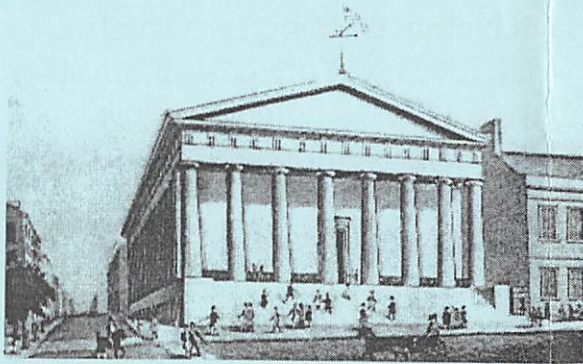


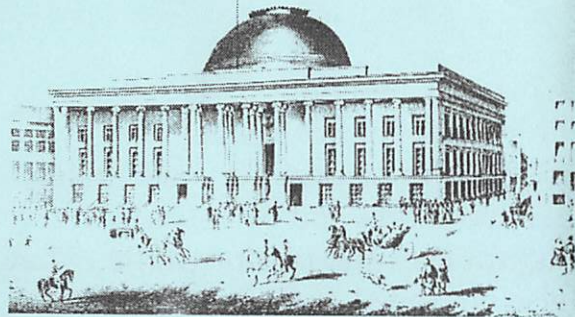
Government House was built to be the home of the President, but before it was completed in 1792 the capital moved to Philadelphia. Between 1799 and 1815 it was used as the New York Customhouse.



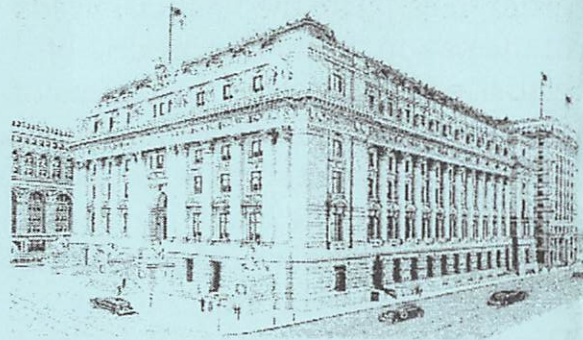
The 3-story building on the far right, located where Federal Hall National Memorial now stands, was constructed in 1813 as a bookstore. Customs used the structure between 1817 and 1834.



The structure now known as Federal Hall National Memorial was constructed as the New York Customhouse, and served in that role from 1842 to 1862.



The Merchants Exchange at 55 Wall Street served as the New York Customhouse from 1862 until 1907.



Customs moved to this structure across from Bowling Green in 1907, now the National Museum of the American Indian.



6 World Trade Center housed Customs from 1973 until September 11, 2001.

National Park Service
U.S. Department of the Interior
Manhattan Sites
Federal Hall National Memorial



Customs and the New York Customhouse



Interior of the New York Customhouse, now known as Federal Hall National Memorial.

One of the first actions of the First Congress, meeting at Federal Hall, created the United States Customs Service. The Tariff Act of July 4, 1789 authorized the federal government to “levy and collect taxes, duties, imports and excises... [and] regulate commerce with foreign nations, and among the several states.” This revenue was needed to pay off Revolutionary War debts totaling \$77.1 million.

Customs duties provided the revenue to set up the new government under the Constitution. These revenues were used to create a navy, construct the military academy at West Point, plan and build the capital city of Washington, and purchase Louisiana in 1803 and Florida in 1819. Customs revenues made it possible to reduce the national debt to zero in 1835.

The early Customs Service had a wide variety of responsibilities, many of which later created the need for separate government agencies. From 1789 through the early 1800s,

Customs’ functions included collecting fees from ships, administering pensions, disbursing federal funds, and overseeing lighthouses and marine traffic. They also compiled statistical data requested by Secretary of the Treasury Alexander Hamilton in order to estimate the financial needs of the nation. From this process of gathering data evolved the Bureau of the Census. Customs revenue cutters, the boats that met ships at sea, later developed into the United States Coast Guard. Other offshoots of the Customs Service include the Department of Veterans Affairs, and the Immigration and Naturalization Service.

Most of the federal government's revenue came from customs duties until 1913, when passage of the 16th Amendment established federal income tax. Today, Customs serves as a watchdog organization whose function is to combat the smuggling of narcotics, weapons, and stolen merchandise into the country, as well

as collect revenue. Customs is one of the oldest Federal agencies and is still closely linked to the economic viability of the country.

The New York Customhouse has been vital to the Customs Service, and the nation as a whole, since its establishment. In the 19th century, approximately two-thirds of all customs revenue was collected in the port of New York. The New York Customhouse has always been located in lower Manhattan, and two of those houses stood on the northeast corner of Wall and Nassau Streets: a three-story brownstone building from 1817 to 1834, and the 1842 building now known as Federal Hall National Memorial. Over the years, the New York customhouses employed many notable people, including Revolutionary War General John Lamb, *Moby Dick* author Herman Melville, and 21st President Chester Arthur.

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