

# 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.



The Point Loma Lighthouse, near San Diego, California, was one of the first eight constructed on the west coast in the 1850's. 1880 photo courtesy of the San Diego Historical Society.



March 1, 1850 was a damp, cold day in the District of Columbia. The clouds were darker gray than usual and the sun did not appear. This was the inauguration day of Millard Fillmore as the thirteenth President of the United States.

At the Department of the Treasury the fires were banked in the fireplaces in the ornate offices, the window drapes were drawn, and the doors were locked. The day was a holiday for all employees, to allow them time to attend the swearing-in ceremony of President Fillmore, the big parade in front of the White House, and the splendid formal inaugural ball that evening.

John McGinnis was especially interested in the day's activities. The inauguration was the culmination of events spreading across the previous two years. As Chief

Clerk of the Treasury Department, McGinnis hoped the new administration would not change his position in the department. Because the Chief Clerk directed support functions and administrative operations for the Secretary of Treasury, the same individual filled the post through several administrations.

In his 21st year of service in the Treasury, McGinnis had served under seven Presidents and 11 Secretaries of the Treasury. He felt secure in his position, yet he had a slight feeling of apprehension; it was always possible that the incoming President might have an unemployed second cousin from upstate New York who had accounting experience. Although the Chief Clerk's position was not a Presidential appointment, it was possible for the President to suggest the employment of specific individuals in the governmental departments.

John McGinnis erased such thoughts from his mind. He reminded himself that he was 45 years old and had survived many administrations. He had arrived in Washington, D.C. when he was 24 years old from DeWitt, Missouri.

When John was 20 years old, he left his father's farm and moved to Carrollton, Missouri, 12 miles from the DeWitt farm. In Carrollton, the county seat, he secured employment as a night clerk of the 20-room Carroll Hotel on Main Street. McGinnis slept during the daylight hours and reported for work at 6:00 p.m. for the night shift, which ended at 8:00 a.m. the following morning. During the spring and summer months his job consisted of checking hotel guests, placing a copy of the evening newspaper in front of their door, and shining boots and shoes left outside the doors. Winter months required additional work, as a large woodburning stove in the lobby had to be kept burning, and five of the guest rooms had stoves. Fires had to be banked for the night and McGinnis had to rekindle them in the morning. Nevertheless, he managed to have quiet hours each night. He used these hours to good advantage; he read constantly and his reading knew no bounds as far as subject matter was concerned.

In addition to long hours of work, McGinnis found time to court Lucy Blackstone, who taught first through fourth grades in the Carroll Elementary School. McGinnis had found someone to take his place at work on Sundays. This was the afternoon and evening spent with Lucy. As their courtship blossomed, he was invited to the Blackstone home for Sunday supper. The meal was always followed by a walk around the town square, and in good weather, good seats for the evening band concert. After six months of "keeping company" with Lucy Blackstone, McGinnis asked for her hand in marriage. Lucy told John this would not be possible as she had dedicated her life to teaching school.

McGinnis accepted Lucy's rejection in silence. He escorted her home, hesitated a moment at the door, squeezed her hand, tipped his hat, and said his final goodbye. McGinnis questioned possible reasons for his rejection. Perhaps the fact that he had only a sixth grade education, gained in a one-room school, made him unacceptable.

The following day, McGinnis arrived early at the hotel and told the owner he wanted to leave Carrollton as soon as possible. The owner paid John \$1.30, a days wages and told him he could stay in his room in the basement that evening. He would, however, have to vacate the room the following morning.

At 6:00 a.m. the next morning, McGinnis packed his small valise, put on his heavy wool suit, and walked to the train station in Carrollton. He had decided to go to St. Louis, although he had no idea where his final destination might be. He wore a money belt containing \$176.00 in gold coins—money he had saved over several years.

When McGinnis arrived at Union Station in St. Louis, he was overwhelmed. Hundreds of travelers swarmed about the waiting room. He immediately walked several blocks from the gigantic station, the largest building he had ever seen, and checked into a very small two-story hotel. On the way to the hotel he bought a copy of the *St. Louis Dispatch*. In his hotel room, a very short article on the fourth page caught his attention. It read, "In 1828, 103 new employees were hired by the various departments of the Federal government. Next March 1, 1829, when Andrew Jackson is inaugurated as President, it is anticipated that several times that number of new employees will be hired. 'Old Hickory', as many people refer to the President, will make certain that all Federal employees hired, following his inauguration, had voted for him and are loyal to him."

The newspaper, in an accompanying article, reported that Andrew Jackson was rapidly establishing what the newspaper called the "spoils system." The article added that, "Old Hickory's cronies will replace many longtime employees in the government." McGinnis quickly decided that he would catch the train for Washington the following morning. Perhaps he would find a government job. He had voted for Andrew Jackson, whom the newspaper in its scathing article had called "King Andrew I."

When McGinnis arrived in Washington, he was surprised by the number of people on the streets, all rushing to and fro. He immediately located a room at the boarding house of Mrs. Mary O'Toole. His next goal

was employment. There were no advertisements for job openings, and he wondered how the various government offices informed the public of vacancies.

That question was soon answered by one of McGinnis's fellow boarders who told him that to be hired in a government office you have to know someone. Mrs. O'Toole told McGinnis that she had a friend whose husband worked for a Congressman from Ohio. He was an Andrew Jackson supporter and she was certain he would be willing to help John.

Over a period of five days, appointments were set, introductions made, and interviews held. On the sixth day, John McGinnis was hired as a Beginner Clerk in the U.S. Treasury Department. His principal duty was to open the mail and direct letter inquiries to the proper office in the Treasury Department. His salary was \$27.00 a month.

As the years went by, John McGinnis methodically advanced in the Treasury Department. He was punctual and cheerful; he worked the 8:00 a.m. to 6:00 p.m. schedule six days a week. His private life was quiet because his limited income did not allow him to enjoy the many activities and events taking place in the nation's capital.

During his 21 years of government service, McGinnis was employed during seven Presidential administrations. Many changes had taken place in the young nation. Of major importance were the changes that took place during the administration of President James Polk. Polk pushed the expansion of the country westward. For example, when Mexico invaded the Texas Territory, Polk called the act an invasion and he secured a declaration of war from the Congress. This war (1846-1848), won California and the Southwest for the United States. Polk called these events "manifest destiny," which added over a million square miles to the territory of the United States. President Polk was followed in office by Zachary Taylor, whose administration was not of great consequence.

Millard Fillmore (1850-1854) headed an administration crucial to the growth and development of the nation. President Fillmore managed to postpone the

slavery question and presided over the admission of California as a state. He immediately turned his attention to the development of the economy and commerce of the new state.

## Quiet Years at the Treasury Department

Between 1829, when McGinnis joined the Treasury Department, and 1851, his assignments gradually grew in substance and responsibility. The nation's trade and economy were expanding in line with its territorial growth. It was inevitable that the work of the Treasury Department would continue to expand and the department would wield greatly expanding influence in each succeeding Presidential administration.

McGinnis found his work stimulating and rewarding. His only disturbing period of service came when he was designated Third Assistant to the Chief Clerk. Beyond his basic duties, McGinnis had the assignment of collecting contributions for the presidential campaign of Martin Van Buren. Each pay-day, departmental employees placed an envelope with their name on it, containing their campaign contribution, on

John McGinnis's desk. At his boarding house, McGinnis kept a list of contributors and amounts given. Once a month he took the packet of gold coins, and this list of contributors to the Treasury Department and personally handed them to the Secretary of the Treasury. McGinnis did not like this duty and was pleased when he was promoted to Second Assistant to the Chief Clerk and was relieved of it.

McGinnis was appointed Chief Clerk in 1849; this was the highest position in the department that was not a Presidential appointment. His salary was \$2000 a year. He remained in this position until April 1851 when he was removed by Secretary Thomas Corwin.

Within the Treasury Department it was said that he had been "promoted" to the position of Special Assistant in Charge of the Business Affairs of Lighthouses and Marine Hospitals. As in all government offices, everyone knew the salary of his associates. The reduction of McGinnis's salary to \$1700 per year was certain indication that this reassignment was not a promotion.

Rumors ran rampant. Was McGinnis in the disfavor of Secretary Corwin, who had been appointed by President Fillmore? Was his work inferior? Was he not

active enough politically? Or were his political party contributions too small? One group of employees determined that the demotion had come at the insistence of Assistant Secretary of the Treasury W.L. Hodge, who was generally disliked. He was a dour, unfriendly, and inexpressive person who rarely recognized his subordinates.

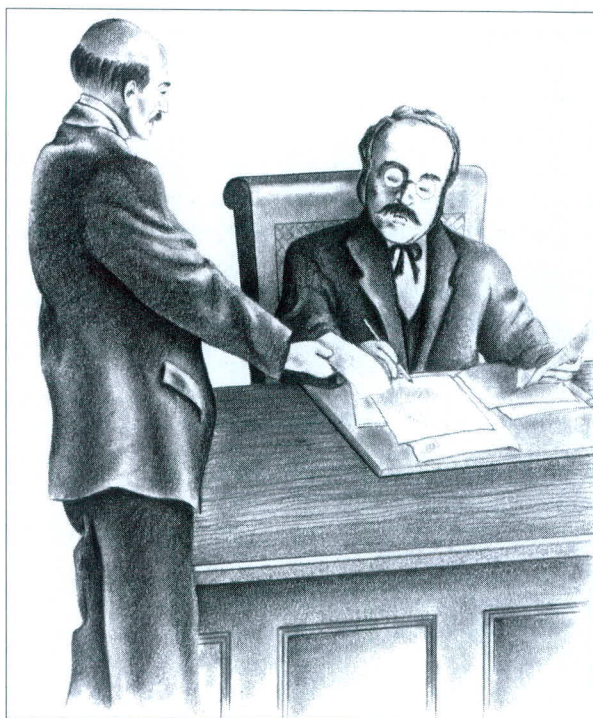
McGinnis kept to himself concerning his change in status. He continued as before, always on time to work, always working a full day without spending time gossiping or in idle conversation. As Chief Clerk, McGinnis had enjoyed a private office and three assistants at his beck and call. McGinnis was the supervisor who reviewed every incoming and outgoing piece of work. He was always neatly dressed with his starched detachable collar, heavy dark wool suit (even during the Washington summers), and grey spats over highly polished hightop shoes.

After eight months as Special Assistant in Charge of the Business Affairs of Lighthouses and Marine Hospitals, McGinnis resigned from service with the U.S. Government and the Treasury Department, effective December 3, 1851. Payroll records reported that he was paid only through November 29. Something was amiss.

## Darkening Clouds Over Washington

For almost a year, rumors had circulated in Washington that various forms of corruption were taking place in departments headed by Cabinet Officers. In August 1852, a Select Committee was appointed by the U.S. Senate and the following resolution was announced:

Resolved, That a committee of five be appointed by the President of the Senate to inquire into abuses, bribery, or fraud, in the prosecution of claims before Congress, commissions, or the departments, or in passing through Congress bills embracing private, individual, or corporate interests, or in obtaining or granting contracts; and that said committee have the power to send for persons and papers and examine witnesses on oath."

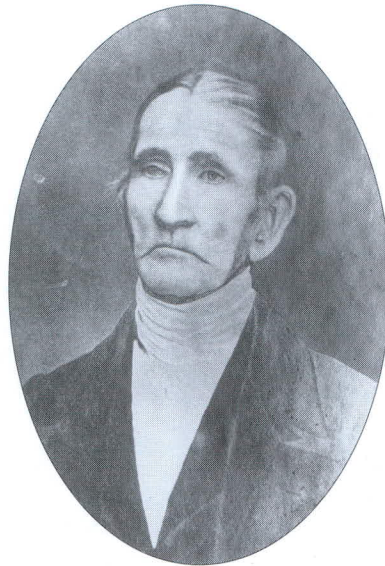


The Select Committee of the Senate let the word be spread that they would be investigating such matters as bribery to secure contracts for the construction of the two new wings of the Capital building, the payment of employees for time not spent working, and the kick-back of employee salaries to construction superintendents and others. In addition, specific attention was to be paid to the letting of contracts for the construction of eight new lighthouses on the Pacific Coast of the United States. Although little was known about the details involved in these contracts, several informed Senators had made comments such as, "We're going to open a hornet's nest with this one."

After 1789, the Federal government had the responsibility for all aids to navigation along its coasts. In 1789, the government took possession of the twelve lighthouses in operation, and two lighthouses then under construction. The Secretary of the Treasury, and for a short period, the Commissioner of Revenue, were responsible for the early development of the Lighthouse Service. In 1820, lighthouses became the specific responsibility of the Fifth Auditor of the Treasury, Stephen Pleasonton. Mr. Pleasonton continued this responsibility for 32 years. Rather than the awkward title of "Fifth Auditor," he was popularly called the "General Superintendent of Lighthouses." Immediately before Mr. Pleasonton's departure, Secretary of the Treasury Thomas Corwin assigned John McGinnis as Special Assistant in Charge of the Business Affairs of Lighthouses and Marine Hospitals. The Secretary was attempting to shift the bulk of Mr. Pleasonton's duties to this newly created position within the Treasury Department.

Secretary Corwin served as a highly visible Cabinet Officer. He was a close personal friend of President Fillmore, and as such, attended many White House social events. He presented himself as a man of dignity and stature. He was an excellent public speaker and represented the President at numerous events. His relationship with both houses of Congress was more than satisfactory. He was often invited to attend the

Thursday evening gatherings in a side room of the House of Representatives for card games and large quantities of liquid refreshments.



Stephen Pleasonton

During his years as Chief Clerk in the Treasury Department, John McGinnis had been approached at least once a year by an independent contractor or vendor to make concessions and recommendations for the acceptance of a particular bid. These individuals wanted to circumvent the advertising for contracts. McGinnis had always declined such offers. He did not want to participate in "off the record" activities, although he was often offered a "rather generous honorarium" or "gift of appreciation." He realized that other Treasury Department senior staff were also being approached. Once he was startled when he became aware that approaches were being made at the sub-cabinet level. He had seen a plain white envelope handed to the Assistant Secretary of the Treasury who then stepped inside his office. As John McGinnis walked by, he saw the Assistant Secretary counting a handful of gold currency he was removing from the envelope. John also noted that the person delivering the envelope was a prominent builder responsible for the construction of a very large naval warehouse in New York City.

By 1852, this sort of transaction was occurring with greater frequency. McGinnis observed contract bids not

offered in response to an advertisement would pass rapidly through the Treasury Department for the signatures of the Assistant Secretary and the Secretary of the Treasury. Similar bids, offered in response to advertisements seemed to move slowly from desk to desk and office to office. At some point in this tedious process a notation would appear in the margin of proposed contracts such as, "Lacks necessary equipment to fulfill contract" or, "Obviously, because of low bid, will use inferior materials."

During 1850 and 1851, McGinnis became aware of a variety of business transactions processed without regard to government rules and regulations. He began to feel alone in the Treasury Department in his struggle to make certain the government conducted its financial affairs in an orderly and ethical manner.

McGinnis was convinced that his promotion/demotion of April 1851 was caused by his awareness of improper financial transactions in the department. He had pointed out errors in the bidding process, and, in some instances, he strongly objected to a particular contract or vendor payment. Such objections were voiced to the Assistant Secretary, John's immediate superior, and they were not welcome. The Assistant Secretary was aloof and attempted to distance himself from all administrative staff. There were instances when John sensed an outright hostility to any comment he might make that would imply regulations had been bypassed or ignored.

McGinnis's discontent grew over a period of several years. He felt frustrated and disappointed as he had given a lifetime of service to the Treasury Department. He worked for a salary much less than the one he would receive in private business and he was tired and depressed. He had not been able to save a significant amount of money; his savings account at the Riggs National Bank in Washington totaled only \$2700, certainly not enough for a carefree retirement, McGinnis would have no income once he left government service, thus he hoped to be able to work as long as he was physically able to do so. Yet his frus-

tration began to rule out that possibility. With regret, he admitted to himself that he wanted to leave government service.

John McGinnis began to consider the possibility of a move away from Washington—not back to his native Missouri, but to Ireland. His father had immigrated from Ireland as a very young man. Because of his father's stories about the beauty and friendliness of the country, and the rich landscape he had seen rendered in steel engravings, McGinnis felt an affinity to Ireland. From all that he had heard he felt he could live modestly in that country. Yet he realized that he must have additional savings in order to be financially secure. He vowed to save almost every penny he earned over the next two or three years.

In June of 1851, John McGinnis casually remarked to Treasury Secretary Corwin, as they were leaving the building late one evening, "I regret to tell you that I am interested in retiring and I am beginning to develop my plans. Of course, sir, I want you to be aware of this as far in advance as possible. I will keep you informed as my plans are developed and ultimately finalized."

Secretary Corwin replied, "Mr. McGinnis, I understand your tentative plans." As an afterthought he added, "I may, at a later date, have a suggestion for you."

McGinnis did not understand this response, yet he was not concerned. His decision to retire had been made and there was no turning back.

Around that time, newspapers across the country began printing articles in which they claimed "There is absolute corruption in the highest levels of the Federal government." Just ten years prior, in 1842, the House of Representatives had held a series of investigations and one of their concerns had been the fiscal control of lighthouse expenditures. This series of investigations had covered the years 1816 to 1842. Yet, the end result of these investigations were admonishments to the Treasury Department to exercise tightened fiscal and administrative control of lighthouse construction costs and operating expenses. No further action was taken and letters of reprimand were not issued.



"I may at a later date have a suggestion for you," said Secretary Corwin as they left the Treasury building one evening.

## The Dark Clouds Move Toward the Lighthouses

When John McGinnis read of the investigation by the Senate Select Committee, to be held in 1852, he wondered if history would be repeating itself. However, the Select Committee seemed to be more interested in such matters as bogus payrolls, government property being shipped to private residences, the blackmail of some naval personnel, and the sale of census data to private citizens. Perhaps the lighthouse function would not be examined too closely. At this point he felt there should be no real concern about an investigation of lighthouse operations or finances.

Hearings to be held by the Select Committee of the U.S. Senate were announced for the last two weeks in August 1852.

The essential questions before the Select Committee were:

1. Did John McGinnis, an employee of the U.S. Treasury Department, violate governmental regulations by hiding his involvement in contracting for the construction of lighthouses on the Pacific Coast?
2. What contracting arrangements and agreements did McGinnis make before resigning from the U.S. Treasury Department?
3. What individuals "outside" the government were involved in contractual arrangements?
4. Which additional U.S. government employees and officers were involved in the McGinnis transactions? How much did they know about these transactions? When did they have this information? What was the extent of their involvement?

Excerpts from the actual testimony before the Select Committee are revealing. Testimony by the Honorable W. L. Hodge, Assistant Secretary of the Treasury, included:

"Mr. McGinnis was appointed as a clerk in the Treasury during the administration of General Jackson (President of the United States), and continued such, with the exception of

a few months about 1841. Mr. McGinnis was appointed chief clerk in 1849, and continued in that position until removed by Mr. Corwin on 1st April, 1851, and Mr. Geo. Harrington, the present chief clerk, appointed in his place. Mr. McGinnis was placed by Mr. Corwin in charge of the business of the marine hospitals of the United States, and of the business of light-houses on the Pacific. His salary was \$1700; as chief clerk his salary was \$2000. He resigned his situation as superintending clerk of hospitals and light-houses on the 3rd December, 1851, but believe his salary was paid only to 30th November."

John McGinnis was deeply disturbed by the testimony of Assistant Secretary Hodge. His removal as Chief Clerk of the Treasury Department, and demotion to Special Assistant in Charge of the Business Affairs of Lighthouses and Marine Hospitals was now a matter of public record. Despite statements and memos to Treasury staff, slanted to make the change appear as a promotion, any thinking person would realize the reverse was true. With a decrease in salary, McGinnis felt the demotion had taken place because he had not been a party to "bending the rules and regulations" concerning the placement of lucrative light-house construction contracts. McGinnis had been totally committed to the regulation that all contracts should be advertised and open for public bidding, yet he knew there had been many contracts granted without following Treasury Department procedures. He had voiced his objections to this circumventing of the rules. At first his comments had been politely received by Assistant Secretary W.L. Hodge. He was told: "You have just seen one minor exception. It is not departmental policy or procedure. It will not occur again."

Yet it did occur—many times. Again McGinnis stated his concern and objection to policy violations to Assistant Secretary Hodge. Mr. Hodge did not respond to the comments of John McGinnis, and a few days later, McGinnis was scheduled for an appointment with Secretary of the Treasury Thomas Corwin.

On April 1st, McGinnis entered the Secretary's large formal office and approached his over-sized desk. His gaze passed the large American flag and the departmental flag standing behind the Secretary's high leather chair. The meeting between Secretary Corwin and John McGinnis was tense. They had very few meetings in the past.

After some hesitation, their discussion covered the granting of construction contracts. The Secretary listened patiently as McGinnis stated that he believed it would be to the Secretary's advantage if departmental guidelines were strictly enforced. The Secretary responded that he did not want to know about specific situations where guidelines concerning construction contracts had not been enforced. He added that he did not want to know the names of individuals who had gone around the rules and regulations. Following a brief silence the Secretary quietly said that he thought it best for McGinnis "not to place yourself in the midst of such concerns." He then pointedly remarked, "Yours is an operational area, not a policy determination area."

There was a brief silence following the Secretary's statements. When he resumed speaking, he told McGinnis: "I am certain you will be pleased with the change in assignment I am making for you. I hasten to add that this is a promotion. I am moving you to the Lighthouses and Marine Hospitals areas and naming you Special Assistant in Charge of the Business Affairs involving these two activities."

Secretary Corwin concluded the interview with the statement, "You will have a much larger office and two efficient clerical assistants. The work load should be much lighter than that of the department's Chief Clerk. And for that reason I am reducing your salary from \$2000 per year to \$1700 per year. Although, as you can readily see, you are being promoted."

In a state of shock and confusion, McGinnis replied to the Secretary: "I do not know how to respond. I am disturbed that my 21 years of work with the department is being cast aside. I feel that a reduction in salary is a demotion. All

of my associates will see this change in the same manner, and as you know, everyone knows what everyone else earns." McGinnis's response rambled and jumped from subject to subject. His final statement was: "I have worked long and hard and have very little to show for this. Sir, I must be excused as I am very disturbed."

April 1, 1851 to December 2, 1851 was a difficult period for John McGinnis—his very soul had been torn apart. He knew that unethical procedures were being allowed in the Treasury Department and his conscience kept pushing him to take some sort of action. He felt he should report the events he witnessed, but was unsure as to whom he should make such a report. Obviously the Secretary was not interested in receiving additional reports. The clearest alternative was to resign from government service. Yet this would be a difficult move for him as he would leave virtually empty handed. There were no retirement or pension benefits and his only savings consisted of \$2700 he had accumulated over the years.

During the nine months McGinnis served as Special Assistant in Charge of the Business Affairs of Lighthouses and Marine Hospitals, McGinnis continued to be uncomfortable and confused. He became aware that he was being bypassed in most departmental functions. He no longer attended staff meetings where marine hospital and lighthouse matters were being considered; he received no written communications. As the months progressed he realized he was not receiving any financial data concerning the areas to which he was assigned.

During the first week of November 1851, John McGinnis was handed a plain envelope with his name on the front. Inside was a plain piece of notepaper with the handwritten sentence, "Please stop by my home this coming Saturday, November 12, during the late morning hours." The note was initialed by the Secretary of the Treasury.

McGinnis hired a carriage for November 12. A heavy snowfall was in progress and three feet of snow had accumulated when he left for the ride to the

Georgetown home of the Secretary.

The carriage skidded to a stop in front of the Secretary's home. John slogged his way to the front door and sounded the heavy brass knocker twice. After a moment a servant opened the door, and admitted John while deftly taking his great coat and escorting him into the library.

McGinnis and the Secretary sat in identical wing-backed chairs in front of a waning fire. Their conversation was uncomfortable. After the initial comments about the weather, Secretary Corwin asked John if he were pleased with his present assignment. John's reply was vague and the Secretary responded that there might be a solution that would please everyone. "As you know," he said, "it's been two years since the 1849 Gold Rush in California. Many of the hundreds of thousands of people who have traveled to California have settled there. Apparently, a great many of them discovered 'merchandising' as their livelihood in San Francisco and the new settlements. The state has grown rapidly and its ports and waterways are of great commercial importance. Yet, to date,

lighthouses and other navigational aids have not been established. I understand that a great many ships have been lost along the fog shrouded coast and in the turbulent coastal waters. This is a real concern of the shipping interests and it is vital to the growth and development of that part of our nation."

The Secretary paused and then added softly, "This is an opportunity for each of us to serve our country and in turn realize a benefit." McGinnis remained silent, staring at the dying fire with its glowing embers. His suspicions were being confirmed.

The Secretary continued: "Congressional approval has been secured for the construction of eight lighthouses on the West Coast—seven in California, and one in the Oregon Territory. I see this as an area where you can assist us." After a long pause, McGinnis asked, "In what way can I assist?"

Secretary Corwin immediately replied, "I am going to be rather direct in this matter. Our conversation is private and I shall trust you fully not to reveal our discussion to anyone at any time, now or in the future."

"You have my agreement," replied McGinnis.

The Secretary continued, "I suggest that you resign from government service effective the 30th of this November. This will allow you time to finish up any work in which you are engaged, and then you can undertake certain arrangements I shall propose."

McGinnis attempted to interrupt, "But sir . . ."

Secretary Corwin hastily added: "This is an arrangement for your financial benefit. I see you as an independent contractor for the construction of all the new lighthouses to be built on the Pacific Coast. This is a monumental project and one from which you can derive substantial income and thus add to your estate and your funds for retirement."

Corwin continued, "Again I suggest absolute discretion in all arrangements and agreements you will be making. First of all to indicate my sincerity, I will tell you that I will make arrangements in order that open bidding will not be required on the construction for the lighthouses. This I can do without questions being asked."

McGinnis interjected: "But sir, have funds been appropriated by the Congress? You see, over the past several months, most of my work has been with the Marine Hospitals and I have not had an opportunity to follow Lighthouse activities too closely."

Corwin responded: "Yes, everything is in order and we are now set to receive construction estimates. Please note I did not say construction bids. You see, we are being pressed by certain civic leaders in California, and certainly by California Congressional people, for the completion of this project. They all report navigational aids, and especially lighthouses, are urgently needed as their shipping activity continues to rapidly expand. There is an urgency about all of this, which of course, works in our favor. To be specific, it allows us to make certain administrative decisions that circumvent standing procedures; in this instance, for example, the complex and prolonged bidding process."

McGinnis quietly considered the comments of Secretary Corwin and



Secretary Corwin replied, "I am going to be rather direct in this matter. Our conversation is private and I shall trust you fully not to reveal our discussion to anyone at any time, now or in the future."

responded, "Sir, I understand your recommendations to me and I am willing to move ahead as you have suggested. I consider it an honor to be able to serve you and our government in this important project."

During the weeks to follow, McGinnis learned that \$136,000 had been approved by the Congress for the construction of the West Coast lighthouses. As a private individual, McGinnis made a contract with the Treasury Department for the building of the lighthouses. One requirement of such a contract said that McGinnis must place a bond assuring the satisfactory fulfillment of the contract. The amount of the bond was set at \$75,000. This meant that funds in this amount, or negotiable securities, would have to be deposited with the U.S. Treasury Department until the completion of the construction.

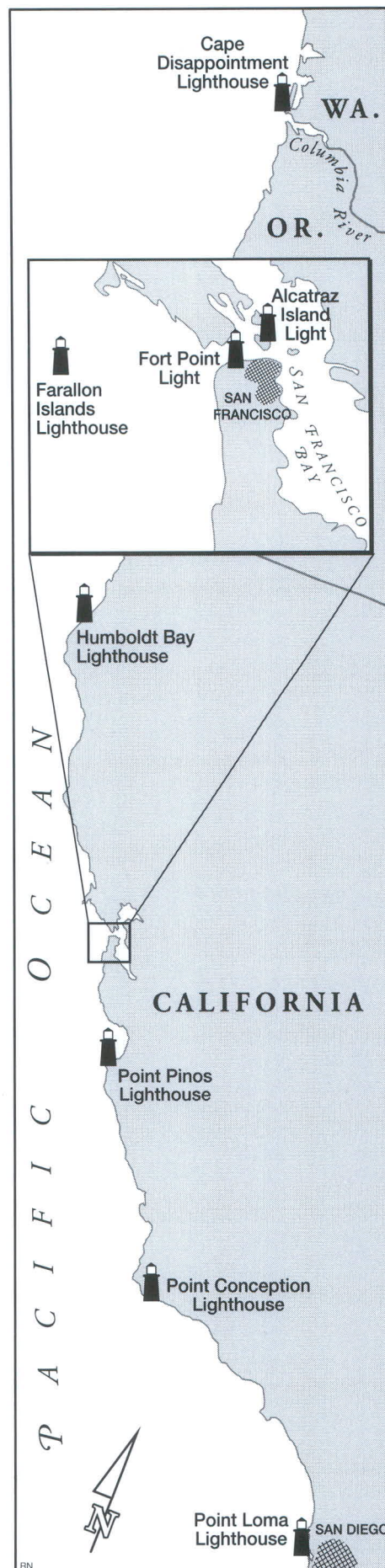
McGinnis made every possible effort to place the required bond. He contacted bankers, professional bonds people, insurers, and personal and business friends, all to no avail. Because of his inability to post the bond, McGinnis was notified by letter from the Secretary of the Treasury dated April 1, 1851, that his contract with the Treasury Department was cancelled effective that date.

### In the Eye of the Storm

For John McGinnis, August 6, 1852 was a day he would never forget. It was on that day the Senate of the United States announced the allegations that a contract, or contracts, had been sold by or with, "The consent and connivance of the chief officers of the Treasury Department."

Details of the announcement of the investigation by the Senate Select Committee included the statement:

"Under the acts of Congress passed September 28, 1850, and March 3, 1851, appropriations were made of \$105,000 for the construction of seven light-houses in California, and \$53,140 for three light-houses in Oregon. The contracts for the execution of this work were under the control of the Treasury Department; and the specific allegation was that a clerk in the office of the Secretary of the



Treasury, Mr. John McGinnis, had obtained a private contract, whereby he had made a large profit by the sale of the contract; and this too, with the knowledge and consent of HON. THOMAS CORWIN, Secretary of the Treasury. This contract was signed on December 28, 1851."

In its official records of the investigation of the awarding of lighthouse contracts, the following was added:

"In the annual report of the Secretary of the Treasury on the state of the finances, dated December 26, 1851, only two days before the actual and formal signing of contract, the following paragraphs appear:

"The department has not yet succeeded in making a definite contract for the erection of the light-houses on the Pacific Coast, which have been authorized by Congress, and great difficulty exists in accomplishing that object, in consequence of what is considered an inadequate appropriation, in the opinion of those best capable of judging of the facts and circumstances connected with their construction in that part of the Union; and that the department will probably have to await the further action of Congress; and if additional appropriations are made at an early day, the whole of the structures could be commenced in the spring, as soon as the rainy season was terminated; in which case it is believed, they can be completed and put into operation previous to the coming winter."

John McGinnis knew that he would be subpoenaed to testify before the Senate Select Committee. He did not know the date he would be summoned, but he reviewed repeatedly the sequence of events leading up to the Senate investigation. He recalled that shortly after he had been reassigned to the desk responsible for Lighthouse and Marine Hospital Financial Matters, he had confided in Secretary Corwin, telling him of his plan to retire from government service. He recalled that a few weeks later, he again spoke with the Secretary and told him confidentially that he would need an additional \$8,000 to \$10,000 to leave government service. The Secretary then



suggested to John McGinnis that this would certainly be possible were he to secure a contract for the construction of the lighthouses in California and Oregon.

McGinnis realized that it would be necessary for him to unite with a partner to secure this important government contract. He made this comment to the Secretary and then added a statement that would cause major problems and ultimately cast a black mark upon his character. He remarked to the Secretary that he would even be willing "To have a partner in the enterprise of his own, or Mr. Corwin's, selection."

The Secretary did not respond to that crucial statement at the time of their meeting. Ten days after the meeting, Secretary Corwin sent for McGinnis and recommended a Mr. Delano, of New York City, as a partner for McGinnis. A week later, Mr. Delano called on

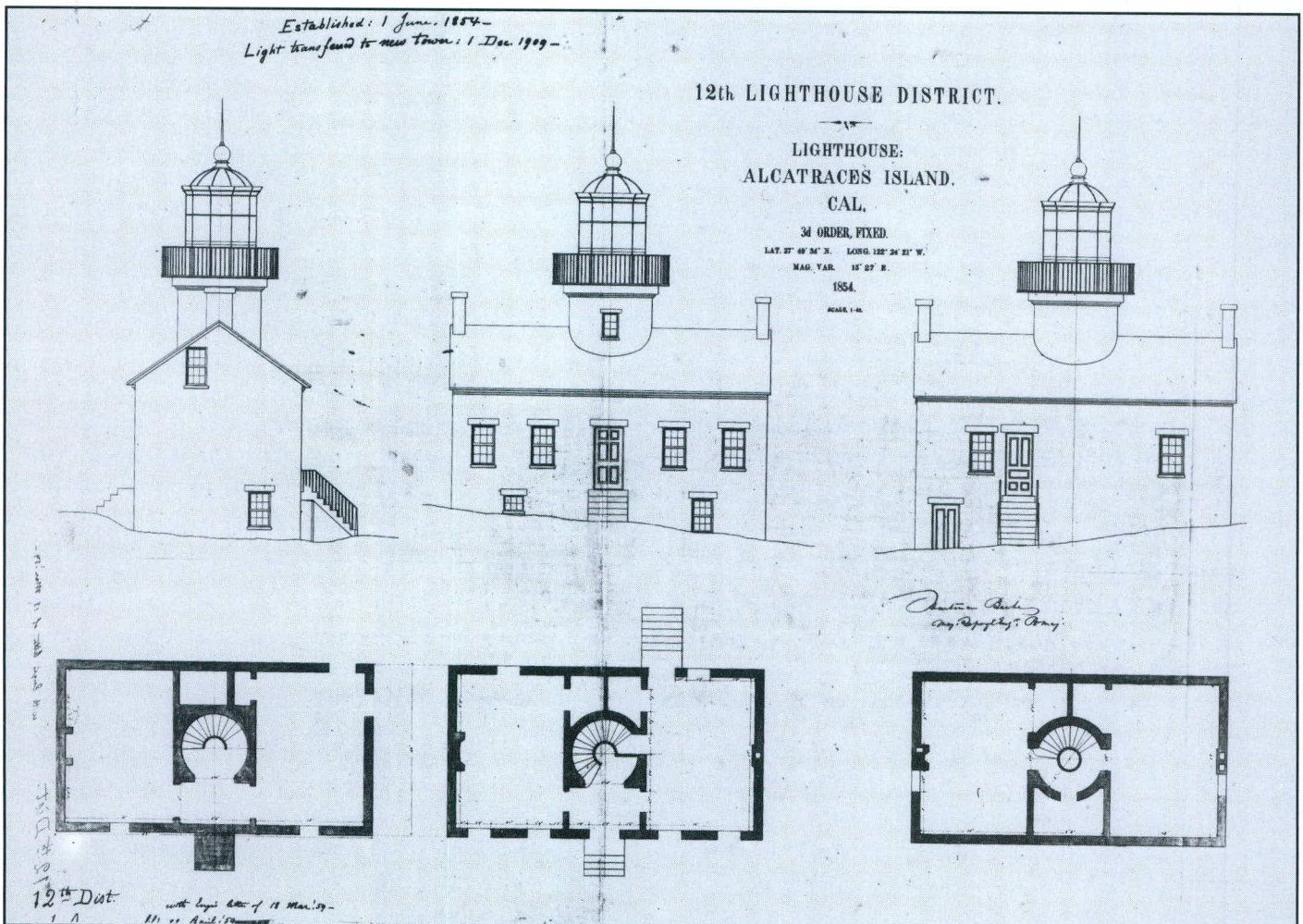
McGinnis and urged that a third party be added to the partnership. McGinnis began to object to this course of action, but he was interrupted by Delano who stated that Mr. Robert Corwin, brother of the Secretary of the Treasury, should have an interest of from \$2000 to \$3000 in the partnership. McGinnis, personally reluctant and disappointed in the turn of events, agreed to the three-member partnership.

The partnership arrangements were made before John McGinnis's resignation from government service. The actual contract with the government was signed three weeks after McGinnis resigned. At the same time, documents were signed establishing the three-member construction partnership. It was with a heavy heart that McGinnis affixed his signature to these papers.

In Part II (Spring Log), we will follow John McGinnis' involvement, and troubles, with the contract to construct lighthouses on the Pacific Coast. You will read about the bureaucrats above McGinnis pulling the rug out from under his feet, to whom the final construction contract was awarded, and the cost. Part II also reveals the testimonies given at the Senate Select Committee and the Committee's recommendation to create the U.S. Light-House Board.

The 'Final Curtain' in Part II provides information on the disposition of all concerned with the murky beginnings of the lighthouse service on the west coast.

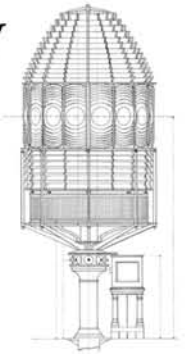
To Be Continued



The first eight west coast lighthouses were all a close variety of this design, basically a Cape Cod cottage style house with a tower through the middle.



# Join the U.S. Lighthouse Society Today or Give the Gift of Membership!



## *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.*

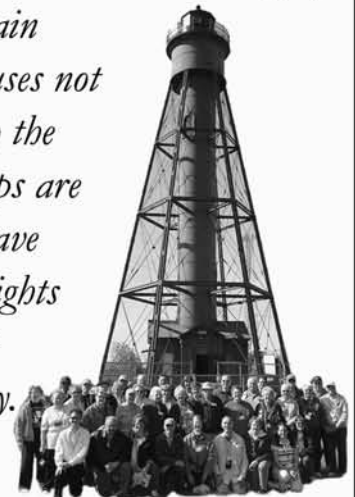
## Help Support Our Important Mission!

## *Education*



*The Keeper's Log magazine is the only one of its kind and has been published quarterly since 1984. Receive this award-winning publication as a benefit of membership.*

*The Society organizes domestic and international lighthouse tours. Many of our excursions gain access to lighthouses not normally open to the public. These trips are a great way to have fun, see lots of lights and learn about lighthouse history.*



*Tincum Lighthouse, NJ*

*To learn more visit  
**www.uslhs.org**  
or  
call Headquarters at  
415-362-7255*