonus Bill, which he considered to be fiscally irresponsible. He also championed reform of immigration policy and patriotism by honoring America’s heritage.

Harding’s handling of the depression of 1920-1921 is a blueprint for policymakers to follow in confronting a severe economic downturn. Noted economists Richard Vedder and Lowell Gallaway wrote that “the most important business cycle development of the first three decades of the twentieth

century was the very sharp economic downturn of 1920 and 1921.”<sup>98</sup> The conservative policies that Harding initiated created economic prosperity. “The seven years from the autumn of 1922 to the autumn of 1929 were arguably the brightest period in the economic history of the United States,” wrote Vedder and Gallaway.<sup>99</sup>

The economic transformation from depression to prosperity occurred in a relative short time because of the Harding program and the continuation of his policies under President Coolidge. Vedder and Gallaway noted that “industrial production during Harding’s tragically short tenure rose over 60 percent,” and it also resulted in the growth of entrepreneurship and low unemployment.<sup>100</sup> “The 20th century President we’re most taught to hate saw the United States through an even worse downturn than the one we’re experiencing now by simply allowing the free market to make necessary adjustments,” noted Thomas E. Woods.<sup>101</sup> It is Harding’s economic policies that earned him a high presidential ranking by Vedder and Gallaway — in fact, Harding ranked first in terms of size of government and he ranked among the top five Presidents in regard to adherence to free-market and sound economic principles.<sup>102</sup>

The essential conservatism of the 1920s, was followed and utilized by Republicans throughout the twentieth century. Senator Robert A. Taft

and Senator Barry Goldwater pushed for fiscal conservatism against New Deal liberalism and President Ronald Reagan was the first President to challenge the legacy of the New Deal by trying to roll back the welfare state. The conservative Mellon tax plan has influenced many Republican tax policies even to the present day. For example, Reagan utilized tax cuts in order to revive an economy in recession. Harding, Coolidge, and Mellon are considered champions in the realm of tax policy and are heralded by many devotees to supply-side economics. Reagan’s appointments to the Supreme Court, federal courts, and administrative agencies also matched Harding’s conservative appointments. Most importantly, conservatives and indeed the nation at large, needs a revival of constitutionalism championed by the conservatives of the 1920s.

Harding was also humble. “I don’t intend to come as the finest exemplar of what we ought to be, but I rejoice in the inheritance of a religious belief and I don’t mind saying that I gladly go to God Almighty for guidance and strength in the responsibilities that are coming to me,” stated Harding.<sup>103</sup> Harding, just as with Reagan, utilized cabinet government to run his administration. Both Harding and Reagan had impressive cabinet members who served their respective administrations.

Historians, many of whom are rooted in the progressive

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# *The Wisdom of President Warren G. Harding*

*“Policymakers  
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tradition and celebrate the presidencies of Wilson and Roosevelt, tend to view the Harding administration as a failure not only in policy, but because of the numerous scandals.<sup>104</sup> The Harding administration needs a calm and balanced assessment from historians; looking at all of its aspects and legacies. Both historians Robert H. Ferrell and Robert K. Murray have authored books on the Harding administration that take a balanced overview of his policies and administration. Recently more historians, economists, and journalists have taken a more balanced approach in examining Harding’s administration. The ideas and policies that shaped the Harding administration and those that served him — Mellon, Hoover, Hughes, and Wallace — along with the Taft Court were influential in setting the policy direction for not only the decade, but are also relevant for today. As already mentioned, Harding had a deep respect for history and in a letter to Kenneth C.M. Sills, President of Bowdoin College; he wrote “it seems to me there is altogether too little knowledge of our national story, too little interest in and serious study of it.”<sup>105</sup> President Ronald Reagan offered a similar warning in regard to the decline of the study of history (civic education) in his Farewell Address and perhaps as a nation we need to invest some serious study in the administration of President Warren G. Harding.

“Why do scholars, who

despise the successful Harding, canonize the failed Wilson? Because Woodrow Wilson believed in big government, globalism, and world government,” wrote columnist Patrick J. Buchanan.<sup>106</sup> Policymakers should be evaluated on how they preserved the Constitution, and by this marker, Warren G. Harding was a successful President. Stephen J. Tonsor described a few traits of a prudent politician:

The great politicians of any age are not the dreamers and the idealists. They are practical men who have a vision of what is both desirable and possible for their societies. They are not the inventors of slogans such as the “classless society” or the “new frontier” or the “great society.” They speak in terms of specific and concrete goals, and they have some estimate of what the costs, material and social, will be.<sup>107</sup>

By this standard Warren G. Harding was a politician who was a defender of constitutional government, and who deserves reconsideration as a President who was influential in office and set a policy direction that influenced the decade of the 1920s.



## Endnotes:

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<sup>2</sup>Bruce P. Frohen, "Historical Consciousness Versus the Will to Ignorance," in Stephen M. Klugewicz and Lenore T. Ealy (ed.), *History, On Proper Principles: Essays in Honor of Forrest McDonald*, ISI Books, Wilmington, Delaware, 2010, p. 243.

<sup>3</sup>Abraham Lincoln, "The Perpetuation of Our Political Institutions: Address Before the Young Men's Lyceum of Springfield, Illinois," in Joseph R. Fornieri (ed.), *The Language of Liberty: The Political Speeches and Writings of Abraham Lincoln*, Regnery Publishing, Washington, D.C., 2003, p. 30.

<sup>4</sup>*Ibid.*, p.33.

<sup>5</sup>Richard Weaver, "Conservatism and Libertarianism: The Common Ground," in *Life Without Prejudice and Other Essays*, Henry Regnery Company, Chicago, 1965, p. 163.

<sup>6</sup>Stephen J. Tonsor, "How Does the Past Become the Future?" in Gregory L. Schneider (ed.), *Equality, Decadence, and Modernity: The Collected Essays of Stephen J. Tonsor*, ISI Books, Wilmington, Delaware, 2005, p. 244.

<sup>7</sup>Morton Keller, *In Defense of Yesterday: James M. Beck and*

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<sup>8</sup>Ronald J. Pestritto and William J. Atto (ed.), "Introduction to American Progressivism," in *American Progressivism: A Reader*, New York, Rowman & Littlefield, 2008, p. 3.

<sup>9</sup>Warren G. Harding, "The Federal Constitution," in Warren G. Harding III (ed.), *Our Common Country: Mutual Good Will in America*, University of Missouri Press, Columbia, Missouri, 2003, p. 122.

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<sup>13</sup>*Ibid.*

<sup>14</sup>Henry Cabot Lodge quoted in *In Defense of Yesterday*, p. 149.

<sup>15</sup>Warren G. Harding, "Americanism," in Frederick E. Schortemeier (ed.), *Rededicating America, Life and Recent Speeches of Warren G. Harding*, The Bobbs-Merrill Company, Indianapolis, Indiana, 1920, p. 104.

<sup>16</sup>Warren G. Harding, "Address Accepting the Republican

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<sup>17</sup>*Ibid.*

<sup>18</sup>Gene Healy, *The Cult of the Presidency: America's Dangerous Devotion to Executive Power*, CATO Institute, Washington, D.C., 2008, p. 68.

<sup>19</sup>Harding, "Americanism," p. 105.

<sup>20</sup>*Ibid.*, p. 109.

<sup>21</sup>Harding, "The Federal Constitution," p. 124.

<sup>22</sup>*Ibid.*

<sup>23</sup>Harding, "Americanism," p. 110.

<sup>24</sup>Lila Arzua, "Taft, William Howard" (1857-1930,) in Bruce Frohnen, Jeremy Beer, and Jeffrey O. Nelson (ed.), *American Conservatism: An Encyclopedia*, ISI Books, Wilmington, Delaware, 2006, p. 835.

<sup>25</sup>Eugene P. Trani and David L. Wilson, *The Presidency of Warren G. Harding*, University of Kansas Press, Lawrence, Kansas, 1977, p. 48-49.

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<sup>28</sup>Erving Beauregard, "In Defense of President Harding's Supreme Court Appointees," *The Supreme Court Historical Society Quarterly*, vol. xxii, no. 3, 2001, p. 11.

<sup>29</sup>Trani and Wilson, p. 49.

<sup>30</sup>Keller, p. 156.

<sup>31</sup>Trani and Wilson, p. 49.

<sup>32</sup>*Ibid.*, p. 48-49.

<sup>33</sup>*Ibid.*, p. 49.

<sup>34</sup>Warren G. Harding, "George Washington," in Frederick E. Schortemeier (ed.), *Rededicating America, Life and Recent Speeches of Warren G. Harding*, The Bobbs-Merrill Company, Indianapolis, Indiana, 1920, p. 136.

<sup>35</sup>Warren G. Harding, "General Grant's Republicanism," in Frederick E. Schortemeier (ed.), *Rededicating America, Life and Recent Speeches of Warren G. Harding*, The Bobbs-Merrill Company, Indianapolis, Indiana, 1920, p. 160.

<sup>36</sup>*Ibid.*, p. 150.

<sup>37</sup>Harding, "George Washington," p. 140-141.

<sup>38</sup>Keller, p. 149.

<sup>39</sup>Warren G. Harding, "Americanism," in Frederick E. Schortemeier (ed.), *Rededicating America, Life and Recent Speeches of Warren G. Harding*, The Bobbs-Merrill Company, Indianapolis, Indiana 1920, p. 103.

<sup>40</sup>*Ibid.*

<sup>41</sup>*Ibid.*, p. 139.

<sup>42</sup>Niall Palmer, *The Twenties in America: Politics and History*, Edinburgh University Press, Edinburgh, Scotland, 2006, p. 41.

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<sup>45</sup>Warren G. Harding, quoted in Palmer, p. 41.

<sup>46</sup>Harding, "Americanism," p. 106.

<sup>47</sup>Herbert Hoover, "Address at the Dedication of the Harding Memorial at Marion, Ohio, June 16, 1931," *American Presidency Project*, <<http://www.presidency.ucsb.edu>> (June 4, 2010).

<sup>48</sup>John Hendrickson, "How to 'Return to Normalcy' in America: Follow the Example of President Warren G. Harding," *Policy Study*, No. 09-8, October 2009, <<http://www.limitedgovernment.org>>

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<sup>50</sup>*Ibid.*

<sup>51</sup>Warren G. Harding, "Business and Government," in *Our Common Country*, p. 16.

<sup>52</sup>*Ibid.*

<sup>53</sup>*Ibid.*, p. 18.

<sup>54</sup>*Ibid.*

<sup>55</sup>*Ibid.*

<sup>56</sup>Trani and Wilson, p. 13.

<sup>57</sup>Thomas E. Woods, Jr., *Meltdown: A Free-Market Look at Why the Stock Market Collapsed, the Economy Tanked, And Government Bailouts Will Make Things Worse*, Regnery, Washington, D.C., 2009, p. 94.

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<sup>63</sup>Robert K. Murray, *The Harding Era: Warren G. Harding and His Administration*, American Political Biography Press, Newton, Connecticut, 1969, p. 171.

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<sup>65</sup>*Ibid.*

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<sup>68</sup>*Ibid.*

<sup>69</sup>For more information on the Bonus Bill and the Depression of 1920, please read Public Interest Institute *POLICY STUDY*, "How to 'Return to Normalcy' in America: Follow the Example of President Warren G. Harding," No. 09-8, October 2009.

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- <sup>77</sup>Healy, p. 69.
- <sup>78</sup>Harding, "Address Accepting the Republican Presidential Nomination."
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- <sup>84</sup>Ibid.
- <sup>85</sup>Harding, "Address Accepting the Republican Presidential Nomination."
- <sup>86</sup>Harding, "Semicentennial of the Founding of the City of Birmingham."
- <sup>87</sup>David Keene, "A second look at Harding," *The Hill*, November 23, 2009, <<http://thehill.com/opinion/columnists/david-keene/69203-a-second-look-at-harding>>, (June 5, 2010).
- <sup>88</sup>Murray, *The Harding Era*, p. 399-400.
- <sup>89</sup>Murray, p. 402.
- <sup>90</sup>Ibid.
- <sup>91</sup>Warren G. Harding, "President's Address at San Francisco on Our Foreign Relations, July 31, 1923," *Herbert Hoover Presidential Library, Commerce Papers*, Box 482, File: President Harding's Last Speech.
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- <sup>93</sup>Palmer, p. 175.
- <sup>94</sup>Warren G. Harding, "President's Address at San Francisco on Our Foreign Relations, July 31, 1923," *Herbert Hoover Presidential Library, Commerce Papers*, Box 482, File: President Harding's Last Speech.
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- <sup>96</sup>Palmer., p. 177.
- <sup>97</sup>Robert K. Murray, *The Politics of Normalcy: Governmental Theory and Practice in the Harding-Coolidge Era*, W. W. Norton & Company, New York, 1973, p. 145.
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- <sup>99</sup>Ibid., p. 68.
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- <sup>101</sup>Thomas E. Woods, Jr., "The Harding Way," *The American Conservative*, May 4, 2009, <<http://www.amconmag.com/article/2009/may/04/0024/>> (June 14, 2010).
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- <sup>103</sup>Warren G. Harding, "Reconsecration to God," in *Our Common Country*, p. 14.
- <sup>104</sup>President Warren G. Harding is usually remembered not for his ideas or policies, but rather for the scandals that plagued his administration. Most tend to view the Harding administration as being corrupted by the infamous "Ohio Gang," and administration officials Albert B. Fall and Charles R. Forbes, who brought the administration into scandal with the Teapot Dome and Veteran's Bureau affairs respectively. President Harding, as with other presidential administrations such as Ulysses S. Grant, Richard Nixon, among other administrations, needs to be evaluated on all aspects, not just on scandals. *In The Strange Deaths of President Harding*, historian Robert H. Ferrell brings a balanced view of the Harding scandals as well as addressing the many distortions that have occurred

in regard to Harding as an individual and his administration. Harding's mistake was appointing flawed individuals such as Forbes, Fall, and others to administrative posts. When signs of corruption started to emerge, such as in the Justice Department, Harding did take action, but there is no conclusive evidence he was aware of the bribe taken by Fall.

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<sup>106</sup>Patrick J. Buchanan, "Now let us all praise Warren G. Harding," *Buchanan.org*, July 9, 1997, <<http://buchanan.org/blog/pjb-now-let-us-all-praise-warren-g-harding-375>>, (June 5, 2010).

<sup>107</sup>Stephen J. Tonsor, "What is the Purpose of Politics?" in Gregory L. Schneider (ed.), *Equality, Decadence, and Modernity: The Collected Essays of Stephen J. Tonsor*, ISI Books, Wilmington, Delaware, 2005, p. 226.

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