

The History of the Twentieth Century

Episode 228

“The Little Green House on K Street”

Transcript

[music: Fanfare]

In 1923, US President Warren Harding passed away, becoming the sixth US President to die in office.

In life, he was admired as a plain and upright man, but soon after his death, scandals emerged that so tainted his legacy that soon his former political colleagues didn't even want to appear at his memorial dedication.

Welcome to *The History of the Twentieth Century*.

[music: Opening Theme]

Episode 228. The Little Green House on K Street.

Warren G. Harding had a self-deprecating sense of humor and sometimes questioned his own qualifications to be President. But for the first year and a half of his term, Harding seemed to enjoy holding the office, and things went pretty smoothly.

That began to change in the summer of 1922, as problems began to mount. The US economy had still not fully recovered from its postwar slump; unemployment was high and wages falling. On July 1, railway workers went on strike nationwide, in protest against wage cuts. Harding himself was something of a moderate on labor issues. He believed there was a place for labor unions in the modern economy, and he attempted to mediate the strike, with the support of Commerce Secretary Herbert Hoover and Labor Secretary Jim Davis, who were likeminded. The Harding Administration came up with a settlement proposal that gave the workers minor concessions, but the railroad company executives, believing they had the upper hand, rejected the administration proposal. As was typical in labor disputes of the time, union membership was restricted to white workers, so the railroads invited African-American workers to cross the picket lines, which led to violence.

Harding's Attorney General and old political crony from Ohio, Harry Daugherty, in stark contrast with his cabinet colleagues, ardently opposed labor unions and accused the strikers of

doing the work of Lenin and Zinoviev. On September 1, Daugherty's Justice Department obtained a sweeping injunction from a Federal district judge in Illinois that barred the unions from striking or picketing, or even gathering for public protest. The order flouted the First Amendment to the Constitution, but it was granted anyway and it broke the strike, but at a political cost to the Harding Administration, as the public was largely sympathetic with the strikers.

The Administration also had to deal with increasingly tense relationships with America's former allies, Britain, France, and Italy, all of which had substantial debts to the US. Repayment of those debts became a sore point in international relations. This is an important development, so I'll save it for a separate episode.

In April of 1922, a US Senator from Wyoming, John Kendrick, introduced a resolution raising questions about the Department of the Interior and its Secretary, former US Senator and petroleum magnate Albert Fall, whom we've met before in this podcast. Specifically, Senator Kendrick had just learned that the Interior Department had leased petroleum drilling rights from the US Navy's petroleum reserve number three, in Wyoming, at a place known as Teapot Dome.

In response to the Kendrick resolution, the Interior Department released documents to the Senate confirming that no-bid drilling leases had recently been awarded to Harry Sinclair's Sinclair Oil Corporation at Teapot Dome and Edward Lawrence Doheny's Pan-American Petroleum Company at Naval Reserves Number One and Number Two, both located in Southern California.

Senate Progressive firebrand Fighting Bob LaFollette introduced a new resolution, calling for a Senate investigation of these no-bid contracts. After that resolution passed, LaFollette persuaded Democratic Senator Thomas Walsh of Montana to lead the investigation. A lot of Senators, including LaFollette, were uncomfortable investigating a former colleague, Albert Fall, but comforted themselves with the thought that the investigation would likely prove nothing untoward had occurred. Attitudes in the Senate began to change, though, when first, LaFollette came to work one morning to discover his Senate office had been ransacked, and second, when Walsh discovered that someone had hired private investigators to go to Montana and look into his past. Walsh also came to believe that his phone was being tapped and his mail read.

The Walsh investigation in the Senate would go on for two years. For now, in 1922, it raised suspicions of wrongdoing in the Harding Administration, but no more than that. In autumn, a further set of questions were raised in the Senate regarding Harding's appointee to the newly created Veterans' Bureau, a man named Charles Forbes, who got the job after working on Harding's Presidential campaign.

The combination of the sluggish economy, the ruthless treatment of the striking rail workers, and these suggestions of impropriety within the Administration did not make for good politics. In the 1922 mid-term elections, the opposition Democratic Party came roaring back from its humiliating losses two years ago. Republicans lost seven seats in the Senate and seventy-seven

seats in the House of Representatives. Nevertheless, they were able to hold onto control of both chambers, barely, owing to their lopsided numbers in the previous Congress. Energized Democrats began to dream of taking control of Congress and the Presidency in 1924.

By the end of the year, Senate Republicans were quietly advising Harding to fire Charles Forbes, which he did in early 1923. Harding summoned Forbes to the White House, and it must have been quite a meeting. Harding is said to have put his hands on Forbes and shaken him, calling him “a double-crossing bastard.” Forbes resigned his position soon afterward and left the country for an extended stay in Europe.

Daugherty himself became the subject of other scandalous rumors. In December 1922, Republican Representative Oscar Keller of Minnesota submitted a resolution to impeach Daugherty, alleging that he was not enforcing antitrust laws, was interfering with the operation of the Federal Trade Commission, and that he was using his office for personal enrichment. The House Judiciary Committee rejected the charges. Some felt this was labor union payback for Daugherty’s legal attack on the railway workers’ strike last summer, but these rumors did not go away.

Once again, Republican Senators approached Harding privately and suggested he fire his attorney general. But Harding and Daugherty were old political allies and Harding refused. Daugherty’s wife was very ill. His son had a severe drinking problem, and Daugherty’s own health was shaky. Harding cited these unfortunate developments as reasons to leave his old friend in peace.

Daugherty and some of his political associates from Ohio, known as the “Ohio Gang,” were regulars for poker night at the White House, despite that fact that some of the more prudish in Washington, like Herbert Hoover, deplored the very sight of something as sordid as a poker game going on in the Executive Mansion. The Ohio Gang also played poker at a rented house on K Street in Washington, which came to be called “The Little Green House on K Street.” There were rumors that the little green house was the scene not only of poker games, but also of wild parties and secret meetings where government contracts were being handed out in exchange for bribes.

Harry Daugherty was not the only one suffering family troubles. Things were not going so well within the First Family, either. Harding himself was dealing with some health issues, while Flossie Harding, who lost a kidney almost twenty years ago, came down with a near-fatal kidney infection in late 1922. She was actually thought to be on her death bed for a few days, but ultimately she recovered.

The First Lady had also taken a keen interest in astrology and consulted regularly with a Washington astrologist and mystic who called herself Madame Marcia, much to the consternation of some in Congress. There were rumors that astrological forecasts determined Harding Administration policy.

Harding suffered a bad case of influenza in January 1923. It hit hard and he never really recovered from it, leading historians in our time to speculate if something else, some second, undiagnosed malady had struck him at the same time. Possibly a mild heart attack.

After the flu passed, Harding showed signs of weakness and anxiety. He found himself unable to participate in one of his favorite recreations, a round of golf, as he lacked the strength to play for more than nine to twelve holes. Rumors began to circulate that Harding might not seek re-election in 1924. Harry Daugherty attempted to put these rumors to rest in March by publicly announcing Harding's candidacy for re-election. He went ahead and did this without Harding's consent, although Harding did not repudiate the announcement.

Charles Forbes formally resigned his position as Director of the Veterans' Bureau on February 15 of that year. Though Harding clearly knew something was wrong at the Veterans' Bureau, he did not publicly accuse Forbes of wrongdoing or distance himself from his appointee. Two weeks later, on March 2, the Senate voted to open an investigation of the Veterans' Bureau. The next day, March 3, Albert Fall resigned as Secretary of the Interior. Two weeks after that, on March 14, the general counsel at the Veterans' Bureau, a man named Charles Cramer, a longtime associate of Charles Forbes, shot himself in the head with a .45 caliber pistol in the bathroom of his home on Wyoming Avenue in Washington. He died instantly. Police found a newspaper clipping in his bedroom. It was an article about the upcoming Senate investigation into the Veterans' Bureau.

That spring, the Administration announced plans for the first-ever Presidential visit to the Alaska Territory, to be made in June. The governance of this territory was a source of some friction within the Administration, since multiple government agencies had overlapping responsibilities in Alaska. Albert Fall, when he was Interior Secretary, pushed for his department to take over administration of Alaska's vast natural resources and fast track the sale of mining and drilling leases to private interests. Just like he had with those Naval Reserves. Uh-huh.

So the Alaska trip was officially an opportunity for the President to examine the situation in the territory firsthand before making any decision. Unofficially, it was an opportunity for the pale and haggard President to get away from Washington and his burdens there and take a little vacation.

Although Harding gave no public indication he was aware of any wrongdoing in his Administration, his private actions after Forbes's resignation and Cramer's suicide, demonstrate that he was becoming suspicious of something. When a member of the Ohio Gang was recommended to the President to be appointed receiver of a bank in Ohio, Harding refused to approve the appointment. When the guest list for the Alaska trip was shown to the President, Harding personally ordered the name Jesse Smith be taken off.

Jesse Smith, usually known as "Jess," was another member of the Ohio Gang, a close associate of the Attorney General, Harry Daugherty, who had put Smith's name on the guest list for the

Alaska trip in the first place. Smith did not hold a government job himself, but he could often be found at Daugherty's side, even at the Justice Department, where he helped open and answer Daugherty's mail. When he wasn't at the Justice Department or acting as Daugherty's gofer, or *dogsbody*, for you British people, you could probably find him at the White House poker game, or at the Little Green House on K Street, where rumor had it that people like Smith brokered deals for government contracts in exchange for bribes. Harding must have had some knowledge of this.

In the evening of May 29, Jess Smith met with Harding at the White House. Harding chewed Smith out, as he had Forbes, and told Smith he could expect to be arrested the following day. Smith went home. That night he burned all his personal records, and the following morning, at about 6:30 AM, he shot himself in the head.

The Smith suicide was the last straw. It was no longer possible for anyone, least of all Warren Harding, to deny something was seriously wrong within his Administration. Publicly, Harding and Daugherty insisted all was well. They attributed Smith's suicide to poor health (he was 52 years old and diabetic) and to financial reversals. Privately, the President, the First Lady, and the Attorney General were distraught. Journalist William Allen White later reported that Harding had confided to him that "I have no trouble with my enemies. I can take care of my enemies all right. But my damn friends, my God-damned friends, they're the ones who keep me walking the floor nights!"

It was in these troubled circumstances that Harding undertook his Presidential visit to Alaska in June 1923. Harding's doctor thought at first the trip might be good for him, but when he saw the final itinerary, with all the stops and all the speeches the President's political advisors added in with an eye toward his 1924 re-election campaign, he changed his mind and recommended against it.

Just before leaving, Harding sold his newspaper, the *Marion Star*, and had a new will drawn up. Harry Daugherty took care of the legal work. In hindsight, some people point to these moves as evidence Harding had some premonition of what was to come, but we can't say for certain. Journalists accompanying the Presidential party commented that the mood on this excursion was more somber than on past trips.

The route took them across the US by train, with frequent stops for speeches. One of Harding's policy projects of the time was to push for the US to join the Permanent Court of International Justice, a body created by the Treaty of Versailles and the League of Nations. Harding still opposed US membership in the League, but believed in the mission of the Court to adjudicate international disputes peacefully. Nevertheless, neither Harding nor any of his successors, Coolidge, Hoover, or Franklin Roosevelt, were able to convince the Senate to approve membership.

Harding reached Tacoma, Washington, on July 5 and then boarded USS *Henderson*, a troop transport built during the late war, to travel up the Pacific coast to Alaska. Along the way, the Presidential party marveled at the sight of a 10:00 PM sunset while the US Navy Band regaled them with America's latest hit song, "Yes! We Have No Bananas."

It was on this leg of the journey that Harding called his Commerce Secretary, Herbert Hoover, to his private cabin. Hoover was not normally a Presidential confidante, though he was popular and had a reputation as a straight arrow. Harding asked Hoover to tell him, hypothetically, what he would do if he were President and became aware of wrongdoing in his administration. Hoover replied that he would make the information public, and at least get credit for integrity. Then Harding confided to Hoover that Jess Smith had been near to arrest at the time he killed himself. Hoover asked Harding if the Attorney General was implicated, but at that point, Harding changed the subject.

In Alaska, Harding stopped at Metlakatla, Ketchikan, Wrangell, and Juneau, the territorial capital. Then he went on to Skagway and Seward, and from there by train to Anchorage and Fairbanks, where Harding delivered a speech to a crowd of about 1500 people in 94-degree weather.

On the return trip, Harding grew increasingly morose. He couldn't sleep, which might have been a symptom of the long daylight, and spent hours walking the deck of *Henderson* and playing cards. The doctor gave him sedatives, but they didn't help. Harding stopped at Vancouver, British Columbia and became the first US President to visit Canada. There he attended a formal dinner hosted by the mayor, Charles Tisdall, and the provincial prime minister, John Oliver. Not that John Oliver. Harding also attempted a round of golf, but could only manage six holes.

Harding arrived in Seattle on July 27, where he gave an outdoor speech at the University of Washington, again in high temperatures. He told the crowd about his trip to Alaska and announced he had decided against a rapid exploitation of Alaska's resources, in the manner recommended by Albert Fall. He predicted Alaska would one day become a state, a prediction that would be proven correct 35 years later. But he struggled to deliver this speech. His voice lacked strength, and once he slipped and referred to Alaska as "Nebraska."

From there, the President went on to San Francisco by train. The plan was to continue down the California coast to San Diego, then to return to Washington by ship via the Panama Canal. But in San Francisco, Harding's condition took a turn for the worse. At 7:30 PM on the evening of August 2, 1923, Harding was in bed, propped up on pillows, while Flossie read him a flattering profile of him that had just come out in the *Saturday Evening Post*, entitled "A Calm Review of a Calm Man." When she stopped to adjust his pillows, the President told her, "Go on, read some more." Those would be his final words. A moment later, he began convulsing. Doctors were hastily called, but within minutes, the President was dead. He was 57 years old. The doctors attributed his death to a stroke, although Mrs. Harding would not permit an autopsy. In our time,

it is considered more likely that the cause of death was a heart attack, but no one knows for certain.

The President's death was a shock to the nation. He was broadly popular and respected. Concerns about his health had only become public knowledge a few days earlier, and yesterday's newspapers had declared he was getting better. The front pages of tomorrow's newspapers would be bordered in black.

Harding's body was returned to Washington by train, where it lay in state in the Capitol rotunda. Afterward, it was returned to Marion, Ohio, for burial. Warren G. Harding was the sixth US President to die in office, and the first to die of natural causes since Zachary Taylor in 1850.

[music: *Beethoven, Symphony No 3.*]

John Calvin Coolidge, Junior, was born on July 4, 1872. Yes, you heard right, he was literally born on the fourth of July, the only US President who could make that claim, so far. He was born in the hamlet of Plymouth Notch, Vermont, population about 1,200 back then, and about 600 in our time. When you see John Calvin Coolidge of Plymouth Notch, Vermont, you have to think, this is about as New England as it gets. It goes without saying that he was a Congregationalist and a Republican. He was named after his father, but from his early childhood, his family took to calling him Calvin to distinguish him from his dad, and so he was and is known to the world as Calvin Coolidge.

Calvin Coolidge had the look of a New Englander, too, with his red hair, larger-than-average nose, and severe features that gave him a perpetual scowl and made him look as though he'd been weaned on a pickle, as Alice Roosevelt Longworth memorably quipped.

He also had a reputation as a man of few words. Some of this was simple shyness, but it does seem that later in life he deliberately cultivated an image of one who maintains an aloof silence, though when he did speak, he often revealed a dry, self-deprecating wit. During his Presidency, he is said to have confided in actress Ethel Barrymore that "the American people want a solemn ass as President, and I think I will go along with them."

Calvin Coolidge graduated from Amherst College in 1895 and began a successful practice of law in nearby Northampton, Massachusetts. In 1905, he married Grace Goodhue, a teacher who worked in a school for the deaf. Grace was chatty and outgoing and the life of every party. She was, in short, everything Calvin was not. On the occasion of their marriage, one of Grace's colleagues at the school joked that having taught the deaf to speak, she would now be taking on the greater challenge of teaching the mute to speak. Calvin and Grace would have two sons, John, born in 1906, and Calvin Jr., born in 1908.

After his marriage, Coolidge began to be involved with the local Republican Party, and over the next 15 years, served as mayor, state legislator, lieutenant governor, and finally governor of

Massachusetts. He was seen as a Progressive at first, but became more conservative as he got older. Georges Clemenceau would surely have understood. Coolidge declined to follow Theodore Roosevelt out of the Republican Party in 1912.

As you already know from episode 203, it was when he was Governor of Massachusetts that Coolidge first came to national attention with his sharp rebuke to AFL head Samuel Gompers. “There is no right to strike against the public safety by anybody, anywhere, anytime.”

This was uncharacteristically brash talk coming from Calvin Coolidge, and he immediately regretted it. Massachusetts was a state with a strong labor presence, and he had just publicly slapped in the face America’s leading labor leader. He told a friend, “I have just committed political suicide.”

He was wrong about that. In fact, the opposite happened. His rebuke made him into a national hero and won him a surprise Republican nomination for Vice President in 1920.

It was during his tenure as Vice President that you began to hear the jokes about Calvin Coolidge, like the Alice Roosevelt Longworth quote I already read to you. This is when he gained the nickname “Silent Cal.” There’s a story that is probably apocryphal but is widely repeated, that a guest at a dinner party sat next to the Vice President and told him that someone had bet them they couldn’t get more than two words out of Calvin Coolidge. He is supposed to have responded, “You lose.”

When he attended public events, he went unnoticed. When he identified himself as the Vice President, the response was often: “Of what?” Coolidge signed up with a booking agency for public speakers, only to be told the agency couldn’t find anyone interested in booking a speech by Calvin Coolidge, who was a spectacularly dull public speaker. He did regularly attend Warren Harding’s Cabinet meetings, although he hardly ever said anything there, either.

And this was the state of things in early August 1923. While President Harding was on his much anticipated Alaska tour, the Vice President and his family were on vacation in Plymouth Notch, where they were staying with Coolidge’s now-78-year-old widowed father, in the house Calvin had grown up in. Even in 1923, the Coolidge homestead did not have a telephone, electricity, or running water.

Calvin and Grace went to bed about 10:30 on the evening of August 2. Half an hour later, a messenger arrived with a telegram. The elder Coolidge ran upstairs, calling his son’s name. The only times Calvin could ever remember his father becoming this agitated was when there had been a death in the family, so he was prepared for grave news, but it still came as a shock. The telegram was from San Francisco. President Harding was dead.

Calvin and Grace got dressed again and came downstairs. As the news spread, a number of local people called at the Coolidge home, including Porter Dale. He was a Republican who

represented the Vermont Second District in the US House of Representatives. Dale wanted to be sure Coolidge had heard the news. Once that was established, Dale expressed concern about leaving the office of President vacant too long and urged Coolidge to take the oath of office as soon as possible.

The elder Coolidge was a justice of the peace and a notary public. A debate followed over whether a Vermont state official had the authority to administer the Presidential oath of office. It was decided that yes, he did. John Coolidge insisted on going upstairs to change clothes and shave, then returned to the family parlor. At 2:47 AM on August 3, 1923, by the light of two kerosene lamps, John Coolidge swore in his son as the thirtieth President of the United States.

At dawn, Albert Harvey, the United States Marshal for the District of Vermont, arrived on the scene. He deputized a few local men from Plymouth Notch to serve as Coolidge's temporary bodyguards until the Secret Service could take over.

The Coolidges headed back to Washington later that day, where they stayed at the Willard Hotel for a time, to give Florence Harding some space to get her affairs in order. Mrs. Harding spent the next week gathering her possessions at the White House and burning stacks of the late President's papers before vacating the Executive Mansion. Meanwhile, Calvin Coolidge took the oath of office all over again, this time from a Federal judge, just to be on the safe side.

[music: Silver and Cohn, "Yes! We Have No Bananas."]

I mentioned a few minutes ago that on March 2, 1923, the Senate had voted to investigate the Veterans' Bureau. That was actually the old Senate, of the 67th Congress, the one elected in 1920. Two days later, on March 4, the 67th Congress ended. The new Senate, of the 68th Congress, the one elected in 1922, took on the task. For the first six months, Senate committee staff undertook the investigation, which went along quietly through the summer, the death of the President, and the installation of his successor.

On October 22, the Senate investigating committee began its public hearings. The star witness was a man named Elias H. Mortimer, an employee of the Thompson-Black Construction Company of St. Louis. The Veterans' Bureau had been allocated hundreds of millions of dollars by Congress to build veterans' hospitals. Mortimer testified that he and his wife Kathryn had taken Charles Forbes, the Bureau Director, on an extended tour of the western United States, ostensibly to inspect potential hospital sites. Mortimer paid all of Forbes's expenses, took him on a vacation trip to Atlantic City, and arranged several meetings between Forbes and executives of Thompson-Black. Ultimately, Forbes, whose government salary was \$10,000 per year, was paid \$5,000 to give Thompson-Black preferential treatment in the awarding of construction contracts. Later, a more elaborate arrangement was worked out, under which Thompson-Black and another construction company would coordinate their bidding with the Bureau, while Forbes would make sure the two companies got an even split of all the contracts. In exchange for this, Forbes would be paid one-third of the profits from these contracts.

But this wasn't enough graft for Charles Forbes. He also had a hand in the acquisition of land for the new hospitals. In one case, the Bureau paid \$105,000 for a plot of ground in San Francisco estimated to be worth \$20,000, in exchange for which Forbes and Charles Cramer, the Bureau's general counsel, that man who later killed himself, split a \$25,000 kickback.

It still wasn't enough for Forbes. In November 1922, Forbes arranged for the sale of an estimated three million dollars' worth of surplus hospital supplies left over from the war to a Boston company called Thompson and Kelley in a secret no-bid contract for \$600,000, which was 20% of what they were worth. It was this last deal that came to the attention of President Harding and led to Forbes being forced out of his job at last.

Charles Forbes, whose salary remember was \$10,000 per year, took in an estimated two million dollars in ill-gotten gains on the side during his tenure at the Veterans' Bureau. Meanwhile, while all this was going on, the Veterans' Bureau, which had over 30,000 employees, approved only 47,000 disability claims from veterans of the war. It rejected over five times as many claims, often for reasons the Senate investigators characterized as "hair-splitting." Senate investigators revealed that on the day Forbes resigned, the Bureau was in possession of over 200,000 unopened letters from veterans.

And by the way, the reason Elias Mortimer became so cooperative with the Senate investigation was that during those western tours Mortimer took Forbes on, Forbes began an affair with his wife, Mrs. Mortimer. This affair led to the breakup of both the Mortimer and Forbes marriages and left Mr. Mortimer in a mood to speak his mind.

Though the Veterans' Bureau scandal was a doozy, it was just a warm-up. An even bigger scandal was about to come to light, which we'll get into next week, but we'll have to stop here for today. I thank you for listening, and I'd especially like to thank Rieke, Jeff, and Yoel for their kind donations, and thank you to Carolyn for becoming a patron of the podcast. Donors and patrons like Rieke, Jeff, Yoel, and Carolyn help cover the costs of making this show, which in turn keeps the podcast available free for everyone, so my thanks to them and to all of you who have pitched in and helped out. If you'd like to become a patron or make a donation, just visit the website, historyofthetwentiethcentury.com and click on the PayPal or Patreon buttons.

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And I hope you'll join me next week, on *The History of the Twentieth Century*, as we return to the Harding Administration scandals, with Teapot Dome, next week, here, on *The History of the Twentieth Century*.

Oh, and one more thing. Charles Forbes, the disgraced former Director of the Veterans' Bureau served one year and eight months at Leavenworth Penitentiary. After his release in 1927, he would defend the memory of Warren Harding, arguing that Harding was an innocent man, guilty of nothing more than having been duped by his friends, but never personally benefiting from any of their crimes. Forbes also took up the cause of his cellmate at Leavenworth, Dr. Frederick Cook, the man who claimed to have reached the North Pole in 1908, a year before Robert Peary. You may recall Dr. Cook's story from episode 52. I told you then that he was convicted of stock fraud in 1923, and so he was. He was sent to Leavenworth to serve his sentence, along with Charles Forbes, and here he is again.

Charles Forbes died in 1952, at the age of 74.

Frederick Cook served seven years in Leavenworth and was released in 1930. In 1940, he received a Presidential pardon from Franklin Roosevelt, shortly before his death that same year, at the age of 75.

[music: Closing Theme]