

1852: Dark Clouds Over The Pacific Coast Lighthouses

by John D. Thomas

The 1849 Gold Rush in California prompted our government to authorize the construction of eight lighthouses on the Pacific coast — seven in California and one at the entrance of the Columbia River. The lighthouses were authorized in April of 1851.

However, some apparent under-the-counter dealings in Washington (sound familiar?) caused a delay in their construction. It wasn't until 1854 that the first west coast lighthouse went into operation on Alcatraz Island in San Francisco Bay.

There has been some speculation that then Treasury Secretary Corwin was involved. But, without a doubt Treasury Department Clerk John McGinnis was deeply embroiled in contractual improprieties, although he may have been led astray by his superiors.

The following story, written by John Thomas, reveals what might have taken place back in the 1850s regarding the construction of our first west coast lighthouses. Author Thomas relied on imagination, Treasury Reports to Congress, facts gleaned from history books about that era, and the Minutes from a Senate Select Committee convened to investigate contractual improprieties regarding the construction of the first west coast lighthouses.



Alcatraz Lighthouse circa 1900. The building at left is home of the warden of the prison. U.S. Lighthouse Society photo.

Part II

In the winter issue of the *Log* we published Part I of a dispute regarding the construction of the first eight lighthouses to be constructed on the west coast. Clerk John McGinnis, working for the lighthouse section of the Treasury Department, appears to have been led astray.

Clerk McGinnis is called before a Senate Select Committee which is investigating corruption in government. In McGinnis's case, the committee has questions about the contract to construct the first west coast lighthouses.

There were exceptions to standard governmental procedures in every step of preparing for the construction of the California and Oregon lighthouses. Following the signing of the three-partners contracts, no bond or security was immediately required of the partners.

The contract was not to be advertised; this by direct order of the Secretary of the Treasury. The Secretary had asked John McGinnis to check the law concerning requirements that government contracts be publicly advertised. This request shocked McGinnis. The Treasury Department was involved in every contract entered into by the United States Government. How was it possible that the Secretary of the Treasury did not know the requirements for the letting of contracts?

Yet McGinnis was inclined to give the Secretary the benefit of the doubt. There was an urgency about getting the contracts set and the construction begun. John McGinnis reflected over the rapidly changing events of the past few years on the West Coast. Shortly after the government annexed California, the 1849 Gold Rush began. In 1848, gold had been discovered at Sutter's Mill near Sacramento. This discovery caused a major population explosion in the small village of San Francisco, some 200 miles distant, as thousands of people rushed to California in search of their fortune. In addition to arriving from across America, they were coming from Europe and Australia. However, there was a dark cloud hanging over the arrival of this throng. A high percentage of ships carrying future prospectors to the Gold Rush never made port. Vessels were dashed upon the rocks of the rugged, and as yet, poorly charted coast. In addition, this was a shoreline often shrouded in fog and strong currents which sent ships toward shore. There was a total lack of aids to navigation.

Shortly after an agreement was signed between the three partners and the government, McGinnis made various informal contacts with known builders who

might be hired to do the actual construction work. He asked for and received bids with costs ranging from \$105,000 to \$277,000 for the seven California lighthouses and one in Oregon.

Additional bids were received, and dollar amounts discussed. Negotiations continued for several months and yet a final construction contract was not signed. Secretary Corwin became concerned by the seemingly endless delays and hesitation. In April 1852, Secretary Corwin notified John McGinnis that he had not fulfilled his contract that thus it might be cancelled.

The Secretary's warning letter of possible cancellation contained a very important statement "...you are therefore free to have someone take it (the contract) off your hands."

McGinnis was able to accomplish this. Francis A. Gibbons and Francis S. Kelly, of Baltimore, assumed the contract, and agreed to pay McGinnis \$15,000 for it. As stated by McGinnis in the Senate Select Committee testimony:

"Mr. Delano was a party to that agreement. Mr. Robert Corwin's interest remained as before. The negotiations with Gibbons and Kelly were conducted by Delano, and he represented

McGinnis in the matter. A contract was made with the Assistant Secretary of the Treasury W.L. Hodge that substantially corresponded with that of McGinnis and the Treasury Department. Gibbons and Kelly are now going on with the contract. I think they got it in May of 1852.

"The \$15,000 was paid by Gibbons and Kelly between the 25th and the last day of July 1852. It was paid to Delano, by an order from Gibbons and Kelly on the appropriation then in the Treasury, and McGinnis received his share \$2000, but McGinnis does not know if Robert Corwin received his portion from Delano."

As John McGinnis sat through the lengthy hearings of the Senate Select Committee, he became distressed by many statements made under oath to the committee. Many of them were confusing, vague, and sometimes obvious mis-statements. Some of the conflicting statements which concerned McGinnis were:

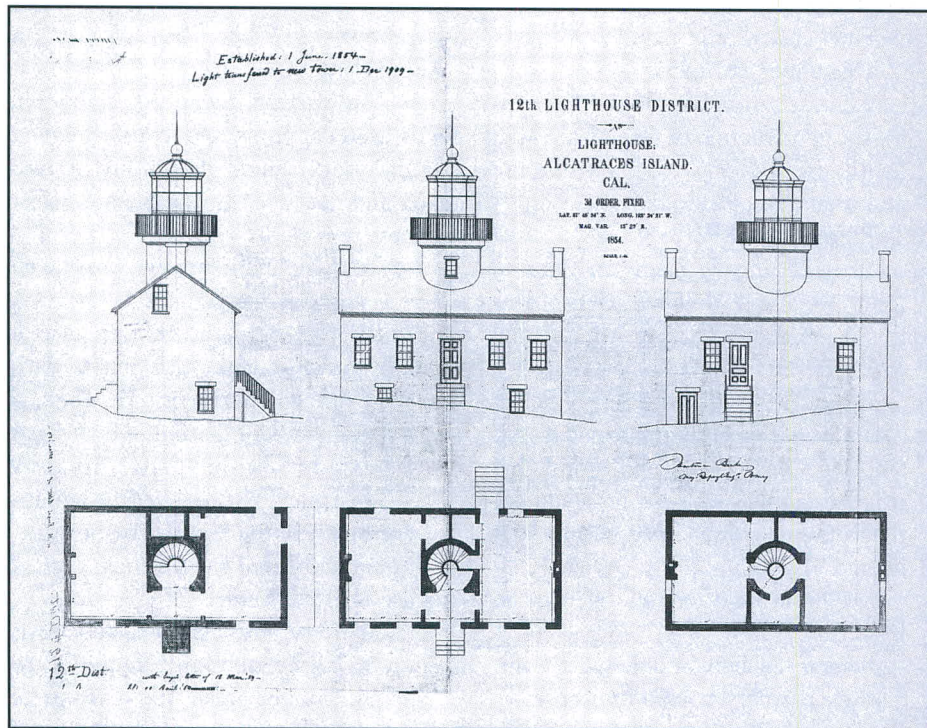
By W.L. Hodge, Assistant Secretary of the Treasury:

"During a temporary absence of the Secretary of the Treasury, I (W.L. Hodge) as Acting Secretary, made the contract with McGinnis. It was not advertised, because it was generally known and not deemed necessary.

"I required a solvent bond from McGinnis for the sum of \$75,000 against which he remonstrated as being too large a security. I then advised him to relinquish the contract. After McGinnis made fruitless efforts to obtain partners, he relinquished the contract and it was cancelled. This was in accordance with the Secretary's previous desires.

"The contract was finally concluded with F.A. Gibbons and F.S. Kelly, who were brought forward by McGinnis. A satisfactory bond for \$75,000 was promptly executed by those parties."

As the testimony continued, McGinnis listened to many statements to the investigating committee that he knew were not the actual events in which he had participated. Contradictory statements, coming as a complete surprise to McGinnis were entered in the record, including:



This basic design was used, with some variation, for all eight of the first west coast lighthouses.

By W.L. Hodge, Assistant Secretary of the Treasury:

"There were no contract negotiations with McGinnis until after he left the Treasury Department.

"I (W.L. Hodge) learned that McGinnis was endeavoring to sell his interest in the contract for a fixed sum. This excited my anger.

"I (W.L. Hodge) had no knowledge of Mr. Robert Corwin's (brother of the Secretary of the Treasury) or Mr. Delano's connection with the business, and I am convinced that Mr. Robert Corwin had not, and never was to have, and he has not received any pecuniary benefit therefrom."

The testimony of W.L. Hodge contained constant denials of any awareness of McGinnis's initial role in securing a contract. Assistant Secretary Hodge denied that he knew McGinnis had partners in the contract venture and added that he did not know that McGinnis wanted to sell his contract at a profit. Hodge also testified that he did not receive any instructions from the Secretary of the Treasury regarding the contract. He said that the Secretary had never had conversations or negotiations with McGinnis while McGinnis was employed by the Treasury Department. Hodge added that there was no uniform practice concerning the public advertising of available contracts. He cited the case of a public warehouse in New York, rented for over \$100,000 per year without advertisement.

The testimony of George Harrington, Chief Clerk of the Treasury Department, replacing McGinnis, was simply that McGinnis had made a contract for the lighthouse construction work on the 28th day of December 1851, for \$136,000; he was to give bond in the amount of \$75,000. The department demanded the bond on the 17th of March 1851. McGinnis did not comply and Chief Clerk Harrington was directed by the Secretary to draft a letter to McGinnis cancelling the contract. This was accomplished.

Four weeks later, a contract was finalized between Gibbons and Kelly, contractors, and the Treasury Department. Chief Clerk Harrington said he did not know who negotiated the contract between

McGinnis and the Treasury Department. Such negotiations were assigned to the assistant Secretary, and the Chief Clerk only knew the results when they reached the department files.

Robert Corwin, brother of the Secretary of the Treasury, testified that he never had any interest whatsoever in the lighthouse construction contract. He was in Ohio when negotiations took place and he knew nothing about: "...arrangements or relations between Delano and McGinnis, until McGinnis was called upon by the committee. All I knew was from hearsay, and even from this I do not know who are interested in McGinnis and Delano, nor the price for which the work was to be done."

Secretary of the Treasury Corwin was invited several times to appear before the Senate Select Committee. Each time he declined the invitation on the basis of "executive privilege." He did not appear and he was not cited for contempt.

Throughout the Senate Select Committee investigation, the cost figures for the construction of the California and Oregon lighthouses were given. As has historically been the case in the United States, initial Congressional appropriations were not adequate and additional funds had to be allocated.

Financial records include:

December 28, 1851

Contract made with John McGinnis for the construction of seven California lighthouses and one Oregon lighthouse at a total cost of \$136,000.

January 1, 1852

Seth H. Ingalls made an offer to John McGinnis to build eight lighthouses on the Pacific Coast for a total \$112,000.

Ingalls reported to the Senate Select Committee that McGinnis stated that amount was too large and he (McGinnis) was satisfied he could get the work done for \$80,000. Ingalls then offered \$108,000.

McGinnis rejected all offers from Ingalls.

Francis Gibbon and Francis Kelly, business partners, bought the construction contract from McGinnis for \$15,000. Gibbons and Kelly both stated on the record that Secretary of the

Treasury Corwin, "...gave to a clerk in his department a private contract, with the expectation that the clerk should dispose of the contract on sub-contractors, and thereby make a large pecuniary profit."

At this point it is interesting to note that the Senate Select Committee in the summary of its findings stated:

"... the partner which this clerk (McGinnis) associated himself with (Delano) was a personal friend of the Secretary of the Treasury, then unknown to the clerk, and was so taken as a partner at the suggestion and request of the Secretary; and that this partner (Delano) subsequently, but still before the contract was awarded, procured the association of another partner in the proposed contract—the third partner being Robert G. Corwin, of Ohio, a near relative of the Secretary."

Returning to the record of financial actions:

April 24, 1852

The Secretary of the Treasury asked Congress for an additional \$150,000 for the construction of the Pacific Coast lighthouses.

This request was approved by the U.S. Senate and monies were promptly appropriated by the House of Representatives.

As construction advanced, additional funds were appropriated over the next several years. Highlights from actions taken and not taken by the Senate Select Committee include:

- No disciplinary action was taken against any individual.
- No letters of reprimand were issued.
- By direction of the U.S. Senate, with an Act dated August 31, 1852, a nine-member Lighthouse Board was created within the Treasury Department to take over the administration of the Lighthouse Service.

Some highlights of the Senate Act of August 31, 1852 were:

"That the President be, and he is hereby authorized and required to appoint, immediately after passage of this act, two officers of the Navy of high rank, two officers of the Corps of Topographical Engineers of the Army,

one officer of the Corps of Engineers of the Army, and two civilians of high scientific attainment ... and an officer of the Navy and an officer of the Engineers of the Army as secretaries, who shall constitute the Light-house Board of the United States.

"...the Board so constituted will be attached to the office of the Secretary of the Treasury.

"... the Light-house Board will meet four times in each year for the transaction of general and special business ... and the Secretary of the Treasury is hereby authorized to convene the Light-house Board whenever, in his judgement, the exigencies of the service may require it.

"That the Secretary of the Treasury is hereby required to cause such clerks as are now employed on lighthouse duties in the Treasury Department to be transferred to the Lighthouse Board without any change in salary; and to provide the necessary accommodations for the secretaries and clerks, for the preservation of the archives, models, drawings, etc., and for holding the meetings of the Board; and that he cause to be transferred to the proper officers of the Light-house Board all the archives, books, documents, drawings, models, returns, apparatus, etc., belonging to the light-house establishment of the United States.

"That it shall be the duty of the Light-house Board, immediately after being organized, to arrange the Atlantic, Gulf, Pacific, and Lake Coasts of the United States into Light-house districts, not exceeding twelve in number; and the President is hereby authorized and required to direct that an officer of the Army or Navy be assigned to each district as a light-house inspector, subject to and under the orders of the Light-house Board.

"...hereafter, all materials for their construction and repair of light-houses, light-vessels, beacons, buoys, etc., shall be procured by public contracts.

"That it shall not be lawful for any member of the Light-house Board, Inspector, light-keeper, or other person in any manner connected with the light-house service, to be engaged

directly or indirectly in any contract for labor, materials, or supplies for the light-house service..."

The Curtain Comes Down

Following the administration of President Fillmore:

- Secretary of the Treasury Thomas Corwin returned to his home in Columbus, Ohio and joined his brother Robert Corwin in the practice of law.
- Assistant Secretary of the Treasury W.L. Hodge moved to Pennsylvania with his wife and seven children and purchased a 360 acre farm.
- Mr. C. Delano returned to New York and was never heard from again.
- Francis A. Gibbons and Francis S. Kelly completed the construction of the seven California lighthouses and the one Oregon lighthouse. They lost money on these projects and did not construct additional lighthouses.

- George Harrington, who replaced John McGinnis as Chief Clerk of the Treasury Department, suffered a personal tragedy when his wife died unexpectedly following an emergency appendectomy. Harrington resigned from government service.
- John McGinnis, former Chief Clerk of the U.S. Treasury Department, sailed for Liverpool, England on October 3, 1852. He held a one-way Second Class ticket on the American clipper *Blue Jacket*.

As the large vessel sailed out of New York harbor in golden sunlight, John McGinnis stood on the deck watching the Sandy Hook lighthouse fade into the distance. An elegantly dressed middle-aged lady standing next to him turned and said, "What a beautiful lighthouse. You know, my closest childhood friend was the daughter of a lighthouse keeper. Have you ever visited a lighthouse?"

McGinnis replied, "No, but I have had some experience with them."



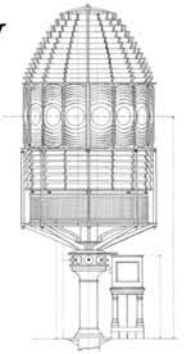
John McGinnis replied that he had some experience with lighthouses as he and the lady gazed at the Sandy Hook tower from the deck of the vessel. Drawing by Linda Menges.



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Restoration & Preservation



Thomas Point Shoal Lighthouse, MD

The U.S. Lighthouse Society has donated to many lighthouse preservation projects throughout the U.S. Most recently we were honored by being presented with the Preserve America Stewardship Award from The White House for our restoration work at Thomas Point Shoal Lighthouse.

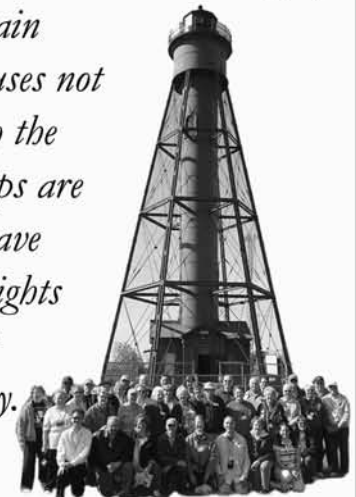
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