

Executive Orders and Senate Resolutions on the Teapot Dome Scandal (1920)

During the administration of William H. Taft, the U.S. government had set aside tracts of oil-rich land to be held in reserve for the U.S. Navy, to be used in case of national emergency. The land was under the control and discretion of the secretary of the Navy. These reserves included Naval Reserve Number One, in Elk Hills, California; Naval Reserve Number Two, in Buena Vista, California; and Naval Reserve Number Three, in Salt Creek, Wyoming, which became known as Teapot Dome due to the shape of the land formation.

When Warren G. Harding's administration came into power in 1921, the potential wealth to be reaped from this land proved too tempting to some members of the administration. Secretary of the Interior Albert B. Fall sought to have jurisdiction over the naval reserve lands transferred to the Department of the Interior. President Harding supported this effort by signing Executive Order 3474 in May 1921.

The following year, Fall began to lease these lands to private oil companies, Pan-American Petroleum and Transport Company and Mammoth Oil Company, without competitive bids. For providing use of government reserves worth at least \$100 million, Fall personally received almost \$400,000 in cash and bonds, while neither the U.S. government nor the Navy received a cent. Rumors and suspicions of the deal that Fall struck with the oil companies led the U.S. Senate to begin an investigation (Senate Resolution 282).

Executive Order 3474

Under the provisions of the act of Congress approved February 25, 1920 (41 Stat., 437), authorizing the Secretary of the Interior to lease *producing* oil wells within any Naval Petroleum Reserve; authorizing the President to permit the drilling of additional wells or to lease the remainder or any part of a chain upon which such wells have been drilled, and under authority of the act of Congress approved June 4, 1920 (41 Sta., 912), directing the Secretary of the Navy to conserve, develop, use and operate, directly or by contract, lease, or otherwise, unappropriated lands in Naval Reserves, the administration, and conservation, of all oil and gas bearing lands in Naval Petroleum Reserves Nos. 1 and 2, California, and Naval petroleum Reserve No. 3 in Wyoming, and Naval Shale Reserves in Colorado and Utah, are hereby committed to the Secretary of the Interior subject to the supervision of the President, but no general policy as to drilling or reserving lands located in a Naval Reserve shall be changed or adopted except upon consultation and cooperation with the Secretary or Acting Secretary of the Navy. The Secretary of the Interior is authorized and directed to perform any and all acts necessary for the protection, conservation and administration of the said Reserves subject to the conditions and limitations contained in this order and of the existing laws or such laws as may hereafter be enacted by Congress pertaining thereto.

Warren G. Harding

The White House

May 31, 1921

Senate Resolution

67th Congress, 9th Session—S. RES. 282

RESOLUTION

Directing the Secretary of the Interior to send to the Senate certain detailed information as to oil leases made by the department within naval oil reserves numbered one and two in California and numbered three in Wyoming.

By Mr. La Follette

April 20 (calendar day, April 21), 1922

Amendment

S. Res. 282

In the Senate of the United States

April 20 (calendar day, April 28), 1922

Ordered to lie on the table and to be printed

AMENDMENT

(In the Nature of a Substitute)

Intended to be proposed by Mr. La Follette to the resolution (S. Res. 282) directing the Secretary of the Interior to send the Senate certain detailed information as to oil leases made by the department within the naval oil reserves numbered one and two in California and numbered three in Wyoming, via On page 1, line 1, strike out all after the word “Resolved,” and insert the following:

That the Secretary of the Interior is directed to send to the Senate:

(a) Copies of all oil leases made by the Department of the Interior within naval oil reserve numbered one, and separately, naval oil reserve numbered two, both in the amount of the rent, royalty, bonus, and all other compensation paid and to be paid to the United States.

(b) All Executive orders and other papers in the files of the Department of the Interior and its bureaus, or copies thereof if the originals are not in the files, authorizing or regulating such leases, including correspondence or memoranda embodying or concerning all agreements, instructions, and requests by the President or the Navy Department as to the making of such leases and the terms thereof.

(c) All correspondence, papers, and files showing and concerning the applications for such leases and the action of the Department of the Interior and its bureaus thereon and upon all the several claims upon which such leases were based or issued, all in said naval reserves.

Resolved further, That the Committee on public Lands and Surveys be authorized to investigate this entire subject of leases upon naval oil reserves, with particular reference to the protection of the rights and equities of the Government of the United States, and the preservation of its natural resources, and to report its findings and recommendations to the Senate.