As World War I ended in 1918, Americans faced a bewildering number of events at home and abroad that contributed to a sense of instability. The war had brought on a communist revolution in Russia in 1917 that soon descended into the chaos of civil war. The Versailles Peace Conference resulted in a treaty that severely punished Germany and created a League of Nations intended to ensure world peace. However, the Senate refused to ratify the treaty or join the League out of fears that Congress would lose its prerogative to declare war and be dragged unwillingly into future European conflicts. Meanwhile, several terrorist bombings by anarchists in the United States created a sense of fear. In addition, postwar inflation led to a series of worker strikes throughout the country while wartime spending had greatly expanded the size of the federal budget and increased the national debt to nearly $25 billion.

Calvin Coolidge was from small-town New England and had the sturdy, industrious, independent character common to the region. He attended Amherst College and then read law independently to prepare for the bar exam since the fees at Harvard Law were too high. Coolidge practiced law and then devoted himself to public service in a variety of local positions before being elected to the Massachusetts state senate in 1911. He thought that laws should be based “on the eternal foundations of righteousness” and believed in limited government, especially in the wake of its expansion under Progressive presidents such as Theodore Roosevelt and Woodrow Wilson. Beginning in 1921, he served as vice president under President Warren Harding, whose administration was committed to reducing the size of government and the national debt.

In the middle of the night, Vice President Calvin Coolidge and his wife Grace Coolidge were sleeping at their home in Plymouth, Vermont, when his father knocked on his bedroom door and awakened them. With a trembling voice, his father informed them that President Warren Harding was dead. The startled couple looked at each other and quickly dressed. Coolidge collected himself and consulted his copy of the Constitution to confirm that the presidential office would “devolve on the vice president.” At 2:30 a.m., in a humble ceremony, Coolidge spoke on a special phone line and took the Oath of Office in the presence of his father, who was a notary, and his wife.

In 1921, President Harding had stated in his Inaugural Address, “We can reduce the abnormal expenditures [of government], and we will.” Harding had followed through on his promise, and
President Coolidge was deeply committed to continuing the policy of his predecessor.
Coolidge was known as an honest man and politician who supported the traditional values of
the New England countryside and American principles of self-government. He believed that
Americans should govern themselves mostly at the local level and that the federal government
should be limited and have little to do with the lives of ordinary Americans.

President Coolidge met with his cabinet every week to seek ways to reduce the national
debt, produce an annual budget surplus, and reduce government spending in support of the
principle of limited government. This would allow Congress to cut taxes and thereby shrink the
government further. He set an ambitious goal of lowering the national debt from $23 billion to
$20 billion and instituted a policy of eliminating waste and reducing spending to achieve that
goal. He sent a letter to all government departments informing them that they had to spend less
money than they asked for the previous year. Although he was committed to a strong national
defense and honoring veterans, even the Navy was told to cut 20 percent of its budget and
the Veteran’s Bureau to cut $50,000 in waste. The New York Times announced that “Coolidge
demands economy in budget.” The relentless cutting began.

On December 6, President Coolidge attached such importance to the budget that he appeared
personally before Congress to deliver his annual message which highlighted a plan for a lower
budget and lower taxes. He said it was the “paramount” service Congress could do for each
American household. On January 21, 1924, Coolidge held a joint public lecture and announced
that the government had achieved significant savings. For example, $55,747.41 was saved by
cutting long-distance phone calls and having government trucks deliver paper for government
printing. In California, a hot water boiler at a government school was replaced with a used surplus
one. Government workers were encouraged to use pencils down to the nub rather than throw
half-used pencils away. The large and small cuts saved the taxpayers an estimated $100 million
during the first six months of his presidency. “As for me, I am for economy,” Coolidge announced
to crowds.

Coolidge feared that his hard work could quickly come undone and refused to relent in his
budget cutting. He vetoed a popular bonus bill for veterans despite their sacrifices in the recent
Great War because of its projected $6 billion cost over two decades. Coolidge believed it
would destroy all of the progress he had worked to achieve in reducing the national debt. When
Congress overrode his veto, he found ways to negate its cost by further cuts, including having
the instructions for veterans applying for a pension printed on lighter weight paper to reduce
costs by $33,000. Coolidge also opposed paying subsidies to farmers or establishing a federal
fund to keep agricultural prices artificially high. “Honest Cal” had the integrity not to try to appeal
to voters by spending a lot of money, even during the election year in 1924.

On July 2, Coolidge learned the national debt had fallen to $21.25 billion, and the federal surplus
was higher than predicted at $500 million. Tax revenues were up despite tax cuts because they
had spurred economic growth. By September, the debt fell below $21 billion. Coolidge told the
American people while campaigning for president that, “It is our theory that the people own the
government, not that the government should own the people.” He won the election in a landslide.
Symbolically, he and Mrs. Coolidge simplified the inauguration and returned $60,000 in private
donations.
Safely elected to the presidency, Coolidge did not alter his policy. Indeed, he met with officials an extra fifteen minutes early in order to accelerate cuts. The Post Office bought plain gray canvas bags rather than white ones with a blue stripe and saved a whopping $50,000 a year. The Veteran’s Bureau cut their long-distance phone bill from $3,000 to $184 by sending telegrams instead. In Alaska, spoiled seal fat was sold as crab bait for more savings. The debt kept dropping that year to $20.5 billion, and the federal surplus kept growing to almost $400 million for the year despite a spending splurge on a vast collection of Abraham Lincoln artifacts including his bed that Congress paid $50,000 to acquire.

Still, the demands to increase spending continued, and Coolidge uncompromisingly persisted in his belt-tightening. Members of his cabinet pressed expensive projects on him: federal power plants, farmer subsidies, and federal dams to name a few. As predicted, the temptation to spend the federal surplus was strong. A horrific Mississippi River flood in the spring of 1927 seemed sure to loosen up Coolidge’s federal spending to help its victims. Instead, he generously sent 3,000 tents, 11,000 cots, and 100,000 blankets from Army surplus and helped private efforts such as the Red Cross raise a large sum of $10 million for disaster relief. In June, the federal surplus for the year was announced at $600 million. Many newspapers and politicians thought him heartless and called for him to be more “modern,” Coolidge ignored the criticism and abided by his principles of constitutionalism, continuing with his plan.

Coolidge averred in his 1928 State of the Union Address that, “We know that peace comes from honesty and fair dealing, from moderation, and a generous regard for the rights of others.” He told a surprised country that summer that he would not seek out another term even though he was eligible. He wanted to return to a simpler life after a successful presidency and let someone else serve. One of his greatest accomplishments was leaving office with a prosperous economy and a federal debt that had been lowered to $17.65 billion. He did so by staying true to his principles and serving as a model of integrity.