

TREASURY HISTORICAL  
ASSOCIATION  
August 2018

# NEWSLETTER

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## **THA Lecture Series**

On October 10, Lee Lofthus will discuss "The History of Silver Certificates in the 1930s." Lofthus is currently the Assistant Attorney General for Administration in the Department of Justice where he has served since 1982. He has conducted extensive research on the history of U.S. currency with a special interest in the currency changes under FDR in the 1930s.

The December lecture will be presented by the winner of the first Treasury Historical Association 1500 Penn Prize for new research on some aspect of the history of the Treasury Department. The winner is expected to be announced in September.

Since the last issue, THA has held three lectures. On May 16, Michael Newton spoke on the valuable knowledge and skills Alexander Hamilton learned as a youth that contributed to his success as Treasury Secretary. An essay based on his talk follows in this issue.

On June 20, Rebecca Erbeling discussed Treasury's role on the War Refugee Board in World War II. On August 1, David Gill of Cambridge University spoke on the forgotten World War I debt of Britain to the United States that has not yet been paid and never officially forgiven.

Former Treasury employees and others interested are welcome to attend these lectures. However, if they do not possess a Treasury Building pass, they need to arrange clearance into Main Treasury about one week in advance. Notices are sent several weeks in advance to THA members.

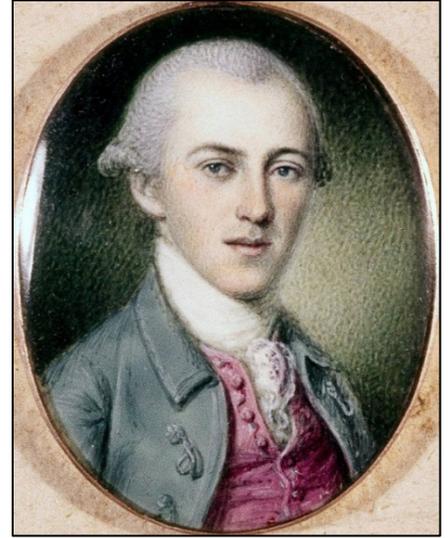
## **Treasury's Treasures Exhibit Opens September 5.**

The Treasury Library will debut its latest exhibit — *Discovering Treasury's Treasures: The Leadership and Legacy of Alexander Hamilton* — on Wednesday, September 5th. An open house will run from 11 a.m. to 2 p.m. that day. To make an appointment to attend the open house or view the exhibit at another time, call (202) 622-0990 or write [libraryreference@treasury.gov](mailto:libraryreference@treasury.gov).

## **Alexander Hamilton: Merchant in the West Indies**

By Michael E. Newton

*Based on a lecture given to the Treasury Historical Association on May 16, 2018.*



*Charles Willson Peale, Portrait of Alexander Hamilton, ca. 1780, courtesy of Columbia University.*

Thanks to numerous biographies and a wildly popular Broadway musical, Alexander Hamilton's many contributions to this country—artillery captain in the early days of the American Revolution, Washington's aide-de-camp, member of the Constitutional Convention, primary author of the Federalist Papers, first Treasury Secretary, and much more—have become well known, as has his love life and his famous duel with Aaron Burr. However, Hamilton's childhood in the Caribbean has been largely neglected and deserves more attention because these formative years in the West Indies were essential to his development into a future Founding Father. As a youth on St. Croix, Alexander Hamilton worked as a clerk for a growing mercantile company and at one point managed the entire firm. The skills and relationships that Hamilton acquired during this "most useful part of his education" would be employed with great success as he helped shape the new nation.

Alexander Hamilton arrived with his parents and brother on St. Croix in 1765. The following year, the 9-year-old Alexander went to work for the mercantile company of Beekman & Cruger. David Beekman and Nicholas Cruger belonged to two of New York's most prominent and influential mercantile families. Beekman soon left the business to Cruger, who would occasionally partner with Cornelius Kortright, another son of a prominent New York mercantile family.

In April 1767 and again in August, in the earliest known Hamilton documents, young Alexander, just ten years old, was acting as a witness to legal documents for his bosses. Hamilton's employers thus recognized his maturity and accorded him a level of responsibility almost incredible for one so young.

According to our best  
our hands  
David Beekman  
Alexander Hamilton

Sign'd Seal'd & Delivered  
in the Presence of us  
Nicholas Cruger  
Alexr. Hamilton

**Hamilton serving as witness alongside Beekman and Cruger: April 22 and August 17, 1767. Full images and more details can be found on [DiscoveringHamilton.com](http://DiscoveringHamilton.com). Note: These are copies of the original documents transcribed into the official record and thus these are not original signatures.**

Beekman, Cruger, and Kortright imported provisions for the sugar-producing plantations and in turn exported sugar, molasses, rum, and cotton. They also imported slaves to work on the plantations. As an employee, Hamilton would have been there when these slaves were unloaded from their ship and groomed for sale. He also would have attended the auction, where he probably recorded the sales information. Hamilton would surely recall the plight of these unfortunate men, women, and children when he used his influence to support the manumission of slaves, the education of free blacks, and more rights for these oppressed people.

Just imported from the Windward Coast of AFRICA, and to be sold on Monday next, by  
**Messrs. Kortright & Cruger,**  
At said CRUGER'S Yard,  
Three Hundred Prime  
**S L A V E S.**  
\* \* The terms will be made known at the place of sale.  
Jan. 23, 1771.

**Advertisement from St. Croix's The Royal Danish American Gazette.**

Business was conducted in at least a dozen currencies. This required skilled clerks to calculate and record everything properly. Business was also conducted in many languages, primarily English but Danish was the official language used in the courts and government. And they traded with others from Dutch, Spanish, and French islands, some of whom did not know English. Knowledge of a foreign language was, therefore, very helpful. Alexander Hamilton was fluent in French, whereas Nicholas Cruger did not "so well understand the French language, from want of practice." The records seem to indicate that Hamilton was in charge of translating the French letters coming into the office.

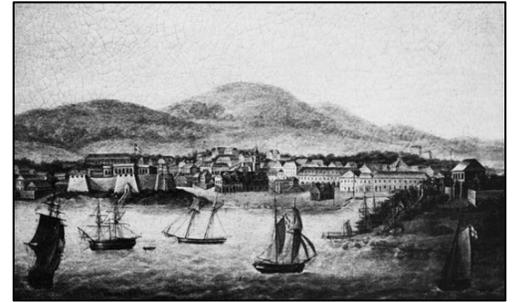
As a clerk, Hamilton spent most of his days sitting at a desk minding accounts and writing letters for his bosses. By November 1769, Alexander Hamilton complained to a friend, "I contemn [despise] the grov'ling and condition of a clerk or the like to which my Fortune etc. condemns me, and would willingly risk my life though not my character to exalt my station." This shows that Hamilton was a clerk for the company but that he no longer enjoyed such tedious work.

When a ship with cargo arrived, Hamilton probably headed to the docks with one of his bosses to help supervise the unloading of cargo, inspect the merchandise, and log the inventory. Perhaps by the time he complained about his job as a clerk, he was already performing these tasks on his own. Although far from glamorous, this work placed Hamilton at the economic center of the island, where he would meet planters, ship captains, other merchants, and government officials.

In October 1771, Nicholas Cruger, now operating alone, departed St. Croix for New York to recover from a "very ill state of health." Both Beekman and Kortright were on St. Croix, but Cruger put 14-year-old Hamilton in charge of his company.

Over the next five months, Alexander Hamilton probably spent the largest portion of his time managing the actual import and export of goods. Shortly after taking over, Hamilton welcomed a new vessel, the *Thunderbolt*, owned by Nicholas Cruger along with his brother and brother-in-law, and informed his boss that it was "a fine vessel indeed, but I fear not so swift as she ought to be." Within 48 hours, Hamilton had supervised the unloading of Indian meal, staves, apples, lumber, bread, and onions, paid the duties to the customs officials, and prepared the *Thunderbolt* for departure to Curacao and the Spanish Main. Another time, Hamilton supervised the nearly simultaneous arrival of four ships delivering cargo for Nicholas Cruger, two of which "arrived within a few hours of each other." Hamilton quickly turned around three of the

ships, but the fourth had its cargo "stowed very inconveniently" and "Hickledy-pickledy" (possibly a technical mercantile term). "Nothing was neglected on" Hamilton's "part to give him the utmost dispatch," and the ship was "ready to sail seven days after his arrival." Not bad for a 14-year old.



**H. P. Thorsoe, View of Christiansted Harbor, ca. 1825, courtesy of the Library of Congress.**

After unloading these ships, Hamilton had inventory to manage. One time, he received apples that "were in every respect very indifferent." Another time, he unloaded 290 barrels of "Philadelphia flour" that was "really very bad, being of a most swarthy complexion," which "upon opening" was discovered to have "a kind of worm very common in flour about the surface, which is an indication of age." Hamilton decided to offer these goods to buyers at a discount in order to move his merchandise. On another occasion, when the *Thunderbolt* returned from Curacao and the Spanish Main, Hamilton found himself with 41 mules that were mere "skeletons" (seven mules had died on the voyage). Rather than sell low, Hamilton sent the mules to pasture. In the end, Hamilton spent a mere 2 pieces of eight for one month of pasturage per mule and sold the recovered mules for 30 pieces more than had been initially offered. Clearly, this kid knew what he was doing!

In addition to managing ships and merchants, Hamilton had to supervise numerous people, most notably the ship captains who sailed for him and his boss. After the *Thunderbolt's* dismal voyage, Hamilton instructed the captain to "reflect continually on the unfortunate voyage you have just made and endeavour to make up for the considerable loss therefrom accruing to your owners." Hamilton also warned their connection in Curacao "that you cannot be too particular in your instructions to him. I think he seems rather to want experience in such voyages." But to Nicholas Cruger, Hamilton defended the ship captain, who "seemed to be much concerned at his ill luck." Hamilton argued that the "mules were pretty well chosen & had been once a good parcel" and the captain "had done all in his power to make the voyage successful" but "no man can command the winds."

Hamilton's management of the situation worked like a charm. The *Thunderbolt* returned from its next voyage with a "cargo [of] mules in good order." Hamilton sold the mules for good prices, "which makes some demands for her first very bad cargo."

While all this was going on, Hamilton made the executive decision to fire one of the firm's two attorneys and transfer all the legal work to the other. Upon his return, Cruger approved of Hamilton's action and was "confident" that this lawyer had been "very negligent" and "trifled away a good deal of money to no purpose."

Hamilton also visited or wrote to various people to collect debts owed to Nicholas Cruger. Hamilton pressed one person to provide "an immediate answer" because "the gentlemen" to whom he owed money "expect a punctual compliance with the tenor of the bill. . . . I hope it may be in your power to give them satisfaction." Hamilton informed his boss, "Believe me Sir I dun as hard as is proper."

Alexander Hamilton also spent considerable time managing the company store in the heart of Christiansted, St. Croix, from where he sold goods to households, plantations, and shopkeepers. One shopkeeper who purchased goods from Beekman & Cruger back in 1767, when Hamilton was already working there, was none other than Hamilton's mother.

With this profusion of commercial activity, Hamilton had to enter each and every transaction into the company's account books. Every shipment of cargo required meticulous record keeping. Hamilton had to allocate the profits and expenses of each voyage to the various partners who participated or had cargo assigned to the ship. The company conducted transactions in Danish West Indian rigsdalers, reals, pieces of eight, British pounds, and the currencies of various North American and West Indian colonies, all of which had to be converted back and forth in letters, account books, and payments. This required a good head for math and plenty of training, which Hamilton must have had because he was not shy about correcting the accounting errors of Cruger's business associates.

During his management of the company, Hamilton did business or corresponded with people in New York, Philadelphia, Bristol, Curacao, the Spanish Main, St. Eustatius, St. Kitts, and St. Thomas. And shortly after his return, Nicholas Cruger was corresponding with a merchant in Connecticut, one Benedict Arnold, and his father-in-law, Samuel Mansfield. Years before they fought together and then against each other in the American Revolution, Hamilton surely was involved in unloading and selling Arnold's cargo and shipping him rum and other freight on the return voyage.

When Hamilton sent the *Thunderbolt* to the Spanish Main, he was especially concerned with the *Guarda Costa*, who were "said to swarm upon the coast." The *Guarda Costa* were the Spanish Coast Guard, but they often acted more like pirates, confiscating foreign ships on flimsy grounds. Accordingly, Hamilton instructed the ship's captain to arm himself with cannons and told their Curacao correspondent to help him do so. Hamilton was not pleased when they neglected "to furnish the sloop with a few guns," forcing the ship to go "entirely defenceless to the Main."

Tax evasion is a practice as old as taxes themselves, and there are records, which are found in Hamilton's hand, of Nicholas Cruger performing this deception. In one instance, Cruger instructed his partners in New York to have the "clayed [refined] sugars . . . entered paying the same duty as muscovado [unrefined sugar]" and "carted up immediately for fear of discovery," thereby evading the higher tax rates on refined sugar. Another time, to avoid the hefty twenty-five percent duty, Cruger asked that the captain see him "before he enters" so he could "enter it as Corn Meal and give the waiter a fee [i.e., a bribe]." Cruger also requested "20 or 30 barrels [of] pork" and asked the supplier to give "the Captain the same caution as above." Copying this letter, perhaps writing the original as well, possibly being the one sent to bribe the port official, and perhaps doing likewise during his management of the company, Hamilton at this early age learned all about smuggling and tax evasion, something that he'd remember when he started the U.S. Revenue-Marine in 1790, which later became the Revenue Cutter Service and then the Coast Guard.

When Nicholas Cruger returned in March 1772, he praised Hamilton for a job well done. He even stated that he wished he had "stayed a few months longer" in New York to further recover his health, assured that Hamilton would have continued his superb management of the company.

Working for Nicholas Cruger for about 6 years and managing the company for nearly 5 months, Hamilton gained knowledge and skill in accounting, management, finance, trade, credit, economics, and even geopolitics. In managing the company and working with other merchants, ship captains, customs officials, plantation owners, and retail customers, Hamilton developed his talents as an administrator, showing a remarkable ability to instruct older and more experienced men. Hamilton learned the ins and outs of international commerce, foreign exchange, and European mercantilism. In dealing with different nationalities, languages, and currencies, Hamilton recognized the value of standards. With the

constant threats of piracy and war, Hamilton gained first-hand experience in defensive preparedness, the value of a navy, and the costs and benefits of maritime insurance. Hamilton would use all these acquired skills and experiences later when he became the Secretary of the Treasury

Alexander Hamilton's son summed it up when he wrote, "This occupation was the source of great and lasting benefit to him; he felt himself amply rewarded for his labours by the method and facility which it imparted to him; and amid his various engagements in after years adverted to it as the most useful part of his education." It was this youthful education in a far-off land that prepared Alexander Hamilton for the far greater deeds he would accomplish as a Founder of the United States.

*Michael E. Newton is the author of Alexander Hamilton: The Formative Years and is sharing new Hamilton discoveries at DiscoveringHamilton.com.*

## Upcoming Treasury Anniversaries

Significant Treasury-related anniversaries occur over the next 12 months. THA hopes to mark some of them with special events.

- March 4, 2019, will mark the 150<sup>th</sup> Anniversary of the completion of the Treasury Building. The fourth and final wing – the North wing – of the building became the venue of the Inaugural Reception and Ball for the 18<sup>th</sup> President of the United States, General Ulysses S. Grant. Treasury architect Alfred B. Mullett was instructed to spare no expense in making the final wing of the building the most ornate and decorative building in the Government's inventory – to demonstrate to the American public that the Union was not bankrupt as a result of the cost of the Civil War. The highly-decorated Cash Room with its ornate gilded ceiling, gold-leafed interior column capitals and stenciled North lobby show that Mullett certainly complied with these instructions.
- June 14, 2019 will be the Centennial of the Treasury Annex Building, once known as Treasury Annex No. 1 and now as the Freedman's Bank Building. Designed by Cass Gilbert, the architect of the U.S. Supreme Court Building, the structure was unique as one of the earliest "open office" designs, with large open spaces instead of private office rooms. The building was constructed on a high-priority basis over 14 months to house the Bureau of Internal Revenue during World War I. This required extensive overtime labor hours and materials requisitioned in national defense, to create offices for the Treasury agency that was collecting much-needed tax revenue to support the war effort. Ironically, the building was completed two weeks prior to the signing of the Versailles Peace Treaty.



**Freedman's Bank Building with North Wing of Treasury Building in background, from watercolor painting by Ken Frye.**

Treasury's tax-collecting agency remained in the building until its new National Office Building at 1111 Constitution Avenue, in the Federal Triangle, opened in the early 1930s. Subsequently, Treasury's several fiscal organizations occupied the Annex Building until 1988 when they relocated to other buildings and the Departmental Offices organizations moved into the building

The Annex Building as it exists now is only about 25% of the planned size of the building, since Gilbert had intended it to extend northward on Madison Place to the end of the block. Fortunately, this project was delayed – because the intended expansion of the Annex Building would have caused the demolition of Dolley Madison's house which still sits, to this day, at the north end of Madison Place.

- July 1, 2019, is the Centennial of the establishment of the Treasury Department's Special Intelligence Unit, with founder-director Elmer Lincoln Irely. Currently titled IRS' Criminal Investigation, the organization brought to justice America's criminal elite, including Al Capone for tax evasion. It was also the principal law enforcement unit that solved the Lindbergh baby kidnapping case.

### **Other Important Anniversaries**

- November 11, 2018 is the Centennial of Armistice Day, later termed Veterans Day, which marks the cessation of fighting of World War I. At the 11<sup>th</sup> hour of the 11<sup>th</sup> day of the 11<sup>th</sup> month of 1918, the Allied nations and Germany ceased fighting. Begun by the British the following year, November 11 has become both a day of celebration and a day of remembrance for the approximately 20 million who perished in that war. More than a dozen countries throughout the world recognize this day.

- January 18, 2019, will be the Centennial of the opening of the Paris Peace Conference after World War I. Meeting for about a year, delegates from 32 nations developed a number of peace treaties. Most notably, the Treaty of Versailles was negotiated with Germany five months later on June 28.

- July 1, 2019, also marks the 75<sup>th</sup> Anniversary of the start of the Bretton Woods Conference in New Hampshire, attended by several hundred delegates of 44 nations. The conference wrote the agreements for the International Monetary Fund and the World Bank, establishing a pattern for international economic cooperation that continues to the present.

### **THA's Film Preview Available to View Without a Password**

Previously, we have provided a link to our 7-minute preview of a planned one-hour educational documentary of the Treasury Building and important historic events that had occurred within its walls. THA has relocated this preview which may now be seen, without the need for a password, at: [www.vimeo.com/264102677](http://www.vimeo.com/264102677)

Please feel free to share this link with co-workers and others who might have an interest in Treasury Department and Treasury Building history. This film will be included as one of the education projects in our revitalized Development Campaign, to be launched in the near future.

### **An Appeal to Our Members Working in Private Industry**

To help THA in its missions of assisting the Treasury Department both in historic restoration of the Treasury Building and in promoting increased education and awareness of Treasury history, we are asking our members who work in private industry to check whether their employers have a donation matching program.

Companies that have such matching programs have set aside certain level of funding to complement the generosity of their employees to nonprofit organizations and are generally able to honor requests from their employees for donations to designated nonprofit organizations.

If your employer has such a matching program, please consider a request to them to match any donations you send to THA this year and in the future. They will undoubtedly need to know THA's tax number, which is 23-7389186.

### **THA Gift Items**

THA's two latest ornaments and some remaining ornaments from the old bureau series are available on THA's website along with other THA items for gifts or personal use. The *Fortress of Finance*, a wonderful book on the history of the Treasury Building, is available on THA's website and on eBay. This book and the ornaments are also available in the TDRA Gift Shop outside the Cash Room in Main Treasury.

### **THA President's Message**

The article about young Alexander Hamilton in this newsletter reflects just one of the excellent presentations we've been fortunate to receive from invited speakers since our last publication. I want to thank our Lecture Committee for arranging these presentations and we look forward to other exceptional presentations in the future. Our October 10 lecture invitation will be sent to you soon.

In the last issue, we advised members of our plans for a next-phase development campaign that we hoped to launch this summer. This will slip a few months, but will still have the same spirit of our enthusiasm to assist the Treasury Department in seven restoration projects in the Treasury Building and eight education projects, including our educational documentary film. Additional information will be provided in our December newsletter.

Since THA is operated by volunteers, we are always seeking additional resources to assist in the management of our programs. If you would like to volunteer your time or even just seek information about volunteer opportunities, please send a message to our email address (see box below), and we can exchange information on our needs and your areas of interest and expertise.

Thank you for your continued support of THA and our missions.

*Deval Mehta, President*

### **From the Editor**

Our special thanks to Michael Newton for contributing his essay about skills Alexander Hamilton learned as a young man working in a mercantile company on St. Croix that contributed to his later becoming one of the most important founders of our country. Michael is one of the most dedicated scholars adding new findings about Hamilton. Check out his blog.

Thanks to Janet Auten, Tom O' Malley, Kurt Schuler and Andy Young for their help in preparing this issue.

*Jerry Auten, Editor*

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## Please Join THA in Presenting A Birthday Gift to the Treasury Department

As we have done in recent years, THA is asking all members to consider contributing towards our annual "birthday gift" to the Department of the Treasury, which will become 229 years old on September 2.

One of THA's two missions is to help the Department in important restoration projects in the Treasury Building, returning various rooms and spaces to their original elegance and grandeur, as well as conserving Treasury's priceless antique furniture and fine art collection. From the original group of projects in THA's 2007 Capital Development Campaign brochure, there are several that remain as top Treasury priorities of significance interest. These include restoration of the South corridor *trompe l'oeil* decorative paint treatment, restoration of other decorative paint treatment in South wing offices that were former Secretaries' offices and Deputy and Under Secretaries' offices and on-going conservation and restoration of antique furniture and furnishings, as well as of the Department's priceless collection of fine arts.

THA's other mission is to assist Treasury in advancing education on the history of the Department and on other Treasury-related topics. THA's past efforts include our newsletter program, begun in 1995, our two books, *Fortress of Finance* and *Birthplace of Bureaus*, our current project to produce a one-hour television documentary on the Treasury Building and important historical events that occurred within its walls and a number of other education projects that will soon be announced in our revitalized Development Campaign.

We hope that you will join THA in providing the Department a generous 2018 "birthday gift".

You may either use the below donor form to mail in your donation check to:

Treasury Historical Association -- P.O. Box 28118 -- Washington, DC 20038-8118

or you may make a secure contribution online with a credit card at [www.treasuryhistoricalassn.org](http://www.treasuryhistoricalassn.org), using the "Support Us" button at the top of the home page.

Your tax-deductible gift of any amount will help THA further the protection of the Department's historically-important structure - America's "Fortress of Finance" and the historically important furniture and furnishings within the building and will enable THA to expand its education efforts.

Thank you, in advance, for your generosity.



### *2018 Birthday Gift to the Treasury Department*

Name: \_\_\_\_\_ Telephones: Day: \_\_\_\_\_ Eve.: \_\_\_\_\_

Organization: \_\_\_\_\_ E-mail: \_\_\_\_\_

Address: \_\_\_\_\_ Amount of Donation Enclosed: \$ \_\_\_\_\_

Please use this tax-deductible donation for:

- Restoration projects in the Treasury Building and conservation of furniture and furnishings
- Education projects to promote knowledge of Treasury's history
- Whatever the greatest needs is