

Parallels With Teapot Dome

The many references to Teapot Dome in the developing Watergate case must confuse a new generation. The most striking parallel concerns the Presidents involved. Warren Harding denied he had any prior knowledge that his Secretary of Interior, Albert B. Fall, had been corrupted by oil barons Harry Sinclair and E. L. Doheny. President Nixon's original stance in the Watergate scandal was that no member of his official family was involved.

At the height of the Senate's and the Justice Department's investigation into Teapot Dome, Harding is alleged to have said to a friend, "This is a hell of a job. I can protect myself from my enemies. But it's my friends; my damned, damned friends who keep me pacing the floor at night."

Nixon was quoted by one of the several thousand "sources" that seem to be masterminding the unfolding Watergate case as comparing it to another "Cambodia" in his list of personal crises.

The Teapot Dome case began to boil quietly on May 31, 1921, when Secretary Fall, who had served with Harding in the Senate before being taken into the Cabinet, persuaded his friend to sign an executive order transferring the administration of certain oil reserves earmarked for the Navy from the Office of Secretary of Navy Edwin Denby to the Interior Department.

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ON APRIL 7, 1922, Fall signed a secret agreement with Sinclair, owner of the Mammoth Oil Company, permitting Mammoth to take any or all oil to be found in what was called "Reserve No. 3," later to be infamously known as Teapot Dome. The U.S.-owned tract was in Wyoming, as far from public view as, let's say, the Watergate bugging team.

No private entrepreneur had shown any interest in tapping it until Sinclair bought the greedy Secretary of Interior with the incredibly prophetic name of Fall.

Not content with his deal with Sinclair, Fall was soon in contact with Doheny and that millionaire's two producing companies, Pan American Petroleum and Transport Company, and Pan American Petroleum.

Though he could have swung the deals on his own muscle, Fall looked around for someone who could make the transactions appear more creditable. He found just the right man in Secretary of Navy Denby, who willingly co-signed the necessary papers. Denby's subsequent (and successful) defense was that he never knew just what it was he was signing!

As in the Watergate case, somebody blew a whistle. A Senate committee was informed that Fall and his family became noticeably affluent shortly after the leases had been given. Indeed, they were; Fall and his immediate kinfolk were \$200,000 richer overnight.

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MOST OF THE WATERGATE payoffs were in \$100 bills. Fall was paid in World War I Liberty bonds, good as gold. In addition to the stacks of bonds there was an additional \$100,000 in cash which Fall would later testify was a "loan" from Doheny.

Fall's fall was total. On Feb. 8, 1924, a joint resolution passed by the Congress condemned his negotiations with Sinclair and Doheny as fraudulent and corrupt. It called on the President (Coolidge) to cancel the leases and turn the guilty over to the courts.

(The Supreme Court later ruled the case was rife with crime, beginning with Harding's agreement to let his old friend take command over the Navy's oil reserves.)

Doheny and Sinclair were acquitted of charges of bribery and criminal conspiracy. Fall went to jail, condemned specifically for the \$100,000 "loan." He served a year and a day, and died at a ripe age in 1944.

"Teapot Dome" remains a part of the American language and probably always will conjure up visions of corruption in high government circles. Nobody remembers anything about Harding's administration except that indelible brand.

President Nixon's consuming problem is to clear up Watergate and do something about his damned, damned friends before they immerse his great achievements of the past.