

Title:

The Teapot Dome Scandal

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Summary:

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Article Body:

With the exception of Watergate, there has never been a scandal more egregious and with wider implications than the Teapot Dome affair during the presidency of Warren G. Harding. It involved the secret leasing to private companies of oil-containing tracts owned by the Navy, mainly in Wyoming and California.

"Domes" are natural reservoirs of crude oil. The "Teapot Dome" - named after a rock resembling the kitchen implement - was near Casper, Wyoming. It was "reserved" in 1920 for the future energy needs of American Navy vessels.

Senator Albert B. Fall of New Mexico - Harding's secretary of the Interior - opposed this "conservation" policy. Hence his furtive attempt - in collusion with Secretary of the Navy, Edward Denby and others - to lease the domes to private extractors. Teapot Dome was leased to Harry F. Sinclair's Mammoth Oil Company. The Elk Hills reserve in California was rented to Edward L. Doheny's Pan-American Petroleum and Transport Company. The two gave Fall and others gifts and "loans" amounting to \$400,000 - an enormous fortune at the time.

The scandal was made public in 1922 in a long investigation by the U.S. Senate's Committee on Public Lands led by Senator Thomas J. Walsh from Montana and Senator Robert M. LaFollette.

After much prevarication by Attorney General Harry M. Daugherty, Fall was brought to justice. He sentenced to one year in prison and \$100,000 fine in 1929 and many officials were implicated. Daugherty himself resigned in 1924. When Harding died in 1923, he was succeeded by Calvin Coolidge and public outrage subsided. Coolidge acted resolutely and appointed special prosecutors under his

personal supervision to protect the interests of the government.

The Supreme Court annulled both the Elk Hills and the Teapot Dome leases in 1927. But, though government officials were convicted of corruption and conspiracy - no oilman was found guilty of bribing (still, they paid damages). Sinclair refused to collaborate with a second Senate investigation and hired gunshoes to shadow members of the jury in his case. He served a short sentence for tampering with a jury and for criminal contempt.

The Democrats failed to capitalize on the affair and lost the presidential elections in both 1924 and 1928.