1. NAME OF PROPERTY

Historic Name: Lafayette Building

Other Name/Site Number: Export-Import Bank Building

2. LOCATION

Street & Number: 811 Vermont Avenue, NW Not for publication: N/A

City/Town: Washington Vicinity: N/A

State: District of Columbia County: N/A Code: 001 Zip Code: 20009

3. CLASSIFICATION

Ownership of Property		Category of Property	
Private:	___	Building(s):	X
Public-Local:	___	District:	___
Public-State:	___	Site:	___
Public-Federal:	X	Structure:	___
		Object:	___

Number of Resources within Property

Contributing	Noncontributing
1	___ buildings
___	___ sites
___	___ structures
___	___ objects
1	___ Total

Number of Contributing Resources Previously Listed in the National Register: 0

Name of Related Multiple Property Listing: N/A

4. STATE/FEDERAL AGENCY CERTIFICATION

As the designated authority under the National Historic Preservation Act of 1966, as amended, I hereby certify that this ____ nomination ____ request for determination of eligibility meets the documentation standards for registering properties in the National Register of Historic Places and meets the procedural and professional requirements set forth in 36 CFR Part 60. In my opinion, the property ____ meets ____ does not meet the National Register Criteria.

Signature of Certifying Official Date

State or Federal Agency and Bureau

In my opinion, the property ____ meets ____ does not meet the National Register criteria.

Signature of Commenting or Other Official Date

State or Federal Agency and Bureau

5. NATIONAL PARK SERVICE CERTIFICATION

I hereby certify that this property is:

___ Entered in the National Register
___ Determined eligible for the National Register
___ Determined not eligible for the National Register
___ Removed from the National Register
___ Other (explain): _____

Signature of Keeper Date of Action

6. FUNCTION OR USE

Historic:	Government	Sub:	Government office
	Commerce/Trade	Sub:	Specialty store
Current:	Government	Sub:	Government office
	Commerce/Trade	Sub:	Specialty store
	Commerce/Trade	Sub:	Restaurant

7. DESCRIPTION

Architectural Classification: Classical Revival/Commercial Style

Materials:

Foundation:	Not visible
Walls:	Limestone, brick, black granite
Roof:	Not visible (built-up roofing)
Other:	Bronze, aluminum, steel

Describe Present and Historic Physical Appearance.

Summary Description

The Lafayette Building is a 12 story (plus basement), limestone-clad office building located on a prominent site in downtown Washington, D.C., facing Lafayette Park and McPherson Square and one block from the White House. It occupies approximately two-thirds of the block bounded by the diagonal of Vermont Avenue on the west, I Street on the north, 15th Street on the east, and H Street on the south (see Figure 1). The 1928 Shoreham Building occupies the southeastern part of the block. The trapezoidal site and the preexisting building determined the plan of the Lafayette Building, which resembles a lower case "e." This irregular plan is arranged around two courtyards, one enclosed and one open, that provide natural light and ventilation to interior offices.

The main mass of this very large building is ten stories high (Photo 1). The top two floors are set back behind a narrow, terraced balcony. A relatively unobtrusive, one-and-one-half story penthouse originally housed elevator and mechanical equipment; some of this space has been converted to office use.

The building was designed in 1939 in a collaboration between the well-known Chicago architectural firm of Holabird and Root and their former associate, A. R. Clas of Washington. In July 1941, *Architectural Forum* described the building as a good example of "an observance of the classic formula with the elimination of the accompanying detail." This style, now often called "stripped" or "starved" Classical, was popular for government and other public buildings in Washington.[1] The Lafayette Building is unusual among government buildings in incorporating a row of commercial stores along its 15th Street elevation. Among the earliest government office buildings in Washington to be centrally air-conditioned, it is also one of the first to include a built-in garage. In 2004, the Export-Import Bank of the United States, one of its original tenants, still occupied most of the building, which was owned and cared for by the U.S. General Services Administration.[2]

The exterior of the building is plain, almost to severity. The walls are sheathed with smooth, light-colored limestone, which contrasts with a low, slightly projecting base of polished black granite. Few details disturb the smooth expanse of wall. The regularly spaced, square windows that fill most openings are set back from the wall plane. Narrow flush parapets that mark the tops of the main mass of the building and of the two-story setback are defined only by a deeply struck mortar joint. Simple recessed panels at both ends of the Vermont Avenue and 15th Street elevations and the Vermont Avenue end of the H Street elevation, run the full height of the main mass of the building and suggest highly simplified Classical pilasters. Recessed, vertical groupings of first and second floor windows read as single, shadowed voids. The pale wall surfaces between these voids again suggest simplified Classical piers. This suggestion of

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[1] "Federal Loan Agency Building, Washington, D.C.," *Architectural Forum* 75, no. 1 (July 1941): 47.

[2] The description of the Lafayette Building in this section relies heavily on the "Lafayette Building: Historic Structures Report" prepared by Geier Brown Renfrow Architects with Oehrlein and Associates for the General Services Administration in 1986.

classicism continues in the use of dark spandrels linking the eleventh and twelfth-story windows of the two-story setback and in the tall openings of the penthouse. Ornamentation is confined largely to the Vermont Avenue entrance and it too is pulled back into the building.

The restraint of the exteriors extends to the interiors as well. Most floors consist of rows of standardized offices lining either side of a central corridor. The most significant spaces are the main entrance and attached elevator lobbies on the first floor, the two board rooms on the 11th floor, and the executive suite on the 12th.

The Lafayette Building is remarkably intact. The exterior is virtually unaltered, except for some modernization of the commercial store fronts on 15th Street. The interior of the building also remains largely as built. The few major changes that have occurred include replacement of the original travertine marble floor in the main lobby, elimination of the second floor cafeteria, partitioning some large spaces originally left open, renovation of the elevator cabs, covering of original paneling in the 12th floor executive suite with fabric, removal of some original light fixtures, and installation of fluorescent lighting in the corridors and board rooms.

Exterior Description

A. Form, Massing, and Materials

The Vermont Avenue façade is the longest continuous elevation of the building and contains the main entrance. The I Street façade is the simplest of the main elevations. The 15th Street elevation extends from I Street to the alley that separates the Lafayette Building from the adjacent Shoreham building and contains a number of original storefronts, all still in use. The H Street façade abuts the Shoreham Building on the north and continues to the intersection with Vermont Avenue. This oblique intersection is addressed by an unusual concave façade. A tall flagpole is set into the sidewalk at approximately the point where the lines of the Vermont Avenue and H Street elevations would converge if they were extended. A cornerstone incised with the date 1940 and the names of the architects and contractor is located at the southwest corner of the Vermont Avenue elevation. A granite retaining wall surrounds the building on all elevations except that facing H Street. Set about two feet away from the polished black base, the retaining walls create a narrow space for plantings.

The steel frame of the Lafayette Building is encased with concrete fireproofing and brick infill. The walls are faced with limestone on the street façades and brick on the alley and courtyard elevations. The polished black granite base, which rises to enclose the principle entrance on Vermont Avenue, the shops on 15th Street, and the vehicular bays on H Street, contrasts sharply with the light, reflective limestone. Bronze is used for the first and second story window frames, the spandrels between the first and second story windows, the entrance doors, the shopfronts, and the railings on the Vermont Avenue and I Street elevations; all other window frames are painted steel, as is the railing for the eleventh floor terrace. The spandrels set between the vertically aligned eleventh and twelfth-story windows are aluminum.

Except for the shops on 15th Street and the vehicular bays on H Street, all openings on the first and second floors are articulated as two-stories high. The first floor windows rest directly on the black granite base. Decorative spandrel panels are set between the first and second floor

windows and the whole grouping is recessed well back from the wall plane. The windows on the 11th and 12 floors are treated the same way. The many other window openings contain nearly square one-over-one, double hung steel windows.

B. Vermont Avenue (Principal) Elevation

The Vermont Avenue façade is 300 feet long, the longest of the building's elevations, and includes the main entrance (Photo 1). Each of the lower ten stories consists of 32 bays; the setback 11th and 12th floors are 30 bays long; and the penthouse, centered on this elevation, has ten high ventilator openings flanked by two doors. The ends of this elevation are defined by simple, full height, recessed piers and the top by a narrow, flush parapet.

The six central bays of the Vermont Avenue elevation contain the principal entrance (Photo 2). Four pairs of deeply recessed bronze and glass entry doors under tall bronze-framed overwindows of six fixed lights each are surrounded by flush black granite panels and separated by three two-story granite piers in antis. The limestone frames surrounding the six third-story windows above the entrance are among the few details that project from the building's smooth wall surface.

The handsome modern style bronze letters above the entrance that identified the Federal Loan Agency, the original tenant, are gone. The original panels on the black granite walls to the left and right of the entrance that listed the Federal Loan Agency subsidiaries occupying the building (the Reconstruction Finance Corporation, the RFC Mortgage Company, the Disaster Loan Corporation, the Federal National Mortgage Association, the Export-Import Bank of Washington, and the Electric Home and Farm Authority) have been updated. In 2004 the names of the current occupants of the building, including the Export-Import Bank of the United States, appeared next to the entrance.

C. I Street Elevation

The I Street elevation, facing McPherson Square, is 122 feet long, divided into 14 bays; the setback 11th and 12th stories consist of 12 bays (Photo 3). This elevation resembles the Vermont Avenue elevation in most respects. There is no entrance, however, and the corner pilasters are absent here. A non-historic sign facing I Street at the corner of 15th Street is the only indication of the restaurant located there. On the 11th and 12th floors, the six central windows, lighting the large Board Room, are two stories high. There is one small, round window on the 11th floor and another on the 12th. A recent, sheet-metal penthouse is visible on this elevation.

D. 15th Street Elevation

The 15th Street elevation is 180 feet in length. The ten-story core is 18 bays wide, while the setback 11th and 12th floors have 16 bays. The wide, recessed end pilasters used on the principal façade appear here too. Most windows follow the pattern set on the Vermont Avenue façade, but this elevation is unique in that the first story is entirely given over to commercial use. The usual black granite base rises to surround and unify the storefronts, ending just short of the end pilaster. Originally there were eight double storefronts on this elevation, flanked by two single bays. The two single bays probably contained glass doors. Each double storefront originally consisted of two splayed bronze display windows that returned from the face of the

façade to meet the recessed door. The area between the wall plane and the doors was paved with cream colored terrazzo. The five southernmost storefronts retain their historic configuration but have replacement glass doors. The three northernmost stores have been combined into a single restaurant space. The doors in these storefronts have been closed off and the openings filled with two flush panes of glass joined by a center mullion. A new entrance with a bronze anodized aluminum door has been created at the corner. Flush bronze panels above the storefronts conceal retractable fabric awnings, some of which are still operable. The second floor windows above the shopfronts are recessed well back of the wall plane, as they are in the two-story groupings on the other elevations.

The wall facing the alley separating the Lafayette Building from the Shoreham Building is clad in limestone. The barber shop at this corner has a single door facing 15th Street and large, fixed-pane plate glass windows facing the alley.

E. H Street Elevation

The H Street elevation is 107 feet long. The main block consists of ten bays, while the setback is nine bays in length (Photo 4). This elevation abuts the neighboring Shoreham Building, similar in overall height and materials, but built in 1928 in the Neoclassical style. Recognizing its neighbor, the setback is off center to the Lafayette Building in order to be centered on the combined elevation. Three vehicular bays at the east end of the Lafayette Building provide access to the loading dock and to a two-level parking garage; they also soften the transition between the Lafayette and Shoreham buildings. The vehicular bays are simple rectangular openings framed with black granite and fitted with aluminum overhead doors. Overhead sign panels with raised, back-lit plastic lettering identify each opening. Like the windows over the 15th Street shopfronts, the four standard windows above the garage doors are recessed well behind the wall plane. In other respects, the H Street elevation resembles that on Vermont Avenue.

G. Southwest Corner Elevation

Occurring in response to the oddly angled site plan, the corner of the building at Vermont Avenue and H Street is cut off to form a concave elevation 46 feet and five bays long; the setback has three bays. The black granite base projects to create a planting box. Large two-story bronze louvered air vents replace the first floor windows in the two bays at either end of the first and second floors. This elevation has a somewhat incomplete look, possibly because it was originally intended to be the location of one of the main entrances and was redesigned late in the planning stage (see below).

H. Secondary Elevations

The complex plan of the building creates a number of secondary elevations facing the two courtyards and the alley. Most of the openings on these elevations contain the large square windows used elsewhere on the building, but there are also a few paired standard-sized windows. The top two floors are not setback, but flush with the main mass of the building. Except for the limestone facing on the alley elevation discussed above, all of these non-public spaces are clad in cream colored brick. The walls of the penthouse facing the courtyards are partially sheathed in limestone, presumably because they might be visible from nearby buildings.

A loading dock with a double-leaf, solid, metal door and a cantilevered steel canopy is centered on the east elevation of the open court. A metal overhead garage door is located on the north wall near the corner of the alley; it is aligned with the parking ramp entrance on H Street. A new steel panel enclosed fire stair in the southwest corner of the court extends from the first floor to the top of the 12th floor; the only opening is an exit door at the bottom. The first two floors of the enclosed court are roofed over to provide additional interior space.

Interior Description

A. Summary

The typical floor layout consists of a double-loaded corridor that follows the irregular e-shaped plan of the building, with the back of the "e" parallel to Vermont Avenue (see Figure 2). Except for the commercial shops along 15th Street and the parking garage that occupies the basement and the first floor of the enclosed courtyard, all of the interior spaces are given over to office use. The offices on one side of the corridor face onto one of the streets; on the other they open onto one of the courts or the alley. Most are simple rectangles in plan and many have been remodeled.

Corridors are much the same throughout the building and have changed very little since 1940. The following description applies to all floors, unless otherwise noted. Walls are clad to a height of seven feet with large panels of polished white Alabama marble; above that they are plaster. Baseboards and door trim are black fossiliferous Alberene. Floors are cream-colored terrazzo. Black Alberene panels and circles or other symbols of gray terrazzo set into the floors mark important corridor junctions and corners. Many original bronze fire extinguisher boxes and air circulation grilles, painted metal watch-clock stations and fire alarms, telephone wiring boxes, and chromium-plated connectors for the central vacuum cleaning system survive. The most significant of these surviving details are the water fountains, which are set in large, deeply recessed circular marble panels framed with black Alberene. Office doors are figured walnut, with bronze finished metal vents in their lower halves and translucent glass panes above; door hardware is bronze. All original corridor lighting has been replaced with fluorescent lights.

The service core is located where the long corridors intersect. It contains the twelve passenger elevators (six serving all floors and six express elevators that do not stop at floors two through six), the two freight elevators, and two of the four stairwells. The core also contains the vertically stacked toilet rooms. Two additional stairwells are located at the ends of the 15th Street corridor. Janitor's closets are located near the southeast corner of the I Street corridors.

B. Basement and Sub-basement

The basement is largely devoted to the lower level of the parking garage, which also extends under the enclosed court. The space is simply finished with concrete encased I-beam piers and poured concrete floors and wells. The stairs, freight elevators, and some mechanical rooms are part of the building's mechanical core. A short corridor at the south end of the basement leads to the upper portions of the machine and boiler rooms and to small toilet rooms. The garage entrance ramp occupies the east part of the H Street portion of the basement.

The sub-basement includes large storage areas, a fan room under the court, a switchboard room,

a heater room, a machine room, various workshops, engineer's and janitor' offices, and toilets. The sub-basement is accessible by the two central stairways and by the freight elevators.

C. First Floor

The first floor includes the main entrance lobby, the shops facing 15th Street, the upper portion of the parking garage, and the loading dock, in addition to office space. The plain, functional corridor serving the stores is separated from the office corridor by a door. The south end of the first floor has been completely reconfigured by partitioning what was originally a large open space into individual offices.

The entrance lobby is the most dramatic space in the building. It is complex and irregular, divided longitudinally into four zones: the one-story entrance vestibule, the two-story lobby proper, the Vermont Avenue corridor, which extends across the space on the first floor and runs along an open mezzanine at the second floor level, and the two elevator lobbies (see Figure 3). The four double-leaf, bronze-framed entrance doors lead to four small, low-ceilinged vestibules which project into the lobby and are separated by one story piers sheathed in black marble. Inside the lobby the four vestibules are treated as a single unit, roofed in bronze and containing recessed light fixtures beamed upwards (Photo 5).

The main two-story lobby space is an irregular polygon. The tall windows over the vestibule provide natural light. A bronze directory panel and a perforated panel for air circulation are located on the wall immediately to the left of the entrance; there is an identical panel on the right. The side walls of the lobby splay outward towards the corridors leading to the left and right. A reception desk is located against the wall to the left; there is a small seating area to the right. Lobby walls are clad in polished gray marble and the floor is white terrazzo, which replaced the original travertine in 1962. A large circular Anemostat air diffuser is set in the center of the plaster ceiling.

The corridor area of the lobby is defined by three large two-story structural piers that support the second floor corridor, which runs through the lobby in the form of a mezzanine (Photo 6). The piers are faced with black marble. Tall, narrow, frosted-glass light fixtures mounted on the piers provide additional light to the lobby area. Security barriers now fill the spaces between the piers on the first floor level. Under the mezzanine, a long, narrow, coved, indirect light fixture is set into the black marble ceiling. The heavy horizontal mezzanine railing is bronze. The back wall of the corridor area is clad in black fossiliferous Alberene and opens to the elevator lobbies. A large, bronze, glazed elevator panel located on the wall between the two lobbies shows the location of each of the 12 elevators. Two original Cutler Mail Chute boxes are located to the left and right of the elevator lobbies, as are plain, satin-finished bronze doors leading to the stairwells and to the freight elevators. Four original telephone booths are set into the wall to the right of the elevator lobbies. Although most of the phones have been removed, all other details of these booths are original.

The two elevator lobbies are the most dramatic parts of this dramatic space (Photo 7). The walls and ceilings are clad in polished black marble. Single small Anemostat air diffusers are located in the centers of the ceilings. Each lobby is served by six elevators, three on each side. The elevator doors are satin-finished bronze with white enamel decorative detail. Bronze elevator

signage, call buttons, and up and down plates appear to be original, although the elevator cabs have been modernized. The back walls of the lobbies consist of floor to ceiling "glass partitions" consisting of vertical translucent molded glass panels separated by bronze mullions and backlit with brilliant fluorescent lights. Reflected in the polished black lobby ceilings, these "light walls" suggest a two story space.

D. Second Floor

This floor originally included a kitchen/cafeteria, a private dining room, and a large undivided file room located in the space created by roofing the enclosed courtyard. Except for a small snack bar, located near the elevator lobby, nothing remains of the original cafeteria. The former private dining room has been converted into an office. The remainder of the floor is used as modular office space.

The second floor corridor also serves as a mezzanine for the two-story entrance lobby below. Because the express elevators do not serve this floor, there is only one elevator lobby.

E. Third Through Tenth Floors

These floors follow the standard plan with few exceptions. The elevator lobbies on floors three through six are served only by the local elevators and hence have a single elevator lobby; the remaining floors are served by all 12 elevators, so they have two lobbies. On the fifth floor, many of the offices are entered through small anterooms. On the sixth and seventh floors, the large areas north of the elevator lobbies appear to have been open, undifferentiated spaces; the present partitioning was installed prior to 1965. The sixth floor elevator lobby is separated from the small offices facing Vermont Avenue by a series of structural piers, rather than a solid wall.

F. Eleventh and Twelfth Floors

The 11th and 12th floors contain executive offices and the two board rooms. Because the depth of these floors is reduced by the setback, all offices on the I Street side of the building, including the board rooms, face the street. There are no offices on the other side of the corridor, where windows look out onto the enclosed court.

Measuring 27 feet by 54 feet, the two-story **Main Board Room** (Room Number 1151) occupies the central portion of the setback on the I Street elevation facing McPherson Square. Except for the entrance lobby, it is the largest room in the building. The room is characterized by the same qualities of calm and reserve as the exterior, but here the impression is one of quiet richness (Photo 8). The room's spare detailing is confined to large framed panels pulled back into the surrounding wall surface. There are six panels on each of the two long walls and three along the short end walls. A simple baseboard and plain moulded cornice extend around the room. The ceiling is plaster and the floor is carpeted, as it was historically.

Eight bronze two-story windows facing McPherson Square fill the panels on the north side of the room. Each window contains eight operable casement panes. Low convectors faced with marble are located under the windows. The marble tops of the convectors continue through to the wall to the exterior, where they support outer steel window replicating the configuration of the inner windows. Venetian blinds are used in the windows, as they were historically.

Each of the recessed wall panels on the three interior walls is divided into a square upper section and a rectangular lower one, the whole set within a simple architrave. Single standard-sized doors leading to the corridor, the adjoining small board room, and electrical panels and other service spaces are located in the end panels of each of the interior walls. The upper parts of the end panels on the short side walls are decorated with applied moldings forming an octagon. The square panel at the center of the east wall contains a stylized bronze clock face.

Three dramatic light fixtures are centered in a single large recessed ceiling panel of rough textured plaster. Each fixture consists of a central circular section 5'6" in diameter surrounded with a coved recess containing indirect fluorescent lighting. The central sections of the two outer light fixtures contain Anemostat air diffusion vents.

Four oxidized bronze grilles associated with the air-conditioning system are located on either side of the doors opening to the corridor. Each grille has a simple geometric design. The stylized metal light fixtures originally mounted on the walls between the recessed panels and shown in an early photograph have been restored. The carpeting has been replaced, but otherwise everything in this room is original.

The **Small Board Room** (Room No. 1141) is located immediately west of the Main Board Room on the 11th floor (Photo 9). The one-story space measures 24 feet by 30 feet and is much simpler than its larger neighbor. Three off-center windows are regularly spaced on the north wall. As with the larger board room, the Small Board Room is fully carpeted and the walls paneled in wood. Appalachian oak is used in place of walnut in this room, however, and the flush-mounted floor-to-ceiling wall panels are not separately articulated. The room has three doors: one leading to an anteroom, one opening into the Main Board Room, and the third a false door existing only to provide symmetry. The flush paneled doors are set within a molded architrave; hardware is bronze. The sheet-metal cabinets housing the convectors below the windows are grained to match the wood paneling. Indirect lighting was originally provided by large square, coved ceiling recesses, each sub-divided into nine squares. The ceiling is now fitted with dropped acoustical tiles and recessed fluorescent lighting.

Access to the Small Board Room is through a small anteroom. This room also connects with short hallway leading to the Main Board Room and with a small, irregularly shaped cloak room that contains a private toilet, in original condition, and closet.

Executive Suite: Jesse Jones's "vast, hexagonal office" is still located at the southwest corner of the 12th floor, facing Lafayette Park and the White House, as he requested in 1939 (Photo 10). The pickled pine wall paneling has been covered with fabric, but other features appear to be largely unaltered and the windows still give a wonderful view of Lafayette Park. The original ceiling light fixtures, similar to those in the Main Board Room, may survive under their current translucent circular covers. The Executive Suite also includes an anteroom, a kitchen, a private bath, and two private conference rooms.

G. Penthouse Level

The west side of the one-and-one-half story penthouse contains elevator and mechanical equipment. The east side has been converted to office space. In addition to the original

penthouse, a variety of other recent mechanical and air-handling structures and pieces of equipment are located on the roof of the building.

8. STATEMENT OF SIGNIFICANCE

Certifying official has considered the significance of this property in relation to other properties:
Nationally: X Statewide:__ Locally:__

Applicable National Register Criteria:	A X B X C__ D__
Criteria Considerations (Exceptions):	A__B__ C__ D__ E__ F__G__
NHL Criteria:	1 and 2
NHL Theme(s):	IV. Shaping the Political Landscape 2. Governmental Institutions V. Developing the American Economy 7. Governmental Policies and Practices
Areas of Significance:	Industry Military Politics/Government
Period(s) of Significance:	1940-1954
Significant Dates:	1940
Significant Person(s):	Jesse Holman Jones
Cultural Affiliation:	N/A
Architect/Builder:	A. R. Clas Associates, Architect; Holabird and Root, Associate Architects
Historic Contexts:	World War II and the American Home Front

State Significance of Property, and Justify Criteria, Criteria Considerations, and Areas and Periods of Significance Noted Above.

Summary of Significance

The Lafayette Building was built in 1940 to serve as the headquarters of the Federal Loan Agency and its most important component, the Reconstruction Finance Corporation (RFC). It is exceptionally significant under National Historic Landmark Criterion 1 for the importance of the RFC and its subsidiaries in financing the wartime mobilization of American industry. The American industrial mobilization that played a critical role in Allied victory would not have occurred without the financial support of the federal government. The RFC, "blessed with massive financial resources, unparalleled congressional support, political insulation, and a dynamic, highly respected leader," provided a large share of that support. It constructed and equipped huge new industrial plants where private industry turned out tanks, jeeps, steel, aluminum, penicillin, and, most of all, aircraft. It created a synthetic rubber industry from scratch. It stockpiled critical raw materials. It constructed pipelines to bring critical gasoline and other petroleum products from producers in the West to the East Coast. It searched the world for essential raw materials to keep them out of the hands of the Axis powers. It worked to drive German airlines out of Latin America. By 1945, it had poured over $22 billion into the war effort and constituted "a fourth branch of the Government, according to Virginia Senator Harry Byrd.[3]

The Lafayette Building is also nationally significant for its association with Jesse Holman Jones. Although Jones had no official role to play in the RFC after 1939, when he was appointed Federal Loan Administrator, everybody in Washington knew that "the RFC was Jesse Jones and Jesse Jones was the RFC."[4] From his office in the Lafayette Building he continued to keep close watch over RFC operations until he left government in 1945. In 1941, an article in *Fortune* magazine described the 67-year old Jesse Jones as "certainly the second most powerful [man] in the government" (presumably after the President).[5] By this time, Jones held two Cabinet positions, Secretary of Commerce and Federal Loan Administrator, but his power was based largely on his control of the Reconstruction Finance Corporation and his close political connections with the powerful Texas congressional delegation. The *Fortune* article included a cartoon showing Jones crowned with a dollar sign and dispensing money from seven arms representing RFC subsidiaries (Photo 11).[6]

The 1941 article also described the criticisms that both New Deal and conservative sources were

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[3] James S. Olson, *Saving Capitalism: The Reconstruction Finance Corporation and the New Deal, 1933-1940* (Princeton: Princeton University Press, 1988), 62; Jesse H. Jones, *Fifty Billion Dollars* (New York: Macmillan, 1951), 4; *The New York Times*, Jan. 24, 1945, 12 (cited in Gerald T. White, *Billions for Defense: Government Financing by the Defense Plant Corporation During World War II* [University: University of Alabama Press, 1980], 62).

[4] Eliot Janeway, *The Struggle for Survival*, vol. 53, *Yale Chronicles of America* (New Haven: Yale University Press, 1951), 132.

[5] "The War Goes to Mr. Jesse Jones," *Fortune* 24, no. 6 (December 1941): 91.

[6] Ibid., 90.

directing at Jones:

> that Jesse Jones, as government's financier, was responsible for delays in defense production; that Jesse Jones, the cautious banker, was holding up the works of plant expansion and stockpile accumulation while he haggled over pennies; that . . . the real bottleneck of rearmament . . . was perhaps Jesse Jones.[7]

Jones was proud of the RFC's record during the depression, which he saw as a demonstration of what government could accomplish "in overcoming economic adversities in a businesslike way."[8] On the eve of Pearl Harbor, however, operating in a "businesslike way" looked like doing "too little, too late" to prepare the nation for the war that more and more Americans saw as unavoidable. Nevertheless, in the fall of 1941, the "wide-spread, corroding ambivalence about an all-out effort" that characterized the period between the outbreak of the war in Europe and American entry in December seemed to focus on Jesse Jones.[9]

The period of significance for the building extends from its opening in 1940 through 1954, when the RFC ceased to exist as an independent agency.

Building History

In September 1938, the Reconstruction Finance Corporation Mortgage Company and the Thompson-Sterrett Company, a construction firm based in New York City, agreed to create a private corporation to build an office building in Washington, D.C. Purchasing the land and constructing the building would be financed by a $5.6 million loan from the Mortgage Company, which would also lease the building for its own use. The Lafayette Building Corporation (LBC) was organized under the laws of the state of Delaware on September 30, 1938. There was an informal, though unwritten, understanding that the RFC Mortgage Company would purchase all of the stock of the LBC once the building was completed.[10] The reasons for this complicated and apparently questionable arrangement are not clear. The RFC Mortgage Company and the RFC itself were directly involved in planning the building that would be their headquarters.

On December 30, 1938, the Lafayette Building Corporation entered into a series of loan agreements, leases, and contracts with the RFC Mortgage Company; the Thompson-Sterrett Company, the contractor for the building; and A. R. Clas Associates, architect. Before coming to Washington in 1935 to join the Public Works Administration, Clas had worked for the nationally-known Holabird and Root architectural firm in Chicago. In 1938, he established his own firm, in association with J. W. Cramer, and was soon working with the RFC to prepare

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[7] "The War Goes to Mr. Jesse Jones," 91.

[8] Jones, *Fifty Billion Dollars*, foreward.

[9] Vatter, *U.S. Economy in World War II* (New York: Columbia University Press, 1985), 39-40.

[10] "I think, in the certificate of incorporation and the bylaws [for the LBC], . . . it is better not to put anything concerning the fact that all stock will be subject to a purchase option in the RFC Mortgage Company. We can amend the by-laws when the time comes." Stanley Clarke to George Hill, letter, September 16, 1938, National Archives and Records Administration (NARA), Record Group (RG) 234, Entry 311, Box 1.

financial and operating estimates for what would be the Lafayette Building.[11] On the same date his own contract was signed, Clas subcontracted with A. J. Scullen for structural and engineering work and with Holabird and Root for "certain architectural drawings and specifications." All contractors and subcontractors agreed to accept stock in the Lafayette Building Corporation as part of their compensation.[12]

By February 1939 the land had been acquired and demolition of the existing buildings on the site begun. Plans for the building were almost complete in March, when Jesse Jones "requested" a number of significant changes, all of which are reflected in the building as it now stands. The most significant of these were the addition of a garage in the basement of the building, the elimination of shops from the H Street elevation, the roofing of the enclosed courtyard at the second floor level to provide a large file room, and the location of the main entrance on the Vermont Avenue elevation. Plans dated December 6, 1938, show two entrances, one on I Street and one entirely filling the short concave elevation at the corner of Vermont Avenue and H Street facing Lafayette Park. According to an April 27, 1939 letter from Clas to the LBC, Jones's changes "necessitated practically complete new architectural, structural and mechanical drawings."[13]

The building was completed on August 2, 1940, at a cost of approximately $5.5 million. The RFC Mortgage Company purchased the Lafayette Building Corporation's outstanding stock on April 16, 1941, and a month later it took over all of LBC's assets. The Lafayette Building Corporation was dissolved on July 1, 1941.[14]

The Reconstruction Finance Corporation

The Reconstruction Finance Corporation was created by President Herbert Hoover in early 1932, during the darkest days of the Great Depression. With the American banking system near collapse and an election coming up in November, Hoover abandoned his deepest personal convictions to create an institution that would use government funds to subsidize the private banking industry. The RFC Act of January 22, 1932 authorized the corporation to make emergency loans to private banks, building-and-loan societies, railroads, and agricultural stabilization corporations. During hearings on the proposed legislation, George Norris, a liberal Republican Senator from Nebraska, announced that he was "dazed" by its provisions:

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[11] A. R. Clas to Reconstruction Finance Corporation, letter, August 3, 1938, NARA, RG 234, Entry 311, Box 1.

[12] Responsibility for the building's design cannot be firmly established, but the contribution of Holabird and Root appears to have been substantial. LBC and RFC Mortgage Company, Lease; LBC and Thompson-Sterrett Company, Inc., Construction Contract; LBC and A. R. Clas, Architect's Contract; A. R. Clas Associates and A. J. Scullen, Engineer's Contract; A. R. Clas Associates and Holabird and Root, Associate Architect's Contract; all dated December 30, 1938, NARA, RG 234, Entry 310, Box 1, and Entry 311, Box 1; "Lafayette Building: Historic Structures Report," Geier Brown Renfrow and Oehrlein & Associates, for the General Services Administration, 1986, 9-10.

[13] A. R. Clas Associates to Lafayette Building Corporation, letter, April 27, 1939, NARA, RG 234, Entry 311, Box 1.

[14] "Preliminary Inventory of the Records of the Reconstruction Finance Corporation, 1932-1964", compiled by Charles Zaid (Washington, D.C.: National Archives and Records Service, General Services Administration, 1973) (cited hereafter "Preliminary Inventory"), 73.

> I have been called a socialist, a bolshevist, a communist, and a lot of other terms of a similar nature, but in the wildest flights of my imagination I never thought of such a thing as putting the Government into business as far as this bill would put it in.[15]

In the summer of that year, Hoover compromised his principles still further. The Relief and Reconstruction Act, signed on July 21, authorized the RFC to make loans of up to $1.5 billion for long-term "self-liquidating" public works and to lend another $300 million to the states for direct relief projects. According to historian David Kennedy, the creation of the RFC was "by far the most radical, innovative, and ultimately consequential initiative" in the last years of the Hoover administration.[16] Like World War I's War Finance Corporation, on which it was closely modeled, the RFC was intended to be a temporary, emergency measure; its life was originally limited to ten years.

When President Franklin D. Roosevelt took office in 1933, he extended and expanded the RFC's authority and mission, appointing Jesse Jones, the leading Democrat on the bipartisan Board of Directors, as chairman. In his 1951 account of his years at the RFC, Jones reported proudly that the agency had disbursed $4 billion to pay depositors of closed banks, to keep other banks open, and to buy stock in banks, trust companies, and other financial institutions during the Depression. It had loaned $1 billion to the railroads, keeping one-third of them from bankruptcy. Through its RFC Mortgage Company and Federal National Mortgage Company subsidiaries, it had made loans of $500 million to help support the home mortgage industry. It had created the Export-Import Bank of Washington to encourage American exports and the Electric Home and Farm Authority to help people in rural areas buy modern home appliances. It had lent money to cities and states to cover deficits and had financed "thousands of . . . bridges, aqueducts, tunnels, dormitories, toll highways, recreation centers, and water and sewer systems," including the San Francisco-Oakland Bay Bridge and the Pennsylvania Turnpike. By 1935, the corporation had made more than 40,000 loans and had become "the most ubiquitous of the New Deal agencies." One historian concluded that the RFC:

> undoubtedly diminished the intensity of the depression. Largely through RFC, the nation's financial structure was maintained, though severely shaken, and its rail transportation system kept in operation.[17]

The RFC was set up as a public corporation and was authorized to issue up to $500 million in stock, all of which was subscribed by the U.S. Treasury. It was directed and administered by a board of first seven, and later five men, appointed by the President with the advice and consent of the Senate. Much of its work was conducted through subsidiary corporations, including by

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[15] *Congressional Record* 75 (Jan. 11, 1932): 1703; cited in David M. Kennedy, *Freedom From Fear: The American People in Depression and War, 1929-1945*, vol. 9, *The Oxford History of the United States* (New York, Oxford: Oxford University Press, 1999), 84.

[16] Kennedy, *Freedom from Fear*, 84.

[17] Jones, *Fifty Million Dollars*, 6-9; Olson, *Saving Capitalism*, 42-46; Gerald T. White, *Billions For Defense: Government Financing by the Defense Plant Corporation During World War II* (University, Ala.: University of Alabama Press, 1980), 11.

1940 the RFC Mortgage Company, the Federal National Mortgage Company, the Export-Import Bank of Washington, and the Electric Home and Farm Authority. These subsidiaries were separate legal entities organized for specific purposes, but using RFC funding and personnel. RFC headquarters was at 19th Street and Pennsylvania Avenue in Washington, D.C., from 1932 until it moved to the Lafayette Building. The federal government was one of the few "growth industries" in the 1930s. Like other agencies, the RFC was able to attract a group of brilliant young men, mostly lawyers, who in other circumstances might have found work in the private sector. These men included both conservatives and passionate New Dealers.[18]

As a public corporation, the RFC had an unusual degree of flexibility and freedom of action. It was largely independent of annual Congressional appropriations, and scrutiny. As money from repaid loans poured in, it could be used as a revolving fund, loaned out again and again without further Congressional action. While the corporation had to file periodic reports on its activities, it did not have to identify its borrowers or give the amounts of their loans. In part because there were few members who did not have at least one RFC-funded project in their districts, the agency enjoyed exceptional support in Congress.

The Reconstruction Finance Corporation and World War II

The flexibility and political independence that made the RFC popular with politicians, businessmen, and presidents during the Depression gave it a new and even more powerful, if sometimes controversial, role to play once World War II broke out in Europe. Although budget appropriations for defense production began to increase rapidly even before the German invasion of Poland in September 1939, the mobilization of the American economy began slowly. Before the fall of France in the summer of 1940, most Americans probably hoped that the United States could stay out of the European war. Newly created defense planning agencies in Washington were hampered by overlapping and competing assignments and responsibilities.[19] This rather "disorderly set of improvisations" undoubtedly slowed the mobilization, but had the advantage of being more politically acceptable to both anti-interventionists and anti-business New Dealers than an organized plan might have been. It also had the strong support of a President who was convinced that the United States would sooner or later have to commit itself in the fight against Fascism, but who also wanted to "spark, direct, and coordinate the defense effort himself."[20]

The Roosevelt administration relied on "money impure and simple" to encourage American industry to produce the billions of dollars of raw materials and military equipment needed both to defend the United States and to help its allies.[21] Secretary of War Stimson explained the basis for this decision when he confided to his diary: "If you are going to try to go to war, or to

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[18] White, *Billions for Defense*, 13.

[19] Harold G. Vatter, The U.S. Economy, 32. For more details on the defense period, see Part 1 "Mobilization and Its Impact," in the *World War II and the American Home Front,* National Historic Landmark Theme Study (Washington, D.C.: U.S. Department of the Interior, National Park Service, forthcoming).

[20] White, *Billions For Defense*, 4; Vatter, *U.S. Economy*, 32, 34.

[21] Robert R. Lingeman, *Don't You Know There's a War On?: The American Home Front 1941-45* (New York: G. P. Putnam's Sons, 1970), 111.

prepare for war, in a capitalist country, you have got to let business make money out of the process or business won't work."[22] Although there was considerable slack in the depressed American economy of 1939, substantial new investment in plant, equipment, and raw materials clearly would be needed. The agencies primarily responsible for financing that new investment were the National Defense Advisory Commission, the Department of the Treasury, the War and Navy departments, and the Reconstruction Finance Corporation. Their assignment was to find ways to stimulate as much private investment as possible, but to provide government funds where private funding was not available. Because of its huge financial resources, its financial expertise, its experience in creating subsidiary corporations for specific tasks, and its ability to move quickly without specific Congressional appropriations, the RFC seemed ideally suited as an immediate source of capital during a period when possible American intervention in the war was still being debated and when industry was reluctant to convert from newly profitable civilian output to military production. In particular, the agency seemed to be the only possible source of funding for the critical aircraft industry, which was still too small and too financially insecure to obtain large conventional loans.

On May 16, 1940, President Roosevelt called for expanding aircraft production to 50,000 planes a year (at a time when annual production averaged perhaps 13,000). At a press conference the next day, he explained how he expected this to happen: "He visualized a situation in which private capital would be cooperating to the fullest with government authorities and in which the lag caused by reluctant capital would be filled by loans advanced through the Reconstruction Finance Corporation."[23] In a radio address a little over a week later, he expanded:

> I know that private business cannot be expected to make all the capital investment required for expansion of plants and factories and personnel which this program calls for at once. It would be unfair to expect industrial corporations to do this when there is a chance that a change in international affairs may stop future orders.
>
> Therefore, the Government of the United States stands ready to advance the necessary money to help provide for the enlargement of factories, the establishment of new plants, the development of new sources of supply for the hundreds of raw materials required, the development of quick mass transportation of supplies. The details of this are now being worked out in Washington, day and night.[24]

At about the same time, bills were introduced in Congress to authorize the RFC to make loans and purchase stock specifically for national defense purposes, to purchase strategic and critical materials, and to construct, expand, and equip industrial plants. Republican Senator Robert Taft attacked what he called the "most outrageous legislative proposal that has been made to the Congress since I have been here" for permitting the government to "go into just any business it

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[22] Diary of Henry L. Stimson, entry of Aug. 26, 1940, manuscript in Sterling Library, Yale University; cited in Kennedy, *Freedom From Fear*, 622.

[23] *New York Times*, May 18, 1940, 6; cited in White, *Billions For Defense*, 2.

[24] *New York Times*, May 27, 1940, 40, 12; cited in White, *Billions For Defense*, 3.

chooses" in competition with private enterprise. Conservative members of the House of Representatives were also concerned about possible competition between the government and private industry. Their comments led to revisions that defined the powers granted to the RFC more narrowly. When the law was signed, on June 25, 1940, three days after the French surrender, it still gave Jesse Jones what he called "perhaps the broadest powers ever conferred upon a single government agency."[25] The act authorized the RFC:

> to make loans to, or, when requested by the Federal Loan Administrator with the approval of the President, purchase the capital stock of any corporation (a) for the purpose of producing, acquiring, and carrying strategic and critical materials as defined by the President, and (b) for plant construction, expansion, and equipment, and working capital, to be used by the corporation in the manufacture of equipment and supplies necessary to the national defense, on such terms and conditions and with such maturities as the [RFC] may determine.

The second part gave the RFC authority to create subsidiary corporations:

> (a) to produce, acquire, and carry strategic and critical materials as defined by the President, (b) to purchase and lease land, to purchase, lease, build and expand plants, and to purchase, and produce equipment, supplies, and machinery for the manufacture of arms, ammunition, and implements of war, to lease such plants to private corporations to engage in such manufacture, and (d) if the President finds that it is necessary for a Government agency to engage in such manufacture, to engage in such manufacture itself.[26]

As Jones explained, "The law provided that these wide powers should be exercised in each instance only on my request, as Federal Loan Administrator, with the approval of the President."[27]

Planning for the four most important RFC subsidiaries had begun before the legislation was approved, and the RFC moved swiftly to create them. The Rubber Reserve Company and the Metals Reserve Corporation were established on June 28, the Defense Plant Corporation on August 22, and the Defense Supplies Corporation on August 29. The **Defense Supplies Corporation** was created to stockpile aviation gasoline and imported wool, but it soon became a "catch-all agency." Of the $9 billion it spent during the course of the war, about a quarter went to procure 13 billion gallons of aviation fuel for the armed forces. Its other activities included paying direct subsidies to keep down the cost of meat, coal, and the transportation of petroleum; operating pipelines carrying petroleum from Western oil fields to Eastern consumers; cooperating with the State Department to reduce the influence of German airlines in Latin America; and ensuring the safe transportation of critical Swiss jewel bearings through occupied

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[25] Jones, *Fifty Billion Dollars*, 9.

[26] 54 Stat. 573-74 (1940); cited in White, *Billions For Defense*, 17-18.

[27] Jones, *Fifty Billion Dollars*, 9.

France.[28]

The **Metals Reserve Company** was assigned the job of procuring, stockpiling, and disposing of tin, nickel, copper, lead and zinc, and other strategic metal and minerals in short supply, at the direction of the War Production Board, the military services, or other government agencies. During the course of the war, it spent $2.75 billion acquiring 50 different metals and minerals from 51 countries. It sponsored construction of a tin smelter in Texas that produced about 40 percent of the new tin used during the war. It paid over $350 million in direct subsidies to producers, supervised programs for the acquisition, recovery, and conversion of scrap metals, and also handled the distribution of surplus aircraft parts and supplies.[29]

The **Rubber Reserve Company** was responsible for both one of the Reconstruction Finance Corporation's greatest wartime failures and one of its greatest successes. Its responsibility was to acquire and distribute both natural and synthetic rubber. During the defense period, the procurement program proceeded very slowly. At the time of Pearl Harbor, reserves of natural rubber stood at about 600,000 tons, with another 150,000 tons in shipment, sufficient to cover only about a year's peacetime demand. Four small synthetic rubber pilot plants were under construction, with a projected combined annual capacity of 40,000 tons, but none was in operation. Japan's rapid advance through the South Pacific in the early months of 1942 soon cut off almost all of the nation's supply of natural rubber, a "frightening eventuality that should have been, but wasn't, anticipated." By September 1942, a presidential committee under Bernard Baruch reported that supplies of rubber were so low that the country faced both military and civilian collapse and recommended that gasoline be rationed to keep civilian demand for rubber in check.[30]

An American synthetic rubber industry had to be created, and created quickly, but there were many obstacles. Policy authority over rubber production was divided between the RFC and other government agencies until September 1942, when a single rubber "czar" was created within the War Production Board. There was no consensus on which of a number of production processes should be used. And synthetic rubber derived from petroleum had to compete with the high priority aviation gasoline program. Nevertheless, by the end of the war the RFC had built 51 synthetic rubber plants across the country at a cost of about $700 million. Annual output rose from a little over 8,000 tons in 1941 to over 750,000 tons in 1944, one of World War II's most famous "production miracles."[31]

The new synthetic rubber plants were built for the Rubber Reserve Corporation by the **Defense Plant Corporation** (DPC). The DPC was created by the same group of politically well-connected lawyers in the RFC's Legal Division that was responsible for drafting the 1940 RFC

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[28] White, *Billions For Defense*, 18; "Preliminary Inventory", 41; Jones, *Fifty Billion Dollars*, 11

[29] "Preliminary Inventory," 35; White, *Billions For Defense*, 75.

[30] "Preliminary Inventory," 58; White, *Billions For Defense*, 41; Vatter, *U.S. Economy*, 28-29. The quotation is found in Vatter, on p. 28.

[31] "Preliminary Inventory," 58; Janeway, *Struggle For Survival,* 263-4; Vatter, *U.S. Economy*, 29.

legislation. These men were both committed New Dealers and "passionately convinced of the urgency of the defense program."[32] Concerned that private financing, even with the new incentives the government provided, would be too slow, they devised a standard leasing procedure that would speed approval while still protecting the government's interests. The DPC would build and equip government-owned industrial plants and lease them to private firms that already had approved procurement contracts from other government agencies, usually the armed services. Part of what the sponsoring agencies paid for the plant's output would go to repay the DPC's investment. Because this standard lease provided for government ownership of plants that could compete with private industry in peacetime, it faced strong opposition from conservatives both within and outside government, particularly before Pearl Harbor. On the other hand, the private businesses that needed the money quickly to fulfil their contracts liked the speed of the standard lease, which economist Eliot Janeway described in 1951 as a "model of government efficiency."[33] Many contractors probably agreed with the Douglas Aircraft official who commented:

> I don't give a damn about Government title. If the Government puts up the money it seems to me it ought to have title. As I see the situation, if the country is going socialistic when the defense program is over, Douglas can't stop it by a contract. . . . All I want is to get busy and build airplanes.[34]

After Pearl Harbor, opposition to government ownership of industrial plants abated. By the end of the war, DPC had invested a total of almost $7 billion in land, buildings, machinery and other equipment for 2,300 projects with an average value of $3 million. DPC financed over one third of all government-funded plant and equipment and was responsible for adding more than 10 percent to the nation's production capacity. Over half of these investments went to the aircraft industry, including plants for the production of aircraft, engines and parts, aviation gasoline, and raw materials such as aluminum and magnesium. Substantial amounts also went to the synthetic rubber program, shipbuilding, and the production of steel, chemicals, and arms and ammunition. DPC loans paid for 96 percent of the new synthetic rubber plants, 58 percent of the aluminum plants, 90 percent of new magnesium plants, and 71 percent of the aircraft factories, including 14 of the 15 largest plants built during the war. DPC financed the huge "Big Inch" and "Little Big Inch" pipelines bringing gasoline and petroleum from the Texas oil fields to the East Coast. It also played an important role in increasing production of machine tools, without which industry could not work. The DPC Machine Tool Pool placed advance orders on its own account, thus guaranteeing supplies while reducing risk to the machine tool manufacturers.[35]

Ultimately the Reconstruction Finance Corporation and its subsidiaries contributed more than

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[32] White, *Billions For Defense*, 10.

[33] Janeway, *Struggle For Survival*, 133.

[34] Clifford J. Durr, "The Defense Plant Corporation," in *Public Administration and Policy Development: A Case Book*, ed. Harold Stein (New York: Harcourt, Brace, 1952), 304.

[35] White, *Billions For Defense*, 10; "Preliminary Inventory," 37; Gerald D. Nash, *The American West Transformed* (Bloomington: University of Indiana Press, 1985), 20.

$22 billion to the war effort. Nevertheless, the RFC was harshly criticized for dragging its feet during the defense period. Most of this criticism centered around the personality of Jesse Jones, who dominated the organization from its creation in 1932 until he left government in 1945.

Jesse Holman Jones (1874-1956)

Jesse Jones was born in 1874 in Tennessee, but soon moved to Houston, Texas, which would be his home for the rest of his life. His business interests in construction, real estate, and banking soon made him a millionaire. His early support of presidential candidate Woodrow Wilson and his wealth made him an important power within the Democratic Party, but he was content to work behind the scenes until his appointment in 1932 to the Board of Directors of the newly formed RFC. Gerald White, in his book on the Defense Plants Corporation, gives a good portrait of this complex man:

> While Jesse Jones was in the federal government, there was no question as to the seat of power within RFC. In 1932, President Herbert Hoover had appointed him to the original board, and in 1933, Roosevelt made him its chairman. Jones was a rugged product of Texas capitalism. He had made his fortune in lumber, banking, and office buildings and owned a Houston newspaper. Self-made, assured, proud of his "horse-trading" abilities, he towered above the national financial landscape like a government-created J. P. Morgan. He was easy, approachable, a good listener. He made RFC a highly efficient organization. Not a reformer, his goal was to help the society work better within conventional limits. He was inordinately proud of the RFC and its lending record, which he sought to protect and improve. His banker mentality made him abhor risk and loss. Authoritarian and paternalistic, he was known to the RFC staff as "Mr. Jones" or as "Uncle Jesse." He expected loyalty and rewarded loyalty.
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> RFC was his fief. His close ties to members of the Texas congressional delegation and his awesome reputation among congressmen as a self-made man and a legendary poker player made him all but invulnerable politically. Twice he escaped jousts with Roosevelt unscathed. In the early summer of 1939, Roosevelt, suspecting with good reason Jones's New Deal loyalties, sought to break his hold on the RFC by appointing him to the newly created higher-echelon post of federal loan administrator. But Jones was more than a match for his wily adversary. He accepted the new title and retained his old office in the RFC headquarters, where he continued to keep a close eye on RFC affairs. The next year, Roosevelt sought again to break RFC loose by appointing Jones secretary of commerce. Once more the powerful Texan circumvented Roosevelt. He persuaded his congressional friends to pass legislation enabling him to continue to serve as federal loan administrator while secretary of commerce.[36]

Jones and the RFC

Most of the criticism of Jones, both by contemporaries and later historians, centered around his concern for protecting RFC's reputation for financial soundness, his preference for individually

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[36] White, *Billions For Defense*, 13. Not all historians agree with White's analysis of the reasons for Jones's appointment as Secretary of Commerce. David Kennedy sees it as an olive branch held out to disaffected Southern Democrats; Eliot Janeway as a power grab by Jones.

negotiated deals over standard contracts, and his unwillingness to tolerate independent action within his domain. The most famous case of "haggling over pennies" concerns rubber (see above). When the price of natural rubber on the international market rose to a level that Jones thought was too high, he stopped buying. He saw no need to spend what he saw as an excessive amount of money on rubber that might not be needed. At the request of the National Defense Advisory Commission, he agreed to finance the construction of pilot plants for synthetic rubber, but was unwilling to risk large investments. As late as September, 1941, Jones wrote Roosevelt that, "It appears that none of the methods [for producing synthetic rubber] have been sufficiently proven to warrant the construction of expensive plants except in an extraordinary emergency." Roosevelt agreed. Eliot Janeway, writing shortly after the war and highly critical of Jones in other connections, blamed the delays in building synthetic rubber plants on "the men empowered to authorize them [who] could not agree whether they were necessary." Gerald White, on the other hand, agreed with Jones's critics during the war and attributed the rubber crisis to Jones's "excess of caution."[37]

Jones's support played a critical role in gaining approval for the Defense Plant Corporation standard contract, but he was often unwilling to use it. The terms of the standard contract were the same for everybody and hence quick to process. As a successful businessman himself, Jones thought he could do better through direct man-to-man negotiation, especially when dealing with the "big boys" in American industry. An October 1941 survey reported that 43 of 186 DPC contracts had been negotiated and signed within 24 hours. On the other hand, 22 cases, mostly those in which Jesse Jones was involved, had taken over 20 days to complete.[38]

In 1941 there were no "bigger boys" than America's steel makers. Like many American businessmen, steel manufacturers were loath to add production capacity that might not be profitable after the war. Most major steel producers eventually signed standard DPC contracts, but Jones negotiated directly with Bethlehem Steel, a notoriously hard bargainer. He acknowledged that the resulting deal, which differed from the contracts the other steel makers had signed, "business-wise . . . was not too good." The terms were approved by the Supply Priorities and Allocation Board, a recently created central planning agency, but were sharply criticized within DPC. The final contract was not signed until February 2, 1942, two months after Pearl Harbor.[39]

Aluminum was critical to the new aircraft industry, but expanding its production was complicated by the fact that in 1937 the government had sued the powerful Aluminum Corporation of America (Alcoa), the country's sole producer of primary aluminum, for violations of the anti-trust laws. Government attempts to find ways to achieve both a dramatic increase in production and increased competition in the industry undoubtedly delayed the expansion program. The RFC has helped create Alcoa's first competition in primary aluminum

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[37] Jones to Roosevelt, September 16, 1941; cited in White, *Billions For Defense*, 40-41; Janeway, *Struggle for Survival*, 262.

[38] White, *Billions For Defense*, 43, 47, 59.

[39] White, *Billions For Defense*, 47-48.

production when it gave Reynolds Metals a $16 million dollar loan to build a plant in Listerhill, Alabama. In July, 1941, at a meeting held at RFC headquarters, Jesse Jones took Arthur Vining Davis, Alcoa's long-time chairman, into his private office to work out a deal. The resulting proposal "showed a strange solicitude for Alcoa's market position," giving the company control of all new government-owned plants. Criticism of the proposed deal by the Antitrust Division at the Justice Department and within RFC led to revisions that provided for more government oversight and for the operation of three of the new plants by companies other than Alcoa. Even with these changes, the final contract was denounced by Secretary of the Interior Ickes as "about the worst contract the government ever signed." When it was sharply criticized by the Senate's Special [Truman] Committee Investigating the National Defense Program, Jones was outraged, referring to Hugh Fulton, Counsel for the Truman Committee, as "that whippersnapper." Less than 10 percent of the new aluminum capacity was actually in production at the time of Pearl Harbor. By October 1943, aluminum output exceeded need, but, according to Gerald White, "Jesse Jones's penchant for dealing with established firms on an individual basis slowed negotiations and helped keep Alcoa in effective control of the aluminum industry during the war years."[40]

Everyone agreed that Jesse Jones ran the RFC as his personal fiefdom, even after he ceased to have any official position in the corporation, but the DPC and its standard contract were created in the summer of 1940 by an "organization of mavericks." These younger men were passionately committed to an all-out defense effort; Jones was less convinced of its urgency and more concerned about protecting RFC investments. They strongly favored the speed and convenience of the standard contract; Jones preferred company-by-company negotiation. Finally, the DPC and the standard lease were created by what Eliot Janeway called a "conspiracy of administrative efficiency," while Jones valued loyalty above all. Eventually, the members of the "conspiracy" reached a point where they could go no further without Jones's support. When they approached him they were able to convince him of the need for the 1940 legislation and of the merits of the DPC standard contract. His support was essential both for passing the legislation and for getting other government agencies to allow their contractors to apply for DPC funding.

Jones was happy to use the list of projects already funded by DPC to defend himself against columnist Drew Pearson's accusations of RFC foot-dragging in the defense effort, but he was not willing to tolerate the independence of the DPC and the men who had created it. Jones maneuvered the appointment of Emil Schram, Chairman of the RFC and President of DPC, as chairman of the New York Stock Exchange in June, 1941. John Snyder, Vice President, went to the First National Bank of St. Louis. Clifford Durr, DPC Chief Counsel and reportedly the leading architect of the DPC contract, lasted longer, finally resigning in October over the Bethlehem Steel contract. Although Eliot Janeway is almost certainly wrong when he says that the DPC went "out of effective action" with these departures, but the committed men who had created it were gone by the time of Pearl Harbor.[41]

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[40] White, *Billions for Defense*, 43-44; Janeway, *Struggle For Survival*, 185-187.

[41] Janeway, *Struggle For Survival*, 132-134; White, *Billions For Defense*, 29, 33-34, 39.

There is no question that Jesse Jones accomplished a great deal during the defense period. Without his popularity with the American business community, which saw him as "the sole rock of sanity in a deranged government,"[42] the 1940 amendments to the RFC act could probably not have been passed and the DPC would not have existed. Jones proudly reported an exchange on the floor of the Senate:

> One of the Senators called attention to the fact that under the amendment "that fellow," meaning me, "could lend any amount of money for any length of time at any rate of interest to anyone he chose." To this objection Senator Carter Glass of Virginia, who was in charge of steering the amendment through the Senate, replied: "Yes, but he won't."[43]

It also seems likely that the RFC could have done more to speed the industrial mobilization before Pearl Harbor. It is true that the RFC was only one part in an "ungainly, lumbering, tortuously fashioned administrative structure" and many other governmental agencies shared responsibility for delays. But the conclusion of the 1941 *Fortune* article seems a fair assessment:

> It must be remembered in conclusion that Jesse Jones is twice a member of the cabinet. He is a famously aggressive and resourceful man. He has power, prestige, and enormous acumen. And he could, if he would, exercise a type of bold and determined leadership that might galvanize the production effort in a way that no other man has yet been able to do. And if at some point the U.S. does make up a wrathful mind that it has really been too little and too late, Jesse Jones will not escape responsibility–not for what he did but for what he did not do, for failure to exert the compelling leadership of which he is capable, and for which he is already armed with sufficient authority.[44]

Jesse Jones and Roosevelt

The relationship between the two most powerful men in Washington was a complex and ambiguous one, based on "power, not affection." Jones respected Roosevelt's political power and needed his support. He resented Roosevelt's tendency to "use the RFC as a sort of grab bag or catchall in his spending programs," but was careful to keep him informed and to obtain his approval in controversial cases like synthetic rubber.[45]

James Olson described Roosevelt's relationship with Jesse Jones in the 1930s as resembling the feelings of "the mongoose for the cobra." This description is probably equally applicable for the war period. Roosevelt, with good reason, questioned Jones's loyalty, but needed his connections with the business community and with the Texas Congressional delegation, whose support was often essential to achieving the administration's legislative program. He also needed the RFC,

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[42] "The War Goes to Mr. Jesse Jones," 91.

[43] Jones, *Fifty Billion Dollars*, 9.

[44] Vatter, *U.S. Economy*, 39-40; "The War Goes to Mr. Jesse Jones," 203.

[45] Olson, *Saving Capitalism*, 60-61; White, *Billions For Defense,* 40-41

"flexible, pragmatic, powerful, and independent," which fit his personal administrative style and enabled him to get things done that he might not have been able to achieve in any other way.[46]

When Roosevelt decided to run for an unprecedented third term in 1940, Jesse Jones hoped to get the nomination for Vice President. When Roosevelt passed him over in favor of Henry Wallace, whom Jones, and most conservatives, regarded as a "dangerous and impractical visionary," relations between the two men were seriously strained. The disputes about his lending practices weakened his reputation as a master negotiator and as an invincible politician and exacerbated his already wary relationship with the president. In January 1945, as the war seemed to be winding down, Roosevelt asked Jones to resign as Secretary of Commerce and Federal Loan Administrator, to be replaced with now former Vice President Wallace. By this time Wallace had accused Jones and the RFC of malfeasance in raw materials acquisition and the two men were bitter enemies. Congressional conservatives succeeded in separating the job of Federal Loan Administrator, with its control over the powerful RFC, from that of Secretary of Commerce, but in January, 1945, Jesse Jones returned to his home in Houston. He devoted the remainder of his life to his business interests and his many charitable activities, and to writing the history of his years with the RFC. In 1948 and 1952 he supported the Republican candidates for President. He died in 1956 at the age of 82.[47]

The RFC and Reconversion

When Jesse Jones left Washington in 1945, the debate about how best to return the American economy to peacetime operations had been going on for almost two years. Liberals hoped that the massive government investment in new industrial plants would be disposed of in such a way as to encourage social and economic reform; conservatives opposed any fundamental changes in the status quo. Most Americans now saw businessmen as the authors of the wartime "production miracle," rather than as the "economic royalists" of the Depression. In the end, planning for demobilization policy focused first on interfering as little as possible with the country's basic economic structure and second on avoiding the return of the prewar depression that many economists, businessmen, labor leaders, and ordinary people feared.[48]

In February, 1944, Bernard Baruch and his associate John Hancock issued a report on post-war adjustment policies. Roosevelt immediately responded by creating a Surplus War Property Administration (SWPA) within the Office of War Mobilization and appointing Will Clayton, deputy to Jones as Federal Loan Administrator, as its head. Because of its huge investments and its network of regional offices, which could also serve as disposal outlets, the RFC played a major role in the disposal program. The first meeting of the SWPA was held in the RFC Board Room in the Lafayette Building on March 2, 1944. Discussions about such critical questions as the prices that should be asked for government owned plants began immediately, but the armed services has declared few plants surplus in 1944, so little progress was made. By late 1945, after

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[46] Olson, *Saving Capitalism*, 60-62; "The War Goes to Mr. Jesse Jones," 91; White, *Billions For Defense,* 13.

[47] Texas State Historical association, "The Handbook of Texas Online," s.v. Jesse Holman Jones, http://www.tsha.utexas.edu/handbook/online/ (accessed January 8, 2004).

[48] White, *Billions For Defense*, 88.

the end of the war and Jones's resignation, Stuart Symington was in charge of the surplus disposal program. He consolidated all disposal activities in a single agency. The War Assets Corporation began as an RFC subsidiary, but in March, 1946, it became an independent agency, the War Assets Administration.[49]

Disposal of $16 billion dollars worth of government-owned plants to private owners was a complicated political and logistical challenge. First the government agency that had sponsored them had to declare that they were no longer needed for military purposes. Then the plants typically had to be cleared of equipment before they could be sold to private companies. The construction of most of these plants involved much overtime work, often inferior construction, and frequent delays due to materials shortages and many of them were very large or located far from markets or sources of supply. It was difficult, sometimes impossible, to find asking prices that would pay back most of the government's investment while still appealing to private buyers. These difficulties were compounded by the often contradictory goals imposed by the Surplus Property Act of 1944. Getting a fair return on the government's investment had to compete with "discouraging monopoly and aiding small business, fostering postwar employment, avoiding dislocation in the economy, and supporting independent new enterprises."

These political challenges were compounded in November, 1946, when the 79th Congress, with a Democratic majority that was concerned with the second group of goals, was replaced with the conservative Republican-dominated 80th Congress, which strongly favored the first one. As Bernard Baruch had warned in May 1945, "No matter what you do . . ., there will always be a minority–and a very noisy one–who will say you did the wrong thing."[50]

The plants owned by the Defense Plant Corporation, which had cost about $7 billion to build, were the government-owned plants most easily converted to peacetime operation. The process of disposing of them was slow and it is impossible to determine the extent to which the government's costs were returned because of DPC's inadequate record-keeping, which was strongly criticized in a GAO audit in 1946. Returns from post-war sales probably covered not more than 35 percent of the government's initial investment.

Disposal of government-owned "Big Inch" and "Little Big Inch" pipelines and aluminum and synthetic rubber plants resulted in important changes in those industries. The DPC pipelines were converted from petroleum products to natural gas after the war, enabling that industry to become a major source of cheap fuel for the East Coast. Some of the new aluminum plants were sold to Reynolds Metals and Kaiser Aluminum Corporation, establishing real competition in that industry for the first time. The government maintained title to most of the synthetic rubber plants through the early 1950s for security reasons. By the time they were released to private owners, a new "cold rubber" process had turned synthetic rubber from an inferior substitute for the natural product to a superior one. Overall, the government more than recouped its huge wartime investment, at the same time creating a new industry that could operate successfully on

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[49] Bernard Baruch and John M. Hancock, *Report on War and Post-War Adjustment Policies, Feb. 15, 1944* (Washington, D.C.: Government Printing Office, 1944); White, *Billions For Defense*, 97-98.

[50] White, *Billions For Defense*, 90,101-103.

its own.[51]

Disposal of wartime plants did little to encourage small business or reduce industrial concentration. Because most of the defense agencies that sent suppliers to the RFC for loans preferred to deal with major corporations, most DPC investments were in large plants for large companies. After the war, most of these plants were bought by large companies, often the ones for whom they had been built.

The DPC plants did have a significant impact on the regional distribution of industry. Much new construction was located in relatively undeveloped areas of the South and West, partly to avoid the coastlines, which were seen as potentially vulnerable to enemy attack, and partly to take advantage of closeness to natural resources, such as iron ore and coal in Utah, cheap electric power in the Pacific Northwest and the Tennessee Valley, and petroleum in Texas and Louisiana. When these plants were turned over to private concerns, they helped accelerate industrialization in these areas.[52]

Before the war many economists and most businessmen had feared that the end of the war would bring a return to the depression of the 1930s and that all the new industrial capacity created by the government would make it impossible for business to operate at a profit. The welcome, if unexpected, post-war boom ensured that many of the new plants would continue to operate profitably well into the post-war period. Some are still in use today. As Stuart Symington had predicted in 1945, the wartime plants were not "an economic worry," but "an economic blessing," helping to increase national income, maintain full employment, and curb inflation.[53]

Fred Vinson replaced Jesse Jones as Federal Loan Administrator and was himself replaced by John M. Snyder after Roosevelt's death in April 1945. The RFC's subsidiary corporations were terminated and returned to the parent organization in June. Although many senior RFC staff members left to take higher-paying jobs in the booming private sector, the corporation itself kept busy with reconversion work. The law that created the RFC in 1932 limited its term to ten years, but wartime amendments extended its life. Under the RFC Liquidation Act of 1953, its lending powers were terminated and liquidation of its assets began. The Reconstruction Finance Corporation ceased to exist as an independent agency on June 30, 1954.[54]

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[51] White, *Billions For Defense*, 105-106, 122-123

[52] White, *Billions For Defense*, 123-124.

[53] Surplus Property Administration press release, Jan. 20, 1946; cited in White, *Billions For Defense*, 97.

[54] "Preliminary Inventory," 2.

9. MAJOR BIBLIOGRAPHICAL REFERENCES

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Previous documentation on file (NPS):

__ Preliminary Determination of Individual Listing (36 CFR 67) has been requested.
__ Previously Listed in the National Register.
__ Previously Determined Eligible by the National Register.
__ Designated a National Historic Landmark.
__ Recorded by Historic American Buildings Survey: #
__ Recorded by Historic American Engineering Record: #

Primary Location of Additional Data:

__ State Historic Preservation Office
__ Other State Agency
_X_ Federal Agency (U.S. General Service Administration; National Archives and Records Administration)
__ Local Government
__ University
__ Other (Specify Repository):

10. GEOGRAPHICAL DATA

Acreage of Property: Less than one acre.

UTM References:	**Zone**	**Easting**	**Northing**
	18	323560	4307520

Verbal Boundary Description:

All of Original Lots 4 to 11 inclusive, and part of Original Lot 3 in Square 219, said part of Original Lot 3 described as follows: beginning at a point in line of North H Street, 28 feet West from the Southeast

corner of said lot; thence West 28 feet; thence North along the West line of said lot 58 feet to an angle in said line; thence Northeasterly still in the West line of said lot to the Northwest corner of said lot; thence East 9 feet 6 inches; thence in a Southwesterly direction in a straight line until such line intersects a line drawn due North from the beginning at a point 58 feet from H Street; thence South from such point 58 feet to the beginning. Also Lots 18 and 19, Thomas Corcoran and others, Commissioners' subdivision of lots in Square 219, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber B at folio 38; said property now assessed as Lots 801 to 808 inclusive, in Square 219.

Boundary Justification:

This boundary encloses the lot on which the Lafayette Building was constructed and all the land historically associated with the building.

11. FORM PREPARED BY

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DESIGNATED A NATIONAL HISTORIC LANDMARK
September 01, 2005

List of Photographs

Lafayette Building
Washington, D.C.

1. Vermont Avenue elevation
   Photographer: Marilyn M. Harper
   Date: October 31, 2004

2. Main Entrance, Vermont Avenue elevation
   Photographer: Marilyn M. Harper
   Date: October 31, 2004

3. I Street and 15th Street elevations
   Photographer: Marilyn M. Harper
   Date: October 31, 2004

4. Southwest corner and H Street elevations
   Photographer: Marilyn M. Harper
   Date: January 16, 2004

5. Lobby, entrance vestibules from mezzanine
   Photographer: Marilyn M. Harper
   Date: December 15, 2004

6. Lobby, corridor area
   Photographer: Marilyn M. Harper
   Date: December 15, 2004

7. North elevator lobby
   Photographer: Peter Wollenberg
   Date: August 1985 (This image was photo checked in December 2004 and reflects the appearance of the elevator lobby at that time)

8. Main Board Room
   Photographer: Marilyn M. Harper
   Date: December 15, 2004

9. Small Board Room
   Photographer: Marilyn M. Harper
   Date: December 15, 2004

10. Executive suite, office
    Photographer: Marilyn M. Harper
    Date: December 15, 2004

11. "You'd Better See Jesse" cartoon
Fortune 24 no. 6 (December 1941): 90.
Photographer: Library of Congress Photo duplication Office
Date: January 2004