

**THE TREASURY INVESTIGATION.
THE SUPPRESSED DOCUMENTS.
REPORT ON THE PRINTING OF
THE PUBLIC MONEY**

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The Treasury investigation. The suppressed documents. Report on the printing of the public money by Various

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VARIOUS

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REPORT ON THE PRINTING OF THE PUBLIC
MONEY.

HOW THE PUBLIC MONEY IS PRINTED IN WASHINGTON.

It will be recollected that, in April last, certain charges were made in the House of Representatives against the management of the Treasury, by the Hon. Frank Blair, of Missouri, now a Major-General in the U. S. Army; and, also, against the Superintendent of the Paper Money Printing, Spencer M. Clark, by the Hon. James Brooks, of N. York. These charges (April 30, 1864) led to the creation of a Committee of the House of Representatives to examine and investigate into them. An examination of the charges made by Mr. Blair was omitted, as stated, for the want of time; while the Committee did enter upon a very partial and limited investigation as to the mode and manner of printing the national securities under the management of this Mr. Clark. This Committee of Investigation was thus composed:—

Administration.—James A. Garfield, of Ohio; James F. Wilson, of Iowa; Henry W. Davis, of Maryland; Rouben E. Fenton, of New York; Thomas A. Jencks, of Rhode Island.—*Five administration.*

Opposition.—James Brooks, of New York; John T. Stuart, of Illinois; John L. Dawson, of Pennsylvania; William G. Steele, of New Jersey.—*Four opposition.*

This Committee made these reports June 30th; one, by the Hon. Mr. Garfield, unsigned even by him, and bearing no proof, therefore, of reading or examination by his associates; another, by the Hon. Mr. Fenton (administration), protesting against Mr. Garfield's crimination of certain New York Bank Note Companies; and another, signed by Messrs. Brooks, Stuart, Dawson, and Steele. The House of Representatives ordered all these documents to be printed, with the accompanying testimony; and all were sent to the Superintendent of Public Printing.

It now appears that Mr. Spencer M. Clark procured from the Superintendent of the Congressional Printing such parts of the official document, of 416 pages, as suited him, in the type, style, and paper of the official document, and put them off upon the "public as the official document," and with the papers, detrimental to him, suppressed. The object of the publication here is, to print the suppressed papers and documents, with such other papers as are necessary to explain them, and thereby to show what are the character and conduct of this man Clark, to whom is now entrusted the printing of millions and millions of the public money. The people will see in these papers how the most important and delicate of all our public transactions is conducted in Washington, and they can judge from this whether it be safe to continue this management. We call special attention to that part of this document, which dwells upon the printing of the fractional currency. The currency laws, that regulated our small specie circulation, show that there ought to be upwards of \$40,000,000 of this paper currency in circulation. The Treasury returns, when this investigation began, were under \$20,000,000. Of the remaining \$20,000,000 thus not accounted for, \$10,000,000 are probably counterfeits, with ten other millions unaccounted for, under any of the laws that have hitherto regulated our specie, or our specie circulation.

The papers appended to the Report, which follows, are,—

1st. The Testimony of the Register of the Treasury, Mr. Chittenden.

2d. The Testimony of the Assistant Secretary of the Treasury, Mr. Field.

3d. The Report of Mr. Field (Assistant Secretary), of R. W. Taylor (Comptroller),

L. E. Chittenden (Register), and the Hon. William Sprague, U. S. Senator from Rhode Island, upon checks and guards needed in the printing of the public money.

4th. Report of a Committee of the House of Representatives appointed by Mr. Speaker Grow, looking after S. M. Clark, when engineer, having in charge the public works.

5th. Response of A. C. Wilson, Esq., of New York, when asked by Secretary Chase to put in writing certain charges against S. M. Clark.

6th. The affidavits of certain women employed by S. M. Clark in the printing of the public money. Their description of the way and manner, and by whom, the printing was done.

The Testimony of Mr. Lamb, concerning the careless way of printing the Fractional Currency.

7th. The indorsement of the affidavits of these women by Mr. Jordan, the Solicitor of the Treasury, in a report made by him concerning them, to Mr. Chase.

REPORT OF MESSRS BROOKS, STUART, DAWSON, AND STERLE.

Your Committee report, —

That in pursuance of the resolution of the House, April 30, 1864, they have attempted to give the subjects therein mentioned the investigation required by the House; but they regret their inability so to do, if not from want of time, from the resolutions and conclusions arrived at by the majority of the Committee, that their powers were much more limited than the minority seem to think they are, under the words of the broad resolution, —

“To investigate and report upon the allegations (set forth in the preamble of the resolution), and any other allegations which have been or may be made affecting the integrity of the Administration in the Treasury Department.”

One of the members (Mr. Brooks), before entering upon an examination of the testimony, protests now, as he protested upon the floor of the House, April 30, against the misrecitation of his remarks in the House April 29, made by Mr. Garfield, in the resolution creating this Committee, as to the printing of

the public money. Mr. Brooks did not allege, as stated in the resolution passed under the pressure of the previous question, that this printing had “led to the sacrifice of millions and millions of the public money,” but as officially reported in the *Globe*, did say — “had led to the *peril* of the sacrifice of millions and millions of the public money.”

The coinage of a country, and the superintendence of that coinage is the highest trust which can be given to mortal man; and hence, at all times, in our own country, and in all ages in other countries, ingenious and effective checks and counterchecks have not only been devised for man to watch man, but, it has ever been the effort of wise and honest administrations of governments to install men in such trusts whose antecedents and existing characters have been such as to command not only unlimited, but universal confidence. The mints of the United States have now been in operation over seventy-one years, and the whole amount of their coinage, gold, silver, and copper, as shown in the December (1863) Report of the Secretary of the Treasury was, up to the end of the then fiscal year, but \$889,635,497. The suspension of specie payments having banished this coin from circulation, all but the copper (a very small portion thereof), the vacuum was filled by paper. Of this paper, as shown by the testimony annexed to the Report, \$850,000,000 have been furnished by Spencer M. Clark from the Treasury Note Office, within the short period of only twenty-one months, — an amount in paper, within thirty-nine millions, of the whole seventy-one years' coinage of the United States mints. The trust, therefore, reposed in this Mr. Clark has been in about a single year equal to that which has been hitherto divided for seventy-one years among numerous superintendents or directors of the mints, while the opportunities for dishonesty or fraud in printing are in the ratio of the power of the printing-press, operated by hydraulics or steam to the crucible or matrix of the mint. Hence, in the selection of a Superintendent of the Printing Bureau of Currency and Securities, not only the present, but the antecedent character of that superintendent should be of the very highest order, while the checks upon him, from without and within, should be as severe and searching as human ingenuity can devise. It appears by the testimony that in one night in May, \$64,000,000 was in the vault, under the custody and control of the Superintendent.

THE ANTECEDENT CHARACTER OF THE SUPERINTENDENT OF MONEY PRINTING.

The Committee, therefore, in order to ascertain whether such a vast trust and treasure as this were in proper hands, felt it their duty, first, to investigate the antecedents of the Superintendent, and next his administration, by far the most important Bureau in the great Department of the Treasury. Their attention was first called to an official report of the Committee on Expenditures on Public Buildings, in 1862 (37th Congress, 2d Session, Report No. 137), in which it appears that this Mr. Clark was then acting engineer in charge of the Bureau of Construction under the Treasury Department, — a place given him, it appears, by the testimony submitted in that department, — without any training or previous qualification as engineer. This report distinctly and effectively charges and proves that the now Superintendent of the Bureau of Printing the Public Money was, in June, 1861, guilty of gross collusion and fraud, and, as engineer in the Treasury Department, connived with contractors (Edward Learned & Co.) to defraud the United States in the matter of marble contracts for the Charleston (S. C.) Custom House, out of very large sums of money, in which they were thwarted then, but in a small part only, by the intervention of the then Secretary Dix. It is unnecessary here to recite this testimony, as it is already matter of record in the archives of the House of Representatives, and can there be seen and read at length. The Committee then (and a Committee, too, created by a Republican House) unhesitatingly advised the removal of this S. M. Clark.

This disclosure in an important official document led your Committee into a further investigation of the character of the new Superintendent of the Printing Bureau; and it appeared, by his own testimony, that serious charges had been made against him to the Secretary of the Treasury, officially, or semi-officially, by Alexander C. Wilson, of New York. These charges are of the gravest character, and such as, if made against any man, in any position, deserve inquiry. They affect the whole business and moral career of Clark. They show him to have no qualification whatever for the very high and immensely responsible position in which he is placed. They affect both his private and public life, and declare him to be both a bankrupt in business and in morals. The 5th allegation is of "Immorality," with specification and detail, and of such a nature that your Commit-

tee deemed it proper to have it investigated, and, for that purpose, the following resolution was submitted May 25th: —

Resolved, That in order to verify the 5th allegation, that of immorality (alleged by A. C. Wilson), Daniel Back, of Hartford, Conn., be subpoenaed to appear before this Committee,

—which resolution, your Committee regret to say, was voted down by the following substitute: —

Resolved, That the allegation of Mr. Wilson against S. M. Clark relates to matters of general character, prior to his official appointment, not to his conduct since his appointment, and the Committee decline to investigate them. (Ayes 4, noes 3.)

THE EXISTING CHARACTER OF THE SUPERINTENDENT OF MONEY PRINTING.

This resolution precluding and forbidding any investigation of the qualification and character of S. M. Clark, and seeming to sanction, that no matter what may have been a man's private life, all that is no disqualification for the greatest public trust ever given to any one man (such as that of the superintendence of the printing of nearly nine hundred millions of money), your Committee were obliged to give up all further investigation into the antecedents of S. M. Clark, and to confine themselves to matters within the brief period of his money superintendence.

But this brief period discloses, officially, very important, and very suggestive facts, — even under all the restraints that have been put upon the investigation by the resolution to close the testimony submitted and passed in the sitting of this Committee, June 1st, (ayes 4, noes 3). Your Committee, under that resolution, have been limited as to all investigation into character, with but one exceptional case, to the official reports made to the Secretary of the Treasury, first by Col. Lafayette C. Baker, a Provost Marshal of the War Department, and next, by Edward Jordan, Esq., the Solicitor of the Treasury, who re-investigated the report of the Provost Marshal Baker.

OFFICIAL REPORT OF PROVOST MARSHAL BAKER.

It appears from the testimony that in December last, one Charles Cornwall, a clerk in the Redemption (Treasury) Department, was detected in stealing some \$31,000 or \$32,000, and that about that time one G. A. Henderson, in the Requisition Warrant Department, was detected in misplacing for money the order of bills liable to be paid, wherefore, he received no inconsiderable rewards. These frauds, or rather crimes, creating a good deal of alarm in the Treasury Building, the Sec-

tary of the Treasury by letter marked "Confidential," December 24, 1863 (see Testimony), asked the Secretary of War to direct Col. Baker "to make such investigations and arrests, and exercise such custody of persons arrested as I (he) may find needful," &c. Col. Baker having been put at the service of the Treasury Department, as thus confidentially requested, he commenced his investigations, as shown in his Report to the Secretary of the Treasury, with the papers annexed.

CONFIRMATION AND INDOSEMENT OF THAT REPORT BY THE SOLICITOR OF THE TREASURY.

This Report was subsequently submitted to the Solicitor of the Treasury, Mr. Jordan, who, in a letter, April 19, 1864, writes to the Secretary:—

"I have further, in obedience to your order, called before me most of the persons whose affidavits are herewith transmitted, and made such other inquiries as it has been in my power to make, touching the matter stated in the affidavits, and the result is, *an entire conviction that the most material of these statements are true, particularly those contained in the affidavits of Ella Jackson, Jennie Germon, and Laura Duvall.*"

THE DISCLOSURES IN THESE REPORTS OF GROSS IMMORALITIES IN THE TREASURY.

These affidavits disclose a mass of immorality and profligacy, the more atrocious as these women were employees of Clark, hired and paid by him with the public money. These women seem to have been selected in the Printing Bureau, for their youth and personal attractions. Neither the laws of God nor of man, the institution of the Sabbath, nor common decencies of life, seem to have been respected by Clark, in his conduct with these women. A Treasury Bureau, there, where is printed the money representative, or expression of all the property and of all the industry of the country; there, where the wages of labor are more or less regulated, and upon the faith and good conduct of which depends, more or less, every man's prosperity, is converted into a place for debauchery and drinking, the very recital of which is impossible without violating decency. Letters go thence, arranging to clothe females in male attire to visit "the Canterbury." Assignations are made from thence.

The facts set forth in these affidavits are vouched for by a military officer of the Government, who has now been three years in the confidential employ of the Secretary of War,

and who seems to have his unlimited confidence. Indeed, the Secretary of the Treasury had such confidence in this officer, and in the value of his services, that he "confidentially" requested the use of these services in the Treasury Department. The Solicitor of the Treasury, another high and acute legal officer of the Government, and trusted by it in the most important and confidential matters, after a strict and personal investigation, expresses "an entire conviction" that these affidavits are true. But beyond this official testimony, is collateral evidence, confirming and strengthening the testimony of these women. It appears that in September last, on or about the 18th or 20th, a note signed "H." (marked No. 8 in the Testimony), came into the possession of Miss Ada Thompson, an actress, then residing at No. 276 Pennsylvania Avenue, and who is presumed by Col. Baker to be a person of good repute. This note invited Miss Jackson, then an employee in the Treasury Printing Bureau, to go with him H." (Henderson), then also an employee in the Treasury, and with "C." (stated to be Clark, in the testimony of Miss Ada Thompson) to some place well known to the parties. This place turned out to be the "Central Hotel," a hotel in this city (Washington) indicted as a disreputable place. The Hotel Register, Sept. 19, shows the names of four persons who that night occupied rooms 27 and 28. The handwriting on the register is shown by Hamilton Seville, an experienced clerk in the Treasury Department, and an apparent expert in handwriting, to be that of Henderson, who, while assuming names for himself and Clark, and the women with them, vainly attempted to disguise his handwriting. Seville also swears very positively that the note signed "H." is in Henderson's handwriting. The testimony of Anthony Lully then goes to show that, in September, between the 18th and 20th, he (Lully) saw Henderson with Clark in a restaurant, as stated in the affidavits of Ada Thompson and T. C. Spurgeon, whence they all subsequently went to the Central Hotel. Such corroborating testimony as this—a note, handwriting, the affidavits of parties whose characters are not questioned, one woman and two men, the eyes of one of them seeing Henderson and Clark together with women employed in the Treasury, and the hotel register in Henderson's handwriting—are, of themselves, without any other testimony, irresistibly convincing. When to all this we add the examination and the report of the Solicitor of the Treasury, of his "entire conviction," who can doubt that S. M.

Clark is an unfit man to be trusted with the printing of nearly nine hundred millions of the public money?

This testimony was so convincing to your Committee, that they would not, of themselves, have deemed it necessary to go a step further, but for the intimation thrown out by some of the majority of the Committee, that it was not conclusive to them. Hence they acted upon a letter from Col. Baker, May 19, 1864, to the Chairman of the Committee, and caused to be summoned a lady now married, Miss Bettie Pumphries, formerly Miss Weedan, and whose associations seem to be all of the most respectable character. Her father is a worthy mechanic, employed in the Navy Yard; her husband is a policeman, and accompanied her to the Committee-room. She swears positively, that a colored woman, named Catharine Dodson, offered her money, when employed by Clark, a hundred dollars at one time, and a thousand dollars at another, in the name of, and in the presence of, Clark, which she rejected with indignation. Clark subsequently came to her and said, "So you do not want to speak with me any more." "He made a good friend, but a bad enemy." "Talk with Catharine." "Catharine can talk with ladies better than I can." Miss Weedan, now Mrs. Pumphries, was employed in the Printing Department, five months, and left of her own accord. The testimony of this lady, however, is positively contradicted by the colored woman, Catharine Dodson, who, it is but proper to add, is stigmatized in the letter of Col. Baker referred to as "Clark's procurer."

There is other testimony from two other ladies of good character, Miss Sarah Lully, and Miss Clara Donaldson, implicating the conduct of Mr. Gray, Mr. Clark's Superintendent of the Bronzing Department, and Mr. Dougherty, Mr. Clark's Assistant. It is unnecessary to refer to them, save to show, that Miss Lully, the daughter of a distinguished and honorable Hungarian, who came over with Kosuth in 1848, and whom Kosuth highly cherished, was dismissed from a place of value to her father, solely because her brother had traced Clark and Henderson together with Ella Jackson and Fanny Gernon to a restaurant, on the 19th of September, where they subsequently went to the Central Hotel, or because she "would not comply with the wishes of Mr. Gray," representations concerning which was made to Clark himself; or, to show, that Miss Donaldson again connects Clark with Laura Duval (as well as Dougherty, his trusted

assistant in immoralities) in the matter of selecting out Miss Duval and Miss Jackson from all other ladies, and sending them in the Treasury oyster suppers at night.

At this stage of the testimony as to the conduct and character of Clark, and of his sub-Superintendent in the Printing Bureau, your Committee regret to be obliged to state all further examination upon this subject was closed by order of a majority of the Committee. No opportunity was given to fortify what had been proved, or to go further, and establish additional facts. It was not necessary to go further to satisfy the minority that Clark was an unfit person to preside over a Printing Money Bureau where were two or three hundred ladies, but the regret is expressed because the opportunity was not given to bring the majority to a like conclusion.

THE PRINTING BUREAU—FRACTIONAL CURRENCY.

These examinations having been pursued as far as permitted, your Committee then directed their attention to the condition of the Printing Bureau, as a mint, or coiner of currency. What first arrested their attention was the fractional currency. The Report of the Secretary of the Treasury, December, 1863, exhibits the silver coinage of the country to have been from 1793 to the close of the year ending June 30, 1863, in all, \$132,954,860,—of which only \$4,251,720 was in dollars,—the remaining being in small coins, from 50 cents to 3 cents. The copper coinage was \$3,241,923. The silver coined at the mints of Philadelphia, New Orleans, and San Francisco under the act of February 21, 1853— from 1853 to 1863 is reported in December last to have been in these eleven years \$49,655,730. The Secretary of the Treasury, in estimating on his December report, 1862, what resources he should have from the fractional currency, then ordered by Congress, says:—

"The issue of fractional currency has reached the sum of \$3,884,800. The best lights lead to the estimate that before specie payments can be resumed, not less than 40,000,000 will be required by the wants of the community. The sum of \$36,115,200, not yet issued, may therefore be counted on as an additional resource,"—a very low estimate, inasmuch as by the law of currency and of circulation, paper, when supplying this vacuum of coin, ever runs far beyond the displaced coin, in amount of issue, and of loss by circulation. The small silver coin of our

country were purposely made by Congress inferior in real value to gold, to prevent their exportation, and hence were, prior to our suspension of specie payments, rejected by the Banks, and by merchants generally, who had deposits to make in Bank, thus limiting their circulation, and the demand upon the mint for their coinage. The silver dollar (few or none of late years coined) must weigh 412½ grains, whereas the half dollar weighs but 192 grains, and the quarter but 96 grains. It was then fairly to be inferred that when this coin went out of circulation, and with a nominal value considerably higher than its real value, and a paper circulation as legal tender took its place, of full value, that the volume of paper would considerably outrun the volume of displaced silver. Some estimates ran up as high as sixty millions of fractional currency, many to fifty millions, and hence the forty millions, estimate of the Secretary was far within the limits of the general expectation.

PERILOUS MODE OF PRINTING MONEY.

Your Committee were amazed to find upon examination, that in April last, when this Committee was created, the recognized issue of the fractional currency was under twenty millions! They cannot account for this discrepancy of reality and of estimate. Upon the discovery, however, of the great discrepancy, they directed their attention to the mode and manner of printing this fractional currency, which to them is utterly unsatisfactory. The white paper upon which it is printed has been very loosely purchased and received, and very loosely handled. It came into the hands of one lady in the Bureau of Printing, and instead of being turned out to the public in a far different direction, returned all of it to her hands, and she passed it over to Mr. Clark. Whatever system of checks and balances Mr. Clark may have for his own guidance, there is no check over him. He keeps no ledgers, balances no books, for an accountant to see and to understand at a glance. The eye is wearied and the mind fatigued by innumerable figures of his, but no clear, close ledger, such as every merchant or corporation has, shows continuously his day's work, or the summary of that work, to be detected by a single glance of his eye. The whole arrangement of this, the most important of the Government, is loose, slovenly, unsatisfactory, and susceptible of a considerable amount of fraud. A plate printer of his, James Lamb, selected at random from the fractional currency workmen, testifies, "There was no security to prevent the fractional currency

from being taken or abstracted" when he was at work on the hydrostatic presses, and he adds, "I could have taken off ten sheets a day, from October to December." Mr. Lamb was very sharply cross-questioned, but adhered to this testimony to the end. Nor has there been shown to your Committee any satisfactory disposition that had been made of the numerous spoilt sheets of the fractional currency, sheets of the 50 cent sort, say, upon which two or three parts may be damaged while the remaining parts are good. Indeed, the whole "spoilt sheet" management of Treasury Notes and of Bonds, especially of the *Coupons*, seem to us to be in a very unsatisfactory, if not dangerous state.

We are fortified in these views by a Report of Jan. 2, 1864, to the Secretary of the Treasury, marked D and E, and signed by Mr. Field, the Assistant Secretary, Mr. Taylor, the First Comptroller of the Treasury, and Mr. Clifton, the Register of the Treasury, and subsequently countersigned Feb. 19th, 1864, by a Senator from R. I., the Hon. Mr. Sprague. These gentlemen, in this Report, offer many valuable suggestions and recommendations to the Secretary of the Treasury, to which little or no attention had been paid upon the day of our visit to the Printing Bureau. They advise that the paper upon which the money is printed should be sent directly from the manufacturer to the Secretary of the Treasury, which is *not* done as advised. They desired that some distinctive mark should be placed upon each sheet, which is *not* done. They detail the mode and manner by which Mr. Clark should be held responsible for every sheet put in his possession, which is *not* done. They recommend a system of checks upon requisitions for paper, to which no attention has been paid. They deem it desirable that daily returns should be made to the Secretary as to each and every sheet, which is *not* done. They find, as this Committee found, that through the hands of Mr. Clark alone passes all paper into, and out of, the several divisions, and they recommended another counting division, to which no attention has been paid. They recommend, and think the existing laws demand, that the imprint of the Red Seal should be affixed in the office of the Secretary himself, under his especial direction, by an officer directly responsible to him, — an imprint now done by Mr. Gray, the appointee and employee of Mr. Clark alone. Six distinct and very important recommendations are offered by these gentlemen, holding high offices in the Treasury, to no one of which has any attention been paid.