

**TREASURY HISTORICAL
ASSOCIATION**
December 2022

NEWSLETTER

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THA Lecture Series

The next lecture is on Monday, December 19th at 12 noon when Max Harris will be speaking on the little-known Tripartite Agreement of 1936 between the United States, Britain and France to end the monetary war that ensued after the collapse of the old monetary system during the Great Depression in the 1930s. The talk is based on his new book described below.

Future THA lectures are still in the planning stage but current plans call for four lectures in 2023. Members will be alerted when it is time to register for these lectures.

On September 7, James Boughton discussed his biography of Harry Dexter White, chief economist in the U.S. Treasury during World War II and lead designer of the 1944 Bretton Woods agreements. White's contributions have been over-shadowed by the role of John Maynard Keynes, who led the British delegation. White's reputation suffered because of accusations he may have acted at times on behalf of the Soviet Union. Mr. Boughton's examination of White's life and work restores his status as the architect of the modern global financial system. His article is the lead article for this newsletter.

The 2021-22 lecture series was entirely virtual. One benefit of the virtual lectures has been that lectures can be heard and seen by members who previously had not been able to attend a Cash Room lecture. While lectures may again be virtual next year, it is possible some lectures could be held in the Cash Room.

Many lectures from 2019, 2020 and 2021 were recorded and are now posted on the THA website.

Harry Dexter White: An Underappreciated Treasury Official

Harry Dexter White, the father of the Bretton Woods system and the principal designer of the International Monetary Fund (IMF) and the World Bank, was one of the most remarkable Treasury officials of all time. His contributions were substantial enough and were so long lasting that he surely ranks as the most important government economist of the 20th century. And yet he remains greatly underappreciated.

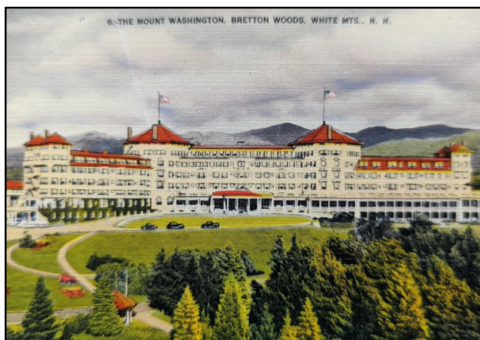
Consider the accolades accorded to other great Treasury officials. For the 18th century, Alexander Hamilton was the most important. We carry his likeness in our wallets and purses on the front side of every \$10 note, and his life is celebrated somewhere almost every night in Lin-Manuel Miranda's great musical. For the 19th century, Salmon Chase—the Secretary who oversaw the financing of the Civil War—was arguably the most consequential. His portrait graced the postwar one-dollar bill; he later was featured on the \$10,000 note; and the Treasury has a suite of rooms named in his honor. Harry White, however, is nowhere to be found. Even at the IMF, all we find is a bronze bust alongside one of John Maynard Keynes.



Bust of Harry Dexter White

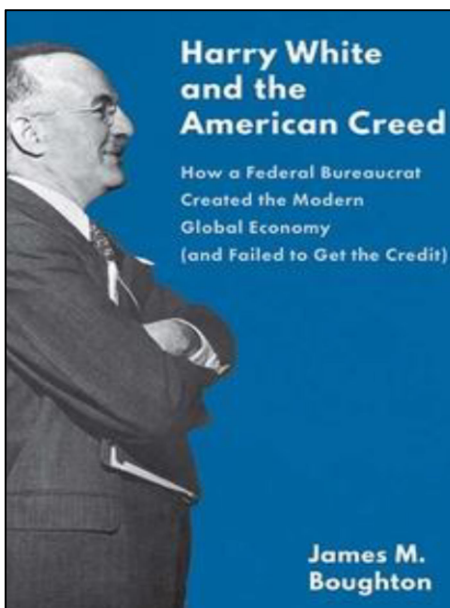
White spent 12 years at the Treasury, rising from a summer intern in 1934 (a member of Jacob Viner's famous "brain trust") to Assistant Secretary in 1946. The organization chart was much simpler then than now, and White was effectively the Treasury's chief economist. He focused primarily on international policies and had an extraordinary ability to find practical

solutions by avoiding ideological traps. In the debate between fixed and flexible exchange rates, he argued for “fixed but adjustable,” which became the winning formula for the post-WW2 era. He expanded the Exchange Stabilization Fund from a means of stabilizing the dollar against gold into a broad effort to help other countries stabilize their currencies against the dollar. He carved out a role for gold to anchor international payments without forcing domestic prices to conform to it.



Bretton Woods, New Hampshire

White insisted, over strong objections from Keynes and others, on engaging all 44 wartime allies in the project to design a postwar system for restoring multilateral settlements and rebuilding battered economies. The crowning conference at Bretton Woods, New Hampshire, gave the name of that little hamlet a cachet that still rings globally today. Whenever leaders or pundits propose to rescue the global economy from its persistent malaise, they frame it as a call for a “new Bretton Woods.”



Book cover of Harry White and the American Creed by James Boughton

As the key voice for international engagement at the Treasury throughout the tenure of Henry Morgenthau as Secretary, White frequently took controversial stands. Take China as an example. Throughout the 1930s, he pushed the Treasury to help China stabilize its financial system and its currency in the face of volatility in the price of silver (to which the yuan was pegged) and the combined pressures from Japanese aggression and a domestic insurgency led by Mao Zedong. State Department officials fretted that this support violated the U.S. commitment to neutrality, but White largely prevailed.

After the United States joined the war in 1941, White became increasingly concerned about corruption and incompetence in the Chiang Kai-shek government, and he devised ways to release funds to China gradually and subject to evidence that Chiang could use the money effectively. That practice of control was the prototype for conditional IMF lending, but it later caught White up in the charge that he and other government officials were responsible for “losing” China to Mao’s Communists after the war.

Treasury Career, 1934-46	
1934	Summer intern
1934-36	Economist, Division of Research and Statistics
1936-38	Asst. Director of division
1938-41	Director, Division of Monetary Research
1941-45	Asst. to the Secretary
1945-46	Assistant Secretary

These years of hard work and controversy took a heavy toll on White’s health. When the IMF took form in 1946, White left the Treasury to become the first U.S. Executive Director, which was then the number two position at the agency. After just one year, however, though only 54 years old, he had a heart attack and was no longer able to sustain the pace. He retired from the Fund and spent a relatively quiet year as a free-lance consultant.

In 1948, he was accused of participating in espionage for the Soviet Union. He vigorously denied the charge in dramatic testimony before the House Un-American Activities Committee, but

that effort was too much for his already weakened heart. He died just three days later after suffering another heart attack.



Harry Dexter White on Cover of Time Magazine, November 23, 1953

These controversies continue to stain White’s reputation. For some time, it appeared that evidence against him was becoming more persuasive, but the tide has turned with the most recent revelations from Soviet archives and elsewhere. One can now hope that he will eventually be accorded the honors that he so clearly deserves.

James Boughton is a Senior Fellow at the Centre for International Governance Innovation.

Past THA Director Dorothy Daly Recently Reached Age 100

Dorothy Roper Daly reached 100 years of age this past September 25. She worked in Treasury for 30 years, initially from September 1942 to October 1951 in the Research and Statistics office that was established as the Section of Statistics by Secretary Andrew Mellon and expanded by Secretary Henry Morgenthau. Dorothy then retired to raise her family but later returned to work in the Savings Bonds Division from April 1968 to 1980. Then, until 1984, she served as the Federal Women’s Program Manager and completed her Treasury years as an EEO Officer from 1985 to 1987. Dorothy retired from Treasury on October 2, 1987. She is believed to be the last living civil servant to work for Secretary Morgenthau. Dorothy served on THA’s Board of Directors from 1992 to 2003.

THA Loses Two Valued Campaign Counselors

Many THA members were recently saddened to learn of the passing of Charles A. Bowsher and Samuel T. Mok, two very valued counselors who provided great assistance to THA's Development Committee in the strategic planning of its Campaign for Alexander Hamilton's Treasury.

Both former Federal officials had assisted THA in establishing valued relationship-building and financial planning as THA works towards its largest and widest-reaching campaign to support its mission of assisting the Treasury Department in historic preservation and promoting Treasury- and financial-related education.



Charles Bowsher had been the Comptroller General of the United States and head of the U.S. General Accounting Office or "GAO" (now General Accountability Office) prior to his retirement from Federal service. His previous Government service was in the U.S. Army; he later joined the Chicago office of the Arthur Anderson & Co. accounting firm. From 1967 to 1971 Mr. Bowsher returned to the Government, serving as Assistant Secretary of the Navy for Financial Management. He afterwards moved to an executive position at Arthur Andersen.

One of his most significant accomplishments in his GAO position as the top Government accountant and fiscal watchdog was his revelation to the American public of the full scope of the 1980s savings and loan problems. He died on September 30, coincidentally the date that is the close of the government's accounting year.



Samuel Mok served in the Treasury Department as its first Chief Financial Officer and Comptroller.

His previous Federal service included time in the U.S. Army, preceded by some years as an auditor with KPMG. After his Army years, he became the director of accounting at Time-Life Books and subsequently the controller and corporate treasurer of U.S. News & World Report.

When Mr. Mok decided to re-enter public service, he joined the U.S. Department of State as a Senior Foreign Service Officer, before coming to Treasury. His last Government position was as Assistant Secretary of the Department of Labor, with responsibility as its Chief Financial Officer. Mr. Mok died on September 21.

The assistance of these two "finance giants" was priceless from THA's perspective of planning a major fundraising effort.

THA entering its 50th Year

THA was founded on December 13, 1973 and is now entering its 50th year of service to the Treasury Department by providing support for the restoration of the National Historic Landmark Treasury Building and by promoting educational activities related to the history of the Treasury Department.

After the holiday season, planning will begin for identifying ways to commemorate this half decade of fulfilling THA's mission. Information will be provided to members and non-member donors as specifics are known.

Supporting THA Restoration and Education Mission

THA is a nonprofit organization that is managed by volunteer officers and Board of Directors. Members have been strong supporters of THA's mission goals through their annual dues and periodic donations, especially to THA's past major campaigns. These were specifically THA's special efforts to fund the restoration of the gilding in the Cash Room ceiling and the multi-project campaign that ran from 2007 to 2017. Hopefully members and other donors will continue to support THA's mission with their future contributions.

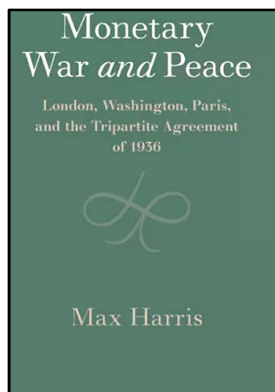
December is the traditional time for non-profit organizations to seek end-of-year financial support. As THA begins its 50th year, donations to support THA missions are especially needed for the Association to continue its good work of assisting the Treasury Department and promoting further education on the history of this great Department.

There are many ways to help support THA:

- Direct contribution by check or on-line giving
- When renewing memberships, adding a donation amount.
- For those who have reached the age where Minimum Required Distributions from an IRA is established, authorizing the administrator of the IRA account to send a Qualified Charitable Distribution to THA
- For individuals who have established a Donor Advised Fund account, designating THA as recipient of a grant
- Authorizing donations from Amazon through its "Smile" program for purchases made at smile.amazon.com
- Making donations of shares of stock

Further details are posted under the "Donate Now" tab on the THA website. Those who wish to volunteer their help or have questions can send an e-mail to THA at info@treasuryhistoricalassn.org

New Book by Max Harris, THA Lecture Speaker, December 19



During the Great Depression, the international monetary system fell apart as the gold standard collapsed and desperate nations tried to gain the advantage through competitive devaluations. In the middle of this crisis, Britain, France and the U.S. negotiated the Tripartite Agreement of 1936 to end the monetary war and promised to consult on exchange rate policy. Max Harris tells the story of this agreement and its importance in dealing with the collapse of the old monetary system.

Update on Treasury Building Saturday Morning Public Tours

The Saturday public tour program, shut down since December 2019, is starting to get back in operation.

Beginning in January 2023, the Saturday public tours will be restarting on a limited basis, with an expanded program expected in April. Those interested in these tours should send an e-mail to the tour coordinator, Luke.Leyh@treasury.gov for details about signing up.

THA Social Media Videos

THA's presence on Social Media now includes LinkedIn, Instagram, Facebook, YouTube and Twitter. New material is posted periodically. Additionally, there are a number of THA videos that can be found on YouTube, by searching for Treasury Historical Association account on this platform.

THA Membership Report

As of December 12, THA has 258 members in good standing. Over 100 have become Life Donor members.

From the Editor

Thanks to James Bouton for contributing his article based on his THA lecture and book. Tom O'Malley for help in preparing this issue and Janet Auten for her careful editing.

Your Treasury stories and suggestions or materials for future articles and topics of interest for the newsletter would be greatly appreciated. Of particular interest as THA enters its 50th year would be stories of members' first jobs at Treasury, especially if 50 (or more) years ago.

Jerry Auten, editor

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