

**TREASURY HISTORICAL
ASSOCIATION**
April 2014

NEWSLETTER

Inside this Newsletter . . .

- **A Tale of Two Treasurers**
- **Treasury Anniversaries**
- **New THA Board**
- **Amazon Smile and Planned Giving**

Treasurers Address Treasury in the Cash Room March 5th

On March 5, the THA held a special event to celebrate the many anniversaries occurring this year. A roundtable was held, featuring Treasurer Rosie Rios, former Treasurer Mary Ellen Withrow, and Robyn Muncy, Associate Professor of History, University of Maryland. Held during Women's History Month, the topic was the changing role of women in finance and the Treasury Department.

Moderated by Dr. Muncy, the roundtable touched on such topics as how the participants attained their positions in Treasury, how the challenges facing women changed over time, and how the Treasurers used their positions to effect change. After a lively discussion, the speakers agreed that things were changing for the better and that they were optimistic about the future of women in finance and the Treasury. The celebration concluded with a special cake featuring the Treasury seal.

The 2014 Lecture Series

On April 30th, Farley Grubb, Ph.D., of the University of Delaware presented his new interpretation that, unlike today's fiat currency, the much maligned Continental Dollar should be understood as a zero-interest bond, discounted because it was redeemable on a future date in Spanish coin, gold or silver.

In upcoming lectures, David Cowen of the Museum of American Finance will discuss the US financing of the War of 1812, and Stephen Vogel, author of *Through the Perilous Fight: Six Weeks That Saved the Nation* will speak on the burning of Washington in 1814.

In September, the THA will mark the 225th anniversary of the start of the Treasury Department with a talk by Bill White, former Mayor of Houston and Clinton Administration official. White will discuss his book, *America's Fiscal Constitution: Its Triumph and Collapse*.

Current and Upcoming Treasury Anniversaries

2014 marks the 225th Anniversary of the establishment of the U.S. Treasury Department in 1789 and of our first Secretary, Alexander Hamilton, who took the oath of office on September 11, 1789. This is also the 200th Anniversary of a less happy event: the burning of the first Treasury Building in August 1814. According to legend, the British soldiers went across the street to have a drink in Rhodes Tavern and watch Treasury burn.

This year also marks significant anniversaries for several current and former units of the Treasury Department. The U.S. Customs Service, the U.S. Lighthouse Establishment, the Treasurer, the Auditor, and the Comptroller of the Treasury were established in 1789. The Narcotics Division of the IRS (moved to the Justice Department in 1968) and the Bureau of War Risk Insurance were established in 1914 and took the government into new areas of activity.

The year 2015 is also an auspicious anniversary year. It will mark the 150th Anniversary of the end of the Civil War and of the use of the reception room of the Johnson Suite as the Office of the President during a crucial period in our nation's history. While occupying this office, President Andrew Johnson issued a warrant for the arrest of Jefferson Davis, the President of the Confederate States and pardoned the soldiers of the Confederacy.

THA is making plans for lectures to celebrate several of these Treasury anniversaries.

New THA Board of Directors For 2014-2015 Term of Office

In accordance with THA's By-Laws, a new Board of Directors is in place for this new two year term of office. THA's new President is Franklin Noll, Ph.D., who is the Historian-Consultant to the Bureau of Engraving and Printing; he is also the President and Chief Historian of Noll Historical Consulting, LLC. Serving as First Vice President is Gary Grippo, Past President of THA and Deputy Assistant Secretary for Government Financial Policy. Continuing in their roles as Secretary, Treasurer and Board Chairman are, respectively: Lori Santamarena, Executive Director, Government Securities Regulations, Bureau of the Fiscal Service; David Monroe, Director Office of Fiscal Projections; and Thomas O'Malley, retired

Director, Management Programs
Directorate and Senior Procurement
Executive.

Also continuing as Board members are:
Cora Beebe Fosdick, former Assistant
Secretary (Administration); Abby Gilbert,
Past President of THA and Research
Specialist at the United States Mint;
William Murphy, retired Senior Counsel for
Technology; and, M. Elaine Rand, retired
Senior Management Analyst, Office of
Performance Budgeting. Joining the
Board as new members for this term are
Gerald Auten, Senior Research Economist
in the Office of Tax Analysis and Michael
Smokovich, retired Deputy Commissioner,
Financial Management Service.

THA's By-Laws establish that the
President and Vice President can hold
office for not more than two consecutive
two-year terms. Rotating some positions
and adding new Board members from time
to time are of great benefit to THA overall,
in that new initiatives can be introduced for
Board approval and some of the workload
can be redistributed.

Leaving the Board at the end of last year
due to his relocation to Delaware was
John Flood, Jr., retired Management
Analyst in the Office of Management
Support Systems, who had served on
THA's Board for 28 years and, prior to
that, had been one of the valued "behind-
the-scenes" support personnel for the
founder and first President of THA, Robert
Fredlund. Also leaving due to other
personal obligations during the past term
were Tali Beesley, Consulting Curator at
the Bureau of Engraving and Printing,
Margaret Newman, an independent
decorative arts consultant, and Elaine
Pinson, Grants Manager for the
Washington Area

THA Planned Giving Program

THA has announced a Planned Giving
Program to be formally inaugurated in
June 2014. For over 40 years, THA has
taken seriously its goal of assuring that the
historic Treasury Building is preserved and
honored for future generations. One
excellent way to accomplish that goal is to
plan future contributions to THA for
preservation and restoration of the building
and educating the public about its
significance to our society.

With a bequest to THA, donors can assure
that funds will be available in the future to
meet the ever growing needs to restore
the beautiful landmark building. An
individual's bequest creates a personal
legacy for his or her family and friends,

demonstrating a strong commitment to
preservation now and in the future.

An information brochure and response
card will be mailed to each THA member
in June, providing detailed information on
the many ways to create a legacy. THA
hopes it can count on many of its
members to "Restore the Past; Preserve
the Present; and Protect the Future"
through this program.

Help THA's Restoration Work Through Amazon Purchases

Members can help raise funds for THA's
mission of assisting Treasury in restoring
the Treasury Building through their on-line
purchases from Amazon. This popular
Internet marketing organization donates a
percentage of every purchase made
through their "Amazon Smile" program to a
non-profit organization.

To help THA receive donations via this
corporate contribution program, in lieu of
going to www.amazon.com to make
purchases, members should access it
through Amazon's "back door" address,
www.smile.amazon.com.

All products that are available on the
regular Amazon site are available on the
Amazon Smile site. Amazon "Prime"
member benefits of free shipping, when
applicable, and access to other member
benefits are provided.

After signing in on the Amazon Smile
website the first time, buyers will be asked
to select a nonprofit organization to
receive Amazon's corporate contribution of
0.5% of each purchase made. THA should
be entered as its full title: Treasury
Historical Association. Newly registered as
a nonprofit with Amazon, THA is now
confirmed as eligible for the contributions
from Amazon. Contributions received by
THA from this program will be dedicated to
the Capital Development Campaign.

While one-half of one percent of each
purchase might appear to be a very small
amount, the aggregate of all purchases
made by all THA members and friends
(yes, members are asked to share this
information with their family and friends),
contributions could accumulate to a
meaningful quarterly total from Amazon.

When a buyer checks out to make
payment for each purchase, the final
screen as well as the receipt will state that
"Amazon will make a donation to Treasury
Historical Association." Also, whenever a
buyer signs in again on the Amazon Smile
website, there will be confirmation in the

upper left section of the computer screen
that THA will receive a donation.

Members are asked to consider making all
future Amazon purchases through the
Amazon Smile program and designate the
Treasury Historical Association as their
selected nonprofit organization to receive
contributions.

Members helping THA in this way will
benefit our efforts to assist the Treasury
Department in the restoration and
preservation of the Treasury Building.

THA President's Message

Welcome to a new year for the Treasury
Historical Association. I am honored to be
your new President, especially in a year
marking so many anniversaries: the
Treasury's 225th, the West Wing's 150th,
the THA's 40th, and the THA Lecture
Series' 25th. This multi-anniversary year
started off with a bang in the form of a
special noontime lecture event, involving
U.S. Treasurer Rosie Rios and former
U.S. Treasurer Mary Ellen Withrow.

A full schedule of lectures is on tap for the
rest of the year. The THA Board is also
moving ahead on many exciting projects,
including an educational film, a student
outreach project, and a revamped website.
Further, we are looking to expand THA's
membership and help Treasury finish
some important projects.

I would like to invite THA members to
contact me or any Board member, if they
are interested in helping out on one of the
THA's initiatives, would like to serve on the
Board, have a topic for a lecture, or have
any input on THA matters.

Thank you for your membership and
continual service to the Treasury.

Franklin Noll

Treasury Historical Association

P.O. Box 28118

Washington, DC 20038-8118

Message Line: (202) 298-0550

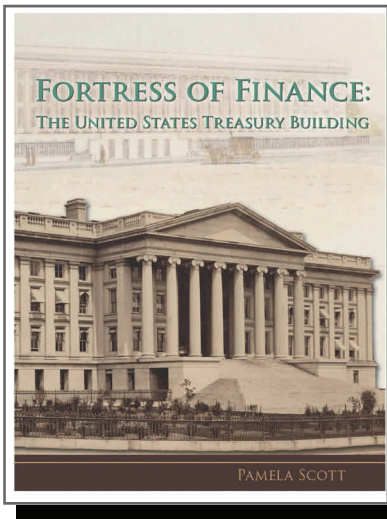
Website Address:

www.treasuryhistoricalassn.org

E-mail Address:

info@treasuryhistoricalassn.org

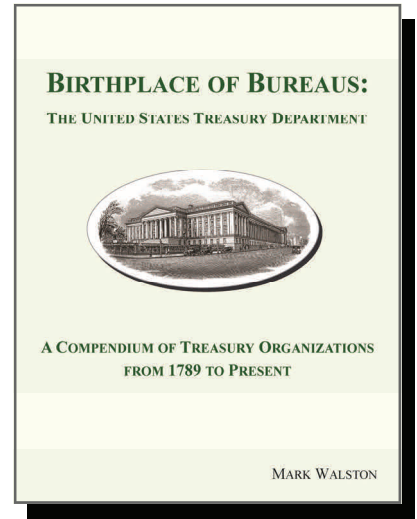
Books of the Treasury Historical Association



Two excellent books on the history of the Treasury Building and the Treasury Department. Both books are hardback, printed on high quality matte-coated paper, and have a leather-like cover with gold embossed lettering and high-gloss dustcover.

The books are the results of many years of research by professional historians who were commissioned by the Treasury Historical Association to chronicle the origins of the Treasury Building and its predecessor building on the same site, and of the U.S. Treasury's organizations of constituent bureaus.

These books have been published in very limited editions and, therefore, will be limited in their availability to THA members and the public.



Fortress of Finance: The United States Treasury Building was written by well-known architectural historian Pamela Scott, author of *Temple of Liberty: The United States Capitol Building* and co-author of *Buildings of the District of Columbia*. **Fortress of Finance** provides a captivating account of the construction of the first Treasury Office, completed in 1800 and destroyed by arsonists in 1833, and of our current National Historic Landmark Treasury Building, completed in 1869, and its unique architectural features that make it one of Washington, DC's most magnificent structures.

The result of over eight years of intensive research by Ms. Scott, **Fortress of Finance** received the Independent Publisher's second-place award for books published in 2010 in the Mid-Atlantic states on topics of non-fiction. It is produced in "coffee-table" format, about 8-1/2 x 11 inches, with 336 pages and contains 185 images of historic drawings, blueprints, etchings, paintings and photographs. The book includes an appendix with a brief tantalizer of the histories of Treasury's current bureaus and those now in other agencies, presented as a preview of the histories that would three years later appear in the companion volume, **Birthplace of Bureaus**.

Birthplace of Bureaus: The United States Treasury Department, the companion volume to THA's first book, was published in November 2013 and provides a summary history of each of some 40 organizations of the Treasury since its establishment in 1789. While a number of these bureaus still remain in the Treasury Department, many have been transferred to other departments and agencies and even outside the Executive Branch, or have been abolished.

Also included in the book are brief biographies of ten notable personalities of the Department, from secretaries of the Treasury to bureau heads and one very famous Treasury law enforcement agent. The book was researched and written by a local organizational historian who is the former historian of Treasury's Customs Service, Mark Walston. He is the author of an earlier Treasury history book, published in 1989 as part of a collection titled *Know Your Government*. He is also a former columnist for *Washingtonian* magazine and *Baltimore Magazine*, and currently writes for the *Bethesda Magazine*.

Produced in the same dimensions and format as **Fortress of Finance**, **Birthplace of Bureaus** has over 100 pages and 35 historic images.

ORDER FORM



Name: _____ E-mail: _____

Address: _____ Telephone(s) _____

City/State/ZIP: _____

Fortress of Finance: ___ copies @ \$55.00 = \$ _____

Birthplace of Bureaus: ___ copies @ \$24.95 = \$ _____

Subtotal: \$ _____

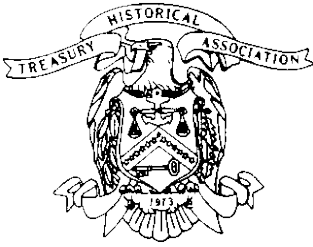
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TREASURY HISTORICAL
ASSOCIATION
August 2014

NEWSLETTER

Inside this Newsletter . . .

- 2014 Lecture Series
- 225th Anniversary
- 1814 Burning of the Treasury
- Honoring Michael D. Serlin

The 2014 Lecture Series

Since the last newsletter, the THA Noontime Lecture Series has had two more speakers: Farley Grubb and David Cowen. Farley Grubb, Professor of Economics at the University of Delaware spoke on the Continental dollar. He argued that the first issues of the Continentals should be viewed as zero-coupon bonds for which Congress established a future redemption schedule. The collapse of the Continental Dollar was caused by redemption re-structuring between 1779 and 1781 that jettisoned fiscal credibility. David Cowen, Ph.D., President and CEO of the Museum of American Finance gave a spirited talk on the US financing of the War of 1812. He showed how Albert Gallatin, when faced with an almost impossible financial situation, was able to borrow the money needed to conduct the war.

In September, the THA will mark the 225th anniversary of the start of the Treasury Department with a talk by Bill White, former Mayor of Houston and Clinton Administration official. After a possible introduction by Secretary Lew, White will discuss his book, *America's Fiscal Constitution: Its Triumph and Collapse*.

More will be heard on the War of 1812 late in the autumn when Stephen Vogel, author of *Through the Perilous Fight: Six Weeks That Saved the Nation*, will speak on the burning of Washington in August 1814.

225th Anniversary of the Treasury Department

The month of September 2014 marks the 225th Anniversary of the establishment of the U.S. Treasury Department in 1789. On September 2, 1789, President Washington approved Congress' proposal to create the Department of the Treasury. The Treasury Department is the second oldest department in the federal government. Alexander Hamilton became our first Secretary when he took the oath of office on September 11, 1789.

Burning of the Treasury Building, August 24th 1814

On the evening of August 24th 1814, a British expeditionary force marched into Washington and, while carrying out their orders to destroy all public buildings, burned the Treasury Building. The following brief chronicle of these events is taken from Charles J. Ingersoll's 1849 book on the War of 1812.

Washington was then a town of only about 8,000 inhabitants, "of whom almost every male was absent, either in arms, some distant hiding place, or a few keeping close to their dwellings. Many passed the night in huts or cornfields around the town."

After setting fire to the Capitol, General Ross and the British soldiers marched along Pennsylvania Avenue toward the President's House, Treasury and War Offices to burn them as well. When they reached the elbow where the Avenue curves around the Treasury building, they stopped at the lodging house of Mrs. Barbara Suter at about 9 o'clock at night. The British surrounded the house, which was occupied only by Mrs. Suter and one female servant. General Ross entered and announced that he had "come, madam, to sup with you." She responded that she had nothing to eat in the house and suggested he go to McLeod's Tavern across the way instead. But General Ross insisted that he would return with several officers after visiting the Treasury. When they left, on the advice of her servant, Mrs. Suter hastily killed and cooked the fowl in her yard and warmed some bread.

At a small beer house, opposite the Treasury "kept by a Frenchman named Nardin, fire was procured, with which the Treasury, and then the President's house were set fire to." General Ross and eleven officers then returned for a plain meal without wine or liquor (the British were in fear of poisoning in the food, including poisoned whisky). Admiral Cockburn entered the low front door on a mule, and "blowing out the candles, said that he preferred the light of the burning palace and Treasury, whose conflagration illuminated the room, outshining the pale moonlight." Another officer entered the room and inquired if there was another building to be burned – the War Office? "It will be time enough in the morning," said the general, "as it is now growing late, and the men require rest."

At the end of the evening, the general and his officers returned to their encampment on Capitol Hill. After breakfast the next morning, a detachment of troops marched from Capitol Hill to burn the War Office on the west side of the White House.

The British never went further than the War Office, and thus Georgetown was spared. General Ross and his forces occupied Washington for approximately 28 hours before leaving for Baltimore.



Mrs. Suter's Boarding House was on the southeast corner of 15th and Pennsylvania (at the far right of this picture).

Other versions of this story conflict on some details, but Ingersoll stated that Mrs. Suter was his source for this version of events. Thus, the traditional story that the British had a drink at Rhodes Tavern seems unlikely because the building had been sold to the Bank of the Metropolis, which opened its offices on April 15, 1814. Mrs. Suter, who had her boarding house in Rhodes Tavern from approximately late 1807 to early 1814, had moved her boarding house to the southeast corner of 15th Street and Pennsylvania Avenue in what is now Pershing Square Park. Treasury later reported to Congress that few important records had been lost in the fire because the most valuable papers had been removed before the British arrived.

Contributed by Jerry Auten with help from Abby Gilbert and the Treasury Librarians.

Sources:

Ingersoll, Charles Jared. *Historical Sketch of the Second War Between the United States of America, and Great Britain: Declared by Act of Congress, the 18th of June, 1812, and Concluded by Peace, the 15th of February, 1815.* Volume 2, Chapter VIII, pp. 180-189.

Treasury Department Library, and Treasury Historical Association Files

Supporting THA

For over 40 years, THA has taken seriously its goal of assuring that the historic Treasury Building is restored and preserved for future generations. To carry out this mission, THA depends on membership dues, modest profits from

Treasury history books (always available on eBay.com) or other Treasury items, and generous contributions to THA's Capital Development Campaign or to THA's general fund.

Current THA activities include an expanded lecture series and the planning for a new film about the Treasury Building.

The THA Board encourages Treasury employees to help celebrate Treasury's 225th Anniversary by joining or renewing their memberships and to consider a higher level of giving this year. General memberships are \$20 for one year or \$50 for three years. Supporting memberships are \$60. Life memberships are \$1,500 (one-time or three \$500 payments).

In this 225th Anniversary Year, members are encouraged to consider a special contribution of \$225. Contributions at this level will receive special recognition in THA's annual giving report and will help fund current projects. Life members may want to consider a special anniversary contribution this year to help THA in its work.

In June 2014, THA formally inaugurated a new Planned Giving Program. A bequest to THA can help insure that funds will be available to meet future needs to restore the beautiful landmark building. An individual's bequest creates a personal legacy for his or her family and friends, demonstrating a strong commitment to preservation now and in the future.

Members can also help raise funds for THA's mission through their on-line purchases from Amazon, which donates a percentage of purchases made through their "Amazon Smile" program to a non-profit organization.

The program is accessed through Amazon's "back door" address, www.smile.amazon.com. After signing in on the Amazon Smile website the first time, buyers will be asked to select a nonprofit organization to receive Amazon's contribution of 0.5% of each purchase. THA should be entered as its full title: Treasury Historical Association. When a buyer checks out to make payment, the final screen and receipt state that "Amazon will make a donation to Treasury Historical Association." Amazon "Prime" member benefits of free shipping, and other member benefits are provided when applicable.

THA has already received two quarterly gifts from Amazon through this program. Contributions from this program will be

dedicated to the Capital Development Campaign.

A Message from THA's Chairman:

THA Director Passes – Michael D. Serlin

THA and many throughout Treasury organizations – particularly the Fiscal Service – were saddened to learn that, on August 3, 2014, a former long-time member of our Board and THA Past President, Mike Serlin, passed away.

Mike served on THA's Board of Directors for 18 years, and ably chaired its first major fundraising effort – the campaign to solicit contributions to restore the ceiling of the Cash Room to its original



magnificent gilded appearance. Through his leadership, THA had a very successful \$200,000-target campaign to restore the 23-karat Cash Room ceiling.

Starting in 2007, Mike also spearheaded the subsequent efforts of the THA Capital Development Campaign to help the Department in 14 restoration projects throughout the historic Treasury Building.

In his official Treasury roles, Mike had served as Assistant Commissioner of the Financial Management Service (now Bureau of the Fiscal Service). In this position, he rotated among a number of functional areas, gaining a unique perspective of the entire bureau's operations.

In addition, Mike was very active in Vice President Al Gore's National Performance Review initiative for reinventing government. Complementing that duty, Mike also was in frequent contact and coordination with a number of public service organizations that sought to improve the government's activities.

THA has been fortunate to have had Mike's help for almost two decades. Those of us who had the opportunity to work with Mike appreciate his service to THA, to Treasury, and to the American public in his several official roles. We value greatly the example he set as a very dedicated public servant.

New Christmas Ornament

The THA Board recently approved the design of a new ornament, the first since the popular series featuring Treasury Bureaus in the 1990s. The new ornament will feature a relief of the Treasury Building on the front and the Treasury Seal on the reverse. Stay tuned for more information about a planned advance sale this fall.



Preliminary Design: THA's new Treasury Building Christmas Ornament

THA President's Message

As usual, there is much going on at your Treasury Historical Association. The lecture series and the Capital Development Campaign continue onward as does the development of a film documentary on the history of the Treasury Building. Yet, we are also looking forward to September.

Board member Mike Smokovich is heading an educational outreach program. Reaching out to Washington, DC, high schools, he is hoping to bring Treasury history and financial education to a new generation. September will also see the celebration of the Treasury Department's 225th anniversary, including the THA lecture by Bill White on September 4th.

As always, we are looking to expand THA's membership and help Treasury finish some long-standing projects. I would like to invite THA members to contact me (nollhc@msn.com) or any Board member, if they are interested in helping out on one of the THA's initiatives, would like to serve on the Board, have a topic for a lecture, or have any input on THA matters. Thank you for your membership and continuing service to the Treasury.

Franklin Noll

Message from the Editor

This issue includes a bit of Treasury history in the story about the British burning of the Treasury Building during the War of 1812. In future issues, we hope to include additional Treasury stories that may be of interest to THA members and friends of the Treasury. We also hope to include more information about the THA lecture series. In addition, Board members have become aware of individuals who have collected photographs, badges and other items related to Treasury and its bureaus. The Board is currently discussing how best to feature such activities in the Newsletter, website or other approaches. We look forward hearing from THA members about these and other ideas.

Jerry Auten, editor

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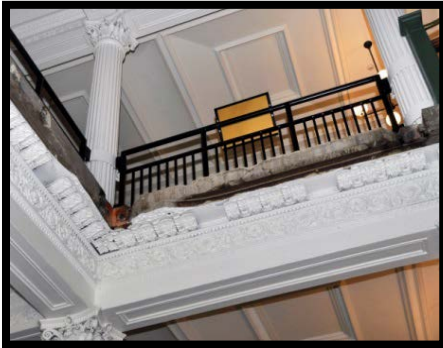
Message Line: (202) 298-0550

Website Address:
www.treasuryhistoricalassn.org

E-mail Address:
info@treasuryhistoricalassn.org

Treasury Building 2014 Priority Restoration Project

As THA continues its now-seven-year Capital Development Campaign, it is striving to assist the Treasury Department this year in a critical, partially-finished effort that began several years ago. This is the West Wing center staircase balustrade and stonework restoration, to reverse the damage that was caused by elevator installation a century ago.



Damage to the underside or soffit of the spiral staircase opening is evident with the missing decorative acanthus leaves; adjoining granite was also damaged by elevator shaft installation.

As early as 1895, elevators were installed in the West Wing, intruding into the stairwells and certainly detracting from the elegant space that Mullett had created for the entry opposite the White House.

In 2004, the elevators in the West Wing stairwells were replaced by modern lift systems and relocated into a former office space around the corner, permitting the restoration of the Mullett staircase. The extent of the damage caused by the elevator installations was not fully evident until the existing shafts were demolished.

Detailed analyses were performed on the area impacted by the series of elevator installations. The original balustrade or railing had been removed for an elevator installation over 100 years ago, now requiring temporary utilitarian railings to be installed for safety reasons, until such time that exact replica lengths of the restored railing could be detailed, manufactured, procured and installed.

Commencing in 2011, with a gift from THA, the Treasury Department began the extensive restoration of the West Wing's twin spiral staircases. A highly experienced and talented contractor began forging the balustrade, which consists of

bundled arrows and Roman "fasces" – the bundle of reeds symbolizing strength in unity.

Treasury's contractor was also successful in locating granite stock from a quarry not far from the one in Maine that produced the stonework in the 1860s, to obtain as close a match in color as possible, cutting the stone to form-fit the damaged original pieces at the front of the elevator shafts.

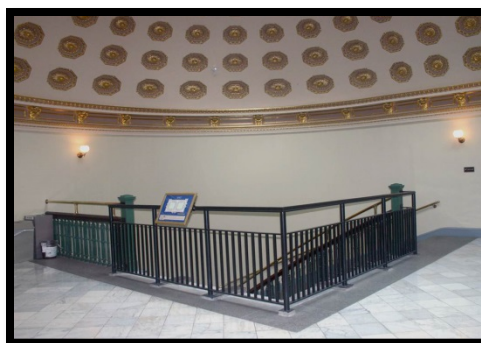
Also, the contractor was able to match perfectly the mahogany handrail, carving the wood in the appropriate curve to match the railing arc as originally designed. However, progress was necessarily slow due to the complexity of the project and the care and meticulous attention that is necessary to ensure exact matching of the new elements to the original design.

This joint public-private restoration project has been of continued great interest to THA as progress was made over the past few years. The contractor's workers performed their less intrusive work during the Government workday, but much of the noise-producing work, of necessity, was required to be done during evening hours



Treasury contractors drilling into granite after duty hours in the Treasury Building.

and over the weekends, particularly such tasks as drilling into granite (see photo above) to install pins to connect original granite to the new custom-sized pieces that replace the stone removed in 20th century elevator installations.



This extensive restoration project was divided into four phases, three of which have been completed, and the project is now in a hiatus status, due to funding limitations.

The remaining work is for the upper floors of the North staircase of the pair in the center of the West Wing. The two photos at the bottom of this page provide illustrative examples of "before" and "after," showing the fifth floor North staircase (at left), with the temporary railing and hidden damage to the granite, and fifth floor South staircase (at right) where the damaged granite stonework has been replaced (lighter triangular segment on floor) and the missing balustrade has been replaced with exact replica of the original, as designed by Alfred B. Mullett.

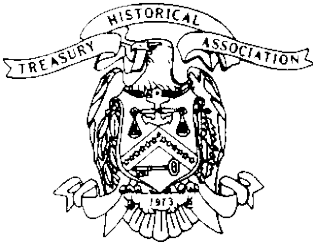
THA's goal for 2014 -- the Treasury Department's 225th Anniversary Year and the 150th Anniversary of the completion of the Treasury Building's West Wing -- is to provide to the Department substantial funding toward the completion of this important West Wing staircase restoration project.

For this effort, we are seeking tax-deductible contribution to THA's Capital Development Campaign from all THA members, past non-member donors and customers of our history books and commemorative products, as well as from former senior officials of the Treasury.

In addition, this Fall THA is initiating a significant effort to seek grants from private and corporate foundations to meet this restoration goal.

THA, through a recent mailing, is asking all members to consider how they might be able to help with this high priority restoration project. Contributions in any amount will be greatly appreciated and will be formally acknowledged by the Treasury Historical Association. Donors at the George Boutwell level of giving (\$100 to \$999) and above will be acknowledged publicly by THA.





TREASURY HISTORICAL
ASSOCIATION
December 2014

NEWSLETTER

Inside this Newsletter . . .

- 2014 Lecture Series
- Treasury's First Year
- Supporting THA
- President's Message

The 2014 Lecture Series

Since the last newsletter, the THA Noontime Lecture Series has held three events.

In September, the THA celebrated the Treasury Department's 225th anniversary with a talk by Bill White, former Mayor of Houston and Clinton Administration official, on his book, *America's Fiscal Constitution: Its Triumph and Collapse*. This was preceded by remarks by Secretary Jacob Lew and Douglas Hamilton, a direct descendent of Alexander Hamilton. Rand Scholet, founder of the Alexander Hamilton Awareness Society, was among the attendees.

In November, we recalled the burning of the Treasury Building in 1814 with a talk by Stephen Vogel, author of *Through the Perilous Fight: Six Weeks That Saved the Nation*.

We finished the year with a presentation by former Secretary Henry M. Paulson, Jr. This heavily-attended event featured Paulson telling of his time at Treasury and his new efforts to improve relations between China and the United States.



In all, 565 people attended the THA's lecture series in 2014 with 65% from Treasury DO and 35% from outside. This year's attendance rose 40 percent over 2013, an increase of 161.

On March 11, 2015, Professor Robyn Muncy will speak on Josephine Roche, the first woman to serve as Assistant Secretary of the Treasury from December 1, 1934 to November 1, 1937. Roche supervised the Public Health Service, part of Treasury from 1798 to 1939.

225th Anniversary of the Treasury Department: 1789-2014

September 2, 2014 marked the 225th Anniversary of the establishment of the Treasury Department in 1789. Following are some highlights of that first year, from the first session of Congress to Hamilton's report on the state of finances and public credit.

After delays from lack of a quorum, the House of Representatives held its first session on April 1, 1789 in Federal Hall in New York. Symbolic of openness in government, the galleries were open for observers, and many came, including Alexander Hamilton.

A few weeks later, on April 16th, 1789, George Washington left Mount Vernon for an 8-day journey to New York for his inauguration as the first President. The trip turned into a national celebration with cannons fired in salute as Washington approached each town. He crossed the Hudson River from New Jersey in a sumptuous barge shaded by a red canopy.

In hopes of becoming the permanent capital, New York City had gone to considerable expense to making improvements, including hiring Pierre Charles L'Enfant to renovate City Hall at the corner of Broad and Wall. L'Enfant transformed it into the elegant, neoclassical Federal Hall. At noon on April 30th, Washington rode to Federal Hall in a fine carriage. With John Adams standing beside him, Washington took the oath of office on the second-story balcony, overlooking ten thousand New Yorkers who had gathered in the streets to observe the historic event. Washington then went inside to deliver a brief inaugural address in the Senate chamber. According to Senator Maclay of Pennsylvania, "there was a grand procession to Saint Paul's Chapel, where prayers were said by the Bishop." "In the evening, there were grand fireworks." The first inaugural ball was held on May 7. Since Martha Washington had not yet arrived from Mount Vernon, President Washington danced with Elizabeth Schuyler Hamilton, among others.

On the 4th of July, the Society of the Cincinnati held a celebration at St. Paul's Chapel. A highlight was Alexander Hamilton's memorial oration for his friend, Major General Nathaniel Greene, who had died in 1786. Like Hamilton, Greene had risen from modest circumstances and was self-taught in the science of warfare.

The new government slowly took shape inside Federal Hall during 1789. Even before Washington's inauguration, on April 8, 1789 James Madison raised the issue of revenues, suggesting import duties on rum and other liquor, molasses, wine, tea, pepper, sugar, cocoa and coffee. After several months of discussion to reconcile conflicting sectional interests, Congress enacted duties on over 30 kinds of commodities on July 4th. The general rate was to be 5 percent, with higher rates of 7.5 to 15 percent on a few articles and specific rates per pound on cocoa, coffee and tea, alcohol, and certain other items. The Customs Service was created on July 31, 1789 to collect the duties authorized in the Tariff Act enacted July 4 and ship tonnage fees enacted on July 20. On August 7, the Lighthouse Establishment was created in a law requiring the states to turn over all lighthouses in operation or under construction. Thus, these two Treasury bureaus pre-dated the department itself.

From the beginning, controversy arose over the organization and authority of the Treasury Department. Legislators feared granting too much power, recalling the British tax abuses that spawned the Revolution and the armies of customs collectors sent to levy onerous duties. But they also remembered the inefficiencies and lack of funds under the Articles of Confederation.

Washington signed the Act to Establish the Treasury Department on September 2. The act provided for the appointment of a secretary "to be deemed head of the department", an assistant secretary, a comptroller, a treasurer and a register. It also called for the secretary to prepare plans for the improvement and management of the revenue, plans for the support of public credit, and estimates of public revenue and expenditures.

Initially, Washington had considered nominating Robert Morris, the former Superintendent of Finance, to be the first Secretary of the Treasury. However, Morris recommended that Alexander Hamilton be chosen instead. On September 11, Washington nominated Alexander Hamilton as Secretary of the Treasury. He was confirmed the same day. Also nominated were Nicholas Eveleigh of South Carolina as comptroller, Samuel Meredith of Pennsylvania as Treasurer, Oliver Wolcott, Jr. of Connecticut as auditor and Joseph Nourse (already in office) as Register. Wolcott was soon promoted to comptroller due to the ill health of Eveleigh. A few days later, William Duer was appointed Assistant to the Secretary.

George Washington's letter to the Senate nominating Hamilton and other Treasury officers

Gentlemen of the Senate.

I nominate for the Department of the Treasury of the United States—

- Alexander Hamilton (of New York) Secretary.
- Nicholas Eveleigh (of S. Carolina) Comptroller.
- Samuel Meredith (of Pennsylvania) Treasurer.
- Oliver Wolcott Jun^r (of Connecticut) Auditor.
- Joseph Nourse (in office) Register.

For the Department of war—

- Henry Knox.

For Judge in the Western Territory, in place of William Barton who declines the appointment—

- George Turner.

Geo

For Surveyor in the District of Northampton, State of Virginia, in place of George Davis who declines the appointment—

- Peter Kemp.

For Surveyor of Swan Creek in the District of Palmetto, State of Maryland, in place of Robert Young who declines the appointment—

- I nominate Charles Chilton.

And, in case the nomination of Samuel Meredith should meet the advice and consent of the Senate— I nominate as Surveyor of the Port of Philadelphia—

- William A. Duer.

New York } 1789.
September 11

G. Washington

Within a few days after taking office, Hamilton had obtained a loan from the Bank of New York (of which he was a co-founder) and had written to the Bank of North America for an additional loan. On October 6, he wrote to his friend the Marquis de Lafayette in France promising that the debt due France would be among the first objects of his attention and

unofficially suggesting a plan for what would now be considered a debt restructuring: speedy payment of arrears of interest due and suspension of installments on the principal for a few years. He assured Lafayette that deferral of principal payments would be a valuable accommodation to the new republic, especially if it came unsolicited as a fresh mark of good will from France.

In preparation for his report, Hamilton requested detailed reports from customs officials and other Treasury offices. Hamilton submitted his 51-page Report on the Public Credit January 9, 1790 and it was read aloud in the House on the 14th. Hamilton reported that the total Federal debt was \$54 million and state debt from Revolutionary War expenses was \$25 million for a total of \$79 million. In comparison, expected revenues were only \$2.8 million. Key proposals included Federal assumption of state Revolutionary War debts, re-funding and paying regular interest on the expanded federal debt, and raising revenues not only from import duties but from a new tax on distilled spirits. Together with his plan for a national bank, these were key elements in Hamilton's vision for a financially strong national government and economic system.

In these early years, the Treasury Department constituted most of the Federal government other than the military. One estimate (McCraw) is that Treasury had 570 employees, compared to five employees for State and only one secretary and one clerk for the War Department. The Report on Public Credit listed salaries for 38 Treasury employees in addition to the Secretary. The customs collectors in port cities had 297 inspectors and other employees. In addition, there were other general supervisors, inspectors, and lighthouse keepers.

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Supporting THA

For over 40 years, THA has taken seriously its goal of assuring that the historic Treasury Building is restored and preserved for future generations. To carry out this mission, THA depends on membership dues, modest profits from Treasury history books (available on eBay.com) or other Treasury items, and generous contributions to THA's Capital Development Campaign or general fund.

Current THA activities needing funding include the project to restore the West Wing staircase, an expanded lecture series, and a new film about the history of the Treasury Department and Main Treasury Building for general audiences.

In 2014, THA received contributions from 101 individuals and grants from two foundations totaling about \$70,000 for the Capital Development Campaign.

The THA Board encourages everyone to help celebrate Treasury's 225th Anniversary by joining or renewing their memberships and to consider a higher level of giving this year. General memberships are \$20 for one year or \$50 for three years. Supporting memberships are \$60. Life memberships are \$1,500 (one-time or three \$500 payments). It is now possible to become a member of THA or renew membership using your credit or debit card on the THA website: www.treasuryhistoricalassn.org.

In this 225th Anniversary Year, members are encouraged to consider a special contribution of \$225. Contributions at this level will receive special recognition in THA's annual giving report and help fund current projects. Life members may want to consider a special anniversary contribution to help THA in its work.

In June 2014, THA formally inaugurated a new Planned Giving Program. A bequest to THA can help insure that funds will be available to meet future needs to restore the beautiful landmark building. An individual's bequest creates a personal legacy for his or her family and friends, demonstrating a strong commitment to preservation now and in the future.

Members can also help raise funds for THA's mission through their on-line purchases from Amazon, which donates a percentage of purchases made through their "Amazon Smile" program to non-profit organizations. The program is accessed through Amazon's "back door" address, www.smile.amazon.com. After signing in on the Amazon Smile website the first time, buyers will be asked to select a nonprofit organization to receive Amazon's

contribution of 0.5% of each purchase. THA should be entered as its full title: Treasury Historical Association. When a buyer checks out to make payment, the final screen and receipt state that "Amazon will make a donation to Treasury Historical Association." Regular Amazon "Prime" member benefits such as free shipping are provided when applicable.

THA has already received two quarterly gifts from Amazon through this program. Gifts from this program will be dedicated to the Capital Development Campaign.

Doug Hamilton, Secretary Jacob Lew, Bill White and Frank Noll in the Grant Room before the September Lecture



From the Editor

This issue includes an article relating important events in Treasury's first year. The prior issue included a short piece about the British burning of the Treasury Building during the War of 1812. As always, we are indebted to Abby Gilbert for her help in researching Treasury history and to Treasury librarian Andy Young. In response to a request from Rand Scholet, President of the Alexander Hamilton Awareness Society, Abby researched early records to help the Society find the exact location of the first Treasury offices in New York City in 1789 and 1790. The society's website is: <http://the-aha-society.com/>

In future issues, we hope to include additional material about Treasury that may be of interest to THA members and friends of the Treasury, including the THA lecture series. In addition, Board members have become aware of individuals who have collected photographs, badges and other items related to Treasury and its bureaus. The Board is considering how best to feature such activities in the Newsletter, website or other venues. We look forward to hearing from THA members about these and other ideas.

Jerry Auten, editor

THA President's Message

This year has been packed with activity for your Treasury Historical Association. As you will see in the summary report coming to you separately, the THA is running numerous projects to preserve the Treasury Building and celebrate and expand knowledge of Treasury's past.

Some highlights of the past year include the work of the capital development campaign in raising the funds necessary to restore the West wing staircase. The lecture series hosted two big anniversary celebrations. A new Treasury Building ornament was developed, new oral histories were conducted, and a new high school outreach effort was started.

In December we welcomed Deval Mehta to our Board of Directors who will be designing a new website for the Association. His intense interest in the history of the Treasury Department and the Main Treasury Building, combined with his experience and expertise in IT and website design and management will make him a valuable addition to our Board. We also say thanks and goodbye to departing Board member, Mike Smokovich, who initiated for THA an effort to extend education on Treasury to high school students in the DC area.

As always, we are looking to expand THA's membership and help Treasury finish some long-standing projects. I would like to invite THA members to contact me (nollhc@msn.com) or any Board member, if they are interested in helping out on one of the THA's initiatives, would like to serve on the Board, have a topic for a lecture, or have any input on THA matters. Thank you for your membership and service to the Treasury.

Franklin Noll

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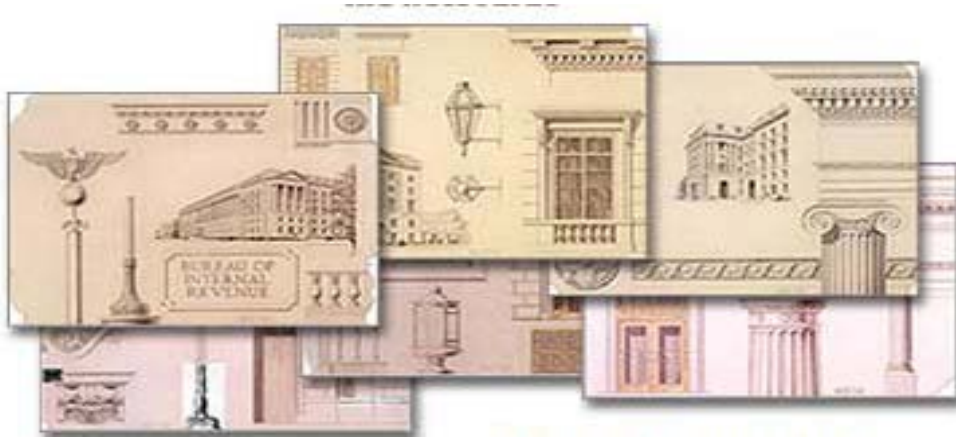
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