

# THE TREASURY DEPARTMENT

ORIGIN DEVELOPMENT

ORGANIZATION

DIVISIONS BUREAUS AGENCIES

FUNCTIONS



WITH CHARTS SHOWING  
HANDLING OF FUNDS

1939

## T A B L E     O F     C O N T E N T S

(Cover picture of Treasury Building from  
drawing by Franklin Booth)

Origin and History of Treasury Department.....	1
Treasury Functions.....	4
Collection of Revenues.....	5
Flotation and Payment of Loans.....	6
Custody and Disbursement of Funds.....	7
Supervision of Banks.....	9
Production of Money (coinage and printing)....	9
Law Enforcement and Public Service.....	10
How Government Books Are Kept.....	15
Accounting for Revenue (chart).....	16
How Money is Handled.....	17
Control of Receipts and Issues (chart).....	24
Description and History of Treasury Building..	25
Presidents of the United States.....	36
Secretaries of the Treasury.....	36
Index.....	39
Treasury Seal.....	back cover

Office of the Secretary  
Treasury Department  
Washington, D.C.

## THE TREASURY DEPARTMENT

### Origin in 1776

The United States Treasury Department had its beginnings in 1776, even before the signing of the Declaration of Independence. The Continental Congress by resolution of February 17, 1776, provided "that a committee of five be appointed for superintending the Treasury," and described the duties of the committee. This resolution had the effect of establishing a "Treasury Office."

Two empowering resolutions, adopted April 1, 1776, completed the foundations for the present Treasury Department with its many and far-reaching functions. One of the April resolutions provided:

"That a Treasury Office of Accounts be instituted and established, and that such office be kept in the city or place where Congress shall from time to time be assembled and hold their sessions, and that the said Office of Accounts be under the direction and superintendence of the standing committee of the Treasury."

Two years later, by resolution dated September 26, 1778, the Congress established the offices of Comptroller, Auditor, and Treasurer; and two Chambers of Accounts, with three Commissioners each, to be appointed annually.

The Comptroller's office was abolished on July 30, 1779, and a new Board of Treasury created, consisting of three Commissioners who were not members of the Congress, and two who were. These five members were elected by the Congress, the former three annually, and the latter two for terms of six months.

Submission to the Congress of a budget, or estimate of public expenses, was one of the board's duties. Thus organized, the Board of Treasury continued to function until several months after the appointment, September 20, 1781, of Robert Morris as Superintendent of Finance.

### Morris Takes Charge

In a resolution of February 7, 1781, the office of Superintendent of Finance was authorized. An ordinance enacted September 11 of the same year designated Commissioners and other finance officers. Superintendent Morris, a signer of the Declaration of Independence, had been a vital factor in financing the Revolution. Morris was called "the financier" in recognition of his abilities. He was the first financial executive of the national Government, and served as Superintendent of Finance from 1781 to 1784, when he resigned.

Another congressional ordinance adopted May 28, 1784, provided for the appointment of a Board of three Commissioners, "to superintend the Treasury and manage the finance of the United States, which shall be styled the Board of the Treasury." Named as Commissioners under this act were John Lewis Gervais, Samuel Osgood and Walter Livingston.

The Constitution of the United States became effective as the basic law of the nation March 4, 1789. The Constitutional Congress on September 2, 1789, at its first session, enacted a law whose object was "to establish the Treasury Department." Section 1 of this law reads in part:

"There shall be a Department of the Treasury in which shall be the following officers, namely, a Secretary of the Treasury, to be deemed the head of the department; a Comptroller, an Auditor, a Treasurer, a Register, and an assistant to the Secretary of the Treasury, which assistant shall be appointed by the Secretary."

The act specified the duties of each officer designated, and the functions of the Treasury as the department appointed to administer public finance.

### Hamilton is Appointed

President Washington appointed the first Secretary of the Treasury. He chose Alexander Hamilton, who had been his aide-de-camp. After the Revolution, Hamilton practiced law in New York. He was a delegate to the Continental Congress, participated in the framing of the Constitution, and advocated its ratification by the States. Hamilton was 32 years old at the time of his appointment. He took the oath of office as Secretary September 11, 1789.

Secretary Hamilton's first Report to the Congress, known now as the Report on the Public Credit, is considered one of the greatest of the public documents that record and represent the development of our governmental system.

### Office of the Secretary

The Secretary of the Treasury is the official head of the Treasury Department. Serving under him are the Under Secretary of the Treasury, who is the acting head of the Department in the absence of the Secretary, and three Assistant Secretaries. All are appointed by the President.

The Treasury Department embraces a number of agencies, variously known as bureaus, divisions and offices, with duties that in general relate to or derive from the fiscal operations of the Government. These agencies are responsible in their operation either directly to the Secretary, to the Under Secretary, or to one of the Assistant Secretaries, as directed by the Secretary. Each of the Treasury's agencies has its own executive, its own divisions and subdivisions.

The duties first assigned to the Treasury Department were to collect taxes and other revenues; to employ the public credit when tax revenues should be insufficient; to keep the national funds safely and to disburse them on the orders of the Congress under a plan proposed by the first Secretary; to maintain accounts of these transactions, and to keep the Congress informed as to the condition of the Nation's finances.

The Treasury exercises functions committed to it by the Congress in carrying out that body's constitutional responsibility to coin money, and regulate its value and that of foreign coin. The Treasury's \$2,000,000,000 stabilization fund (1939) exists in furtherance of the duty delegated by the Congress to stabilize and maintain the value of the dollar. Thus, Treasury functions include the duty of recommending to the President and the Congress measures calculated to protect the integrity of the Nation's currency.

The Treasury force at the outset numbered approximately 100 persons. This force was supplemented by collectors of customs and collectors of internal revenue. The personnel of the Department, increasing as the Nation grew from 4,000,000 to more than 125,000,000 people, now numbers about 60,000, one-fourth of whom are employed in the City of Washington and three-fourths in the field throughout the country.

The coining of money was an early development of Treasury function. The Civil War period brought the Treasury the task of providing paper currency, then called greenbacks. A direct development from this function was the organization of the Secret Service, to suppress the operations of counterfeiters, who had begun making bogus bills.

#### Duties are Varied

Early in Treasury history Collectors of Customs were given the duty of collecting fees, for the medical care of seamen, from the owners or masters of American ships. The Marine Hospital Service was a development of this action, and this service was the parent of the Public Health Service, transferred in 1939 from the Treasury Department to the Federal Security Agency.

Supervision of the construction of Federal buildings was entrusted to the Treasury Department almost from the Nation's birth. This work went to the new Federal Works Agency under the Government's 1939 reorganization plan. In recent years the value of work under construction by the Treasury for the Government maintained an average of \$100,000,000 for considerable periods.

#### Treasury Functions

The Treasury's operations may be grouped under six headings:

1. Collection of revenues.
2. Flotation and payment of loans.
3. Custody and disbursement of funds.
4. Supervision of national banks.
5. Issuance and protection of money.
6. Law enforcement and public services.

The grouping of agencies is according to duties, not because of seniority of organization or relative importance. It has no significance except that of utility in telling the story of Treasury organization. Collection of revenues comes first because it was about the first thing that the new department was given to do.

### Collection of Revenues

Almost from the start the national Government imposed tariff duties on imports and levied internal taxes. These duties and taxes have been and are its chief sources of revenue. The Customs Service and the Internal Revenue Service developed as separate agencies, each taking care of its own collections.

THE BUREAU OF CUSTOMS, established by Act of Congress in 1927, is an outgrowth of the Customs Service, created in 1789 by the second Act of the first Congress. The Bureau's present form of organization dates from 1912, when several functions then exercised by other divisions of the Treasury were taken over by the Division of Customs in the Secretary's Office. Further changes were made by the Reorganization Act of 1927, when the Division, which itself dated from 1875, became the present Bureau.

The Bureau of Customs' principal functions are the collection of duties levied on imports and the detection and prevention of smuggling, both of commodities subject to duty and of contraband, such as narcotic drugs. The Bureau operates with other Treasury agencies and with other departments and offices of the Government in the enforcement of laws governing imports and exports, entrance and clearance of vessels at seaports, and immigration.

### Customs Agents Abroad

The Customs Agency Service--now (1939) known as the Division of Investigations and Patrol--is the Bureau's investigative and law enforcement unit. The Bureau maintains its own foreign service in a number of the larger cities of Europe and Asia.

The Bureau has headquarters in office buildings near the Treasury in Washington.

Collectors of Customs, one for each of the 48 customs collection districts, and deputy collectors are in charge at ports of entry throughout the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

Customs collections reached a high mark of \$602,000,000 in 1929, dropped to \$251,000,000 in 1933, but have increased in succeeding years. Customs receipts for the fiscal year ending June 30, 1939, were \$319,000,000.

THE BUREAU OF INTERNAL REVENUE: The Nation's first internal revenue taxes were those imposed on distilled spirits in 1791. Taxes on carriages followed, and on the sale of spirits, sugar, snuff and other commodities. The Office of the Commissioner of Internal Revenue, heading the service, was created in 1863. The Bureau is the largest Treasury agency, with a personnel of about 20,000, one-fourth in Washington and three-fourths in the field. It has its own building in Washington.

Agencies of the Bureau are the Income Tax Unit, the Accounts and Collections Unit, the Alcohol Tax Unit, the Miscellaneous Tax Unit, and the Intelligence Unit.

The Income Tax Unit supervises administration of the income tax law. The Accounts and Collections Unit supervises the work of the Collectors of Internal Revenue, whose offices are at points convenient to taxpayers, with whom the collectors deal directly. One of this unit's newest (1939) and largest tasks is the collection of Social Security taxes. For the fiscal year 1939 this collection totaled \$631,223,715. The Alcohol Tax Unit supervises production of distilled spirits, wines and malt liquors. Its branches are the Permissive Division, which, through inspectors and gaugers, sees that the tax is paid; and the Enforcement Division, whose agents in the field run down illicit stills, apprehend bootleggers and other unlawful operators. The Miscellaneous Tax Unit administers all revenue laws relating to Federal taxes other than income and Social Security taxes. Its work embraces taxes on liquors, tobacco and a wide variety of commodities, from cosmetics to gasoline. The Intelligence Unit, reporting directly to the Commissioner, handles internal revenue investigation and law enforcement. The unit conducts personnel investigation for all branches of the Treasury.

Internal revenue collections in 1938 reached a peak of \$5,674,318,436.66. Collections have averaged about 2,500 million in other recent years.

#### Flotation and Payment of Loans

The collection of revenues and the expenditure of moneys by the Government never exactly equal each other. It has been necessary from the Nation's earliest history to meet emergency needs by means of loans, which are repaid when income exceeds expenditure.



THE OFFICE OF THE COMMISSIONER OF THE PUBLIC DEBT is the agency of the Treasury Department that handles Government loans. In addition to its transactions in bonds and other interest-bearing securities, it has custody of the currency, which represents non-interest-bearing debt.

The Division of Loans and Currency receives securities from the Bureau of Engraving and Printing, handles exchanges, transfers, conversions and replacements, and audits redeemed paper currency. The Office of the Register of the Treasury records securities as they are retired.

The Division of Paper Custody superintends the manufacture of the distinctive kinds of paper used for currency and securities, has custody of the paper as it is delivered from the makers, and issues it as required to the Bureau of Engraving and Printing.

The Division of Accounts and Audits keeps books recording the transactions of the Office of the Commissioner of the Public Debt and such related dealings as are conducted by the Treasurer of the United States and by Federal Reserve Banks as fiscal agents of the United States. Accounts are kept of reserve stocks of currency, stamps and securities, and of collateral held in trust.

#### Custody and Disbursement of Funds

The system of handling public funds established at the beginning of the nation remains fundamentally unchanged. Congress appropriates money to various departments and establishments. These units requisition the Treasury for funds as they need them. The Treasury issues a warrant. This warrant must have the approval of the Comptroller General, certifying that the use to which the money is to be put meets the requirements of the law. Unless the money is to be paid in cash, a check drawn on the Treasurer of the United States is issued by disbursement officials.

The Treasury Department performs all functions of the disbursement of money except that of Comptroller General. The General Accounting Office, under the Comptroller General of the United States, was established July 1, 1921. In addition to the accounts kept by the Treasury and by the General Accounting Office, the Treasury maintains a general bookkeeping system covering all transactions.

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Most of the Treasury fiscal agencies have offices in the main Treasury Building. The Treasury Annex houses disbursement operations. Emergency fiscal agencies are in other quarters.

THE TREASURER OF THE UNITED STATES is the official custodian of the nation's money. He receives it from those agencies that collect revenue and negotiate loans. He pays it out on warrants under the system described in the three paragraphs just preceding this one.

#### Handles Paper Currency

The Treasurer receives from the Bureau of Engraving and Printing new paper currency, and he redeems paper currency unfit for further circulation, including that of the Federal Reserve Banks. The Treasurer issues the Daily Statement of the Treasury and other statements concerning the nation's fiscal position. Divisions and executives of the Office of the Treasurer are the Chief Clerk, Cashier, Division of Securities, Currency Redemption Division, Division of General Accounts, and Accounting Division.

THE OFFICE OF THE COMMISSIONER OF ACCOUNTS AND DEPOSITS, through the Division of Bookkeeping and Warrants, draws the warrants upon which funds are obtained from the Treasurer of the United States, and keeps an account of all transactions relating to the receipt, appropriation and expenditure of public money.

#### Millions of Checks Issued

Through the Division of Disbursement, organized by Executive Order of June 10, 1933, checks are distributed and cash payments made. During the year ending June 30, 1935, the Washington office of this division issued more than 26,000,000 checks, and made cash payments twice a month to approximately 25,000 Federal employees in Washington. This division's operations have been extended to all parts of the United States, with disbursing functions formerly handled by other Government departments.

The Division of Deposits has charge of the designation and supervision of the more than 4,000 depositories over the country in which Government funds are kept for convenience in disbursement.

The Commissioner of Accounts and Deposits prepares estimates of the future cash position of the Treasury in connection with plans for financing, handles accounts and collections on obligations of foreign governments to the United States, and controls investment accounts of the Government and trust funds.

### Supervision of Banks

THE BUREAU OF THE COMPTROLLER OF THE CURRENCY is one of the important links between the Treasury Department and the Nation's banking system. The Bureau was established at the time of the Civil War to carry out legislation which authorized the issuance of national bank notes secured by Government bonds. National bank notes are no longer issued, because of the expiration, July 22, 1935, of the circulation privilege that had been conferred on United States bonds. The principal duty of the Comptroller of the Currency is the supervision of national banks. There is maintained in each Federal Reserve District a Chief Examiner's Office with a corps of examiners, assistants and clerks to make the periodical examination of national banks.

The Comptroller has the sole power to charter national banks. He is responsible for approving consolidations of national banks and of state banks with national banks; for the supervision of banks which have gone into voluntary liquidation; and for granting permission to national banks to establish branches. The Comptroller has control over the affairs of insolvent national banks. He appoints receivers under whose direction the assets of such banks are liquidated and the proceeds distributed to creditors.

It is the Comptroller's duty to make his annual report directly to Congress and to recommend such changes and amendments to the banking laws as he deems advisable. He is a member of the Board of the Federal Deposit Insurance Corporation.

### Coinage and Printing

Two agencies of the Treasury Department produce the coin and currency of the United States.

THE BUREAU OF THE MINT provides metallic coin. The first mint was established at Philadelphia in 1792. Main offices of the Bureau of the Mint are in the Treasury Department at Washington, but no money is coined there.

Philadelphia, Denver, and San Francisco have coinage mints. There are assay offices at New York and Seattle. The New Orleans Mint operates as an assay office. A depository at Fort Knox, Kentucky, has safe-keeping of part of the Nation's gold. A silver bullion depository at West Point is operated as an auxiliary of the New York assay office.

THE BUREAU OF ENGRAVING AND PRINTING was originated at the time of the Civil War to produce paper currency. The Bureau, one of the Treasury's largest units, employs about 5,000 in Washington. Besides providing all paper currency, it produces bonds, notes, bills and other securities, revenue stamps, postage stamps and a variety of official forms.

#### Law Enforcement and Public Services

Treasury law enforcement agencies function under a Coordinating Committee, to assure maximum effectiveness of personnel and correlation of activity. Represented in the committee are Coast Guard, Secret Service, Bureau of Narcotics, Customs Agency Service, Alcohol Tax Unit, and the Intelligence Unit of the Bureau of Internal Revenue.

THE SECRET SERVICE DIVISION, senior law enforcement agency of the Treasury, was organized in 1864 to suppress counterfeiting. After the assassination of President McKinley in 1901 the Service was given the duty of protecting the President and members of his family, and the President-elect. It is charged with enforcement of criminal provisions of the Farm Loan Act, the Adjusted Compensation Act and other laws, and may be assigned other duties by the Secretary.

THE BUREAU OF NARCOTICS has the duty of limiting the use of habit-forming drugs to legitimate medical and scientific purposes, and of supervising the enforcement of the Harrison Act. The Bureau cooperates with the Public Health Service of the Federal Security Agency in determining quantities of narcotics allowed to be imported for legitimate use, with the Bureau of Customs in preventing illegal importation, and with the States in suppressing illegal sales.

THE UNITED STATES COAST GUARD is the Nation's maritime police force. It has the duty of protecting life and property and the enforcement of Federal law upon navigable waters and the high seas. The Coast Guard goes back to 1790; in its present form, to 1915, when the Revenue Cutter Service and the Life Saving Service were amalgamated. The Coast Guard

personnel numbers about 17,000. Its fleet includes oar-propelled lifeboats, swift power cutters and airplanes. It has the maintenance of aids to marine navigation, including lighthouses, lightships, radio beacons, fog signals, buoys and beacons, numbering in all about 20,000.

### Lighthouse Service

The Lighthouse Service was consolidated with the Coast Guard by the 1939 Reorganization Act. Federal aid to navigation began with the Act of August 7, 1789. The Lighthouse Service grew from the service then established. Aids to navigation under the Coast Guard mark a coastline of 40,000 miles, including Atlantic and Pacific shores, United States waters of the Great Lakes, the Mississippi River system, the Hawaiian Islands and Puerto Rico. The North Atlantic iceberg patrol is a Coast Guard service. Other work is aid to vessels in distress, removal of derelicts, care of shipwrecked persons, and services in remote parts of Alaska. Coast Guard searchers go far to sea in quest of lost airplanes or vessels in distress.

The Coast Guard is charged with the suppression of smuggling, protection of fisheries, seal, otter and game; enforcement of laws and regulations relative to neutrality, immigration, quarantine, and governing anchorage and movements of vessels; and it patrols regattas and marine parades.

The Coast Guard is one of the military forces of the United States. It operates as a part of the Navy in time of war or whenever the President shall direct. A Coast Guard Academy is located at New London, Connecticut, to train officers for the service.

THE BUREAU OF THE PUBLIC HEALTH SERVICE was a Treasury agency until July 1, 1939, when under the Reorganization Act it became part of the new Federal Security Agency.

THE PROCUREMENT DIVISION until 1939 consisted of the Branch of Supply and Public Buildings Branch. Reorganization gave the Public Buildings Branch to the Federal Works Agency, and with it went the Section of Fine Arts, that provides murals for post offices and other Federal buildings. The Procurement Division makes purchases for all Federal agencies except the War and Navy Departments. Purchases are made on competitive bids. In addition to quantity contracts, made as needed, term contracts are made for indefinite quantities,

and against either, orders may be placed by the Departments. The Division maintains the Federal stock catalog.

Property no longer required by the Government agency holding it, or seized for law violations, is handled by a Surplus Property Section for transfer to other Government agencies, or for sale. Contraband alcohol seized by the Coast Guard, Customs, or Alcohol Tax Unit may go to the Army or Navy for manufacture of smokeless powder, and uniforms no longer usable by the Army to the Bureau of Indian Affairs. Metal from seized distilling devices is given to this Bureau. It becomes tourist trinkets.

#### Treasury Staff Agencies

In addition to the agencies already listed, there is a number of staff agencies.

THE GENERAL COUNSEL FOR THE TREASURY, its chief authority on law, is in charge of all its legal activities. Assistants are assigned to various agencies.

The General Counsel's office had its inception in 1820 under the name of the Agent of the Treasury. By Act of Congress in 1830 the functions and duties of the office were increased, and its name changed to that of Solicitor of the Treasury. This office was abolished by the Revenue Act of 1934, and this Act also abolished the Office of General Counsel for the Bureau of Internal Revenue. The powers, duties, and functions of the two abolished offices, as well as other legal activities of the Department, were consolidated and placed under direct supervision and control of the General Counsel for the Treasury.

#### Facts are Determined

The Treasury has three research units: The Division of Research and Statistics, the Division of Monetary Research, and the Division of Tax Research. These units have charge of economic studies, and provide research, actuarial and statistical service.

THE ADMINISTRATIVE ASSISTANT TO THE SECRETARY is in direct charge of general administrative matters for the Department. Responsible to this Assistant are the offices of Chief Clerk and Superintendent, the Division of Appointments, the Division of Supply, and the Correspondence Division

Reporting directly to the Secretary of the Treasury is a number of Assistants to the Secretary, who are assigned to such duties as may be designated by the Secretary. Often these duties are of a functional nature, affecting two or more separate agencies, with a view to coordinating their work in some respects, or of meeting special problems. There is a number of technical specialists, in some instances attached to the Secretary's office, in others detailed to special agencies for general or specific services.

One important function originally assigned to the Treasury Department was that of handling public lands. During the period of the Nation's greatest territorial expansion, the General Land Office operated as a branch of the Treasury Department. It is now an agency of the Department of the Interior.

### The Treasury Seal

The Great Seal of the Treasury, imprinted upon money and official documents, is older than the Constitution of the United States. The seal was designed under the direction of a committee appointed September 26, 1778, and composed of John Witherspoon, Gouverneur Morris and Richard Henry Lee. The date of the Great Seal's adoption is not known, but the seal is affixed to documents issued in 1782. The design includes a shield on which appear the scales of justice; a key, the emblem of official authority; and thirteen stars for the original States. A Latin legend circularly enclosing the shield reads "Thesaur. Amer. Septent. Sigil.," an abbreviation of "Thesauri Americae Septentrionalis Sigillum," meaning "The Seal of the Treasury of North America."

### Other Insignia

The Secretary of the Treasury, the Under Secretary, and the Assistant Secretaries have their own flags. The Secretary's flag has a blue field with white stars, crossed keys and an anchor. The Under Secretary's flag has a red field. Those of the Assistant Secretaries have white fields.

### The Customs Flag and Seal

The Customs flag, also called the revenue ensign, is displayed over all buildings in which Customs business is transacted, and is flown from Customs boats. This flag, familiar at ports of entry as Old Glory itself, was



authorized by the Congress on March 2, 1799, for the use of the Revenue Cutter Service, now the United States Coast Guard.

The Customs or revenue ensign has a union composed of the spread eagle and thirteen stars, an olive branch bearing thirteen leaves held in one claw of the eagle, thirteen arrows in the other claw, and a shield across the eagle's breast. The number thirteen is a symbol of the original States. The remainder of the flag is composed of sixteen perpendicular stripes, alternate red and white. The eagle, the stars, the leaves of the olive branch, and the arrows are blue on a white field, and the bars in the shield are alternate white and red. The sixteen stripes are symbols of the States composing the Union when this flag was adopted in 1799. The new States were Vermont, Kentucky and Tennessee.

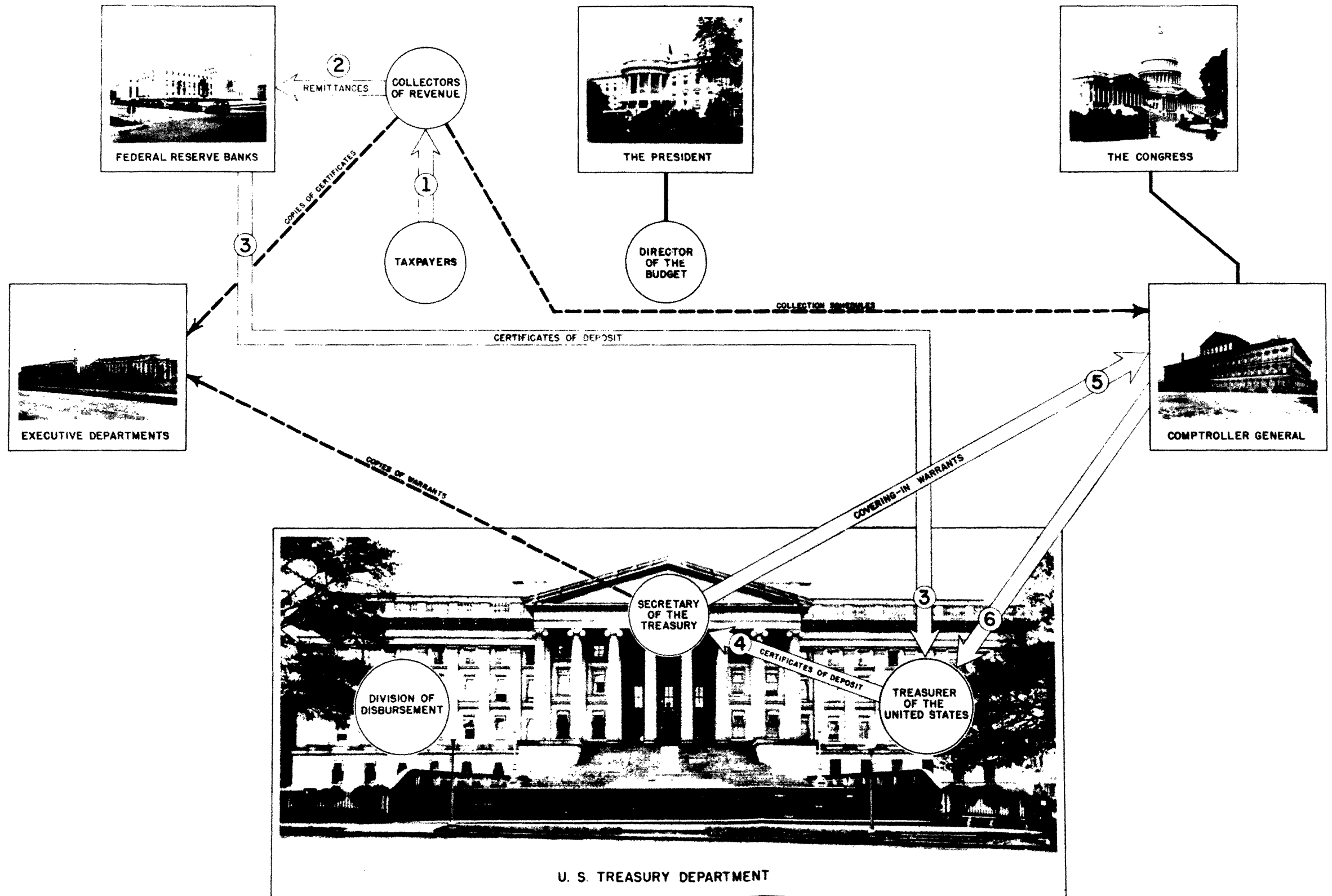
The Coast Guard has its own flag and insignia, with a design which includes crossed anchors, a shield, the name of the Service, the year of its founding, 1790, and the Latin motto, "Semper Paratus," meaning "Always Ready."

HOW GOVERNMENT BOOKSARE KEPT

The chart (see next page) entitled "Accounting for Revenue" shows interdepartmental relationships in connection with receipt of money into a Government depository and its formal acknowledgment on a covering warrant. Numerals 1 shows remittances going from taxpayers to collectors of Government revenue. The deposit of such remittances in Federal Reserve Banks is shown at numeral 2; the transmittal of certificates of deposit to the Treasurer of the United States at numeral 3; the sending of the certificates by the Treasurer to the Secretary of the Treasury at numeral 4; the transmittal by the Secretary of the Treasury of a covering warrant to the Comptroller General for countersignature at numeral 5; and the return of the warrant to the Treasurer of the United States at numeral 6. The warrant supports the Treasurer's account, rendered monthly to the General Accounting Office for audit and settlement.

# ACCOUNTING FOR REVENUE

( 16 )



## HOW MONEY GOES INTO AND COMES OUT

### OF THE TREASURY

A chart is employed (see page 24) to show the flow of funds through the Treasury. By referring to the chart, transactions may be traced by which public moneys are received and disbursed.

At the center of the chart is a photographic reproduction of the Treasury Building, where the central accounts of the Government are maintained. Immediately above it is pictured the General Accounting Office. Here all Treasury warrants are countersigned, and the audit and settlement of public accounts are conducted.

The block at the left-hand side of the Treasury Building represents the Receipts Section of the Division of Bookkeeping and Warrants, which issues the warrants covering money into the Treasury.

The block at the right represents the Appropriation and Expenditure Section, which maintains the appropriation accounts and issues the warrants authorizing the payment of money from the Treasury.

At the bottom of the chart appears the general ledger entries reflecting the results of the work of these sections.

Attention is called to the capital letters, A to K, immediately above the blocks representing the general ledger entries relating to the various classes of documents. For instance, in the lower left-hand corner of the chart will be observed the letter A immediately above the block marked "Certificates of Deposit Received". In the upper left-hand corner of the chart the letter A appears immediately below the Collecting Officers. The various steps involved in accounting are numbered in sequence beginning with the numeral 1, showing deposit of money in a Federal Reserve Bank or other designated Government depository.

### Receipts

Numeral 1 in the upper left-hand corner shows remittances being sent by collectors of revenue to Federal Reserve Banks. When the bank receives a remittance it credits the account of the Treasurer of the United States and issues a

certificate of deposit. At the close of each day's business, the original certificates of deposit (together with paid checks, coupons, etc.) are sent to the Treasurer of the United States at Washington, numeral 2, accompanied by a transcript of the Treasurer's account showing all debits and credits.

After the certificates are examined in the Treasurer's office and checked against the bank's transcript, the Treasurer charges the bank and credits his revenue account. The original certificates are then sent to the Secretary's Division of Bookkeeping and Warrants, as indicated by numeral 3. Here they go to a control desk where they are checked, classified, and posted to an Uncovered Moneys controlling account.

It will be observed by reference to the general ledger block, indicated by the letter A, that the amount of certificates of deposit received is debited in the account. "Treasurer, U. S.," and a corresponding credit is entered in an account called Uncovered Moneys.

From the Uncovered Moneys control desk the certificates, numeral 4, are sent to the Deposit Covering Clerks at numeral 5. At present (1939) there are about 40 clerks, working in 14 groups, to each of which is assigned a certain class of deposits. For example, one group is responsible for Internal Revenue; another for Customs; another for War Department deposits; another for Navy, and so on.

#### Covering-In Process

In the covering of money into the Treasury, the Department uses bookkeeping machines. At the time the warrant is written there are posted by carbon process several different records, all ruled exactly alike.

First, a Depositor's Register on which are posted all deposits relating to a particular depositor. This register is made in triplicate. At the end of the month two copies are sent to the General Accounting Office for auditing purposes. The other remains in the permanent files of the Treasury.

The next record (prepared by carbon process in the same operation) is a Revenue or Appropriation Register (as the case may be) upon which are posted all deposits relating to a particular revenue or appropriation account. This record

is prepared in duplicate. At the end of the month one copy is sent to the General Accounting Office for auditing purposes. The other is retained in the permanent files of the Treasury.

The third record (also prepared in the same operation) is known as a Departmental Deposit List, which is sent currently to the operating agency concerned in order that it may be immediately informed concerning deposits covered into the Treasury relating to its activities.

The Depositors' Register, given to the General Accounting Office, is checked against monthly accounts current, rendered to that office by accountable collecting and disbursing officers. The Departmental Deposit List is checked by the executive department or operating agency against triplicate copies of certificates of deposits. Covering warrants also are checked against collection schedules transmitted to the General Accounting Office by administrative agencies. There is thus provided a double check upon the covering of money into the Treasury.

#### Covering Warrants

Numeral 6 shows the preparation of covering warrants. Below this block is the letter B, and by reference to the related letter B in connection with the general ledger journal entries it will be noted that the Uncovered Moneys account is charged for the amount of the covering warrants issued, and a credit is entered in one or more of these three accounts: Revenues, Expenditures, or Public Debt. The Expenditures Account is credited when the deposit represents a refund to an appropriation. In such case there is a dual entry charging the Available Funds Account and crediting the Appropriations Controlling Account. The Available Funds Account is only a "record" account, being contra to appropriations. It has no relation to available cash.

Numeral 7 shows covering warrants being posted to the Uncovered Moneys account maintained at the control desk in the Receipts Section, and numeral 8 shows the control desk rendering certain monthly statements of coverings to the Treasurer of the United States for use in connection with the Daily Statement of the United States Treasury.

Numeral 9 shows the various records which are prepared in connection with the covering warrant already described. As previously mentioned, the form of the covering warrant (B),

the departmental list (10), the depositors' register (11), the repayments to appropriation register (12), and the revenue ledger (13) are all ruled exactly alike.

These records tie into other records. By reference to numeral 14 at the top left of the chart, it will be observed that a copy of the certificate of deposit issued by the collecting officer in the field is sent to his superior officer in Washington, called the "administrative officer".

By reference to numeral 15 it will be noted that the Departmental Deposit List issued by the Treasury is sent to the same office. This step serves two purposes: First, it informs the administrative department or agency concerned of the formal covering of money into the Treasury; and second, it operates as a check by the administrative office upon both the collecting office and the Treasury. Now, by reference to numeral 16 (at the center of the Treasury Building), it will be observed that copies of the depositors' register (11), the repayments to appropriation register (12), and the revenue ledger (13) are sent to the General Accounting Office. It will also be observed that collection schedules (numeral 17 at top center) are sent to the General Accounting Office by the collecting officer, providing an additional check upon the covering of money into the Treasury.

The Repayments to Appropriation Register (12) is totaled for each appropriation account and is sent to the Appropriation and Expenditure Section of the Division of Bookkeeping and Warrants where the items are posted to the proper appropriation accounts in the appropriation ledgers.

#### General, Special, and Trust Accounts

The accounts in the revenue ledger (13) consist of general accounts (18), special accounts (19), and trust accounts (20).

Although the Federal Government has, in the popular sense, three different funds, namely, general, special, and trust, actually all moneys are deposited in the General Fund. Within the General Fund, however, are general, special and trust accounts.

The general accounts represent moneys which are not designated by the Congress for specific uses. They consist principally of income taxes, duties on imports, miscellaneous internal revenue, and collections from miscellaneous sources

such as fees, fines, penalties, forfeitures, sales of Government property, and so forth.

Special accounts (19) represent moneys which the Congress appropriates for specified uses in advance of their collection.

The term "trust accounts" is self-explanatory. These accounts include the Government life insurance fund, various retirement funds, Indian tribal funds, and many others.

On the basis of the receipts in special accounts (19) and trust accounts (20), there is prepared an appropriation warrant (22) for the purpose of establishing the related appropriation accounts and making the money available for authorized uses. Such warrants, after being countersigned in the General Accounting Office, are posted to the detailed appropriation accounts in the appropriation ledgers as indicated on the chart.

Receipts from the sale of public debt obligations are indicated by numeral 21. They are commingled in the general fund with other receipts and may be used only to meet authorized expenditures pursuant to appropriations made by the Congress. A separate public debt account is maintained, showing with respect to each security the total amount issued (receipts), the amount retired (expenditures), and the amount outstanding.

### Appropriations and Expenditures

Under the Constitution no money may be drawn from the Treasury except pursuant to an appropriation made by law. Accordingly, the accounting relating to the expenditure of money begins with the appropriation of money by the Congress at D, in the upper right-hand corner of the chart.

Appropriations are of four general types, (1) annual, (2) permanent indefinite, (3) permanent specific, and (4) continuous.

Annual appropriations, provided in the several departmental supply bills, are voted each year by the Congress. They may be obligated only during the fiscal year for which made, but the unexpended balances remain on the books of the Treasury for two additional years to meet outstanding obligations.



Permanent appropriations, on the other hand, are available year after year without annual action of the Congress. They may be either definite or indefinite as to amount. An example of the latter is the permanent indefinite appropriation for payment of interest on the public debt which gives the Secretary of the Treasury continuing authority to pay interest as it falls due.

A permanent specific appropriation is one where the Congress appropriates a specific amount more or less permanently for a number of years. For example, the Congress may make a limited appropriation, say, of a million dollars a year for each of five years. In such a case the Treasury would set up an appropriation account of a million dollars at the beginning of each fiscal year for the five years without annual action by Congress. Or, it may appropriate a specific amount permanently without limitation as to time.

Then again, the Congress may make an appropriation in a specific amount to be available until expended. These are called continuous or "no-year" appropriations. That is, they do not lapse at the end of the fiscal year.

In a limited number of cases (such as good roads and public buildings) Congress authorizes the entering into of contracts to be paid from future appropriations.

There are (1939) more than 7,200 appropriation accounts on the Treasury books. The Congress frequently enacts legislation affecting accounts already on the books. Treasury accountants must not only keep abreast of appropriation legislation, but must keep alert to the possible effect of other new legislation on existing appropriation accounts.

After an appropriation act has been approved by the President, the original is sent to the State Department for custody and safekeeping.

The State Department supplies the Treasury Department with a certified copy of each appropriation act at numeral.23 (right center of the chart).

#### Appropriation Warrant

On the basis of the Act, an appropriation warrant is prepared in the Division of Bookkeeping and Warrants upon which is listed the amount to be credited to each

appropriation account. After the warrant is countersigned by the Comptroller General of the United States it is posted to the detailed appropriation accounts in the Treasury Division of Bookkeeping and Warrants at numeral 24.

A certified copy of the appropriation warrant is sent by the Division of Bookkeeping and Warrants to each administrative agency to which the appropriations are made. This is in the nature of an official notice from the Treasury that the funds are available for obligation and requisition, numeral 25, and is used as the medium for posting the appropriation accounts in the operating agency.

#### Appropriation Transfer Warrants

Frequently the Congress authorizes the transfer of unexpended balances from one appropriation account to another. Numerals 26 and 27 show the issuance and posting of appropriation transfer warrants.

#### Surplus-Fund Warrants

Pursuant to the Act of June 20, 1874, the Treasury clears from its books, as of the last day of each fiscal year, the unexpended balances of all annual appropriations that have remained on the books for two full fiscal years after the close of the year for which the appropriations were made. This is known as carrying money to what in the law is termed the "Surplus-fund of the Treasury." This fund does not represent surplus money as the term would ordinarily imply.

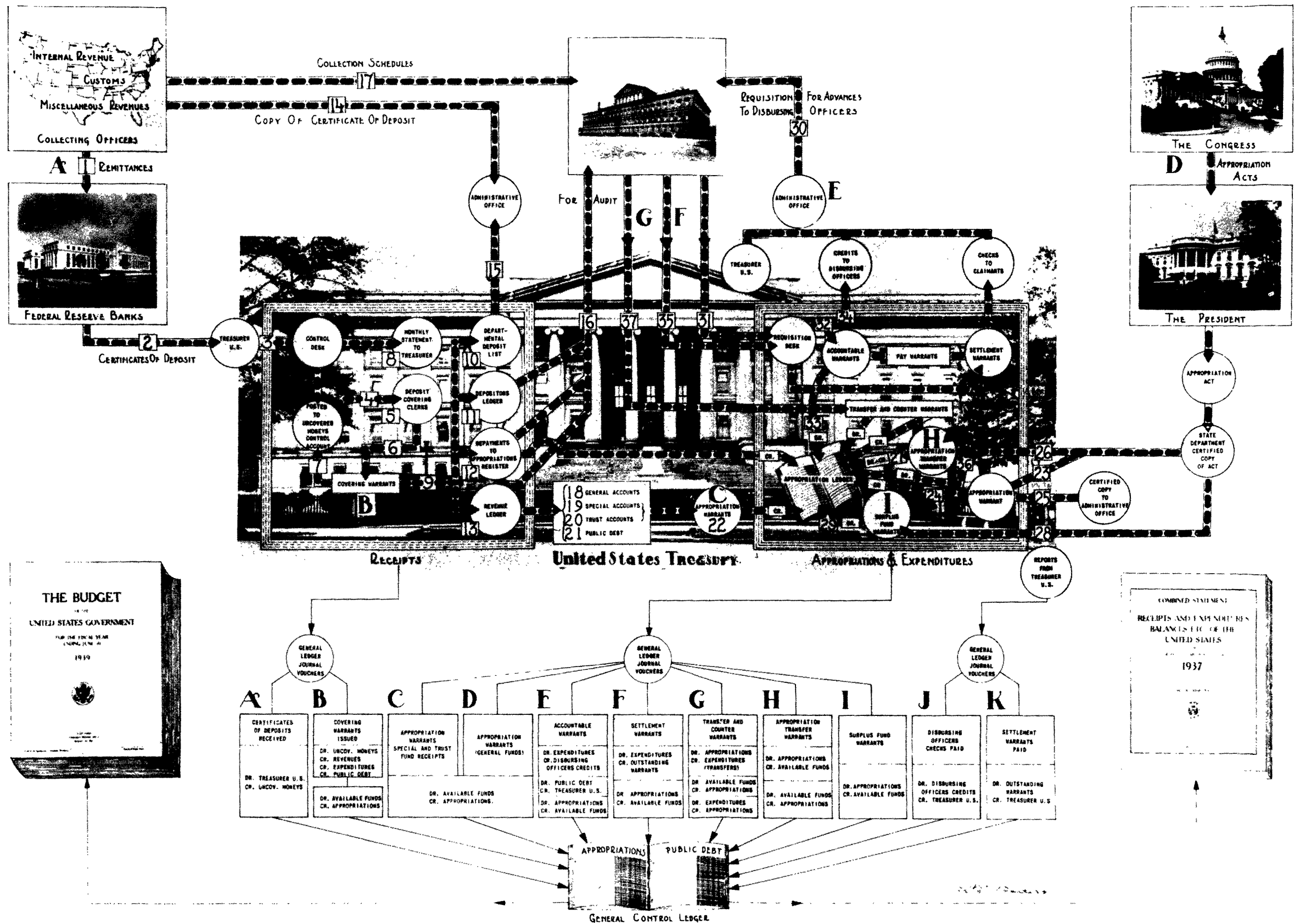
Appropriations when made by the Congress and set up on the books of the Treasury Department do not represent income or cash set aside in the Treasury for the purposes specified in the appropriation acts. They are only record accounts **and** merely represent the limit to which administrative offices may obligate Government funds for specified purposes. They are based largely on anticipated tax collections and other receipts. It follows, therefore, that when appropriations, or unexpended balances of appropriations, are carried to the Surplus-fund of the Treasury it involves simply a matter of writing such appropriations off the books without increasing the cash in the Treasury or affecting it in any manner.

Numerals 28 and 29 show the posting of surplus-fund warrants to the detailed appropriation ledgers.

(Turn to the next page for the chart, "Control of Receipts and Issues.")

# CONTROL OF RECEIPTS AND ISSUES

( 24 )



### THE TREASURY BUILDING

The cornerstone of the United States Treasury Building was placed, and the building stands where it is, because President Andrew Jackson did not have patience with a committee, even one of his own choosing.

Fire had taken two Treasury buildings, and for several years in the Republic's youth the Department had no building of its own. After many urgings and delays, the Congress celebrated July 4, 1836, by authorizing the President to cause to be erected "a fireproof building of such dimensions as may be required for the present and future accommodations" of the Department. There was an appropriation of \$100,000.

It was the intention of those delegated by President Jackson to carry out the provisions of the Act that the building should be placed so that it would not obstruct the view along the mile and a half of Washington's broadest thoroughfare, Pennsylvania Avenue, between the White House and the Capitol.

But the Treasury Building planners did not act at once. They held meetings and talked. Their delay irked President Jackson. Had the members of his planning committee been abroad early one morning--and doubtless later they wished they had--they would have seen the First Citizen leave the Executive Mansion and cross over briskly with a little group to the vacant Treasury site. After an examination of the ground, the President suddenly came to a halt (so the story goes), planted his cane firmly in the earth near the northeast corner, and exclaimed to those around him:

"Right here is where I want the cornerstone!"

This story has confirmation. Robert Mills, who designed the building on which operations were begun in 1838, informed a Congressional committee that "its precise position" had been determined "by the positive directions of the late President."

When the Treasury Department was established by the first Congress, and for several years thereafter, Philadelphia was the temporary capital of the Nation. Included in the scheme of buildings for the various branches of the public service, that were soon to be removed to the District of Columbia, were plans for a small wooden structure to house the Treasury.

This building, the design of George Hatfield, an English architect, was erected at the northeast corner of the site of the present building, or near the corner of Pennsylvania Avenue and Fifteenth Street. Completed in 1799, it was occupied in 1800, when the new City of Washington became the seat of the Federal Government.

This first Treasury headquarters in Washington was partially destroyed by fire in 1801. Repaired, the building continued in use until 1814, when it was burned by British soldiers, with most of its records and documents. Another building, erected soon afterward, was the home of the Treasury until March 31, 1833, when it also was destroyed by fire.

Then came the cane-planting episode, in 1836, that gave the building its location and its start. But progress suffered a long series of delays. As the project took shape it failed to gain the approval of the Congressional Committee on Public Buildings and Grounds. In undertaking to pass judgment, the committee availed itself of the services of Thomas U. Walker, a Philadelphia architect. Among the features which the committee criticised were the location and plan of the building and the material that was being used in its construction.

A report to the Congress, March 29, 1838, embodied the committee's criticisms. One of the objections was that if the plans then being followed were carried out it would be necessary to remove the State Department Building, which at that time stood upon ground now occupied by the east end of the north wing of the Treasury. With its report, the committee submitted a draft of a bill calling for the demolition of the work already in place.

While the committee waited for Congressional approval of its report, building operations were suspended. The Congress evidently failed to heed the committee's recommendations, for operations were shortly resumed, with sufficient result that August, 1839, saw installed in the yet uncompleted building the Secretary of the Treasury, Levi Woodbury, as well as the Register, the first Comptroller, the Solicitor, and the Commissioner of the General Land Office. The Attorney General's offices also were in the Treasury Building.

As it stood when completed in 1842, the Treasury Building was much smaller and less imposing than it is now. Except on its east side, its outer walls were within the lines of the

corridors that now run the length and breadth of the building, and it contained in all but 150 rooms. The building now (1939), with subdivisions--for many of the originally spacious chambers have been cut into two or three offices--contains 475 rooms.

The cost was something less than \$700,000. The architect's plans called for an expenditure of nearly \$1,500,000. Had the original design been followed, with a view to the "future accommodations" of the Department, the structure might have remained without additions or alterations for a long time.

It was necessary in a few years to enlarge the building, and the Congress by Act of March 3, 1855, appropriated \$300,000 for the purpose. Work on the extension was begun in July, 1855, on plans drawn by Architect Walker, whose earlier recommendations had been ignored. By September, 1861, the portion which constitutes the present south wing was completed. The work was interrupted during the early days of the Civil War, but by 1864 the west wing had been carried up to the line of the present north facade.

Adjacent to the Treasury Building, on the north, were two other Government buildings. One, at the northwest corner of the Treasury reservation, housed the War and Navy Departments. The other, at the northeast corner, had the Department of State. To make room for the north wing, these buildings were removed, and in 1869 the Treasury's north wing was finished. The construction of this wing completed a building of a hollow rectangular shape bisected by a single corridor across the center from east to west.

Thus, after a third of a century, the building authorized in 1836 was approximated. The cost of the structure, with the three wings added, totaled a little more than \$6,000,000; later changes brought the total cost to about \$8,000,000.

Installation of electricity began in the 1830's, and the development and extension of direct current systems came as the demands for new appliances grew. The first contract for general installation of electricity was made in 1898. This was for a direct current, high-tension system that continued in use until 1938, when installation of an alternating current system was completed. Change from direct to alternating current (except for elevator service) was begun in 1933 and continued over a five-year period.

The first elevators, two hydraulics, were installed in 1879, one at the north end and one at the south end of the east corridor. Three electric elevators were installed in 1910, the first of their type in the building.

The first air-conditioning machines were installed in 1933-34 on the fourth floor, and about a year later the remainder of the building (except the sub-basement) was conditioned. The plant where most of the air is cooled is on the fourth floor, at the northern end of the building. Here air is drawn in from outdoors through sheets of falling water. Much of this air, still cool, is returned to the plant, renovated and again put in circulation.

Plumbing of some kind has been in the Treasury Building since its beginning. In 1888 the old brick sewer that ran under the building was replaced with iron pipes, and in 1904 a new cast-iron sewer was laid.

Electric drinking water coolers replaced ice coolers in 1934.

In the early days gas was used for lighting. A piping system supplied the gas to ceiling chandeliers and wall bracket fixtures. Parts of this system remain in walls and under floors throughout the building. The fluted and gilded pilasters along the halls, whose capitals, shaped of Treasury eagles, are Corinthian in effect, are hollow, and contain gas pipes.

The story of heating in the Treasury Building suggests a pageant of scientific progress. First, open fireplaces and crackling logs, then Franklin stoves, and now, after various trials and changes, the high-pressure steam heating system installed in 1907. Several fireplaces are still used, one of them in the Secretary's Office.

Thus the Treasury Building has known many changes and improvements since its completion, has seen transition from brick arch sewers, primitive heating facilities, candle and gas jet lighting, no elevators, to plumbing, heating, and lighting systems of advanced type, modern passenger and freight elevators, and air-conditioning.

It may be said of the Treasury Building that it is a building with other buildings within it. In 1891, a \$25,000 building for the Supervising Architect's office was constructed in the south court, inside the rectangle. In 1933

a great vault was constructed in the north court, at a cost of \$334,290, and in 1934, office space was constructed over the vault at a cost of \$37,160.

Greek Revival in form, the Treasury Building is considered one of the most consistent units of this type in the United States. The Building's dimensions are 260 feet east and west by 466 feet north and south, or about two city blocks in length and one in width. There are four floors, a basement and sub-basement; the so-called basement is really the first floor, making a five-story building. The fourth floor, hidden from the street by a parapet balustrade, is a comparatively recent addition, constructed in 1921.

The rectangle encloses a central court and covers more than 120,000 square feet, or nearly five acres. The court is divided by a corridor of offices connecting the east and west wings. There is the office-vault building in the north court area and a one-story building in the south court area. The north, south and west facades have lofty porticoes, the pediments of which in each instance are supported by eight giant monolithic columns of Ionic design. The east facade is distinguished by a colonnade of thirty of these great monolithic columns in an unbroken line of 341 feet. All the Treasury Building columns, of which there are 72, are of granite, each 36 feet in height and weighing about thirty tons. Besides the colonnade there are two pairs of pillars on the east side, 18 in all on the west side and 10 each on the north and south sides.

The columns of the colonnade were originally of sandstone from Virginia quarries. This stone suffered from weather, and in 1907 these columns were replaced with granite from New Hampshire; the stone was finished in shops at Worcester, Massachusetts, and came to Washington by rail. The east, or Fifteenth Street entrance, was remodeled, and steps leading to the first floor were removed so that the entrance is now on the street level into the so-called basement. Granite for the other columns and for the remainder of the building was quarried on Dix Island near Rockland, Maine. It was brought to Washington in sailing ships.

When the east side columns were replaced, the pilasters behind them, and four inches of the face of the building, including cornice and parapet, were replaced with granite. Portions of the old sandstone finish may be seen on the court or inner side of the building.



The main entrance, as planned originally, was to have been from Treasury Place on the south. But this entrance is not even used now, and remains closed. It is the opposite entrance on the north, perhaps the most photographed, that is doubtless considered the front door of the Treasury by the average Washington sightseer. However, the main entrance to the Treasury Building is the one on Fifteenth Street, through the colonnade. The entrance consists of five narrow, heavily-barred doorways, of which but one is commonly used for entry, the others being used as exits.

The west entrance, looking across to the White House grounds, is sometimes considered the one intended by the planners for the front door of the Treasury, but convenience to transportation and the business district determined that the opposite east entrance should become the main portal.

In a sunken court on the west side, partially roofed by lawns and driveways, there is storage place for officials' cars, and for delivery trucks and vans; coal bunkers tunnel under the sidewalk, and to the north one of the cooling units of the air-conditioning system operates beneath the lawn.

The great cash room of the Treasury, arranged much like the public hall and cashiers' windows of a bank, is on the first floor behind the north portico. This chamber is 72 feet long, 34 feet wide and 30 feet—two stories—in height. There is a balcony all around at the second floor level. The walls of both floor levels are of vari-colored Vermont and Italian marble panels and trim, between pairs of fluted pilasters. The capitals of the first floor pilasters are Corinthian. The capitals of the second floor pilasters are Ionic-Corinthian. So fine is this room that at the time of President Grant's second inauguration it was chosen as the most fitting one in Washington in which to hold the splendid inaugural ball. In the corridors outside the cash room are cases of exhibits bearing upon the development and mechanical preparation of the national currency. Other cases in the building's corridors contain relics of historical significance.

Entrance through the east or Fifteenth Street door is to the ground floor of the building, commonly called the basement, but actually the main floor.

On the ground floor there is a modern emergency room, with a 24-hour schedule, so as to care for night-shift employees as well as those who work by day.

Below the ground floor or basement is the sub-basement, where the building's mechanical controls are placed. In the north portion of the sub-basement are vaults, burglar- and fire-proof, cut off by guarded inner stairways from access save to designated employees. There are eleven vaults with time-lock and electrical protection. Here are stored silver, paper money and bonds of many millions' value. The largest, or currency reserve vault, has the reserve supply of paper currency and of silver coin and bullion. The vault next in size is for securities and miscellaneous storage. Confiscated opium is kept in these vaults, and as much as 50,000 pounds have been stored at one time. These two largest vaults, constructed in 1933 and 1934, contain approximately 145,000 cubic feet of storage space. Their alarm systems would indicate to the Captain of the Watch any attempt to tamper or to enter.

From the sub-basement a passage leads north under wide and busy Pennsylvania Avenue to the Treasury Annex, which houses the Disbursement offices. The Annex, completed in 1919, is a six-story building of Italian Renaissance architecture.

The office of the Building Superintendent is on the ground or basement floor. Other important offices on this level include Division of Appointments and United States Savings Bonds. Up one flight by a broad, curving stairway, with deeply worn treads of stone, are the Chief Clerk's and part of the Comptroller's offices. On the first floor also are the Secret Service and part of the General Counsel's staff. The second floor has the General Counsel's Office, the Bureau of the Mint, and Research and Statistics.

On the second floor, at the southwest corner of the building, are the reception room and offices of the Secretary of the Treasury, reached by elevator from a private entrance which faces toward the east door of the White House. (There is no secret underground passageway between the Executive Mansion and the Treasury, although the story persists that there is such a connection.) The Secretary's offices command on the west a view of the trees and lawns of the White House grounds; to the south in the forecourt is seen the Alexander Hamilton statue, and beyond, across Treasury Place, the equestrian statue of General Sherman, curving drives and Potomac Park stretching toward the Washington Monument. Framing this vista on the left is the Department of Commerce Building. The park's many trees stand like a heavy forest, obscuring the great bend of the Potomac, southward, and the Lincoln Memorial, southwestward. In the south foreground, the Secretary's windows look on a broad lawn, framed by the Treasury's rose gardens.

Grouped around the Secretary's office on the second floor are those of the Under Secretary, the three Assistant Secretaries, and the several Assistants to the Secretary, with their own subordinate forces. The General Counsel's office occupies a suite at the southeast corner of the secretarial corridor.

About half the space on the third floor (1939) is occupied by the Division of Bookkeeping and Warrants, which is the Government's principal bookkeeper. All accounting matters for the entire Government service in Washington are cleared through this office, which has at its head the Commissioner of Accounts and Deposits. Much of the remaining space is occupied by offices of the Comptroller of the Currency. Also housed on this floor are members of the General Counsel's staff, with a well equipped law library. The main Treasury telegraph office also is on the third floor; likewise the Treasury Library, whose 126,000 volumes include a comprehensive collection of financial and taxation material. Data and reports from all nations and all States, with complete tax and financial information for the Federal Government, are here. The Library has one of the few complete collections of the Congressional Record, and the Proceedings of Congress, with committee and departmental reports, so that the historian or researcher may find what he seeks if it is within the province of fact. All the Reports to Congress of the Secretaries of the Treasury are here in bound volumes, from that of Secretary Hamilton, now known as the Report on the Public Credit, to the present (1939) Annual Report. Financial reports from other countries--and all countries having financial reports are represented--include Government documents, bank statements, and other statistical material. The Library maintains exchange relations with 27 libraries in Washington and elsewhere in the United States.

The fourth floor, added to the Treasury Building by the expedient of lifting the roof, is made up mostly of large spaces. Approximately three-fourths of the floor is occupied by the Accounting Division, attached to the office of the Treasurer. Here all Government checks are audited and listed before being stored. Also on this floor are the Division of Deposits, the Secretary's Correspondence Division, and the Graphic Section of the Division of Research and Statistics.

The statue of Hamilton, first Secretary of the Treasury, was modeled by James Earle Fraser, American sculptor, much of whose work is in Washington. The statue, unveiled May 17, 1923, stands in the center of the broad paved terrace at the

foot of the south steps. It is a nine-foot bronze figure on a pedestal of pink granite, of which Henry Bacon was the designer.

These inscriptions are cut in opposite faces of the pedestal:

ALEXANDER HAMILTON  
1757 - 1804  
First Secretary of the Treasury  
Soldier Orator Statesman  
Champion of Constitutional Union  
Representative Government and  
National Integrity

"He smote the rock  
of the National resources  
and abundant streams  
of revenue gushed forth.  
He touched the dead corpse  
of the public credit and  
it sprung upon its feet"

The quotation is from an address delivered by Daniel Webster, March 10, 1831, in tribute to Hamilton.

James Earle Fraser was commissioned (1939) sculptor of the Albert Gallatin statue, to be placed in the north forecourt of the Treasury. The statue, to be 10 feet in height on a green granite base, designed by the Supervising Architects' Office of the Federal Works Agency, will be erected by the Albert Gallatin Memorial Fund Commission. Gallatin was Secretary of the Treasury from 1801 to 1814, was a representative at the framing of the Treaty of Ghent, and was Minister to France and to Great Britain. The statue will occupy the space where stood a much-admired fountain, removed (1939) to make room for the sculpture.

The Hamilton statue causes many questions, from "Who was Alexander Hamilton?" to the name of the author of the rock-smiting inscription.

The Treasury Building, at the city's very axis, is the object of much inquiry. Sometimes it is the building's age that is asked, but the request most often heard from tourist visitors is to be shown "where the money is made." Usually

what is meant is the place of coinage of gold and silver. They are told that no coin or currency is produced in the Treasury Building, but that the Bureau of the Mint's administrative offices are here; that most of the metal coin is minted at the Philadelphia Mint. To see the printing of paper money visitors are directed to the Bureau of Engraving and Printing whose huge building is between Fourteenth and Fifteenth Streets, southward beyond the Washington Monument from the Treasury.

There is interest in the large portraits, for the most part in oils, of the Secretaries of the Treasury, that hang on the walls of the secretarial and assistant secretarial suites. There is a portrait of each past Secretary, but not all of them have places in the offices.

Even with every inch of space utilized, and many of the earlier large offices divided into two or more smaller ones, the Treasury Building cannot accommodate all Department functions, and Treasury activities are placed in many other buildings, some rented, some owned by the Government. Among the latter are the so-called Annex, the Bureau of Engraving and Printing, the Liberty Loan Annex, the Internal Revenue Building, which covers most of two blocks, and the Branch of Supply Building, formerly known as the Federal Warehouse and as the Procurement Building.

Details of the Treasury Building, as well as its architectural entity, are frequently the objects of admiration, both by the one-time visitor and by those who enter it each day. There are long hallway vistas, arresting views between columns, factors of design and decoration that take the attention, such as the Hamilton statue, seen through the columns of the south portico; the morning light through the colonnade; the circular stairways with no visible supporting agencies, each granite step fashioned to fit the curve and varying from each other step; the balustrade grill work of wrought iron, of oak-and-acorn design; the ceiling decorations of the fourth floor rotundas; many friezes and cornices; the fluted and gilded hallway pilasters, whose capitals are shaped of eagles with lifted wings, and bear the key symbol as it appears on the Treasury Seal; the groined arches where the arched hallways join in front of the east elevators; the columned lobby at the west portal; the arched or paneled ceilings and their value for reflected light. Much of the building's beauty derives from the fact that its builders from the first worked with the thought of utility and comfort as prerequisites to good construction.

The Treasury Building, for the most part a hundred years old, has the utility and convenience of a brand-new office structure, with the spaciousness and graciousness and dignity of another and perhaps less hurried time.

The only place within or without the building that bears words indicating its character is the entrance to the Cashier's Room opening from the north lobby. Here above the doors appear the words:

"Treasury of the United States."

SECRETARIES OF THE TREASURY

and

Presidents Under Whom They Served

<u>Presidents</u>	<u>Secretaries</u>	<u>Term of Service</u>	
		<u>from</u>	<u>to</u>
WASHINGTON	Alexander Hamilton, New York	Sept. 11, 1789	Jan. 31, 1795
	Oliver Wolcott, Connecticut	Feb. 3, 1795	March 3, 1797
ADAMS, JOHN	Oliver Wolcott, Connecticut	March 4, 1797	Dec. 31, 1800
	Samuel Dexter, Massachusetts	Jan. 1, 1801	March 3, 1801
JEFFERSON	Samuel Dexter, Massachusetts	March 4, 1801	May 13, 1801
	Albert Gallatin, Pennsylvania	May 14, 1801	March 3, 1809
MADISON	Albert Gallatin, Pennsylvania	March 4, 1809	April 17, 1813
	George W. Campbell, Tennessee	Feb. 8, 1814	Oct. 5, 1814
	Alexander J. Dallas, Pennsylvania	Oct. 6, 1814	Oct. 21, 1816
	William H. Crawford, Georgia	Oct. 22, 1816	March 3, 1817
MONROE	William H. Crawford, Georgia	March 4, 1817	March 6, 1825
ADAMS, J.Q.	Richard Rush, Pennsylvania	March 7, 1825	March 5, 1829
JACKSON	Samuel D. Ingham, Pennsylvania	March 6, 1829	June 20, 1831
	Louis McLane, Delaware	Aug. 8, 1831	May 28, 1833
	Wm. J. Duane, Pennsylvania	May 29, 1833	Sept. 22, 1833
	Roger B. Taney, Maryland	Sept. 23, 1833	June 25, 1834
	Levi Woodbury, New Hampshire	July 1, 1834	March 3, 1837
VAN BUREN	Levi Woodbury, New Hampshire	March 4, 1837	March 3, 1841
HARRISON	Thomas Ewing, Ohio	March 6, 1841	April 4, 1841
TYLER	Thomas Ewing, Ohio	April 5, 1841	Sept. 11, 1841
	Walter Forward, Pennsylvania	Sept. 13, 1841	March 1, 1843
	John C. Spencer, New York	March 8, 1843	May 2, 1844
	George M. Bibb, Kentucky	July 4, 1844	March 4, 1845
POLK	George M. Bibb, Kentucky	March 5, 1845	March 7, 1845
	Robert J. Walker, Mississippi	March 8, 1845	March 5, 1849
TAYLOR	Wm. M. Meredith, Pennsylvania	March 8, 1849	July 9, 1850

<u>Presidents</u>	<u>Secretaries</u>	<u>Term of Service</u>	
		<u>from</u>	<u>to</u>
FILLMORE	Wm. M. Meredith, Pennsylvania	July 20, 1850	July 22, 1850
	Thomas Corwin, Ohio	July 23, 1850	March 6, 1853
PIERCE	James Guthrie, Kentucky	March 7, 1853	March 6, 1857
BUCHANAN	Howell Cobb, Georgia	March 7, 1857	Dec. 8, 1860
	Philip F. Thomas, Maryland	Dec. 12, 1860	Jan. 14, 1861
	John A. Dix, New York	Jan. 15, 1861	March 6, 1861
LINCOLN	Salmon P. Chase, Ohio	March 7, 1861	June 30, 1864
	Wm. P. Fessenden, Maine	July 5, 1864	March 3, 1865
	Hugh McCulloch, Indiana	March 9, 1865	April 15, 1865
JOHNSON	Hugh McCulloch, Indiana	April 16, 1865	March 5, 1869
GRANT	Geo. S. Boutwell, Massachusetts	March 12, 1869	March 16, 1873
	Wm. A. Richardson, Massachusetts	March 17, 1873	June 3, 1874
	Benjamin H. Bristow, Kentucky	June 4, 1874	June 20, 1876
	Lot M. Morrill, Maine	June 7, 1876	March 3, 1877
HAYES	Lot M. Morrill, Maine	March 4, 1877	March 9, 1877
	John Sherman, Ohio	March 10, 1877	March 3, 1881
GARFIELD	Wm. Windom, Minnesota	March 8, 1881	Sept. 19, 1881
ARTHUR	Wm. Windom, Minnesota	Sept. 20, 1881	Nov. 13, 1881
	Charles J. Folger, New York	Nov. 14, 1881	Sept. 4, 1884
	Walter Q. Gresham, Indiana	Sept. 25, 1884	Oct. 30, 1884
	Hugh McCulloch, Indiana	Oct. 31, 1884	March 3, 1885
CLEVELAND	Hugh McCulloch, Indiana	March 4, 1885	March 7, 1885
	Daniel Manning, New York	March 8, 1885	March 31, 1887
	Charles S. Fairchild, New York	April 1, 1887	March 3, 1889
HARRISON, B.	Charles S. Fairchild, New York	March 4, 1889	March 6, 1889
	Wm. Windom, Minnesota	March 7, 1889	Jan. 20, 1891
	Charles Foster, Ohio	Feb. 25, 1891	March 3, 1893
CLEVELAND	Charles Foster, Ohio	March 4, 1893	March 6, 1893
	John G. Carlisle, Kentucky	March 7, 1893	March 3, 1897
MCKINLEY	John G. Carlisle, Kentucky	March 4, 1897	March 5, 1897
	Lyman J. Gage, Illinois	March 6, 1897	Sept. 14, 1901



<u>Presidents</u>	<u>Secretaries</u>	<u>Term of Service</u> <u>from</u> <u>to</u>
ROOSEVELT, T.	Lyman J. Gage, Illinois	Sept. 15, 1901 Jan. 31, 1902
	L. M. Shaw, Iowa	Feb. 1, 1902 March 3, 1907
	G. B. Cortelyou, New York	March 4, 1907 March 7, 1909
Taft	Franklin MacVeagh, Illinois	March 8, 1909 March 5, 1913
WILSON	W. G. McAdoo, New York	March 6, 1913 Dec. 15, 1918
	Carter Glass, Virginia	Dec. 16, 1918 Feb. 1, 1920
	David F. Houston, Missouri	Feb. 2, 1920 March 3, 1921
HARDING		
COOLIDGE	Andrew W. Mellon, Pennsylvania	March 4, 1921 Feb. 12, 1932
HOOVER		
HOOVER	Ogden L. Mills, New York	Feb. 13, 1932 March 4, 1933
ROOSEVELT, F.D.	William H. Woodin, New York	March 5, 1933 Dec. 31, 1933
	Henry Morgenthau, Jr., New York	Jan. 1, 1934

# I N D E X

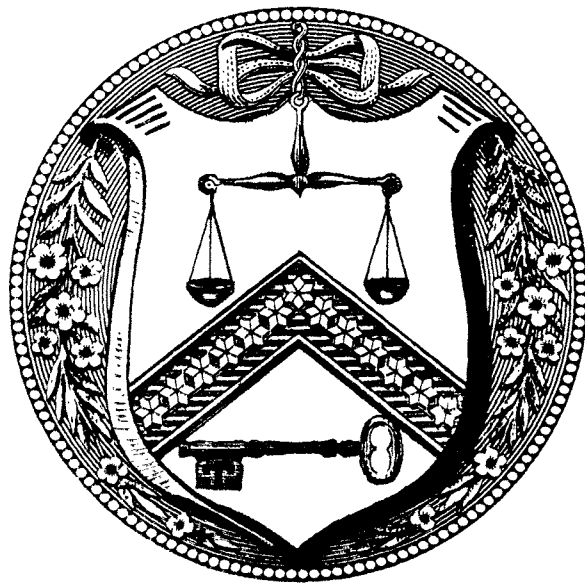
Accounting Division.....	32	Civil War.....	27
Accounting for revenue.....	15	Coast Guard.....	10-11-12-14
Accounting for revenue, chart.....	16	Coast Guard Academy.....	11
Accounts and Deposits, Commissioner.	32	Coast Guard flag.....	14
Adjusted Compensation Act.....	10	Coin and currency.....	9
Administrative Assistant to the		Coinage, gold, silver.....	34
Secretary.....	12	Coining of money.....	4
Age, Treasury Building.....	25-35	Collection of revenues.....	4-5
Agent of the Treasury.....	12	Collectors of Customs.....	4-5
Air conditioning.....	28	Collectors, Internal Revenue.....	6
Albert Gallatin Memorial Fund Com-		Colonnade.....	29
mission.....	33	Columns.....	29
Alcohol Tax Unit.....	6-12	Commissioner of Accounts and De-	
Andrew Jackson.....	25	posits.....	8-9-32
Annex, Treasury.....	31-34	Commissioner of General Land Office.....	26
Appointments.....	12	Commissioner of Public Debt.....	7
Architect Walker.....	27	Committee on Public Buildings and	
Architects of Treasury.....	25-26	Grounds.....	26
Army and Navy.....	12	Competitive bids.....	11
Assay offices.....	10	Comptroller.....	26
Assistant Secretaries' flags.....	13	Comptroller General.....	7-15
Assistants to the Secretary.....	13	Comptroller of the Currency.....	9-32
Attorney General.....	26	Comptroller's office.....	31
Bacon, Henry.....	33	Congress, Proceedings.....	32
Bank notes.....	9	Congressional Records.....	32
Basement, sub-basement.....	29	Contraband opium.....	31
Bookkeeping and Warrants.....	8-32	Contracts.....	11
Branch of Supply.....	11	Control of Receipts and Issues, chart...	24
Branch of Supply Building.....	34	Constitution.....	2-13
British soldiers.....	26	Corinthian pilasters.....	30
Bureau of Customs.....	5	Cornerstone.....	25
Bureau of Engraving and Print-		Correspondence Division.....	12-32
ing.....	7-10-34	Cost of Treasury Building.....	27
Bureau of Internal Revenue.....	12	Counterfeiting.....	10
Bureau of Narcotics.....	10	Court, central.....	29
Bureau of Public Health Service.....	11	Custody of currency.....	7
Bureau of the Mint.....	9-31-34	Custody of funds.....	4
Burglar-proof vaults.....	31	Customs.....	12
Cane-planting episode.....	25-26	Customs agents abroad.....	5
Capitol.....	25	Customs boats.....	13
Captain of the Watch.....	31	Customs collections.....	5
Cash Room.....	30	Customs flag and seal.....	13
Cashier.....	8	Customs flag, revenue ensign.....	14
Cashier's room.....	35	Customs Service.....	5
Ceilings, arched, paneled.....	34	Daily Statement of the Treasury.....	8
Central court.....	29	Department of State.....	27
Chart, Accounting for Revenue.....	16	Department of the Interior.....	13
Chart, Control of Receipts and		Deposits, Division of .....	32
Issues.....	24	Details of Treasury Building.....	34
Chart, Control of Receipts and		Dimensions of Treasury Building.....	29
Issues, explained.....	17-23	Director of Research and Statistics.....	12
Chart, Treasury bookkeeping.....	15	Disbursement offices.....	31
Chief Clerk.....	8-12	Disbursements, how made.....	17-23
Chief Clerk's office.....	31	Division of Appointments.....	12
Circular stairways.....	34	Division of Deposits.....	8

I N D E X

Division of Disbursement .....	8	Greenbacks.....	4
Division of Supply.....	12	Groined arches.....	34
Dix Island.....	29	Ground floor, or basement.....	31
Drinking water.....	28	Hamilton, Alexander.....	32-33
Electricity.....	27	Hamilton statue.....	32-33-34
Elevators.....	28	Hamilton's appointment.....	2
Emergency room.....	30	Hamilton's Report on the Public	
Engraving and Printing.....	34	Credit.....	3
Enlargements of Treasury Building...	27	Harrison Act.....	10
Entrances to Treasury.....	30	Hatfield, George.....	26
Farm Loan Act.....	10	Heating.....	28
Federal Buildings.....	4	Iceberg patrol.....	11
Federal Deposit Insurance Corpo-		Income Tax Unit.....	6
ration.....	9	Inscriptions, Hamilton statue.....	33
Federal Reserve Banks.....	7-15	Interior Department.....	13
Federal Security Agency.....	4-10-11	Internal Revenue Building.....	34
Federal stock catalog.....	12	Internal Revenue collections, peak.....	6
Federal Works Agency.....	4-11-33	Internal Revenue Service.....	5
Finance and tax information.....	32	Ionic columns.....	29
Fine Arts Section.....	11	Ionic-Corinthian pilasters.....	30
Fires.....	25-26	Italian Renaissance.....	31
Fireplaces.....	28	Jackson, Andrew.....	25
Fire-proof vaults.....	31	Law enforcement.....	4-10
First floor.....	31	Law library.....	32
First mint, Philadelphia.....	9	Lee, Richard Henry.....	13
First revenue taxes.....	6	Liberty Loan Annex.....	34
First Secretary.....	2	Libraries, law, Treasury.....	32
Fisheries and game.....	11	Life Saving Service.....	11
Flags of Secretary and aides.....	13	Lighthouse Service.....	11
Foreign finance reports.....	32	Lighting.....	28
Fort Knox Gold Depository.....	10	Livingston, Walter.....	2
Fourth floor.....	32	Loans and currency.....	7
Franklin stoves.....	28	Main entrance.....	30
Fraser, James Earle.....	32-33	Maine, Rockland.....	29
Gallatin, Albert, and statue.....	33	Marble panels, Cash Room.....	30
Gallatin Memorial Fund Commission...	33	Marble, Vermont, Italian.....	30
Gas lighting.....	28	Mechanical controls.....	31
General Accounting Office.....	7-15	Mills, Robert.....	25
General Counsel.....	12-32	Mint, Philadelphia.....	34
General Land Office.....	13	Mints, assay offices.....	10
Gervais, John Lewis.....	2	Miscellaneous Tax Unit.....	6
Gold, silver coinage.....	34	Monetary Research.....	12
Gold stocks.....	10	Money, how handled.....	17-23
Government bookkeeping.....	15	Money, where made.....	33-34
Government loans.....	4-7	Monolithic columns.....	29
Government loans, how floated and		Monument, Washington.....	34
paid.....	6	Morris, Gouverneur.....	13
Granite, New Hampshire.....	29	Morris, Robert.....	1-2
Grant, President.....	30	Narcotic drugs.....	5
Grant's inaugural ball.....	30	National bank supervision.....	4
Graphic Section.....	32	Navy.....	11
Great Seal of the Treasury, back		Navy, War and State.....	27
cover and.....	13	New Hampshire granite.....	29
Great vault.....	29	New Orleans Mint.....	10
Greek Revival... ..	29	North court.....	29

## I N D E X

Number of rooms .....	27	"Semper Paratus".....	14
Opium storage.....	31	Should war come.....	11
Osgood, Samuel.....	2	Silver bullion.....	10
Paintings, mural.....	11	Smuggling.....	5-11
Paper currency.....	8-10-34	Social Security taxes.....	6
Paper for currency.....	7	South court.....	28-29
Parapet.....	29	Stabilization fund.....	3
Pennsylvania Avenue.....	25-31	Stairways.....	34
Philadelphia.....	25	State Department.....	10-26-27
Philadelphia Mint.....	34	Storage, silver, paper, bonds.....	31
Pilasters.....	28-30	Sub-basement.....	28-31
Pillars.....	23	Superintendent.....	12
Plumbing.....	28	Supervising Architect's Office.....	28-33
Porticoes.....	29	Supervision of national banks.....	9
Portraits of Secretaries.....	34	Surplus property section.....	12
Post office murals.....	11	Tariff duties.....	5
Postage stamps.....	10	Tax and finance information.....	32
Presidents, United States.....	36-38	Tax Research Division.....	12
Proceedings of Congress.....	32	Terms of service, Secretaries.....	36-38
Procurement Division.....	11	"Thesauri.Amer.Septent.Sigil.".....	13
Production of money.....	4	Third floor.....	32
Protection of Presidents.....	10	Treasurer of United States.....	7-8-15
Public Buildings and Grounds Com- mittee.....	26	Treasury Annex.....	8-31-34
Public debt.....	7	Treasury Architects.....	25-26
Public Health Service.....	4-10-11	Treasury Building.....	25
Public lands.....	13	Cost.....	27
Receipts, how handled.....	17-23	Cover drawing by Franklin Booth..	
Rectangle.....	28-29	Dimensions.....	29
Register.....	26	Enlargements.....	27
Register of Treasury.....	7	Entrances.....	30
Renaissance, Italian.....	31	Treasury Library.....	32
Reorganization, 1939.....	4-11	"Treasury of the United States".....	35
Report on the Public Credit.....	32	Treasury, organization, growth.....	3
Reports to Congress.....	32	Treasury Place.....	30
Research and Statistics.....	12-32	Treasury Seal, back cover, and.....	13-34
Revenue Act of 1934.....	12	Treasury warrant.....	7
Revenue collection peak.....	6	Treasury's beginnings.....	1
Revenue Cutter Service.....	11-14	Treaty of Ghent.....	33
Revenue ensign, Customs flag.....	14	Under Secretary's flag.....	13
Revenue stamps.....	10	United States Bonds.....	9
Rockland, Maine.....	29	U. S. Public Health Service.....	11
Rooms, number.....	27	United States Savings Bonds.....	31
Sandstone.....	29	Vaults, burglar-proof, fireproof.....	29-31
Second floor.,.....	31-32	Vermont marble.....	30
Secret Service.....	4-10	Virginia quarries.....	29
Secretaries of the Treasury.....	36-38	Walker, Thomas U., architect.....	26-27
Secretaries' portraits.....	34	War and Navy Departments.....	11-27
Secretaries' Reports to Congress.....	32	Washington Monument.....	34
Secretaries' terms.....	36-38	Washington, President.....	2
Secretary and aides.....	3	Webster, Daniel.....	33
Secretary of the Treasury.....	13-15-26	West Point Silver Depository.....	10
Secretary's and aides' offices.....	32	White House.....	25-30
Secretary's Correspondence Division..	32	Witherspoon, John.....	13
Secretary's flag.....	13	Woodbury, Levi.....	26
		Worcester, Massachusetts.....	29



# THE TREASURY DEPARTMENT

ORIGIN    DEVELOPMENT

ORGANIZATION

DIVISIONS    BUREAUS    AGENCIES

FUNCTIONS



WITH CHARTS SHOWING  
HANDLING OF FUNDS

1942

# Contents

(Cover picture of Treasury Building from  
drawing by Franklin Booth)

	<i>Page</i>
Origin and History.....	1
Office of the Secretary.....	2
Treasury Functions.....	3
Bureau of Customs.....	4
Bureau of Internal Revenue.....	4
Fiscal Service	
Bureau of Accounts.....	6
Bureau of the Public Debt.....	7
Treasurer of the United States.....	8
Comptroller of the Currency.....	8
Coinage and Printing of Money.....	9
Law Enforcement and Public Services	
Secret Service.....	9
Bureau of Narcotics.....	10
Procurement Division.....	10
Treasury Staff Agencies	
General Counsel's Offices.....	11
Research Units.....	11
Assistants to the Secretary.....	11
Treasury Seal.....	11
How Government Books are Kept.....	12
Accounting for Revenue (chart).....	13
Control of Receipts and Issues (chart).....	19
The Treasury Building.....	20
Secretaries of the Treasury and Presidents under whom they served...	28

Office of the Secretary  
Treasury Department  
Washington, D. C.

# THE TREASURY DEPARTMENT

## *Origin in 1776*

The United States Treasury Department had its beginnings in 1776, even before the signing of the Declaration of Independence. The Continental Congress by resolution of February 17, 1776, provided "that a committee of five be appointed for superintending the Treasury," and describe the duties of the committee. This resolution had the effect of establishing a "Treasury Office."

Two empowering resolutions, adopted April 1, 1776, completed the foundations for the present Treasury Department with its many and far-reaching functions. One of the April resolutions provided:

"That a Treasury Office of Accounts be instituted and established, and that such office be kept in the city or place where Congress shall from time to time be assembled and hold their sessions, and that the said Office of Accounts be under the direction and superintendence of the standing committee of the Treasury."

Two years later, by resolution dated September 26, 1778, the Congress established the offices of Comptroller, Auditor, and Treasurer; and two Chambers of Accounts, with three Commissioners each, to be appointed annually.

The Comptroller's office was abolished on July 30, 1779, and a new Board of Treasury created, consisting of three Commissioners who were not members of the Congress, and two who were. These five members were elected by the Congress, the former three annually, and the latter two for terms of six months.

Submission to the Congress of a budget, or estimate of public expenses, was one of the Board's duties. Thus organized, the Board of Treasury continued to function until several months after the appointment, September 20, 1781, of Robert Morris as Superintendent of Finance.

## *Morris Takes Charge*

In a resolution of February 7, 1781, the office of Superintendent of Finance was authorized. An ordinance enacted September 11 of the same year designated Commissioners and other finance officers. Superintendent Morris, a signer of the Declaration of Independence, had been a vital factor in financing the Revolution. Morris was called "the financier" in recognition of his abilities. He was the first financial executive of the national Government, and served as Superintendent of Finance from 1781 to 1784, when he resigned.

Another congressional ordinance adopted May 28, 1784, provided for the appointment of a Board of three Commissioners, "to superintend the Treasury and manage the finance of the United States, which shall be styled the Board of the Treasury." Named as Commissioners under this act were John Lewis Gervais, Samuel Osgood and Walter Livingston.

The Constitution of the United States became effective as the basic law of the nation March 4, 1789. The Constitutional Congress on September 2, 1789, at its first session, enacted a law whose object was "to establish the Treasury Department." Section 1 of this law reads in part:



"There shall be a Department of the Treasury in which shall be the following officers, namely, a Secretary of the Treasury, to be deemed the head of the department; a Comptroller, an Auditor, a Treasurer, a Register, and an Assistant to the Secretary of the Treasury, which assistant shall be appointed by the Secretary."

The act specified the duties of each officer designated, and the functions of the Treasury as the department appointed to administer public finance.

### *Hamilton is Appointed*

President Washington appointed the first Secretary of the Treasury. He chose Alexander Hamilton, who had been his aide-de-camp. After the Revolution, Hamilton practiced law in New York. He was a delegate to the Continental Congress, participated in the framing of the Constitution, and advocated its ratification by the States. Hamilton was 32 years old at the time of his appointment. He took the oath of office as Secretary September 11, 1789.

Secretary Hamilton's first Report to the Congress, known now as the Report on the Public Credit, is considered one of the greatest of the public documents that record and represent the development of our governmental system.

### *Office of the Secretary*

The Secretary of the Treasury is the official head of the Treasury Department. Serving under him are the Under Secretary of the Treasury, who is the acting head of the Department in the absence of the Secretary, the Fiscal Assistant Secretary, and two Assistant Secretaries. All are appointed by the President except the Fiscal Assistant Secretary, who is appointed by the Secretary of the Treasury in accordance with civil-service laws.

The Treasury Department embraces a number of agencies, variously known as bureaus, divisions and offices, with duties that in general relate to or derive from the fiscal operations of the Government. These agencies are responsible in their operation either directly to the Secretary, to the Under Secretary, or to one of the Assistant Secretaries, as directed by the Secretary. Each of the Treasury's agencies has its own executive, its own divisions and subdivisions.

The duties first assigned to the Treasury Department were to collect taxes and other revenues; to employ the public credit when tax revenues should be insufficient; to keep the national funds safely and to disburse them on the orders of the Congress under a plan proposed by the first Secretary; to maintain accounts of these transactions, and to keep the Congress informed as to the condition of the Nation's finances.

The Treasury exercises functions committed to it by the Congress in carrying out that body's constitutional responsibility to coin money, and regulate its value and that of foreign coin. The Treasury's stabilization fund exists in furtherance of the duty delegated by the Congress to stabilize and maintain the value of the dollar. Thus, Treasury functions include the duty of recommending to the President and the Congress measures calculated to protect the integrity of the Nation's currency.

The Treasury force at the outset numbered approximately 100 persons. This force was supplemented by collectors of customs and collectors of internal revenue. The personnel of the Department, increasing as the Nation grew from 4,000,000 to more than 130,000,000 people, now numbers about 60,000, one-fourth of whom are employed in the City of Washington and three-fourths in the field throughout the country. An additional 20,000 employees in the Coast Guard became a part of the Navy Department personnel.

The coining of money was an early development of Treasury function. The Civil War period brought the Treasury the task of providing paper currency, then called greenbacks. A direct development from this function was the organization of the Secret Service, to suppress the operations of counterfeiters, who had begun making bogus bills.

### *Duties are Varied*

Early in Treasury history Collectors of Customs were given the duty of collecting fees, for the medical care of seamen, from the owners or master of American ships. The Marine Hospital Service was a development of this action, and this service was the parent of the Public Health Service, transferred in 1939 from the Treasury Department to the Federal Security Agency.

Supervision of the construction of Federal buildings was entrusted to the Treasury Department almost from the Nation's birth. This work went to the new Federal Works Agency under the Government's 1939 reorganization plan.

### *Treasury Functions*

The Treasury's operations may be grouped under six headings:

1. Collection of revenues.
2. Flotation and payment of loans.
3. Custody and disbursement of funds.
4. Supervision of national banks.
5. Issuance and protection of money.
6. Law enforcement and public services.

The grouping of agencies is according to duties, not because of seniority of organization or relative importance. It has no significance except that of utility in telling the story of Treasury organization. Collection of revenues comes first because it was about the first thing that the new department was given to do.

### *Collection of Revenues*

Almost from the start the national Government imposed tariff duties on imports and levied internal taxes. These duties and taxes have been and are its chief sources of revenue. The Customs Service and the Internal Revenue Service developed as separate agencies, each taking care of its own collections.

*THE BUREAU OF CUSTOMS*, established by Act of Congress in 1927, is an outgrowth of the Customs Service, created in 1789 by the second Act of the first Congress. The Bureau's present form of organization dates from 1912, when several functions then exercised by other divisions of the Treasury were taken over by the Division of Customs in the Secretary's Office. Further changes were made by the Reorganization Act of 1927, when the Division, which itself dated from 1875, became the present Bureau.

The Bureau of Customs' principal functions are the collection of duties levied on imports and the detection and prevention of smuggling, both of commodities subject to duty and of contraband, such as narcotic drugs. The Bureau operates with other Treasury agencies and with other departments and offices of the Government in the enforcement of laws governing imports and exports, entrance and clearance of vessels at seaports, and immigration.

### *Customs Agency Service*

The Customs Agency Service—now known as the Division of Investigations and Patrol—is the Bureau's investigative and law enforcement unit.

The Bureau has headquarters in the Wilkins Building near the Treasury in Washington.

Collectors of Customs, one for each of the 48 customs collection districts, and deputy collectors are in charge at ports of entry throughout the United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

Customs collections reached a high mark of \$602,000,000 in 1929, dropped to \$251,000,000 in 1933, but have increased in succeeding years. Customs receipts for the fiscal year ending June 30, 1941, were \$392,000,000.

*THE BUREAU OF INTERNAL REVENUE:* The Nation's first internal revenue taxes were those imposed on distilled spirits in 1791. Taxes on carriages followed, and on the sale of spirits, sugar, snuff and other commodities. The Office of the Commissioner of Internal Revenue, heading the service, was created in 1863. The Bureau is the largest Treasury agency, with a personnel of about 30,000, one-sixth in Washington and five-sixths in the field. It has its own building in Washington.

Agencies of the Bureau are the Income Tax Unit, the Accounts and Collections Unit, the Alcohol Tax Unit, the Miscellaneous Tax Unit, and the Intelligence Unit.

The Income Tax Unit supervises administration of the income tax law. The Accounts and Collections Unit supervises the work of the Collectors of Internal Revenue, whose offices are at points convenient to taxpayers, with whom the collectors deal directly. One of this unit's newest and largest tasks is the collection of Social Security taxes. For the Fiscal Year 1941 collections under the Federal Insurance Contributions Act and the Federal Unemployment Tax Act were about \$790,000,000, and an additional \$137,000,000 was collected from Carriers and their employees.

The Alcohol Tax Unit supervises production of distilled spirits, wines and malt liquors. Its branches are the Permissive Division, which, through inspectors and gaugers, sees that the tax is paid; and the Enforcement Division, whose agents in the field run down illicit stills, apprehend bootleggers and other unlawful operators. The Miscellaneous Tax Unit administers all revenue laws relating to

Federal taxes other than income and Social Security taxes. Its work embraces taxes on liquors, tobacco and a wide variety of commodities, from cosmetics to gasoline. The Intelligence Unit, reporting directly to the Commissioner, handles internal revenue investigation and law enforcement. The unit conducts personnel investigation for all branches of the Treasury.

Internal revenue collections in 1941 reached a peak of \$7,370, 108, 377.

# FISCAL SERVICE OF THE TREASURY DEPARTMENT

The Fiscal Service of the Treasury Department was established in accordance with Reorganization Plan No. III, which was made effective on June 30, 1940. The Fiscal Service consists of the Bureau of Accounts (formerly the Office of the Commissioner of Accounts and Deposits), the Bureau of the Public Debt (comprising the Public Debt Service and the Division of Savings Bonds), and the Office of the Treasurer of the United States. The head of the Fiscal Service is the Fiscal Assistant Secretary. Under an order of the Secretary of the Treasury, in event of a vacancy in the office of the Fiscal Assistant Secretary, the Under Secretary acts as Fiscal Assistant Secretary and performs all the duties and functions of that office.

## *The Bureau of Accounts*

The *BUREAU OF ACCOUNTS* consists of the immediate office of the Commissioner of Accounts, the Division of Bookkeeping and Warrants, the Division of Disbursement, the Division of Deposits, the Section of Surety Bonds, the Section of Investments, the Budget Section, the Division of Central Accounts, and the Division of Emergency Relief Accounts. In connection with all of these the Commissioner of Accounts has supervisory duties.

The *DIVISION OF BOOKKEEPING AND WARRANTS*, in the name of the Secretary of the Treasury, issues all warrants on the Treasurer of the United States; makes analyses of acts of Congress carrying appropriations and maintains the necessary appropriations accounts on its ledgers; issues warrants for placing disbursing funds to the credit of disbursing officers, for the payment by the Treasurer of claims settled by the General Accounting Office, and for covering into the Treasury the revenues and receipts of government. It compiles and publishes an annual digest of the appropriations made by Congress and a combined statement of the receipts and expenditures of the Government.

The *DIVISION OF DISBURSEMENT*, established under Executive Order 6166, dated June 10, 1933, is the central disbursing agency of the Government and disburses all moneys for the Executive Branch, with certain exceptions including the Post Office Department, U. S. Marshals, the Panama Canal and most of the War and Navy Departments. During the fiscal year ended June 30, 1941, the Washington and Regional offices of the Division of Disbursement made over 100,000,000 check payments and over 800,000 cash payments.

The *DIVISION OF DEPOSITS* administers matters relating to the deposit of public moneys and the designation and supervision of nearly 4,000 depositaries throughout the continental United States, territorial possessions, and foreign countries. These depositaries, generally, are designated for the purpose of (1) accepting deposits from Government officers for credit in the account of the Treasurer of the United States; (2) accepting deposits from Government officers for credit in their official checking accounts; (3) furnishing cash for pay roll and other purposes to Government Disbursing Officers; and (4) participating in deposits of public moneys arising from sales of bonds, notes and Treasury certificates of indebtedness of the United States, offered from time to time, as, under the terms of the official offering, may be paid for by credit.

The *SECTION OF SURETY BONDS* is responsible for checking the financial condition of surety companies authorized to transact business with the United States. It determines the underwriting qualification of each company; audits their quarterly financial statements; makes examinations into their financial condition at the home offices wherever necessary; and performs other duties to determine whether the companies observe the requirements of existing law and regulations of the Treasury.

The *SECTION OF INVESTMENTS* keeps the accounts and is charged with work incident to: investment of Government trust funds; indebtedness of foreign governments to the United States Government arising from World War No. 1; railroad obligations acquired by the Government under the Transportation Act of 1920; awards under the settlement of War Claims Act of 1928, the Claims Agreement of October 25, 1934, between the United States and Turkey, and the Act of April 10, 1935, covering claims against the Republic of Mexico; subscriptions to capital stock of governmental corporations; and other related activities.

The *BUDGET SECTION* acts as the operating staff of the Budget Officer of the Treasury Department in connection with estimates and reports covering the status of Treasury appropriations. It has administrative control over various Special Deposit Accounts of the Treasury, and administers certain appropriations under the Bureau of Accounts.

The *DIVISION OF CENTRAL ACCOUNTS* performs the functions under Executive Order No. 8512, dated August 13, 1940, requiring the Treasury Department to prepare reports with respect to the financial condition and operations of the Government, for the information and use of the President and the Bureau of the Budget; to establish and maintain a complete system of central accounts for the entire Government; and to establish on the basis prescribed in the Order, as amended, uniform terminology, classifications, and standards in connection with such financial reports for the use and guidance of all departments and establishments.

The *DIVISION OF EMERGENCY RELIEF ACCOUNTS* conducts accounting operations under the various emergency relief appropriation acts. The accounts show the status of funds allocated by the President from the appropriations, and periodic reports are prepared showing obligations, expenditures and balances.

### *Flotation and Payment of Loans*

The collection of revenues and the expenditure of moneys by the Government never exactly equal each other. It has been necessary from the Nation's earliest history to meet emergency needs by means of loans, which are repaid when income exceeds expenditure.

*THE BUREAU OF THE PUBLIC DEBT* is the agency of the Treasury Department that handles Government loans. In addition to its transactions in bonds and other interest-bearing securities, it has custody of the currency, which represents non-interest-bearing debt.

The Division of Loans and Currency receives securities from the Bureau of Engraving and Printing, handles exchanges, transfers, conversions and replacements, and audits redeemed paper currency. The Office of the Register of the Treasury records securities as they are retired.

The Division of Paper Custody superintends the manufacture of the distinctive kinds of paper used for currency and securities, has custody of the paper as it is delivered from the makers, and issues it as required to the Bureau of Engraving and Printing.

The Division of Accounts and Audits keeps books recording the transactions of the Office of the Commissioner of the Public Debt and such related dealings as are conducted by the Treasurer of the United States and by Federal Reserve Banks as fiscal agents of the United States. Accounts are kept of reserve stocks of currency, stamps and securities, and of collateral held in trust.

*DEFENSE SAVINGS STAFF*, which has charge of promotion of the sale of Defense Savings Bonds and Stamps to the public, was established in March, 1941. Its work was expanded greatly with the entrance of the United States into the war. The staff is housed in the Sloane Building, at 711 Twelfth Street, NW.

Most of the Treasury fiscal agencies have offices in the main Treasury Building. The Treasury Annex houses disbursement operations. Emergency fiscal agencies are in other quarters.

*THE TREASURER OF THE UNITED STATES* is the official custodian of the nation's money. He receives it from those agencies that collect revenue and negotiate loans. He pays it out on warrants.

### *Handles Paper Currency*

The Treasurer receives from the Bureau of Engraving and Printing new paper currency, and he redeems paper currency unfit for further circulation, including that of the Federal Reserve Banks. The Treasurer issues the Daily Statement of the Treasury and other statements concerning the nation's fiscal position. Divisions and executives of the Office of the Treasurer are the Chief Clerk, Cashier, Division of Securities, Currency Redemption Division, Division of General Accounts, and Accounting Division.

### *Supervision of Banks*

*THE BUREAU OF THE COMPTROLLER OF THE CURRENCY* is one of the important links between the Treasury Department and the Nation's banking system. The Bureau was established at the time of the Civil War to carry out legislation which authorized the issuance of national bank notes secured by Government bonds. National bank notes are no longer issued, because of the expiration, July 22, 1935, of the circulation privilege that had been conferred on United States bonds. The principal duty of the Comptroller of the Currency is the supervision of national banks. There is maintained in each Federal Reserve District a Chief Examiner's Office with a corps of examiners, assistants and clerks to make the periodical examination of national banks.

The Comptroller has the sole power to charter national banks. He is responsible for approving consolidations of national banks and of state banks with national banks; for the supervision of banks which have gone into voluntary

liquidation; and for granting permission to national banks to establish branches. The Comptroller has control over the affairs of insolvent national banks. He appoints receivers under whose direction the assets of such banks are liquidated and the proceeds distributed to creditors.

It is the Comptroller's duty to make his annual report directly to Congress and to recommend such changes and amendments to the banking laws as he deems advisable. He is a member of the Board of the Federal Deposit Insurance Corporation.

### *Coinage and Printing*

Two agencies of the Treasury Department produce the coin and currency of the United States.

*THE BUREAU OF THE MINT* provides metallic coin. The first mint was established at Philadelphia in 1792. Main offices of the Bureau of the Mint are in the Washington Building, across the street from the Treasury Building in Washington, but no money is coined there. Philadelphia, Denver, and San Francisco have coinage mints. There are assay offices at New York and Seattle. The New Orleans Mint operates as an assay office. A depository at Fort Knox, Kentucky, has safe-keeping of part of the Nation's gold. A silver bullion depository at West Point is operated as an auxiliary of the New York assay office.

*THE BUREAU OF ENGRAVING AND PRINTING* was originated at the time of the Civil War to produce paper currency. The Bureau, one of the Treasury's largest units, employs about 6,500 in Washington. Besides providing all paper currency, it produces bonds, notes, bills and other securities, revenue stamps, postage stamps and a variety of official forms.

### *Law Enforcement and Public Services*

Treasury law enforcement agencies function under a Coordinating Committee, to assure maximum effectiveness of personnel and correlation of activity. Represented in the committee are Secret Service, Bureau of Narcotics, Customs Agency Service, Alcohol Tax Unit, the Intelligence Unit of the Bureau of Internal Revenue, and the Foreign Funds Control Investigative Section.

*THE SECRET SERVICE* is charged with the duty of protecting the President of the United States, his family, and the President-elect at all times and under all conditions. A uniformed police force at the White House is under the control and supervision of the Secret Service.

A major function of the Service is the detection, arrest, and delivery to the Marshal having jurisdiction, of persons engaged in counterfeiting, forging, or altering any of the obligations and securities, as well as the coins of the United States and foreign governments.

A staff of trained investigators is maintained for these purposes, and to investigate violations of the Federal Farm Loan Act; the Federal Farm Credit Act of 1935; the World War Adjusted Compensation Act; the Gold Reserve Act of 1934; certain offenses against the Federal Deposit Insurance Corporation named in the Banking Act of 1935; the counterfeiting of Government transportation requests; counterfeiting of liquor revenue stamps; and violations of the Government Losses In Shipment Act.



The staff also conducts investigations involving the forgery of Government checks, thefts of Government property, and the responsibility of bidders on Government contracts. In addition other crimes against the laws of the United States relating to the Treasury Department and the several branches of the public service under its control are investigated by the Secret Service as the Secretary of the Treasury may direct.

A uniformed force safeguards the paper currency and other Government securities and obligations during the process of manufacture at the Bureau of Engraving And Printing, its transportation to other Government departments in Washington, and in the vaults of the money handling divisions of the Treasury Department. The Secret Service supervises this uniformed force.

*THE BUREAU OF NARCOTICS* has the duty of limiting the use of habit-forming drugs to legitimate medical and scientific purposes, and of supervising the enforcement of the Harrison Act. The Bureau cooperates with the Public Health Service of the Federal Security Agency in determining quantities of narcotics allowed to be imported for legitimate use, with the Bureau of Customs in preventing illegal importation, and with the States in suppressing illegal sales.

*THE UNITED STATES COAST GUARD*, which dates back to the Revenue Cutter Service established by President Washington in 1790, became an operating unit of the Navy by Executive Order in the autumn of 1941.

*THE FOREIGN FUNDS CONTROL* division was established in April, 1940, to supervise, under authority of the President, financial or business transactions involving certain foreign countries or their nationals. With the entrance of the United States into the War in December, 1941 the "Freezing" Control as the division is popularly known, became even more important as a factor in economic defense. The division has offices at 1610 Park Road, NW., Washington.

*THE BUREAU OF THE PUBLIC HEALTH SERVICE* was a Treasury agency until July 1, 1939, when, under the Reorganization Act, it became a part of the new Federal Security Agency.

*THE PROCUREMENT DIVISION*, created by Executive Order No. 6166 issued June 10, 1933, formulates policies of procurement and warehousing for the entire Government; and as a central purchasing agency, buys those materials and supplies which are most economically purchased in quantities. Normally, purchases are made on a competitive bid basis.

The Division maintains warehouses from which are issued to federal establishments in the District of Columbia commodities used in routine work of the Government; disposes of surplus and forfeited property; establishes standards of quality in commodities purchased; purchases strategic and critical materials for stockpiling; and buys industrial products for distribution under the lend-lease law.

Specific programs of purchasing are conducted under legislation enacted by Congress or by Executive order. Household equipment is purchased for Defense housing, textiles, hospital equipment and drugs are procured for the American Red Cross for distribution to refugees abroad.

The Division is empowered under Presidential authority to buy materials and supplies during War emergency without competitive bidding.

### *Treasury Staff Agencies*

In addition to the agencies already listed, there is a number of staff agencies.

*THE GENERAL COUNSEL FOR THE TREASURY*, its chief authority on law, is in charge of all its legal activities. Assistants are assigned to various agencies.

The General Counsel's office had its inception in 1820 under the name of the Agent of the Treasury. By Act of Congress in 1830 the functions and duties of the office were increased, and its name changed to that of Solicitor of the Treasury. This office was abolished by the Revenue Act of 1934, and this Act also abolished the Office of General Counsel for the Bureau of Internal Revenue. The powers, duties, and functions of the two abolished offices, as well as other legal activities of the Department, were consolidated and placed under direct supervision and control of the General Counsel for the Treasury.

### *Facts are Determined*

The Treasury has three research units: The Division of Research and Statistics, the Division of Monetary Research, and the Division of Tax Research. These units have charge of economic studies, and provide research, actuarial and statistical service.

*THE ADMINISTRATIVE ASSISTANT TO THE SECRETARY* is in direct charge of general administrative matters for the Department. Responsible to this Assistant are the offices of Chief Clerk and Superintendent, the Division of Appointments, the Division of Supply, and the Correspondence Division.

Reporting directly to the Secretary of the Treasury is a number of Assistants to the Secretary, who are assigned to such duties as may be designated by the Secretary. Often these duties are of a functional nature, affecting two or more separate agencies, with a view to coordinating their work in some respects, or of meeting special problems. There is a number of technical specialists, in some instances attached to the Secretary's office, in other detailed to special agencies for general or specific services.

One important function originally assigned to the Treasury Department was that of handling public lands. During the period of the Nation's greatest territorial expansion, the General Land Office operated as a branch of the Treasury Department. It is now an agency of the Department of the Interior.

### *The Treasury Seal*

The Great Seal of the Treasury, imprinted upon money and official documents, is older than the Constitution of the United States. The seal was designed under the direction of a committee appointed September 26, 1778, and composed of John Witherspoon, Gouverneur Morris and Richard Henry Lee. The date of the Great Seal's adoption is not known, but the seal is affixed to documents issued in 1782. The design includes a shield on which appear the scales of justice; a key, the emblem of official authority; and thirteen stars for the original States. A Latin legend circularly enclosing the shield reads "Thesaur. Amer. Septent. Sigil.," an abbreviation of "Thesauri Americae Septentrionalis Sigillum," meaning "The Seal of the Treasury of North America."

### *Other Insignia*

The Secretary of the Treasury, the Under Secretary, and the Assistant Secretaries have their own flags. The Secretary's flag has a blue field with white stars, crossed keys and an anchor. The Under Secretary's flag has a red field. Those of the Assistant Secretaries have white fields.

### *The Customs Flag and Seal*

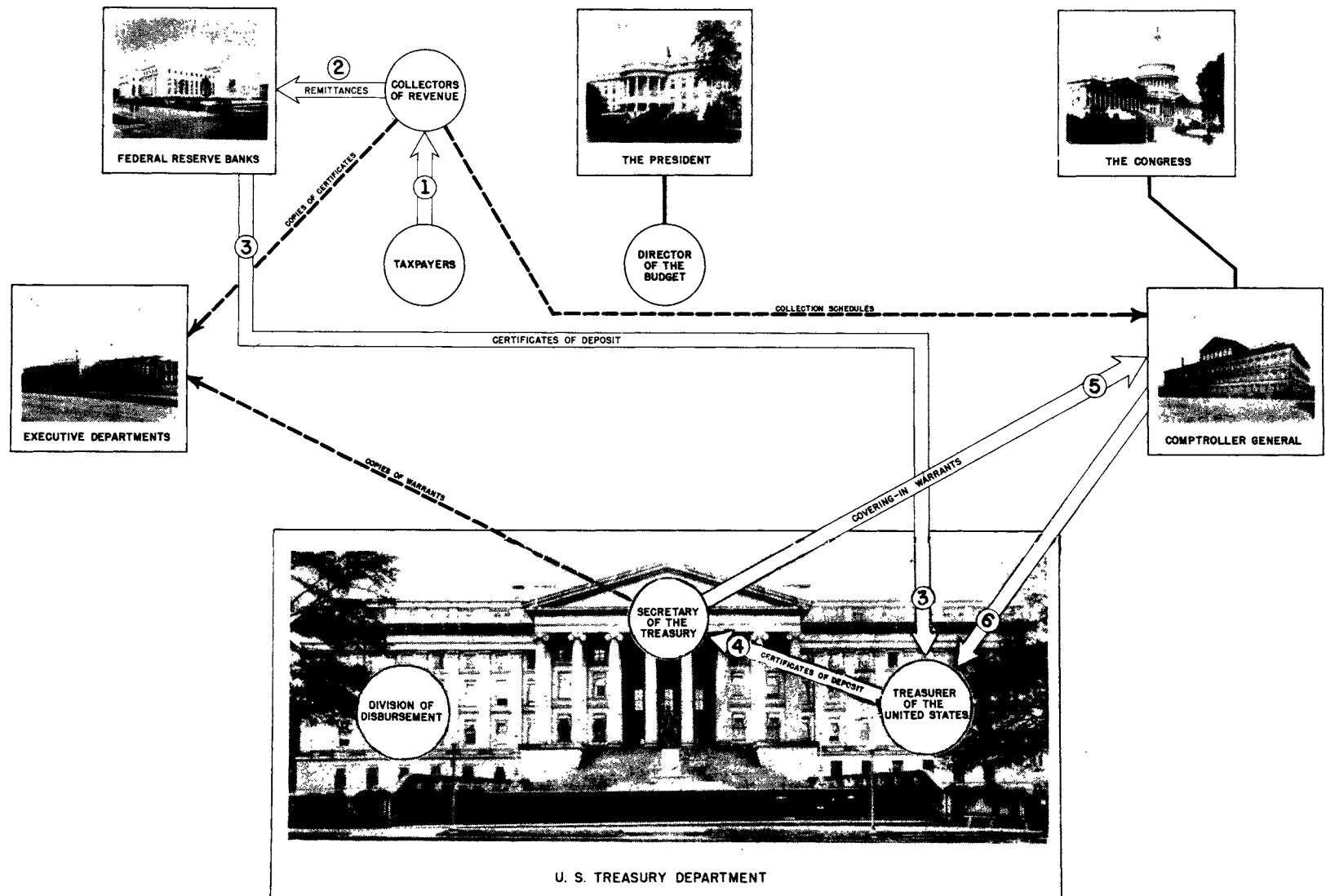
The Customs flag, also called the revenue ensign, is displayed over all buildings in which Customs business is transacted, and is flown from Customs boats. This flag, familiar at ports of entry as Old Glory itself, was authorized by the Congress on March 2, 1799, for the use of the Revenue Cutter Service, now the United States Coast Guard.

The Customs or revenue ensign has a union composed of the spread eagle and thirteen stars, an olive branch bearing thirteen leaves held in one claw of the eagle, thirteen arrows in the other claw, and a shield across the eagle's breast. The number thirteen is a symbol of the original States. The remainder of the flag is composed of sixteen perpendicular stripes, alternate red and white. The eagle, the stars, the leaves of the olive branch, and the arrows are blue on a white field, and the bars in the shield are alternate white and red. The sixteen stripes are symbols of the States composing the Union when this flag was adopted in 1799. The new States were Vermont, Kentucky and Tennessee.

## **HOW GOVERNMENT BOOKS ARE KEPT**

The chart (see next page) entitled "Accounting for Revenue" shows inter-departmental relationships in connection with receipt of money into a Government depository and its formal acknowledgment on a covering warrant. *Numeral 1* shows remittances going from taxpayers to collectors of Government revenue. The deposit of such remittances in Federal Reserve Banks is shown at *numeral 2*; the transmittal of certificates of deposit to the Treasurer of the United States at *numeral 3*; the sending of the certificates by the Treasurer to the Secretary of the Treasury at *numeral 4*; the transmittal by the Secretary of the Treasury of a covering warrant to the Comptroller General for counter-signature at *numeral 5*; and the return of the warrant to the Treasurer of the United States at *numeral 6*. The warrant supports the Treasurer's account, rendered monthly to the General Accounting Office for audit and settlement.

## ACCOUNTING FOR REVENUE



## HOW MONEY GOES INTO AND COMES OUT OF THE TREASURY

A chart is employed (see page 19) to show the flow of funds through the Treasury. By referring to the chart, transactions may be traced by which public moneys are received and disbursed.

At the center of the chart is a photographic reproduction of the Treasury Building, where the central accounts of the Government are maintained. Immediately above it is pictured the General Accounting Office. Here all Treasury warrants are countersigned, and the audit and settlement of public accounts are conducted.

The block at the left-hand side of the Treasury Building represents the Receipts Section of the Division of Bookkeeping and Warrants, which issues the warrants covering money into the Treasury.

The block at the right represents the Appropriation and Expenditure Section, which maintains the appropriation accounts and issues the warrants authorizing the payment of money from the Treasury.

At the bottom of the chart appears the general ledger entries reflecting the results of the work of these sections.

Attention is called to the capital letters, A to K, immediately above the blocks representing the general ledger entries relating to the various classes of documents. For instance, in the lower left-hand corner of the chart will be observed the letter A immediately above the block marked "Certificates of Deposit Received". In the upper left-hand corner of the chart the letter A appears immediately below the Collecting Officers. The various steps involved in accounting are numbered in sequence beginning with the *numeral 1*, showing deposit of money in a Federal Reserve Bank or other designated Government depository.

### *Receipts*

*Numeral 1* in the upper left-hand corner shows remittances being sent by collectors of revenue to Federal Reserve Banks. When the bank receives a remittance it credits the account of the Treasurer of the United States and issues a certificate of deposit. At the close of each day's business, the original certificates of deposit (together with paid checks, coupons, etc.) are sent to the Treasurer of the United States at Washington, *numeral 2*, accompanied by a transcript of the Treasurer's account showing all debits and credits.

After the certificates are examined in the Treasurer's office and checked against the bank's transcript, the Treasurer charges the bank and credits his revenue account. The original certificates are then sent to the Secretary's Division of Bookkeeping and Warrants, as indicated by *numeral 3*. Here they go to a control desk where they are checked, classified, and posted to an Uncovered Moneys controlling account.

It will be observed by reference to the general ledger block, indicated by the letter A, that the amount of certificates of deposit received is debited in the account, "Treasurer, U. S.," and a corresponding credit is entered in an account called Uncovered Moneys.

From the Uncovered Moneys control desk the certificates, *numeral 4*, are sent to the Deposit Covering Clerks at *numeral 5*. At present (1941) there are about 45 clerks, working in 14 groups, to each of which is assigned a certain class of deposits. For example, one group is responsible for Internal Revenue; another for Customs; another for War Department deposits; another for Navy; and so on.

### *Covering-In Process*

In the covering of money into the Treasury, the Department uses bookkeeping machines. At the time the warrant is written there are posted by carbon process several different records, all ruled exactly alike.

First, a Depositor's Register on which are posted all deposits relating to a particular depositor. This register is made in triplicate. At the end of the month two copies are sent to the General Accounting Office for auditing purposes. The other remains in the permanent files of the Treasury.

The next record (prepared by carbon process in the same operation) is a Revenue or Appropriation Register (as the case may be) upon which are posted all deposits relating to a particular revenue or appropriation account. This record is prepared in duplicate. At the end of the month one copy is sent to the General Accounting Office for auditing purposes. The other is retained in the permanent files of the Treasury.

The third record (also prepared in the same operation) is known as a Departmental Deposit List, which is sent currently to the operating agency concerned in order that it may be immediately informed concerning deposits covered into the Treasury relating to its activities.

The Depositors' Register, given to the General Accounting Office, is checked against monthly accounts current, rendered to that office by accountable collecting and disbursing officers. The Departmental Deposit List is checked by the executive department or operating agency against triplicate copies of certificates of deposits. Covering warrants also are checked against collection schedules transmitted to the General Accounting Office by administrative agencies. There is thus provided a double check upon the covering of money into the Treasury.

### *Covering Warrants*

*Numeral 6* shows the preparation of covering warrants. Below this block is the letter B, and by reference to the related letter B in connection with the general ledger journal entries it will be noted that the Uncovered Moneys account is charged for the amount of the covering warrants issued, and a credit is entered in one or more of these three accounts: Revenues, Expenditures, or Public Debt. The Expenditures Account is credited when the deposit represents a refund to an appropriation. In such case there is a dual entry charging the Available Funds Account and crediting the Appropriations Controlling Account. The Available Funds Account is only a "record" account, being contra to appropriations. It has no relation to available cash.

*Numeral 7* shows covering warrants being posted to the Uncovered Moneys account maintained at the control desk in the Receipts Section, and *numeral 8* shows the control desk rendering certain monthly statements of coverings to the Treasurer of the United States for use in connection with the Daily Statement of the United States Treasury.

*Numeral 9* shows the various records which are prepared in connection with the covering warrant already described. As previously mentioned, the form of the covering warrant (B), the departmental list (10), the depositors' register (11), the repayments to appropriation register (12), and the revenue ledger (13) are all ruled exactly alike.

These records tie into other records. By reference to *numeral 14* at the top left of the chart, it will be observed that a copy of the certificate of deposit issued by the collecting officer in the field is sent to his superior officer in Washington, called the "administrative officer".

By reference to *numeral 15* it will be noted that the Departmental Deposit List issued by the Treasury is sent to the same office. This step serves two purposes: First, it informs the administrative department or agency concerned of the formal covering of money into the Treasury; and second, it operates as a check by the administrative office upon both the collecting office and the Treasury. Now, by reference to *numeral 16* (at the center of the Treasury Building), it will be observed that copies of the depositors' register (11), the repayments to appropriation register (12), and the revenue ledger (13) are sent to the General Accounting Office. It will also be observed that collection schedules (*numeral 17* at top center) are sent to the General Accounting Office by the collecting officer, providing an additional check upon the covering of money into the Treasury.

The Repayments to Appropriation Register (12) is totaled for each appropriation account and is sent to the Appropriation and Expenditure Section of the Division of Bookkeeping and Warrants where the items are posted to the proper appropriation accounts in the appropriation ledgers.

### *General, Special, and Trust Accounts*

The accounts in the revenue ledger (13) consist of general accounts (18), special accounts (19), and trust accounts (20).

Although the Federal Government has, in the popular sense, three different funds, namely, general, special, and trust, actually all moneys are deposited in the General Fund. Within the General Fund, however, are general, special and trust accounts.

The general accounts represent moneys which are not designated by the Congress for specific uses. They consist principally of income taxes, duties on imports, miscellaneous internal revenue, and collections from miscellaneous sources such as fees, fines, penalties, forfeitures, sales of Government property, and so forth.

Special accounts (19) represent moneys which the Congress appropriates for specified uses in advance of their collection.

The term "trust accounts" is self-explanatory. These accounts include the Government life insurance fund, various retirement funds, Indian tribal funds, and many others.

On the basis of the receipts in special accounts (19) and trust accounts (20), there is prepared an appropriation warrant (22) for the purpose of establishing the related appropriation accounts and making the money available for authorized uses. Such warrants, after being countersigned in the General Accounting Office, are posted to the detailed appropriation accounts in the appropriation ledgers as indicated on the chart.

Receipts from the sale of public debt obligations are indicated by numeral 21. They are commingled in the general fund with other receipts and may be used only to meet authorized expenditures pursuant to appropriations made by the Congress. A separate public debt account is maintained, showing with respect to each security the total amount issued (receipts), the amount retired (expenditures), and the amount outstanding.

### *Appropriations and Expenditures*

Under the Constitution no money may be drawn from the Treasury except pursuant to an appropriation made by law. Accordingly, the accounting relating to the expenditure of money begins with the appropriation of money by the Congress at D, in the upper right-hand corner of the chart.

Appropriations are of four general types, (1) annual, (2) permanent indefinite, (3) permanent specific, and (4) continuous.

Annual appropriations, provided in the several departmental supply bills, are voted each year by the Congress. They may be obligated only during the fiscal year for which made, but the unexpended balances remain on the books of the Treasury for two additional years to meet outstanding obligations.

Permanent appropriations, on the other hand, are available year after year without annual action of the Congress. They may be either definite or indefinite as to amount. An example of the latter is the permanent indefinite appropriation for payment of interest on the public debt which gives the Secretary of the Treasury continuing authority to pay interest as it falls due.

A permanent specific appropriation is one where the Congress appropriates a specific amount more or less permanently for a number of years. For example, the Congress may make a limited appropriation, say, of a million dollars a year for each of five years. In such a case the Treasury would set up an appropriation account of a million dollars at the beginning of each fiscal year for the five years without annual action by Congress. Or, it may appropriate a specific amount permanently without limitation as to time.

Then again, the Congress may make an appropriation in a specific amount to be available until expended. These are called continuous or "no-year" appropriations. That is, they do not lapse at the end of the fiscal year.

In a limited number of cases (such as good roads and public buildings) Congress authorizes the entering into of contracts to be paid from future appropriations.



There are (1941) more than 8,000 appropriation accounts on the Treasury books. The Congress frequently enacts legislation affecting accounts already on the books. Treasury accountants must not only keep abreast of appropriation legislation, but must keep alert to the possible effect of other new legislation on existing appropriation accounts.

After an appropriation act has been approved by the President, the original is sent to the State Department for custody and safekeeping.

The State Department supplies the Treasury Department with a certified copy of each appropriation act at *numeral 23* (right center of the chart).

### *Appropriation Warrant*

On the basis of the Act, an appropriation warrant is prepared in the Division of Bookkeeping and Warrants upon which is listed the amount to be credited to each appropriation account. After the warrant is countersigned by the Comptroller General of the United States it is posted to the detailed appropriation accounts in the Treasury Division of Bookkeeping and Warrants at *numeral 24*.

A certified copy of the appropriation warrant is sent by the Division of Bookkeeping and Warrants to each administrative agency to which the appropriations are made. This is in the nature of an official notice from the Treasury that the funds are available for obligation and requisition, *numeral 25*, and is used as the medium for posting the appropriation accounts in the operating agency.

### *Appropriation Transfer Warrants*

Frequently the Congress authorizes the transfer of unexpended balances from one appropriation account to another. *Numerals 26 and 27* show the issuance and posting of appropriation transfer warrants.

### *Surplus-Fund Warrants*

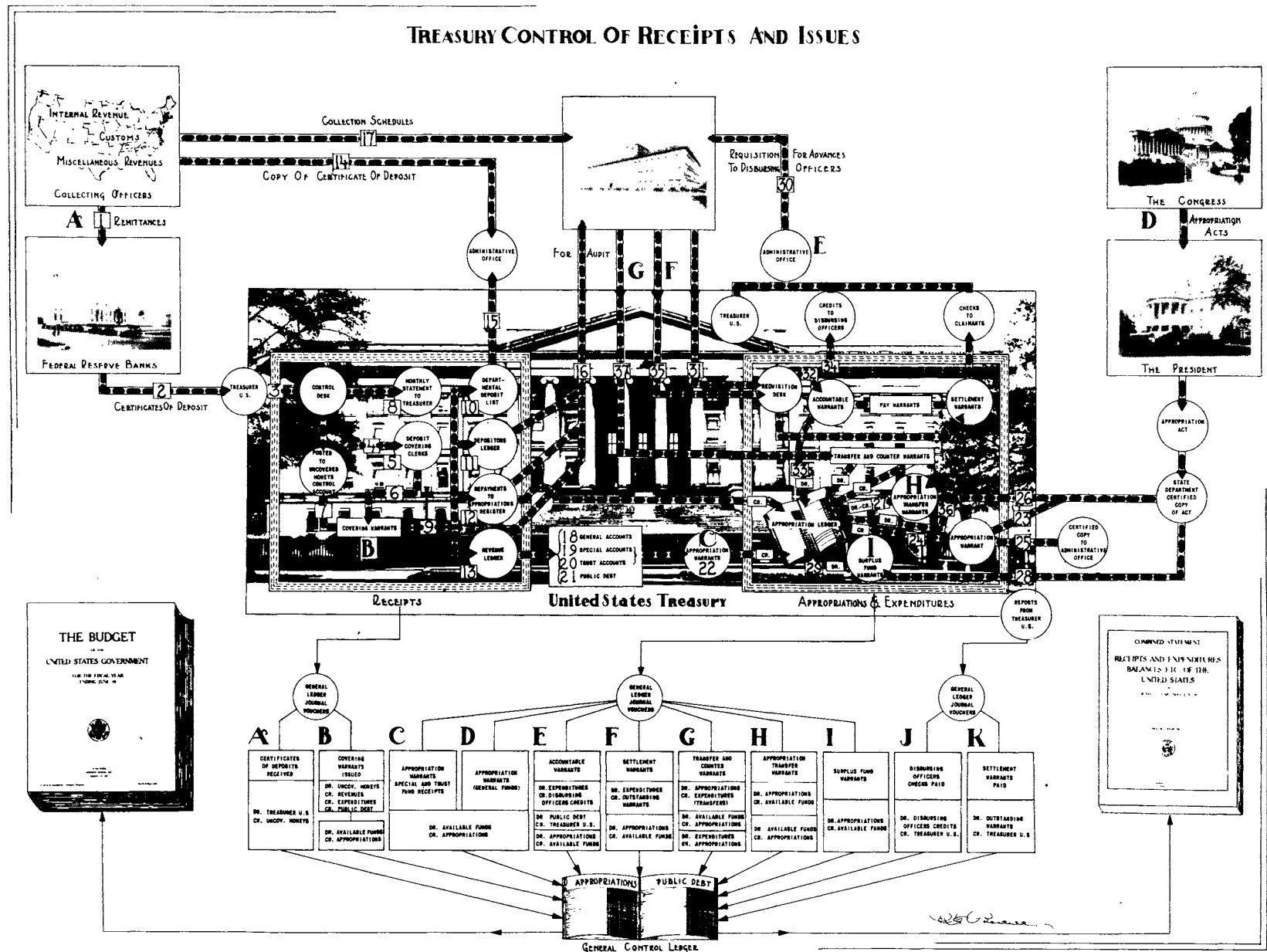
Pursuant to the Act of June 20, 1874, the Treasury clears from its books, as of the last day of each fiscal year, the unexpended balances of all annual appropriations that have remained on the books for two full fiscal years after the close of the year for which the appropriations were made. This is known as carrying money to what in the law is termed the "Surplus-fund of the Treasury." This fund does not represent surplus money as the term would ordinarily imply.

Appropriations when made by the Congress and set up on the books of the Treasury Department do not represent income or cash set aside in the Treasury for the purposes specified in the appropriation acts. They are only record accounts and merely represent the limit to which administrative offices may obligate Government funds for specified purposes. They are based largely on anticipated tax collections and other receipts. It follows, therefore, that when appropriations, or unexpended balances of appropriations, are carried to the Surplus-fund of the Treasury it involves simply a matter of writing such appropriations off the books without increasing the cash in the Treasury or affecting it in any manner.

*Numerals 28 and 29* show the posting of surplus-fund warrants to the detailed appropriation ledgers.

(Turn to the next page for the chart, "Control of Receipts and Issues.")

# TREASURY CONTROL OF RECEIPTS AND ISSUES



## THE TREASURY BUILDING

The cornerstone of the United States Treasury Building was placed, and the building stands where it is, because President Andrew Jackson did not have patience with a committee, even one of his own choosing.

Fire had taken two Treasury buildings, and for several years in the Republic's youth the Department had no building of its own. After many urgings and delays, the Congress celebrated July 4, 1836, by authorizing the President to cause to be erected "a fireproof building of such dimensions as may be required for the present and future accommodations" of the Department. There was an appropriation of \$100,000.

It was the intention of those delegated by President Jackson to carry out the provisions of the Act that the building should be placed so that it would not obstruct the view along the mile and a half of Washington's broadest thoroughfare, Pennsylvania Avenue, between the White House and the Capitol.

But the Treasury Building planners did not act at once. They held meetings and talked. Their delay irked President Jackson. Had the members of his planning committee been abroad early one morning—and doubtless later they wished they had—they would have seen the First Citizen leave the Executive Mansion and cross over briskly with a little group to the vacant Treasury site. After an examination of the ground, the President suddenly came to a halt (so the story goes), planted his cane firmly in the earth near the northeast corner, and exclaimed to those around him:

"Right here is where I want the cornerstone!"

This story has confirmation. Robert Mills, who designed the building on which operations were begun in 1838, informed a Congressional committee that "its precise position" had been determined "by the positive directions of the late President."

When the Treasury Department was established by the first Congress, and for several years thereafter, Philadelphia was the temporary capital of the Nation. Included in the scheme of buildings for the various branches of the public service, that were soon to be removed to the District of Columbia, were plans for a small wooden structure to house the Treasury.

This building, the design of George Hatfield, an English architect, was erected at the northeast corner of the site of the present building, or near the corner of Pennsylvania Avenue and Fifteenth Street. Completed in 1799, it was occupied in 1800, when the new City of Washington became the seat of the Federal Government.

This first Treasury headquarters in Washington was partially destroyed by fire in 1801. Repaired, the building continued in use until 1814, when it was burned by British soldiers, with most of its records and documents. Another building, erected soon afterward, was the home of the Treasury until March 31, 1833, when it also was destroyed by fire.

Then came the cane-planting episode, in 1836, that gave the building its location and its start. But progress suffered a long series of delays. As the project took shape it failed to gain the approval of the Congressional Committee on Public Buildings and Grounds. In undertaking to pass judgment, the committee availed itself of the services of Thomas U. Walker, a Philadelphia architect. Among the features which the committee criticised were the location and plan of the building and the material that was being used in its construction.

A report to the Congress, March 29, 1838, embodied the committee's criticisms. One of the objections was that if the plans then being followed were carried out it would be necessary to remove the State Department Building, which at that time stood upon ground now occupied by the east end of the north wing of the Treasury. With its report, the committee submitted a draft of a bill calling for the demolition of the work already in place.

While the committee waited for Congressional approval of its report, building operations were suspended. The Congress evidently failed to heed the committee's recommendations, for operations were shortly resumed, with sufficient result that August, 1839, saw installed in the yet uncompleted building the Secretary of the Treasury, Levi Woodbury, as well as the Register, the first Comptroller, the Solicitor, and the Commissioner of the General Land Office. The Attorney General's offices also were in the Treasury Building.

As it stood when completed in 1842, the Treasury Building was much smaller and less imposing than it is now. Except on its east side, its outer walls were within the lines of the corridors that now run the length and breadth of the building, and it contained in all but 150 rooms. The building now with subdivisions—for many of the originally spacious chambers have been cut into two or three offices—contains 475 rooms.

The cost was something less than \$700,000. The architect's plans called for an expenditure of nearly \$1,500,000. Had the original design been followed, with a view to the "future accommodations" of the Department, the structure might have remained without additions or alterations for a long time.

It was necessary in a few years to enlarge the building, and the Congress by Act of March 3, 1855, appropriated \$300,000 for the purpose. Work on the extension was begun in July, 1855, on plans drawn by Architect Walker, whose earlier recommendations had been ignored. By September, 1861, the portion which constitutes the present south wing was completed. The work was interrupted during the early days of the Civil War, but by 1864 the west wing had been carried up to the line of the present north facade.

Adjacent to the Treasury Building, on the north, were two other Government buildings. One, at the northwest corner of the Treasury reservation, housed the War and Navy Departments. The other, at the northeast corner, had the Department of State. To make room for the north wing, these buildings were removed, and in 1869 the Treasury's north wing was finished. The construction of this wing completed a building of a hollow rectangular shape bisected by a single corridor across the center from east to west.

Thus, after a third of a century, the building authorized in 1836 was approximated. The cost of the structure, with the three wings added, totaled a little more than \$6,000,000; later changes brought the total cost to about \$8,000,000.

Installation of electricity began in the 1880's, and the development and extension of direct current systems came as the demands for new appliances grew. The first contract for general installation of electricity was made in 1898. This was for a direct current, high-tension system that continued in use until 1938, when installation of an alternating current system was completed. Change from direct to alternating current (except for elevator service) was begun in 1933 and continued over a five-year period.

The first elevators, two hydraulics, were installed in 1879, one at the north end and one at the south end of the east corridor. Three electric elevators were installed in 1910, the first of their type in the building.

The first-air-conditioning machines were installed in 1933-34 on the fourth floor, and about a year later the remainder of the building (except the sub-basement) was conditioned. The plant where most of the air is cooled is on the fourth floor, at the northern end of the building. Here air is drawn in from outdoors through sheets of falling water. Much of this air, still cool, is returned to the plant, renovated and again put in circulation.

Plumbing of some kind has been in the Treasury Building since its beginning. In 1888 the old brick sewer that ran under the building was replaced with iron pipes, and in 1904 a new cast-iron sewer was laid.

Electric drinking water coolers replaced ice coolers in 1934.

In the early days gas was used for lighting. A piping system supplied the gas to ceiling chandeliers and wall bracket fixtures. Parts of this system remain in walls and under floors throughout the building. The fluted and gilded pilasters along the halls, whose capitals, shaped of Treasury eagles, are Corinthian in effect, are hollow, and contain gas pipes.

The story of heating in the Treasury Building suggests a pageant of scientific progress. First, open fireplaces and crackling logs, then Franklin stoves, and now, after various trials and changes, the high-pressure steam heating system installed in 1907. Several fireplaces are still used, one of them in the Secretary's Office.

Thus the Treasury Building has known many changes and improvements since its completion, has seen transition from brick arch sewers, primitive heating facilities, candle and gas jet lighting, no elevators, to plumbing, heating and lighting systems of advanced type, modern passenger and freight elevators, and air-conditioning.

It may be said of the Treasury Building that it is a building with other buildings within it. In 1891, a \$25,000 building for the Supervising Architect's office was constructed in the south court, inside the rectangle. In 1933 a great vault was constructed in the north court, at a cost of \$334,290, and in 1934, office space was constructed over the vault at a cost of \$37,160.

Greek Revival in form, the Treasury Building is considered one of the most consistent units of this type in the United States. The Building's dimensions are 260 feet east and west by 466 feet north and south, or about two city blocks in length and one in width. There are four floors, a basement and sub-basement; the so-called basement is really the first floor, making a five-story building. The fourth floor, hidden from the street by a parapet balustrade, is a comparatively recent addition, constructed in 1921.

The rectangle encloses a central court and covers more than 120,000 square feet, or nearly five acres. The court is divided by a corridor of offices connecting the east and west wings. There is the office-vault building in the north court area and a one-story building in the south court area. The north, south and west facades have lofty porticoes, the pediments of which in each instance are supported by eight giant monolithic columns of Ionic design. The east facade is distinguished by a colonnade of thirty of these great monolithic columns in an unbroken line of 341 feet. All the Treasury Building columns, of which there are 72, are of granite, each 36 feet in height and weighing about thirty tons. Besides the colonnade there are two pairs of pillars on the east side, 18 in all on the west side and 10 each on the north and south sides.

The columns of the colonnade were originally of sandstone from Virginia quarries. This stone suffered from weather, and in 1907 these columns were replaced with granite from New Hampshire; the stone was finished in shops at Worcester, Massachusetts, and came to Washington by rail. The east, or Fifteenth Street entrance, was remodeled, and steps leading to the first floor were removed so that the entrance is now on the street level into the so-called basement. Granite for the other columns and for the remainder of the building was quarried on Dix Island near Rockland, Maine. It was brought to Washington in sailing ships.

When the east side columns were replaced, the pilasters behind them, and four inches of the face of the building, including cornice and parapet, were replaced with granite. Portions of the old sandstone finish may be seen on the court or inner side of the building.

The main entrance, as planned originally, was to have been from Treasury Place on the south. But this entrance is not even used now, and remains closed. It is the opposite entrance on the north, perhaps the most photographed, that is doubtless considered the front door of the Treasury by the average Washington sightseer. However, the main entrance to the Treasury Building is the one on Fifteenth Street, through the colonnade. The entrance consists of five narrow, heavily barred doorways, of which but one is commonly used for entry, the others being used as exits.

The west entrance, looking across to the White House grounds, is sometimes considered the one intended by the planners for the front door of the Treasury, but convenience to transportation and the business district determined that the opposite east entrance should become the main portal.

In a sunken court on the west side, partially roofed by lawns and driveways, there is storage place for officials' cars, and for delivery trucks and vans; coal bunkers tunnel under the sidewalk, and to the north one of the cooling units of the air-conditioning system operates beneath the lawn.

The great cash room of the Treasury, arranged much like the public hall and cashiers' windows of a bank, is on the first floor behind the north portico. This chamber is 72 feet long, 34 feet wide and 30 feet—two stories—in height. There is a balcony all around at the second floor level. The walls of both floor levels are of vari-colored Vermont and Italian marble panels and trim, between pairs of fluted pilasters. The capitals of the first floor pilasters are Corinthian. The capitals of the second floor pilasters are Ionic-Corinthian. So fine is this room that at the time of President Grant's second inauguration it was chosen as the most fitting one in Washington in which to hold the splendid inaugural ball. In the corridors outside the cash room are cases of exhibits bearing upon the development and mechanical preparation of the national currency. Other cases in the building's corridors contain relics of historical significance.

Entrance through the east or Fifteenth Street door is to the ground floor of the building, commonly called the basement, but actually the main floor.

On the ground floor there is a modern emergency room, with a 24-hour schedule, so as to care for night-shift employees as well as those who work by day.

Below the ground floor or basement is the sub-basement, where the building's mechanical controls are placed. In the north portion of the sub-basement are vaults, burglar- and fire-proof, cut off by guarded inner stairways from access save to designated employees. There are eleven vaults with time-lock and electrical protection. Here are stored silver, paper money and bonds of many millions' value. The largest, or currency reserve vault, has the reserve supply of paper currency and of silver coin and bullion. The vault next in size is for securities and miscellaneous storage. Confiscated opium is kept in these vaults, and as much as 50,000 pounds have been stored at one time. These two largest vaults, constructed in 1933 and 1934, contain approximately 145,000 cubic feet of storage space. Their alarm systems would indicate to the Captain of the Watch any attempt to tamper or to enter.

From the sub-basement a passage leads north under wide and busy Pennsylvania Avenue to the Treasury Annex, which houses the Disbursement offices. The Annex completed in 1919, is a six-story building of Italian Renaissance architecture.

The office of the Building Superintendent is on the ground or basement floor. Other important offices on this level include the personnel division, tax research division, the field offices of the Secret Service and the Public Debt Service. Up one flight by a broad, curving stairway, with deeply worn treads of stone, are the Chief Clerk's and part of the Comptroller's offices. On the first floor also are the Secret Service and part of the General Counsel's staff. The second floor has the General Counsel's Office, and Research and Statistics.

On the second floor, at the southwest corner of the building, are the reception room and offices of the Secretary of the Treasury, reached by elevator from a private entrance which faces toward the east door of the White House. The Secretary's offices command on the west a view of the trees and lawns of the White House grounds; to the south in the forecourt is seen the Alexander Hamilton statue, and beyond, across Treasury Place, the equestrian statue of General Sherman, curving drives and

Potomac Park stretching toward the Washington Monument. Framing this vista on the left is the Department of Commerce Building. The park's many trees stand like a heavy forest, obscuring the great bend of the Potomac, southward, and the Lincoln Memorial, southwestward. In the south foreground, the Secretary's windows look on a broad lawn, framed by the Treasury's rose gardens.

Grouped around the Secretary's office on the second floor are those of the Under Secretary, the Assistant Secretaries, and the several Assistants to the Secretary, with their own subordinate forces. The General Counsel's office occupies a suite at the southeast corner of the secretarial corridor.

About half the space on the third floor is occupied by the Division of Bookkeeping and Warrants, which is the Government's principal bookkeeper. All accounting matters for the entire Government service in Washington are cleared through this office, which has at its head the Commissioner of Accounts and Deposits. Much of the remaining space is occupied by offices of the Comptroller of the Currency. Also housed on this floor are members of the General Counsel's staff, with a well equipped law library. The main Treasury telegraph office also is on the third floor; likewise the Treasury Library, whose 126,000 volumes include a comprehensive collection of financial and taxation material. Data and reports from all nations and all States, with complete tax and financial information for the Federal Government, are here. The Library has one of the few complete collections of the Congressional Record, and the Proceedings of Congress, with committee and departmental reports, so that the historian or researcher may find what he seeks if it is within the province of fact. All the Reports to Congress of the Secretaries of the Treasury are here in bound volumes, from that of Secretary Hamilton, now known as the Report on the Public Credit, to the present Annual Report. Financial reports from other countries—and all countries having financial reports are represented—include Government documents, bank statements, and other statistical material. The Library maintains exchange relations with 27 libraries in Washington and elsewhere in the United States.

The fourth floor, added to the Treasury Building by the expedient of lifting the roof, is made up mostly of large spaces. Approximately three-fourths of the floor is occupied by the Accounting Division, attached to the office of the Treasurer. Here all Government checks are audited and listed before being stored. Also on this floor are the Division of Deposits, the Secretary's Correspondence Division, and the Graphic Section of the Division of Research and Statistics.

The statue of Hamilton, first Secretary of the Treasury, was modeled by James Earle Fraser, American sculptor, much of whose work is in Washington. The statue, unveiled May 17, 1923, stands in the center of the broad paved terrace at the foot of the south steps. It is a nine-foot bronze figure on a pedestal of pink granite, of which Henry Bacon was the designer.



These inscriptions are cut in opposite faces of the pedestal:

ALEXANDER HAMILTON  
1757 - 1804  
First Secretary of the Treasury  
Soldier Orator Statesman  
Champion of Constitutional Union  
Representative Government and  
National Integrity

"He smote the rock  
of the National resources  
and abundant streams  
of revenue gushed forth.  
He touched the dead corpse  
of the public credit and  
it sprung upon its feet"

The quotation is from an address delivered by Daniel Webster, March 10, 1831, in tribute to Hamilton.

James Earle Fraser was commissioned (1939) sculptor of the Albert Gallatin statue, to be placed in the north forecourt of the Treasury. The statue, to be 10 feet in height on a green granite base, designed by the Supervising Architects' Office of the Federal Works Agency, will be erected by the Albert Gallatin Memorial Fund Commission. Gallatin was Secretary of the Treasury from 1801 to 1814, was a representative at the framing of the Treaty of Ghent, and was Minister to France and to Great Britain. The statue will occupy the space where stood a much-admired fountain, removed (1939) to make room for the sculpture.

The Hamilton statue causes many questions, from "Who was Alexander Hamilton?" to the name of the author of the rock-smiting inscription.

The Treasury Building, at the city's very axis, is the object of much inquiry. Sometimes it is the building's age that is asked, but the request most often heard from tourist visitors is to be shown "where the money is made." Usually what is meant is meant is the place of coinage of gold and silver. They are told that no coin or currency is produced in the Treasury Building; that most of the metal coin is minted at the Philadelphia Mint. Printing of paper money is done at the Bureau of Engraving and Printing, whose huge building is between Fourteenth and Fifteenth Streets, southward beyond the Washington Monument from the Treasury.

There is interest in the large portraits, for the most part in oils, of Secretaries of the Treasury, that hang on the walls of the secretarial and assistant secretarial suites. There is a portrait of each past Secretary, but not all of them have places in the offices.

Even with every inch of space utilized, and many of the earlier large offices divided into two or more smaller ones, the Treasury Building cannot accommodate all Department functions, and Treasury activities are placed in many other buildings, some rented, some owned by the Government. Among the latter are the so-called Annex, the Bureau of Engraving and Printing, the

Liberty Loan Annex, the Internal Revenue Building, which covers most of two blocks, and the Procurement Building.

Details of the Treasury Building, as well as its architectural entity, are frequently the objects of admiration, both by the one-time visitor and by those who enter it each day. There are long hallway vistas, arresting views between columns, factors of design and decoration that take the attention, such as the Hamilton statue, seen through the columns of the south portico; the morning light through the colonnade; the circular stairways with no visible supporting agencies, each granite step fashioned to fit the curve and varying from each other step; the balustrade grill work of wrought iron, of oak-and-acorn design; the ceiling decorations of the fourth floor rotundas; many friezes and cornices; the fluted and gilded hallway pilasters, whose capitals are shaped of eagles with lifted wings, and bear the key symbol as it appears on the Treasury Seal; the groined arches where the arched hallways join in front of the east elevators; the columned lobby at the west portal; the arched or paneled ceilings and their value for reflected light. Much of the building's beauty derives from the fact that its builders from the first worked with the thought of utility and comfort as prerequisites to good construction.

The Treasury Building, for the most part a hundred years old, has the utility and convenience of a brand-new office structure, with the spaciousness and graciousness and dignity of another and perhaps less hurried time.

The only place within or without the building that bears words indicating its character is the entrance to the Cashier's Room opening from the north lobby. Here above the doors appear the words:

"Treasury of the United States."

# SECRETARIES OF THE TREASURY and Presidents Under Whom They Served

<i>Presidents</i>	<i>Secretaries</i>	<i>Term of Service from to</i>	
WASHINGTON	Alexander Hamilton, New York	Sept. 11, 1789	Jan. 31, 1795
	Oliver Wolcott, Connecticut	Feb. 3, 1795	March 3, 1797
ADAMS, JOHN	Oliver Wolcott, Connecticut	March 4, 1797	Dec. 31, 1800
	Samuel Dexter, Massachusetts	Jan. 1, 1801	March 3, 1801
JEFFERSON	Samuel Dexter, Massachusetts	March 4, 1801	May 13, 1801
	Albert Gallatin, Pennsylvania	May 14, 1801	March 3, 1809
MADISON	Albert Gallatin, Pennsylvania	March 4, 1809	April 17, 1813
	George W. Campbell, Tennessee	Feb. 8, 1814	Oct. 5, 1814
	Alexander J. Dallas, Pennsylvania	Oct. 6, 1814	Oct. 21, 1816
	William H. Crawford, Georgia	Oct. 22, 1816	March 3, 1817
MONROE	William H. Crawford, Georgia	March 4, 1817	March 6, 1825
ADAMS, J. Q.	Richard Rush, Pennsylvania	March 7, 1825	March 5, 1829
JACKSON	Samuel D. Ingham, Pennsylvania	March 6, 1829	June 20, 1831
	Louis McLane, Delaware	Aug. 8, 1831	May 28, 1833
	Wm. J. Duane, Pennsylvania	May 29, 1833	Sept. 22, 1833
	Roger B. Taney, Maryland	Sept. 23, 1833	June 25, 1834
	Levi Woodbury, New Hampshire	July 1, 1834	March 3, 1837
VAN BUREN	Levi Woodbury, New Hampshire	March 4, 1837	March 3, 1841
HARRISON	Thomas Ewing, Ohio	March 6, 1841	April 4, 1841
TYLER	Thomas Ewing, Ohio	April 5, 1841	Sept. 11, 1841
	Walter Forward, Pennsylvania	Sept. 13, 1841	March 1, 1843
	John C. Spencer, New York	March 8, 1843	May 2, 1844
	George M. Bibb, Kentucky	July 4, 1844	March 4, 1845
POLK	George M. Bibb, Kentucky	March 5, 1845	March 7, 1845
	Robert J. Walker, Mississippi	March 8, 1845	March 5, 1849
TAYLOR	Wm. M. Meredith, Pennsylvania	March 8, 1849	July 9, 1850
FILLMORE	Wm. M. Meredith, Pennsylvania	July 10, 1850	July 22, 1850
	Thomas Corwin, Ohio	July 23, 1850	March 6, 1853
PIERCE	James Guthrie, Kentucky	March 7, 1853	March 6, 1857
BUCHANAN	Howell Cobb, Georgia	March 7, 1857	Dec. 8, 1860
	Philip F. Thomas, Maryland	Dec. 12, 1860	Jan. 14, 1861
	John A. Dix, New York	Jan. 15, 1861	March 6, 1861

<i>Presidents</i>	<i>Secretaries</i>	<i>Term of Service</i> <i>from to</i>	
LINCOLN	Salmon P. Chase, Ohio	March 7, 1861	June 30, 1864
	Wm. P. Fessenden, Maine	July 5, 1864	March 3, 1865
	Hugh McCulloch, Indiana	March 9, 1865	April 15, 1865
JOHNSON	Hugh McCulloch, Indiana	April 16, 1865	March 5, 1869
GRANT	Geo. S. Boutwell, Massachusetts	March 12, 1869	March 16, 1873
	Wm. A. Richardson, Massachusetts	March 17, 1873	June 3, 1874
	Benjamin H. Bristow, Kentucky	June 4, 1874	June 20, 1876
	Lot M. Morrill, Maine	June 7, 1876	March 3, 1877
HAYES	Lot M. Morrill, Maine	March 4, 1877	March 9, 1877
	John Sherman, Ohio	March 10, 1877	March 3, 1881
GARFIELD	Wm. Windom, Minnesota	March 8, 1881	Sept. 19, 1881
ARTHUR	Wm. Windom, Minnesota	Sept. 20, 1881	Nov. 13, 1881
	Charles J. Folger, New York	Nov. 14, 1881	Sept. 4, 1884
	Walter Q. Gresham, Indiana	Sept. 25, 1884	Oct. 30, 1884
	Hugh McCulloch, Indiana	Oct. 31, 1884	March 3, 1885
CLEVELAND	Hugh McCulloch, Indiana	March 4, 1885	March 7, 1885
	Daniel Manning, New York	March 8, 1885	March 31, 1887
	Charles S. Fairchild, New York	April 1, 1887	March 3, 1889
HARRISON, B.	Charles S. Fairchild, New York	March 4, 1889	March 6, 1889
	Wm. Windom, Minnesota	March 7, 1889	Jan. 20, 1891
	Charles Foster, Ohio	Feb. 25, 1891	March 3, 1893
CLEVELAND	Charles Foster, Ohio	March 4, 1893	March 6, 1893
	John G. Carlisle, Kentucky	March 7, 1893	March 3, 1897
MCKINLEY	John G. Carlisle, Kentucky	March 4, 1897	March 5, 1897
	Lyman J. Gage, Illinois	March 6, 1897	Sept. 14, 1901
ROOSEVELT, T.	Lyman J. Gage, Illinois	Sept. 15, 1901	Jan. 31, 1902
	L. M. Shaw, Iowa	Feb. 1, 1902	March 3, 1907
	G. B. Cortelyou, New York	March 4, 1907	March 7, 1909
TAFT	Franklin MacVeagh, Illinois	March 8, 1909	March 5, 1913
WILSON	W. G. McAdoo, New York	March 6, 1913	Dec. 15, 1918
	Carter Glass, Virginia	Dec. 16, 1918	Feb. 1, 1920
	David F. Houston, Missouri	Feb. 2, 1920	March 3, 1921
HARDING			
COOLIDGE	Andrew W. Mellon, Pennsylvania	March 4, 1921	Feb. 12, 1932
HOOVER			
HOOVER	Ogden L. Mills, New York	Feb. 13, 1932	March 4, 1933
ROOSEVELT, F. D.	William H. Woodin, New York	March 5, 1933	Dec. 31, 1933
	Henry Morgenthau, Jr., New York		

