

The Counterfeit Notes of Winthrop E. Hilton

by BRENT HUGHES

MANY members of our Society have generously shared their knowledge and records to enable me to write articles for "Paper Money," but none has been more helpful than Eric Newman, founder of the Eric P. Newman Numismatic Education Society of St. Louis.

Eric's latest response was to my request for information about one Winthrop E. Hilton, a New York printer who was arrested on January 2, 1864 for an alleged tie to Confederate Treasury Secretary Christopher Memminger. A newspaper account of Hilton's arrest appeared in my article "Another Confederate Contract Printer?" in the July-August 1993 issue of *PAPER MONEY*.

Eric's records indicate that Hilton was an important but little known counterfeiter of Confederate notes who may have produced more so-called "facsimiles" than the well-known Sam Upham of Philadelphia. Eric also reminded me that member Everett K. Cooper had written an article about Hilton which appeared in the 1970 Whole No. 34 issue of *PAPER MONEY*. In that article, Mr. Cooper told us why Hilton had been arrested.

Mr. Cooper cited the book *Secret and Urgent* by Fletcher Pratt which states that in December 1863 the postmaster of New York City intercepted a letter mailed from that city to a known Confederate agent in Halifax, Nova Scotia. The postmaster had probably been instructed by Secretary of War Edwin Stanton to intercept all mail addressed to persons in Halifax, the Canadian port which was so active in shipping European war supplies to the Confederacy.

Federal detectives who decoded the suspicious letter came up with this message: "Say to Memminger that Hilton will have the machine all finished and dies all cut ready for shipping by the first of January. The engraving of the plates is superb."

U.S. Marshals waited until Saturday night, January 2, 1864, to raid Hilton's printing plant. Hilton was arrested and taken to a cell at one of the forts in New York harbor on a charge of collaborating with the enemy.

The previously mentioned newspaper account appeared in the *Newark (New Jersey) Daily Advertiser* of Monday, January 4, 1864. It states that the marshals confiscated "\$6,000,000 in Confederate bonds, \$1,000,000 in Confederate Treasury Notes and a large quantity of dies, printing presses, lathes and other machinery for doing fine bank note engraving." Included in the haul were "lithographic stones for printing \$100, \$50 and \$5 Confederate notes."

Since the newspaper reporter failed to identify his sources, we wonder how much value can be put in his statement: "It has already transpired that Hilton had a contract with the rebel Secretary Memminger, and that the bonds and notes already printed, as well as the machinery for making them, were to be shipped to Halifax." From there, the reporter claimed, the items were to be shipped to Nassau in the Bahamas where a Con-

federate agent would run them through the blockade into a port in Florida.

In the absence of documentation, I choose not to believe the newspaper account entirely. There is no doubt that Hilton was arrested and he may have been formally charged, but the political realities of the Richmond government would have precluded Memminger from having any direct contact with Hilton. It was well known in Richmond that Hilton was printing and selling large quantities of what he called "facsimiles" of Confederate notes and was advertising them extensively in *Harper's Weekly* in head-to-head competition with Sam Upham of Philadelphia, so we can be quite sure that both men had been blacklisted by the Confederate Treasury Department.

Eric Newman located these ads in *Harper's* and sent me photocopies reproduced with this article. The unusual aspect of some of the ads is that Hilton boasted that his copies were so exact that one could pass them in the South with no difficulty. Sam Upham, on the other hand, never made such a claim, maintaining that his products were intended to be mere "souvenirs of the war."

There are many accounts of plantation owners being victimized by bogus cotton brokers who made purchases with counterfeit notes. Logically, such con men would have preferred to use Hilton's products rather than Upham's inferior copies. Many of what I believe are Hilton's notes actually wore out in circulation, which accounts for their scarcity today.

Getting back to Hilton's arrest, we know that jailed suspects had few rights during the Civil War, so we should not be surprised that Hilton was still in his cell six months later. We know this from a letter that appeared in Everett Cooper's article. A friend of Hilton was working for his release and finally decided to write to the President of the United States.

Office of The Dispatch
New York, June 29, 1864

Hon. Abraham Lincoln
President of the United States

Permit me to address your Excellency on behalf of Winthrop E. Hilton who was arrested in December last, charged as I understand with the crime of printing Bank Notes and making machinery for the Rebel Government. Mr. Hilton prior to his arrest was engaged in the printing business in this city and sustained an excellent business reputation, and who politically was one of your early supporters. His friends (who are numerous, and among our most loyal citizens) claim that they can show that he is not guilty of the crime with which he is charged, and their demand is the opportunity of doing so. This they allege has been refused by the government. I cannot believe such to be the fact, as I feel sure that you would not sanction any outrage on the personal rights of your fellow citizens. From what I know of this case I am satisfied that it is one which should receive immediate attention in order to avoid injury to our

cause in the coming political camps. Under this conviction I have mentioned to urge on you the necessity of at once affording Mr. Hilton an opportunity of proving his innocence and thus put an end to the discussion which cannot fail to harm us if permitted to be much longer continued.

I have the honor to be
Respectfully,
/s/ A. J. Williamson

Mr. Cooper also told us that Abraham Lincoln had the habit of making notations on the back of such correspondence and wrote on the back of the letter:

A. J. Williamson, New York City, June 29, 64
In relation to the alleged unjust confinement of W. E. Hilton

It would be interesting to know if President Lincoln took any action in the matter. I can find nothing to indicate that Hilton was brought to trial. Perhaps a routine inquiry from the White House led embarrassed authorities to release Hilton for lack of evidence. In that case we are left to wonder who wrote the letter which led to his arrest.

I suggest that Hilton may have been set-up by persons who either wanted to put him out of business or had something to gain from his arrest.

1. There were many Southern sympathizers in New York City during the war. One of them may have discovered how Hilton's notes were damaging the South's economy and concocted the incriminating letter knowing it would be intercepted.



Counterfeit \$20—September 2, 1861. **Industry Seated** behind Large "20." Alexander Stephens at left. Printed signatures of W. Hancock and A. Gray. All margins are trimmed closely which may indicate that the margin inscription "Fac-Simile Confederate Note" was cut off after printing. The counterfeit is smaller than the genuine note.



Counterfeit \$50—September 2, 1861. **Moneta Beside Treasure Chest**. Written signature in red ink and written forged signatures in brown ink. I believe Hilton printed the higher denomination notes with and without printed signatures. Larger denomination notes would have received greater scrutiny in the market place, so some smugglers may have wanted to forge both signatures and serial numbers. I do not have this note with printed signatures but believe it exists.



Counterfeit \$5—September 2, 1861. **Sailor and Cotton Bales.** Memminger at left. Printed signatures of E. Nulty and E.C. Goddin. All margins trimmed closely as shown which may indicate that the inscription "Fac-Simile Confederate Note" was cut off after printing. Counterfeit is smaller than the genuine note.



Counterfeit \$10—September 2, 1861. **Hope with Anchor.** R.M.T. Hunter at left. Memminger at right. Printed signatures of C.C. Thayer and J.W. Jones. "Fac-Simile Confederate Note" on bottom margin; other margins as shown. This counterfeit is the same size as the genuine note.

2. A competitor in the facsimile business may have taken the easy way to increase his sales by eliminating Hilton.

3. Given the hysteria of the Civil War, it is not too farfetched to suggest that the postmaster of New York City may have written the letter himself to impress Stanton with his diligence and perhaps gain a promotion to a higher post in Washington.

Turning now to Hilton's "facsimiles," let us examine his ads. The first, dated October 4, 1862, states: "Perfect Fac-Similes of Confederate Treasury Notes for sale at \$4 per 1000. Specimens of all kinds sent by mail for 50 cents." It appears that at this time Hilton was simply trying to supply the New York souvenir market in the same way that Sam Upham was handling the Philadelphia market.

Unfortunately, this ad does not tell us how many different notes he was offering and in what denominations. Apparently Hilton wanted retailers to order his assortment first, then select the notes they wanted in quantity, the latter being priced at four-tenths of a cent each. This same ad was repeated in the issue dated October 11, 1862.

Hilton's ads for January and February 1863 were different. They state: "Confederate (Rebel) Money.—Fac-Simile Treasury Notes, so exactly like the genuine that where one will pass current the other will go equally as well. \$500 in Confederate Notes of all denominations, sent by mail, postage paid, on the receipt of \$5, by W. E. Hilton, 11 Spruce Street, New York."

We do not know what Hilton meant when he said "all denominations." Did he mean all the denominations he had to offer, or was he referring to all the denominations offered by the Confederacy? Assuming the latter, his assortment might have consisted of two \$100 notes, two \$50, three \$20, ten \$10, five \$5, five \$2 and five \$1. In this case, he would have been offering a total of thirty-two notes for \$5, about fifteen cents each, a huge increase over his first offer of less than half a cent each.

This change may have been brought about because Hilton discovered that fortunes were being made in the border states where cotton could be bought for ten cents or less per pound and sold for fifty cents or more at Nassau. Hilton could have known that his notes were being used to purchase much of this cotton and felt that he was entitled to a larger piece of the action.

Down in Philadelphia, Sam Upham saw Hilton's ad for January and moved quickly to top the offer. In the February 7, 1863 issue of *Harper's Weekly* we find his ad offering \$20,000 face value for the same five dollars. We can imagine Sam's glee when he saw Hilton's ad near his, still offering only \$500 face value. Sam conveniently failed to mention the fact that his notes, printed with electrotype plates on a regular printing press, were no match for Hilton's, printed by the same stone lithograph process used by the Confederacy.

That may be the reason Hilton continued his ad in the April issues of *Harper's*. His ad now said "exactly like the genuine" but he never lowered his price—it was still \$500 face value for five dollars. This may indicate that smugglers were more confident that Hilton's notes would be accepted and continued to place orders.

On August 1, 1863 Upham suddenly quit the facsimile business and went back to his regular inventory of patent medicines, stationery, pencils, perfume and sewing supplies. He also continued to sell the *Philadelphia Inquirer* newspaper which had gotten him into the rebel note business in the first place. So far as I know, Sam Upham never gave a reason for his sudden withdrawal from the souvenir business. Perhaps Hilton had cornered whatever market was left as genuine Confederate currency declined in value to the point that plantation owners refused to accept it.

Disillusionment had set in on both sides and in civilian and military sectors. Soldiers saw their enlistments extended without their consent. Southern farm families were devastated as their men failed to return. Desperate wives and children had to live with in-laws to avoid starvation.

Businessmen all over the South were making transactions in gold coin and in U.S. currency. Even the Confederate government in Richmond was anxious to take in U.S. currency when it could. There were repeated rumors that several of Davis's cabinet officers asked to have their salaries paid in U.S. funds, apparently looking toward the day they would need U.S. greenbacks to buy their escape through Union lines.

What can we make of the newspaper report that six million dollars in Confederate bonds had been confiscated from Hilton's printing plant? Could it be that someone was passing counterfeit bonds in Europe? We don't know.

Today's collectors seem to be more interested in currency than bonds, so we should try to identify Hilton's notes. Obviously, at this point, we cannot know for an absolute certainty because Hilton did not put his name on his products as Upham did. Also, none of his assortment packages has sur-

vived on which his name might have appeared as the sender. Lacking adequate facts, we can only speculate.

For the moment, therefore, let us accept the newspaper reporter's statement that some lithographic stones were confiscated and that they had been used to print currency. That immediately eliminates electrotype impressions and narrows our search to lithographs which, if we believe Hilton, were of excellent quality.

Since genuine notes bore written signatures of clerks assigned to that work, I believe Hilton usually included printed signatures to make his copies appear complete. But I also believe he was an astute businessman ready to please good customers. In that case, he may have printed some notes without signatures or serial numbers. We can well imagine how easily an excellent copy of a Confederate note with autograph signatures in brown ink and written serial numbers in red ink would have passed in the market place.

I also believe that Hilton, like Sam Upham, would have wanted to avoid possible legal problems in the event he was accused of counterfeiting. He could have done that by using the margin inscription, "Fac-Simile Confederate Note." This would have been only a minor inconvenience for smugglers because both Upham and Hilton thoughtfully left enough room under their inscriptions for scissor cuts. Today, of course, we find notes both ways—some have the inscriptions intact while others display closely trimmed margins indicating that the inscriptions have been trimmed off.

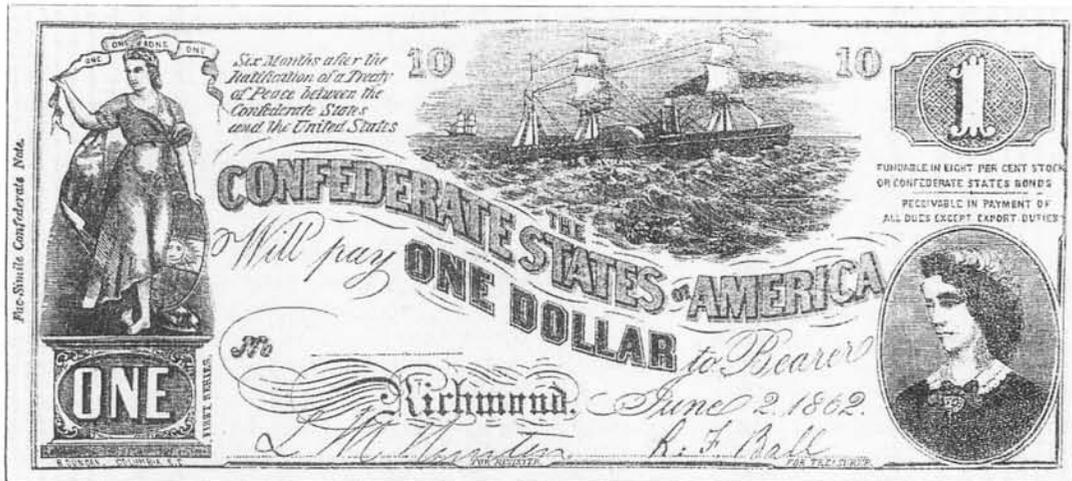
Therefore a collector wanting to identify notes that were possibly made by Hilton should look for the following general characteristics:

1. The notes are lithographs which usually have finer lines and softer shading than notes produced from electrotypes.
2. Most notes will have printed signatures in the same shade of black ink as the rest of the note, but some notes may have forged written signatures placed there by clever smugglers.
3. Most of the notes will have the margin inscription, "Fac-Simile Confederate Note" on the bottom, left or right margins. If the inscription is missing, look for a closely trimmed margin where it may have been trimmed off. Hilton may also have made notes without the inscription for customers he could trust.
4. I also found that most of the notes which I attribute to Hilton are smaller than the genuine notes. Hilton may have done this to use a smaller sheet of paper since good paper was in short supply during the war.

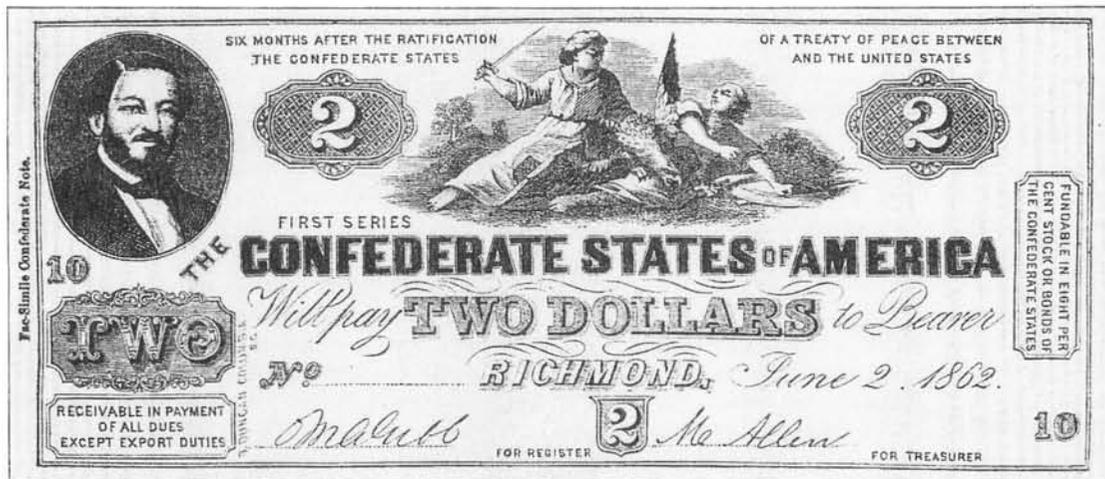
In detecting counterfeit notes, there is no substitute for study. In time a collector can develop a certain "feel" for counterfeits. Upham's products have a characteristic "look" which collectors learn to recognize. I have tried to develop the same sense about other notes and have selected an assortment of notes from my collection of counterfeits which I believe were made by Hilton. The captions under the illustrations provide more details.

With both genuine and counterfeit notes in hand, the collector can detect other variations. Portraits are always a good feature to inspect because they have traditionally caused the most difficulty for counterfeiters. A single line in a portrait, especially around the eyes, can sometimes alter a facial expression completely, causing an obvious defect in counterfeits.

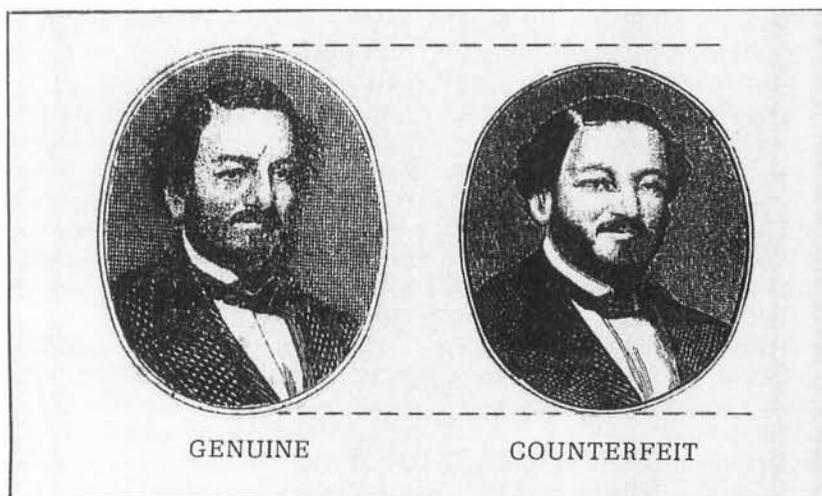
Hilton stated that his products were "exact" copies and they almost were, at least to the extent that they looked exact to a person who did not have genuine notes to compare them with.



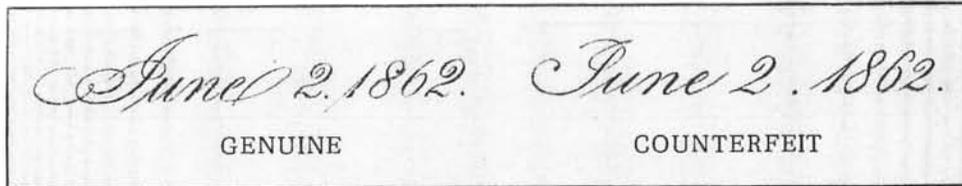
Counterfeit \$1—June 2, 1862. Steam-sailing Ship. Lucy Pickens, right. Printed signatures of L.M. Hunter and R.F. Ball. "Fac-Simile Confederate Note" on left margin; other margins as shown. Counterfeit is smaller than the genuine.



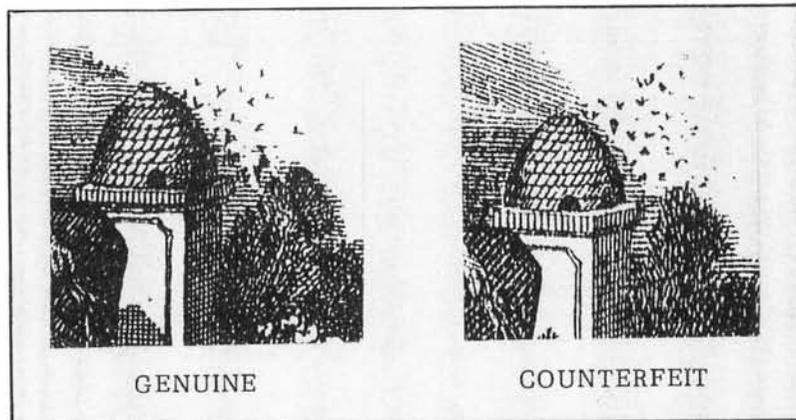
Counterfeit \$2—June 2, 1862. **Confederacy Striking Down Union.** Benjamin at left. Printed signatures of M.A. Gibb and M. Allen. "Fac-Simile Confederate Note" on left margin; other margins as shown. Counterfeit is smaller than genuine note.



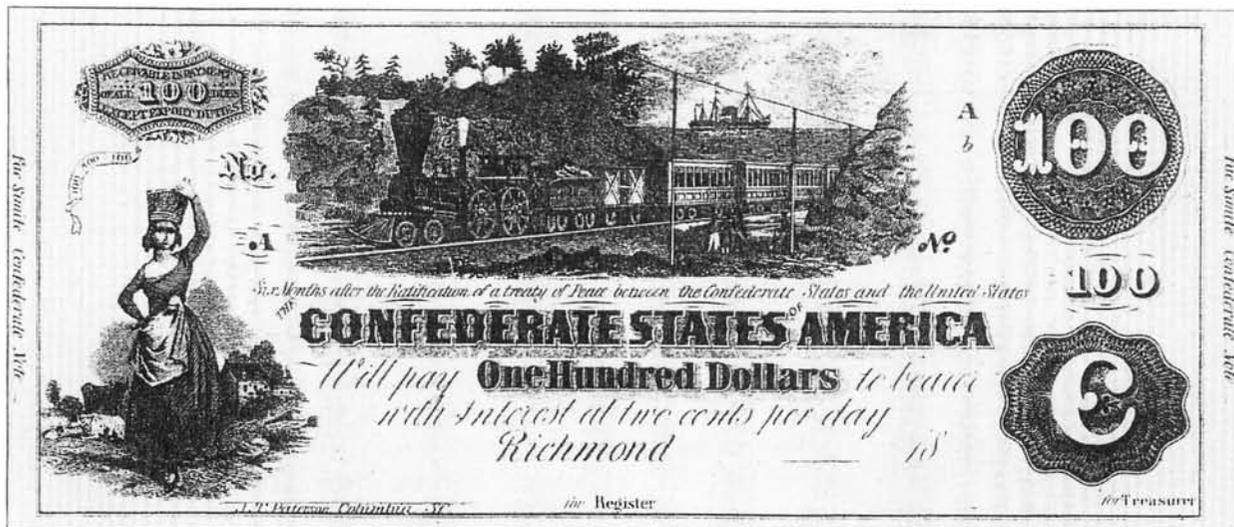
To see the problems counterfeiters had with portraits, examine these images of Judah P. Benjamin on genuine and counterfeit \$2 Confederate notes.



Lettering also varies. Notice the letter "j" in "June" on the same two notes.



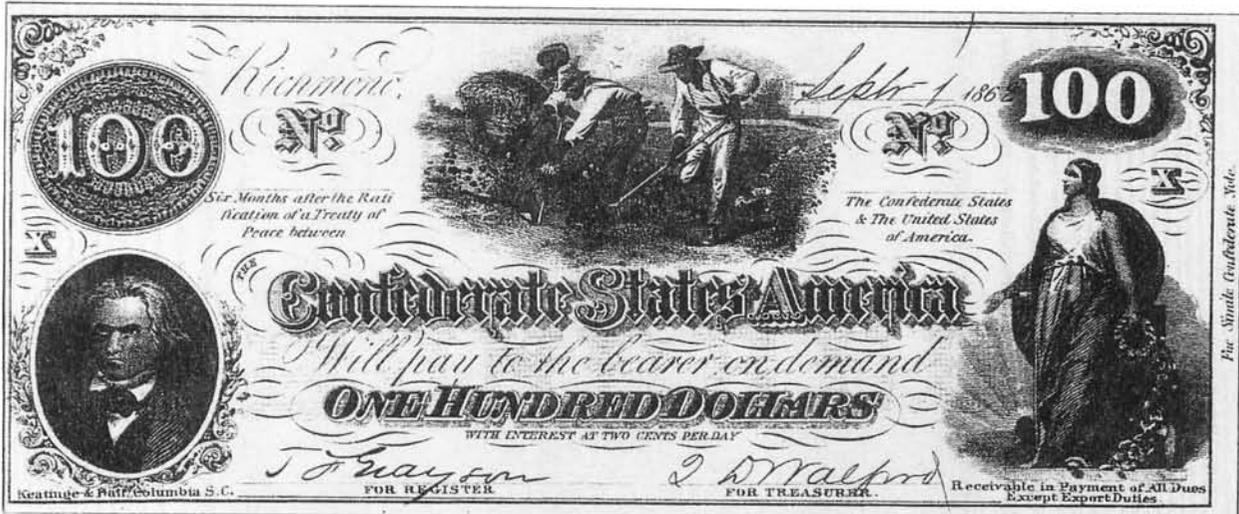
Small details often give counterfeiters away. Notice how many more bees are swarming around the hive on the counterfeit than on the genuine \$20 note.



Counterfeit \$100—Railroad Train. Milkmaid at left. Written date to be inserted along with signatures and serial numbers. "Fac-Simile Confederate Note" on left and right margins; other margins also wide as shown. This very deceptive copy is smaller than the genuine note. I believe it exists with printed signatures and date.

Confederate [Rebel] Money.
 PERFECT FAC-SIMILES of CONFEDERATE TREASURY NOTES for sale at \$4 per 1000. Specimens of all kinds sent by mail for 50 cents, by
 W. E. HILTON, 11 Spruce Street, New York.

One of Winthrop Hilton's first ads appeared in Harper's Weekly on October 4 and 11, 1862.



Counterfeit \$100—**Slaves Hoeing Cotton**. Calhoun at left. **America** at right. Printed version of written date as seen on genuine notes. Printed signatures of T.F. Grayson and T.D. Walford. "Fac-Simile Confederate Note" on right margin. The counterfeit is smaller than the genuine note. Closely trimmed left end may indicate that an inscription has been cut off.

Confederate (Rebel) Money.

Fac-Simile Treasury Notes, exactly like the genuine. \$500 in Confederate Notes of all denominations, sent by mail, postage paid, on receipt of \$5, by
W. E. HILTON, 11 Spruce Street, N. Y.

Issue of April 18, 1863.

CONFEDERATE [REBEL] MONEY. Fac-Simile Confederate Treasury Notes.

So exactly like the genuine that where one will pass current the other will go equally well. \$500 in Confederate Notes of all denominations, sent free by mail on receipt of \$5, by W. E. HILTON, 11 Spruce Street, New York.

Confederate Money.

\$20,000!—TWENTY THOUSAND DOLLARS in *fac-simile* REBEL NOTES of different denominations sent post-paid, to any address, on receipt of \$5, by S. C. Upham, 403 Chestnut Street, Philadelphia.

These two ads appeared almost side by side in Harper's Weekly of February 7 and 14, 1863. Sam Upham of Philadelphia offered \$20,000 face value in Confederate facsimiles while Hilton offered only \$500 face value.

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respondents as it was in Tennessee. The refusal by the government to receive the notes in payment of taxes was, the Congressmen added, in addition to being "considerable irritation, . . . an intentional attempt to impose on [the people of Tennessee.]"

When the resolution was presented asking that Bank of Chillicothe notes be received in payment of taxes, speculators began to accumulate the highly discounted notes to hold them for full-value redemption. Secretary Dallas said that none of the Chillicothe notes, or any other state bank notes, actually paid to the veterans could be distinguished from the banks' general circulation; consequently, none of the bills could be received at par. It would have meant a guarantee of the entire circulation of those banks, and that was out of the question. He did say, however, that he would prepare instructions for collectors of public funds to regulate their conduct in receiving bank notes in payment of taxes. "The design of the instructions will be, to unite the security of the revenue with the accommodation of the banks, as well as of individual citizens, during the disordered condition of the circulating medium of the country; . . ." No Treasury Circulars from that period are held by the Public Documents Library, so the text of the instructions is unknown.

The low survival rate of early-issue Bank of Chillicothe notes can be attributed to the continued existence of the bank. There was plenty of time for trade and speculators to present the notes for redemption. When the bank failed it was one of the larger banks in Ohio to do so in the 1841-1842 general contraction. Its circulation at the time of failure was estimated, by the state Bank Commissioners, to be \$281,277. Bank note brokers were said to have paid between par and 75 percent for the bills, the average 87 percent—the second highest for any of the failed banks. Estimated loss to note holders on redemption was \$36,566.01. The high redemption value accounts for the relative

scarcity of later-issue notes; of course loss, attrition and time aided depletion of the early notes.

The Bank of Chillicothe appears to have been a substantial specie-paying bank with its bank notes rated among the best. But, in an era when bank notes had a narrow area of circulation and were increasingly discounted the farther they strayed from home and recognition, they were rejected in Tennessee. Tennessee veterans of the Creek War were victims of a monetary system which failed to provide a national circulating medium.

NOTES:

1. Military pay for privates was \$8 per month plus \$16 enlistment bounty and on honorable discharge: three months additional pay and 160 acres of land. In 1814, each recruit who enlisted for five years or duration of war, in lieu of the cash bounty and three months' additional pay, was allowed a premium of \$124: \$50 at enlistment, \$50 when mustered and assigned for service and \$24 when discharged. The land bounty was increased to 320 acres for every non-commissioned officer, musician and private upon honorable discharge.
2. Suspension of specie payment did not mean a bank closed; business was carried on as usual except no coin was paid to creditors.

SOURCES:

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- Hickey, D.R. (1989). *The War of 1812, A Forgotten Conflict*. Urbana: University of Illinois Press.
- Niles' Weekly Register*.
- Seybert, A. (1818). *Statistical Annals: United States of America*. Philadelphia: Thomas Dobson & Son.
- United States House of Representatives. *Document No. 226 (Report from The Secretary of the Treasury of the Returns of the State Banks from 1841 to 1846)*. 29th Congress, 1st Session.

HUGHES (Continued from page 10)

CONFEDERATE (REBEL) MONEY.—FAC
 Simile Treasury Notes, so exactly like the genuine
 that where one will pass current the other will go equally
 as well. \$500 in Confederate Notes of all denominations,
 sent by mail, postage paid, on the receipt of \$5, by
 W. E. HILTON,
 11 Spruce Street, New York.

This Hilton ad in Harper's Weekly of January 10, 1863 offered \$500 face value in Confederate notes for \$5. Ads also appeared on January 17, 24 and 31, 1863.

Smugglers bet that consecutive written serial numbers on fine quality counterfeits would lull recipients into a false sense of security, and of course greed was a major factor in many deals.

Collectors should also be aware that some counterfeits, especially some made in Europe by expert engravers, were actually superior to the genuine notes. When signed and numbered by hand, these deadly copies created havoc in the Southern states.

If any members can shed light on any activities of Winthrop E. Hilton, I invite them to write me at 781 Seay Road, Inman, SC 29349. I would be pleased to write a follow-up article giving credit to those who contribute data. If we could find just one

note which can be definitely attributed to Hilton, we would be making a major contribution to numismatics.

Collectors should be cautioned that some Confederate counterfeits exist on which someone used brown ink to trace over the black printed signatures to make them appear hand-written. Hold such notes up to the light and you will see the black ink under the brown ink which overlaps slightly to make it visible. Some of these alterations were probably done long after the Civil War when unscrupulous persons "created" new varieties to sell to collectors. ■