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38TH CONGRESS, }  
2d Session. }

HOUSE OF REPRESENTATIVES.

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*United States Congress Papers*

PRINTING BUREAU OF THE TREASURY DEPARTMENT.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

IN ANSWER TO

*A resolution of the House of January 24, in regard to the Printing Bureau of the Treasury Department.*

FEBRUARY 6, 1865.—Laid on the table and ordered to be printed.

TREASURY DEPARTMENT,

*February 4, 1865.*

SIR: I have the honor to acknowledge the receipt of a resolution of the House of Representatives, under date of the 24th ultimo, as follows:

“Whereas, in the annual report of the Secretary of the Treasury no mention is made by him of the printing bureau of the department; therefore,

“Resolved, That the Secretary of the Treasury be directed to communicate to the House the present condition of the printing bureau, together with the annual report of the bureau, and any and all reports in reference to said bureau which have been made to the Secretary during the past year, including a statement of all payments and expenses incurred by said bureau.”

The printing bureau was not alluded to in my annual report for the reason that the report of that bureau, though bearing date November 26, was not ready in time for such mention; and without this report no satisfactory account of the transactions of the bureau could have been given.

I now transmit a printed copy of the report of the printing bureau, together with a copy of a communication from the head of the same, furnishing the information required by the resolution, with the exception of certain minor reports and other papers, which will be transmitted as soon as copied.

I am, very respectfully,

W. P. FESSENDEN,

*Secretary of the Treasury.*

Hon. SCHUYLER COLFAX,

*Speaker of the House of Representatives.*

TREASURY DEPARTMENT.

NATIONAL CURRENCY BUREAU, FIRST DIVISION,

*February 1, 1865.*

SIR: I have the honor to acknowledge the receipt of a resolution of the House of Representatives, (38th Congress, 2d session,) directing the Secretary

of the treasury to communicate, first, the present condition of the printing bureau; second, the annual report of the bureau; third, any and all reports in reference to said bureau which have been made during the past year; and fourth, a statement of all payments and expenses of said bureau.

In reply, I have the honor to report as follows:

First. The present condition of this division of the currency bureau is, that it is divided into thirty-one subdivisions, and employs 527 operatives; 222 of whom are males and 305 females, and they are engaged engraving, printing, and preparing for issue the various securities and currency authorized by Congress, and such checks, drafts, and other forms as are required by the Treasurer and assistant treasurers of the United States, and the designated depositaries; in printing the circulars, blank forms, envelopes, and other letter-press printing required by this department, as well as some incidental work for other departments; in ruling and preparing for binding such forms and tables as are directed; in stereotyping and electrotyping such work as is necessary, and in making and repairing the machinery used in the building.

Second. A printed copy of my annual report, dated November 26, 1864, is herewith transmitted.

Third. Copies of all the reports for the past year from this division are now being made by the copyists in the library. To make these copies will require much time, and I therefore do not delay this report to wait for them, as they can hereafter be specially transmitted to Congress when completed.

Meanwhile, copies might be made, by other bureaus, of reports made concerning this division, which are not here of record; such as the reports of Mr. Risley, while he was temporarily connected with this division, and which are recorded in his office, and such other reports from different officers of the treasury as have been made.

Fourth. The payments and expenses of this division, from the day it was first started until the 27th of June, 1864, was reported to Congress by your predecessor, under the latter date, and amounted to \$660,015 78. This report was printed at page 345 of the report of the special committee of the 1st session of the present Congress. (Report 140.) The payments and expenses since that period have been \$394,921 27. All of which is respectfully submitted.

I have the honor to be, very respectfully, your obedient servant.

S. M. CLARK,  
*Chief of First Division.*

Hon. W. P. FESSENDEN,  
*Secretary of the Treasury.*

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REPORT TO THE SECRETARY OF THE TREASURY FROM THE FIRST DIVISION NATIONAL CURRENCY BUREAU, SHOWING ITS ORIGIN, GROWTH, AND PRESENT CONDITION, WITH DETAILS OF WORK DONE, &c.

TREASURY DEPARTMENT,  
NATIONAL CURRENCY BUREAU, FIRST DIVISION,  
November 26, 1864.

SIR: I have the honor to acknowledge the receipt of your instructions to report "the origin, growth, and present condition of this division, including the difficulties attending its organization, and render a statement of the amount of work done since its establishment;" and also to give "a detailed history of the method of producing the government currency and securities, and of the system of checks and balances adopted for the security of the government in that production;" and also to "state what losses, if any, have occurred under your (my) management, and what savings, if any, have been effected by it, with a statement of the comparative cost, security, and celerity of producing the work in the de-

partment, as compared with the former method of causing the work to be done by contract in New York ;” and to “state what legislation in your (my) judgment is necessary, if any, for the future operations of the division, and make such recommendations for my (your) consideration as your (my) experience in the work may dictate ;” and also to “append a statement of the amount of stock on hand at the time of rendering the report, and its cost.”

In reply I have the honor to report as follows :

#### ORIGIN OF THE DIVISION.

This division had its origin in an attempt to trim and separate treasury notes by machinery. This work, up to the summer of 1862, had been executed by hand labor.

The first paper issues of the government, made necessary by the existing civil war, were manufactured by the New York bank note companies, and sent to this department in sheets of four notes each. After they were received here, the signatures of the proper officers were attached, and they were then trimmed and separated, by hand labor, with shears.

It soon became apparent that the officers whose signatures were necessary—the Treasurer and the Register of the Treasury—were physically unable to write their names as rapidly and as many times as the necessities of the public service required. The authority of Congress was therefore obtained to employ other persons to sign for these officers, (Statutes at Large, vol. 12, p. 313,) and a corps of seventy clerks was ultimately employed for this purpose, at salaries of \$1,200 each per annum, and placed under the care of the clerk then in charge of the Loan branch of the Secretary’s office.

It soon became obvious that so many different signatures to notes of the same issue afforded very little security to the public. The cost of so many signers also largely increased the expense of the issue. The propriety and economy of printing the signatures, by a peculiar process and with peculiar ink, and of dispensing with written signatures, then suggested itself, and I reported to the then Secretary of the Treasury, Mr. Chase, my belief that if the signatures were thus mechanically attached they would offer greater security against counterfeiting than so many different written signatures ; and that an additional evidence of lawful issue might be made with a copy of the treasury seal, printed in the treasury building, on each note, bond, or coupon issued. I urged this view to him, orally, at different times, and endeavored to prove that it would prevent losses both to the government and the people, and largely lessen the cost, to adopt it.

Mr. Chase was favorably impressed with the plan, and opened a correspondence with the Assistant Treasurer at New York, and with other gentlemen of large experience, in reference to the propriety and safety of printed signature in connexion with a printed copy of the seal.

This resulted in his approval of the scheme, and an application to Congress for the necessary authority to carry it into execution. This authority was given by act approved February 25, 1862. (Statutes at Large, vol. 12, p. 346.)

He then orally directed me to procure the necessary machinery to seal the notes, and to design a suitable copy of the seal. I complied with this order by procuring presses, specially made for the purpose, on approved models, and by designing the copy of the seal now in use. This design has for its interior a *fac simile* of the seal adopted by the Treasury Department for its documents on a ground of geometric lathe-work, the exterior being composed of thirty-four points similarly executed. These points were designed to be typical of the thirty-four States, and to simulate the appearance of seals ordinarily affixed to public documents. It was difficult of execution, and it was believed that counterfeiters could not readily make a successful imitation of it. So far the belie-

has seemed well founded, for it has not, that I am aware of, been successfully imitated. The American Bank Note Company of New York was employed to make the original dies for seals of three sizes, which were satisfactorily executed and paid for, as appears by their bills on file of September 30, October 13, and November 9, 1862. They have since refused to surrender these dies to the government, though they have been formally demanded, and any additional price proffered that they might require. Only duplicates made from these dies are now used in the department, the originals being still retained by the company.

The following letter from the late Secretary of the Treasury was mailed to the American Bank Note Company in New York, at its date, in reference to these dies :

"TREASURY DEPARTMENT,  
"October 7, 1863.

"SIR: I have yours of the 6th instant, advising me that I have been erroneously informed in reference to payment for the seals for legal-tender notes.

"In your bill of 30th September, 1862, and 29th November, 1862, you have charged for 'engraving seventy-four (74) medium size steel seals and fifty-eight large size,' \$1,320.

"As you charged for the *engraving*, it was supposed the *engraving* was paid for, for it was thought this charge could hardly be for transferring alone.

"The dies for the three sizes—large, medium, and small—I desire should be transmitted to the department, and will thank you so to transmit them.

"If any or all of them have not been paid for, a proper price will be paid for them on delivery.

"Very respectfully,

"S. P. CHASE,  
"Secretary of the Treasury.

"GEO. W. HATCH, Esq.,

"President American Bank Note Company."

This request not being complied with, I was sent to New York to make a personal demand for the dies. I made the demand, as directed, upon the president and vice-president of the company, and told them that any price they might demand would be paid for the originals. They emphatically refused to surrender them at any price, but offered to furnish duplicates at ten dollars each. I therefore bought one set of duplicates of each of the three sizes, and have produced from them all that have since been used in the department. The duplicates produced have not cost the department so much as fifty cents each.

The refusal to surrender these dies was probably based upon the expectation of being able, by retaining them, to furnish, at the price demanded by their company, all the duplicates this department might require. When the necessity for the employment of the company for this purpose passed away, no sufficient motive appeared for their longer retention by the company. The Secretary is of course aware that from these originals workmen can produce duplicates rapidly and cheaply by the process of transferring. Thus the only evidence of lawful issue prescribed by Congress is within the power of cheap reproduction by any evil-disposed workmen who can get access to the dies. It is, therefore, in my judgment, manifestly improper that they should be out of treasury control. Without here questioning the trustworthiness of the officers of the Bank Note Company, or their motives in refusing to surrender the original dies, it seems to me imperatively necessary for the government's protection that all these originals and their duplicates should be in the treasury vaults. Under this conviction, and all other means of obtaining them failing, I respectfully recommend

that proper legislation should be asked from Congress to enforce the delivery of *all* dies to the treasury which are now retained by the company.

The trimming and separating of the notes with shears also appeared to me to involve unnecessary expense. About seventy-five females were employed, at salaries of fifty dollars per month each, for the purpose, and placed under the charge of an officer specially appointed for that duty. The process was found to be both tedious and expensive, and, after much reflection, I suggested to Secretary Chase that the issues might be more economically and more speedily trimmed and separated by machinery.

Upon receiving the assurance of my belief that I could devise machines for the purpose, he authorized me to construct two for trial—one for trimming the edges of the sheets, and the other for separating the notes from each other, (which were printed four on a sheet,) and trimming the sides.

The machines were accordingly made, to be propelled by turning a crank, and placed under the direction of the clerk then in charge of the Loan branch. This clerk was not only ignorant of everything relating to machinery, but had early contracted a prejudice against the use of automatic note-cutters, which was shared and sustained by some of the officers of the treasury. It was feared by them that the introduction of machinery for this purpose would throw many deserving females out of employment, which they thought an evil not compensated by any economy of cost that would result from their use. This view has generally obtained against all labor-saving machinery, upon its first introduction, by those immediately interested in the labor. But the history of mechanic art shows that a contrary result is generally attained. The effect of all labor-saving machines has been to increase production, and thus ultimately to employ more labor. These note-cutting machines have proved no exception to the general rule, for they have been the nucleus of a business which now employs more than five times as many females in the treasury as were employed when they were first introduced, although for the particular operations for which they were designed not one-fifth as many are now employed. If these machines had not then been put in use, or some efficient mechanical substitute adopted in lieu of them, the treasury building would not have afforded room enough for all the hand-labor that would have been required to seasonably prepare the subsequent issues. But the germ of opposition thus engendered among treasury officers has grown with the growth of the work, and still exists to a large extent in the department. Different officers, from time to time, remonstrated with Secretary Chase, and caused apprehensions in his mind which seriously interfered with his efforts to produce the paper issues of the government more economically.

The clerk then in charge of the work, after a trial of the machines, erroneously reported to your predecessor that they were a failure, and that they could not do the work as rapidly or as well as it was done by hand. Upon this report the Secretary issued an order to discontinue their use, and remove them from the building. Pending the execution of this order he examined, at my request, the machines while at work, and being satisfied from this examination that the report upon which his order was issued was not sustained by the facts, he rescinded the order, and directed me to submit a programme for taking the small notes (one and two dollars) under my charge, in a separate room, to trim and separate them by these machines, propelled by steam power.

In accordance with this direction I prepared and submitted a programme for the work on the 10th of April, 1862.

At this date I had no official connexion with the preparation of the government issues, and therefore no official record was made of this report. I am informed by the Secretary's clerk that it has since disappeared from the files, so that I am, to my great regret, unable to reproduce it here.

It contained, among other details, a statement of the proposed machinery and its probable cost, with the number of operatives to be employed, the nature of

the work, rate of wages, and supposed amount of work they could perform with the machines.

This project was held under advisement by Mr. Chase until the following August, when, on the 20th of that month, he approved it, directing me to prepare a letter of instructions for my guidance in carrying out the project, and submit it for his approval. Under this direction I prepared the following, which was adopted and signed by him at its date:

"TREASURY DEPARTMENT,  
"August 22, 1862.

"SIR: You are hereby instructed to take charge of the preparation for the issue of the one and two dollar treasury notes, in accordance, as near as practicable, with your programme, now on file, of the 10th of April, 1862.

"This order is not issued as a permanency. It is my intention to give the experiment of machinery a full and fair trial, and this order is issued for that purpose.

"A reasonably sufficient time will be given for a fair trial, and my future orders will depend on the result of that trial. If it is not more economical and better than the present method, its use will not be continued.

"You will, therefore, on and after Monday next, receive from the mail the one and two dollar notes, making the customary receipt therefor, and after sealing and trimming deliver them to the Treasurer, and take his receipt. You will keep a perfect record at every step, using all the checks and guards now used in the organization for larger notes, with such additional checks as you may deem proper that do not involve additional cost, and may seem to you additional security. You will make a daily report of the amount of notes on hand, amount received from the engraver, the amount delivered to the Treasurer, and the amount in your hands at the close of work on each day, showing under each head the respective quantity of ones and twos, and also aggregating the total amounts of all bills received from the engravers up to the date of the report, with the respective amounts of ones and twos.

"You will also keep a daily record, in a book prepared for the purpose, of each day's work, and its cost, for which you will render a weekly statement, or if hereafter ordered, a daily statement.

"The sealing press in the hall, which has been ordered up stairs, you will now remove below, together with the new counter shafts and pulleys designed for the new presses, and place them with the two presses ordered, in the room below, adjacent to the cutters.

"Very respectfully,

"S. P. CHASE,  
"Secretary of the Treasury.

"S. M. CLARK, Esq.,

"Chief Clerk Bureau of Construction."

I at once addressed myself to the work, and during the next succeeding six days procured and set in place a steam-engine and boiler, with the necessary shafting, pulleys, and other fixtures, and set up in the southwest room of the basement of the south wing the presses, trimmers, and separators ready for use.

On the 29th day of August, 1862, I commenced the work with one male assistant and four female operatives.

This was the small beginning of the present vast work in the treasury. I assumed the charge of it with nothing but my belief in its economy to encourage me, under much opposition, and with great dread of the magnitude of the trust which was necessarily imposed upon me; as the probable amount of money to be handled, by perhaps twenty or more operatives, with as yet a new and untried system of checks, seemed likely to exceed a hundred thousand dollars per day.

This was a source of ceaseless anxiety to the Secretary as well as to myself. Had I then supposed that the business would have grown under my charge to its present enormous magnitude—the current issues having sometimes exceeded sixteen millions of dollars in a single day, handled by more than five hundred operatives—I should have been impelled to shrink from the task and abandon the attempt.

The result of this attempt in respect of the execution of the work and its economy appears in my report to the Secretary of the Treasury dated January 5, 1863, which was as follows :

“TREASURY DEPARTMENT, BUREAU OF CONSTRUCTION,

“January 5, 1863.

“SIR : I have the honor to report that the engravers have reached their proposed maximum delivery of one and two dollar notes, say thirty-six thousand impressions (or \$192,000) per day, and I take occasion to report the present condition of trimming and sealing them.

“We now trim, seal, and separate, each day, the same quantity as received from the engravers, viz., thirty-six thousand impressions. We commenced work upon twelve thousand impressions per day, and in my original programme for the work I stated that the machines, when the operators became expert, would do *thirty thousand* impressions in *ten hours*’ work. So expert have the present operators become, that they now do *thirty-six thousand* impressions in *eight hours*’ work. I stated in the original programme that the pay-roll for thirty thousand impressions would not exceed \$1,700 per month. It has not yet in any month amounted to \$1,000. The present cost of trimming and separating by machinery is forty-eight cents per thousand sheets. The cost reported from the Loan branch, by the old method, is \$2 40 per thousand. My cost for sealing is twenty-six cents per thousand. The Loan branch report of its cost for sealing is fifty-one cents, thus effecting a saving of nearly \$2,000 per month to the department in the issue of small notes alone. To be able to report this result gives me more gratification than any pecuniary compensation could possibly give, more especially as I am able to report that the work for the entire amount (\$11,748,000) has been accomplished without the loss of a single dollar.

“The operatives now work ‘by the picce,’ as it is technically termed—*i. e.*, a given price per thousand impressions for each operator. They earn from \$1 20 to \$1 80 per day, depending upon their skill and industry, and the amount earned will increase as their dexterity increases. I bear willing testimony to the diligence and faithfulness of the employes, who have zealously seconded my efforts to produce this result. Without such aid I should not have succeeded.

“The machines are doing as much per day as should be expected from the operators. As these gain in skill, they will lessen the hours of work. But if *much* additional work is desired, more machines would be required. The cost of counting cannot, I think, be judiciously reduced. It could only be reduced by lessening the number of counts; and the present system having so far proved a security against loss, I should hesitate to recommend any change which looked only to reduction of cost without increase of security.

“I have the honor to be, very respectfully,

“S. M. CLARK,  
“Chief Clerk in charge.

“Hon. S. P. CHASE,  
“Secretary of the Treasury.”



## GROWTH OF THE DIVISION.

During the progress of the work, from its commencement in August, 1862, to the time when the above report was rendered, your predecessor gave earnest personal attention to the working of the system adopted, and, despite of the representations of parties whose interests were affected, and of their aiders and abettors in the department, he became convinced of its safety and economy. After the rendition of the above report of the actual result, he ordered me to take charge of the work for *all* denominations of notes. This was immediately done; the scaling presses were removed from the Loan branch room to the room occupied by me in the basement, more machinery for trimming and separating added, and from that time to the present all the notes, bonds, and other securities issued by the department have been sealed, trimmed, and separated by machinery in this division, except a portion of the fractional currency.

Pending this action, Mr. Chase had orally directed me to see what other economies I could suggest in connexion with the work of producing the government issues of notes and securities. My attention was thus called, for the first time, to the cost of their production. Up to that period I had seen neither the contracts nor the invoices of the bank note companies. Upon examining these, I was amazed to find the enormous prices that had been paid for the work, and reported to the Secretary that, in my judgment, he was paying a rate vastly disproportionate to the service performed. From my representations he apprehended this might be true, but there appeared to be no remedy for it, as the two companies then executing the work—the American and National Bank Note Companies of New York—were practically but one, and, in the judgment of Mr. Cisco, the Assistant Treasurer at New York, to whom the whole matter of contracting for the government issues had been early referred, they were the only parties competent to execute the work. That they were practically but one appears from the record, as they have acted in concert in making proposals and in executing contracts.

These companies were formed by a coalition of all the bank note establishments of any repute in the different cities, and controlled nearly all the talent, capital, and experience which had been used in producing the circulation of the State banks for a period of forty years. The combination of the two, therefore, formed a powerful monopoly, to whom alone, in Mr. Cisco's judgment, the Secretary could look for his issues, and they were thus enabled to dictate terms. There was, apparently, no escape from the grasp of these monopolists. The use made of their power may be inferred. The American Company is reported to have been originally formed with a cash capital of five thousand dollars, according to the certificate filed to procure an act of incorporation from the State of New York, and to have created a nominal capital of one million two hundred and fifty thousand dollars, represented by shares freely distributed in influential quarters, but which, up to the time of its employment by the government, had not reached a par value in the share market. After the employment of the company by the government to engrave and print its paper issues, it divided, as I was informed by its shareholders, thirty per cent. per annum on its nominal capital of one and a quarter millions. And this result may doubtless be, in part at least, attributed to the government's necessities in a time of civil war.

The subject engaged the thoughtful attention of your predecessor, who was anxious that the necessary paper issues should be procured at a reasonable cost to the government, while they should at the same time yield a fair and remunerative return to the producers. His efforts to this end only resulted in procuring a small abatement of the companies' demands, and still left the prices paid unreasonable and exorbitant.

After earnest thought, and a careful canvassing of all the facilities that might

be obtained, I reported to Secretary Chase that, if clothed with the proper authority, I thought I could produce the work in the department for a comparatively small outlay, at a great saving of cost in the issues. He carefully and critically examined my plans, and being encouraged by the success attained in economizing that portion of the work necessarily done in the treasury building, under my direction, orally instructed me to mature the plan and prepare designs for the purpose.

Authority to execute the work in the department was given by the second section of the act of Congress approved July 11, 1862. (Statutes at Large, vol. 12, p. 532.)

I then revived the suggestion, which I had made to the Secretary in the winter of 1861-'62, to adopt for designs the national pictures in the Capitol, using them in their chronological order, the earliest events pictured for the smaller denominations, and the later events for the larger notes. This plan the Secretary had, at different times, submitted to leading members of Congress, to eminent bankers and financiers at the north, and others, and it seemed to meet the approval of all who examined it. The Secretary therefore adopted it, so far as the one, two, and five dollar notes were concerned, directing Vanderlyn's painting of the Landing of Columbus to be used for the ones, Weir's painting of the Embarkation of the Pilgrims to be used for the twos, and Powell's painting of the Discovery of the Mississippi by De Soto for the fives. The engraving of these three plates, of note size, was nearly completed when the necessities for other and more immediately needed issues compelled the suspension of the work upon them, and they now remain in their then unfinished state. But little work, comparatively, is required to finish them, and it is now designed to complete and put them in circulation as early as practicable, in fulfillment of the order of your predecessor, in substitution for the present issue of United States notes, which will then, unless the present Secretary should change the order of his predecessor, be called in and destroyed.

This design has since been partially carried out upon the currency of the national banks, but only partially, as my original design contemplated the engravings from the paintings to be of the full size of the note, as a safeguard against their alteration from a lower to a higher denomination; this result of the present issue of the United States notes, as made by the bank note companies, being the most fruitful source of loss to the public. The day fixed by the advertisement for opening the designs submitted pursuant to its call, for the currency of the national banks, was the 28th of March, 1863. On the preceding day the Secretary directed me to reduce my suggestions for these designs to writing, and submit them with the proposals offered, to be opened at the same time, that they might become of record. The following communication was therefore addressed to him at its date, and opened with the proposals, but probably never read by him, as I was informed that payment was made to another person on a proposal to use historic pictures upon the national currency.

"WASHINGTON, *March* 28, 1863.

"SIR: I respectfully suggest as a design for a national currency the engraving of national historic pictures of the full size of the note to be issued, and submit, as 'a model of illustrative drawing,' a two-dollar note, made up of a copy of Weir's painting of the 'Embarkation of the Pilgrims,' with a suitable reverse.

"I claim that this style of note possesses greater security against counterfeiting and alteration than any device yet in use.

"First. If the note be engraved in the highest style of art, its different portions, such as etching, portraits, lettering, drapery, &c., executed by those who have made these portions respective specialties, it will present an amount of artistic labor to be accomplished by the burin which would appal and stagger counterfeiters in the outset, even if they possessed the requisite talent and skill

to counterfeit it. As there is a peculiarity in the engraving of every proficient of high art, (as easily detected by an expert as different styles of handwriting,) such a note, properly executed, could not be counterfeited so as not to be readily detected by the skilful. The notes now in use, made up of separate dies, actually afford facilities for counterfeiting, from their patch-work composition, while a note made from a single die, of its whole size, and not repeated in parts, presents difficulties of counterfeiting almost in geometric ratio to its increased size from a mere vignette.

“To make a note’s genuineness apparent to the unskilled, additional methods are suggested. To counterfeit it by photography, which is the readiest way to deceive the masses who handle notes, particularly those who most receive and pay small notes, a non-photographic material should be introduced into, and be inseparable from, the paper, so that a photograph or phototype should present a defaced or mottled appearance, easily distinguished by all. A sample of paper thus prepared is submitted for the Secretary’s inspection.

“Second. I claim that my suggestion would, if carried into effect, be a complete protection against alterations. Alterations, as the Secretary is aware, are the most numerous as well as the most dangerous of frauds, far exceeding in number and danger all counterfeits; and in the multiform issues which now fill the channels of circulation, comparatively no protection is given except to those who are skilled in the art, and make their detection a study. But if a two-dollar bill is always the picture of the ‘Embarkation of the Pilgrims,’ and a ten-dollar bill is always the picture of ‘Washington crossing the Delaware,’ the public, even those who cannot read, as well as those who do not understand our language, or who cannot distinguish its numerals, will soon educate themselves to these facts in handling the money, so that they could never be deceived into taking one denomination for another, though the figures or letters denoting the denomination of the note were ever so cleverly altered. The skilful can protect themselves, but the unskilful require something plain and patent to the senses. I claim that my national picture currency furnishes this desideratum.

“Third. A lesser but not unimportant advantage of such currency would be, that a series properly selected, with their subject titles imprinted on the notes, would tend to teach the masses the prominent periods in our country’s history. The laboring man, who should receive every Saturday night a copy of the ‘Surrender of Burgoyne’ for his weekly wages would soon inquire who General Burgoyne was, and to whom he surrendered. His curiosity would be aroused, and he would learn the facts from a fellow-laborer or from his employer. The same would be true of other national pictures, and in time many would be taught leading incidents in our country’s history; so that they would soon be familiar to those who would never read them in books, teaching them history, and imbuing them with a national feeling. Thus a series of pictures of full note size might be selected, beginning with the earliest scenes of savage life, and terminating in the advanced stages of civilization, which would be an illuminated history of the country’s progress; or a series beginning at bow and arrow warfare, and terminating in a perfected iron-clad; or a series beginning at the earliest modes of journeying in the birch-bark canoe, and terminating in the present perfection of steam craft; or a series illustrating methods of payment, beginning at exchanges of values by shells and wampum in the uncivilized tribes, and terminating in coupons and registered bonds and treasury notes, as dealt from a modern banking-house.

“The reverse of the note, as exhibited on the model, possesses, as now drawn, no distinctive merit, except that it is ‘national in its character,’ and is an appropriate design, and there are intended to be as many circular counters as the note represents dollars—one counter on a one-dollar, two on a two-dollar, five on a five-dollar, &c. It should be executed in the highest style of art, similar to the obverse. I design to fill the counters now in blank with a non-

counterfeit composition, which cannot well be exhibited in drawing, and can only be clearly manifest in actual execution. But I have prepared a photographic approximation of it for the Secretary's inspection. A blank tablet is left for the legend, which can be differently filled for the different issues, as the acts of Congress may require.

"I propose, also, to print upon the obverse of the note its denomination, date or issue, and treasury seal, with the coat of arms of the State where the association is located, *in gold characters*, peculiarly attached, so as to be absolutely irremovable, before printing the note proper. This is an additional safeguard against photography and alteration, makes the denomination of the note more discernable in a dim light, and when held between the eye and light appears in bold black characters, vastly more discernable and more enduring than any watermark. A specimen thus prepared is ready for the Secretary's inspection.

"There has not been time to prepare a full series of notes, but I have made preparations for them, which can be easily completed, if the Secretary should adopt my suggestions.

"I have the honor to be, your obedient servant, &c.,

"S. M. CLARK,

*Chief Clerk in charge.*

"Hon. S. P. CHASE,

*Secretary of the Treasury.*"

This plan was, however, partially adopted by using the national pictures as designs for vignettes on the backs of the notes. The proposals of two companies, the Continental and American, were subsequently accepted. I had prepared, under Mr. Chase's instructions, the letters inviting their proposals, and subsequently draughted the contracts made after the proposals were accepted. These contracts will be found in the Appendix, marked A and B.

I was careful in draughting these letters inviting proposals, and in the original draught of the contract to fully cover the point that all the dies or bed-pieces, and original cuttings of lathe-work, together with all rolls and transfers, should be the absolute property of the government, and be under the exclusive control of the Comptroller of the Currency. I was not then aware of the Comptroller's views as to printing in the treasury. The phraseology used in the letter inviting proposals was as follows:

"You will please state prices separately for the dies or bed-pieces, for the original cuttings, for the rolls, and for the transferred plates, for each denomination by itself; all to become the property of the government, if your proposals are accepted, and their custody to be under the exclusive direction of the Comptroller of the Currency."

In response to this, the company submitted proposals, closing them with the following declaration:

"It is understood that all the stock, original cuttings, dies, and bed-pieces, transfers, and rolls shall immediately become the property of and subject to the order of the department."

The original draught of the contracts was in accordance with the above terms, but was subsequently altered, not by me, so as to give the companies a right "to hold and safely keep them," they being, however, so held, "subject to the order of the Comptroller." I was the more careful in seeking to place this point beyond cavil, because it had been overlooked in the papers draughted by those who had charge of the work prior to myself; and because, in consequence of this omission, the companies claimed to hold, and now still claim and hold, all the stock and plates from which those *earlier* issues were printed. They found their claim on a printed clause attached to their "bill heads" in sending invoices, and in this view of their right, under those earlier papers, not prepared by me, they are, perhaps, not improperly officially upheld by some of the present officers of the treasury.

Your predecessor took a different view of the rights of government in the premises, and frequently stated to the officers of the company, as well as to members of Congress, that the department owned the plates. But he vainly sought to obtain them from the companies. So far was the controversy at one time carried, that the company packed up their dies with a view to sending them out of the country, (as appeared in evidence before a congressional committee,) fearing that your predecessor would, by a process of law, obtain them.

I sought by careful wording of the letter inviting proposals, and by the original draught for the contracts, to avoid any doubts thereupon in future as to the ownership and custody of all the engraved stock and plates.

The result is, that, though owned by the government, all the rolls, dies, and plates, and all original or transferred work for the currency of the national banks, in defeat of the original plan as draughted by me, are in the custody of the bank note companies, by the Comptroller's authority, at a distance from the seat of government, and not in possession of the department, though they are subject to the Comptroller's order.

The production of the postal currency, as it was then called, next engaged your predecessor's attention. The price paid for it was largely disproportionate to the cost of the production. In his own language, "though bearing no interest, it was the dearest loan." He directed me to investigate the matter, and if I found that any economy, with equal security, could be attained by any other method of production, to report the result of my investigations to him. I reported to him orally, from time to time, as my investigations progressed. These investigations seemed to prove that a large economy and greater security could be effected by producing the currency in the treasury. He therefore instructed me to mature the details for an issue in the department, to be called a revenue currency, in place of the postal currency then in circulation, and report the result in writing for his consideration. In October, 1863, I reported as follows:

"TREASURY DEPARTMENT,  
"BUREAU OF CONSTRUCTION,  
"October 7, 1862.

SIR: I have the honor to report that I have matured the details for carrying out the Secretary's plan of supplying the place of the present postage currency with a currency based on the issue of revenue stamps, as follows:

"Upon the Secretary's suggestion that the size of all denominations shall be the same as the present 10 cent postage currency, I respectfully recommend that—

A sheet of 5 cent stamps contain.....	50 or = \$2 50
A sheet of 10 cent stamps contain.....	50 or = 5 00
A sheet of 25 cent stamps contain.....	40 or = 10 00
A sheet of 50 cent stamps contain.....	40 or = 20 00

and that the proposed issue of \$100,000 per day be divided as follows:

8,000 sheets, 14 x 19 inches, of 5 cents = .....	\$20,000
4,000 sheets, 14 x 19 inches, of 10 cents = .....	20,000
2,000 sheets, 14½ x 16 inches, of 25 cents = .....	20,000
2,000 sheets, 14½ x 16 inches, of 50 cents = .....	40,000

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16,000

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\$100,000

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"The obverse of all denominations I would print in black, and the reverse in four different colors—say 50's red, 25's purple, 10's green, and 5's tan color.

"To print 16,000 sheets per day, (if the obverse is of plate-printing and the reverse of surface-printing, which I very decidedly recommend,) there would be required—

"Thirty 22 inch copperplate presses.

"Ten 18 inch copperplate presses.

"Four Gordon presses for surface-printing, similar to those now in use for bonds.

"To trim and separate 16,000 sheets per day, there would be required five trimmers and ten separators.

"The power presses, with the trimmers and separators, could be moved by the same power and in the same room now used for the small-note machinery, without disturbing the present arrangements, except that the present work would require to be suspended for a few days, while the additional machinery was being put in place.

"The plate presses, which would be worked by hand, (and for which I do not think machinery *can* be substituted, as it requires the varied action of the *brain* as well as the hand at each printing,) could be placed in a portion of the new attic, designed for the west wing, to and from which the paper could be elevated and the printed sheets lowered by a dumb-waiter, constructed in the southeast corner, on the extreme court-yard side.

"The engraving of the bed-plates could all be done in the department by three artists, and would take about thirty days. After the bed-plates were made, eighty-four plates would be required; these could be made by one transfer press, to be worked day and night, which would make one plate by day and one by night—taking forty-two days to produce the eighty-four plates, making say seventy-two days in all; but, in view of possible failures, I should think it safe to say it would take three months.

"I have a design prepared for the Secretary's inspection, whenever he has time to examine it.

"The trimmers and separators, with the paper, &c., could all be prepared within the same period.

"The cost of the whole, presses, cutters, separators, &c., with fixtures, I estimate, will be less than \$20,000. The machinery I make about \$16,000, and allow \$4,000 for fixtures and contingencies. Making the paper would be in addition to this.

"I respectfully suggest that the product be packed in neat paper boxes, in packages of \$10, \$20, and \$50 each, which boxes, for transmission, could be packed in hermetically sealed tin boxes, in such quantities as may be required, and then enclosed in wooden cases for transportation.

"If these details meet the Secretary's approval, I respectfully recommend that Mr. Neale be placed in charge of the printing department, at a proper compensation, to be under my general direction, and that he be immediately detailed to go to Philadelphia and New York, &c., to secure the necessary plate presses and workmen. The press workmen would be hired 'by the piece,' probably at not over 75 cents to \$1 per 100 sheets. (The Secretary can compare this price with the price paid for printing to the bank note companies.)

"I further respectfully recommend, as it is impossible for me to get away from Washington until the small-note room is more perfectly systematized, and operatives more experienced than now, that I be authorized to send for such parties to confer with as may be necessary, or to send parties to them if desirable.

"I respectfully suggest to the Secretary, if these details are to be carried out, that he should give me some title—(*not* to carry any pay—but) to give more of an air of official authority than a naked signature will carry.

"If the Secretary approves this project, and indorses it, I will take immediate steps for its prosecution. How soon Mr. Rogers will get his new roof ready, so that the attic can be occupied, I can only conjecture; he will, doubt

less, anticipate finishing it before it will be needed, but I have much fear that he will be disappointed.

"I have the honor to be, very respectfully, your obedient servant,

"S. M. CLARK,

*"Chief Clerk, Bureau of Construction.*

"Hon. S. P. CHASE,

*"Secretary of the Treasury."*

The Secretary adopted the report on the 10th of October, 1862, and approved the design. This design was made larger than the postal currency, viz.:  $2\frac{1}{2}$  by 4 inches. I recommended the use of this size instead of the smaller size he had prescribed. The Secretary was adverse to the adoption of this larger size, but directed me to make a written report of the comparative cost of the two sizes, and of an intermediate size, when he would consider the matter. I complied with his directions as follows:

"TREASURY DEPARTMENT, BUREAU OF CONSTRUCTION,

*"October 10, 1862.*

"SIR: In compliance with your oral instruction I have the honor to report that I have made an elaborate calculation of the probable cost of a revenue currency, with the following result, viz.:

"An issue of \$100,000 daily of the denominations and size approved by the Secretary, viz., 2 9-15 by 1 25-32 inches, the size of the present 10 cent postage currency, in the following proportions, viz.:

"\$20,000 of 5 cents, \$20,000 of 10 cents, \$20,000 of 25 cents, and \$40,000 of 50's, would require 16,000 sheets daily of the respective sizes of 14 x 16 and 14 x 19 inches.

"I estimate that the cost of engraving, of steel for plates, of transferring, of re-entering, divided on one year's issue; of plate printing and ink therefor; of surface-printing and ink therefor; of paper; of trimming and separating; of counting and packing ready for transportation, to be \$37 17 per 1,000 sheets. If we call it \$40 it will be sixteen twenty-fifths of one per cent. on the amount issued.

"A like issue in amount, of like denomination, of the size which I have suggested to the Secretary, would require 36,000 sheets daily, and by the comparative computation would cost \$83 63. If we call it \$100, it would be one and one-tenth of one per cent. on the amount issued, thus making the larger notes cost about  $2\frac{1}{2}$  times as much as the smaller.

"[By the use of steam-power for plate-printing, which would enable me to use larger plates, and thus lessen the number of sheets, I *think* the cost would be reduced about one-third. I base this supposition as a result *reported to me*, of the use of steam-power for printing the present revenue stamps. I have no practical knowledge of its use. It is a recent introduction, but I am told that the stamp contract, which would have netted a loss by hand-power, is proving profitable by steam-power. I am credibly informed of this, but do not report it as the result of my own experience or knowledge.

"Many of the details of my estimate are, from their nature, conjectural; others are approximations; but adopting the same rules for both estimates, the errors will be much the same in each, and I think the estimate sufficiently near for comparison. But I do not feel warranted in advising the Secretary that the larger size can be produced much, if any, less than twice the cost of the smaller.

"The adoption of my suggested size would also protract the *time* at which the issue of \$100,000 could be reached. I could *begin* the issue as early as indicated in my report of the 7th instant, but it would take *at least sixty days*

more, after beginning the issue, to attain \$100,000 per day. I could begin issuing say \$40,000 per day, and increase it about \$1,000 per day thereafter.

"Upon the Secretary's directions, that convenience, appearance, and similar matters must yield to economy, I think my report will be conclusive against myself, as to my own projected size, and therefore do not delay the report to make the third computation *in detail* for an intermediate size. I think, however, that an intermediate size would probably cost about  $1\frac{1}{2}$  times as much as the Secretary's suggested size, or about \$60 per thousand sheets, or ninety-six one-hundredths of one per cent. of the amount issued.

"I respectfully apprise the Secretary that these estimates are designed to cover every cost, from the present moment to the readiness for payment over the counter of the treasury.

"I have the honor to be, very respectfully, your obedient servant,

"S. M. CLARK,

*Chief Clerk, Bureau of Construction.*

"Hon. S. P. CHASE,

*Secretary of the Treasury."*

Upon this report he decided to adhere to the size originally prescribed by him, and directed me to take immediate steps for its preparation, by causing the design which he had approved to be reduced, by photography, to his prescribed size. This was unfortunate for the *artistic merit* of the design, as it crowded the face of the note with engraved work, leaving less light in the composition, and consequently making the whole more obscure. But it certainly promoted the *economy* of the issue, as the actual cost proved a little less than my estimate, as detailed in the above letter of October 10, 1862, and was less than one-fourth what the postal currency from the New York bank note companies had cost. My estimated cost was \$640 for each one hundred thousand dollars produced; the actual cost, as appears by the record, was \$545 62, while the cost of the bank note companies' product was \$2,257. He also directed me to prepare and submit a system of checks upon its production, which should as much as possible prevent any fraudulent issue. This system was prepared and submitted November 7, 1862. A copy will be found in the Appendix to this report, marked C. It was not immediately acted upon, and the necessity for action being immediate, his attention, as directed by him, was called to it in the following letter:

"TREASURY DEPARTMENT,

*November 20, 1862.*

"The Secretary directed me to remind him, from time to time, of my programme of details for checks upon the issue of fractional currency, submitted to him on the 7th instant.

"I think it very important that they should have the Secretary's careful personal examination, not only that there should be absolute check against fraud or loss, but that their being so should be so patent to all who may examine them that even those now opposing the engraving and printing in the treasury building will acknowledge that the Secretary has not intrusted me with the issue without first carefully guarding every point.

"I have now scant time to prepare the necessary books and blanks before they will be needed, and earnestly hope the Secretary will be able to make opportunity for examining the details and suggesting improvements.

"I have the honor to be, very respectfully,

"S. M. CLARK,

*Chief Clerk in charge.*

"Hon. S. P. CHASE,

*Secretary of the Treasury."*



The system remained under advisement for some time, and eventually was returned to me indorsed as follows, without date to the indorsement :

“The within system of checks and balances is approved ; the currency to be called fractional currency instead of revenue currency.

“S. P. CHASE.”

The title upon the design was therefore altered in accordance with this order, and the issue has since been known as fractional currency, which is evidently its most appropriate title.

The paper upon which the issues of the government were printed was a large item of expense, and I had frequently reported to the Secretary the propriety and economy of manufacturing paper of a distinctive character in the department. A report upon this subject was made by me on the 7th of July, 1862, and will be found in the Appendix, marked D. My suggestions failed to impress the Secretary favorably as to its manufacture in the department ; but as I had reported to him that he was paying the New York bank note companies \$22 50 per thousand sheets for a paper inferior to that which I could buy in open market for \$12, he directed an advertisement to be prepared inviting proposals from paper manufacturers for furnishing the department with paper. Meanwhile he authorized me to make investigations and experiments in reference to the manufacture of a distinctive paper in the building. I labored at this as time and opportunity allowed, and received much aid and many suggestions from different experts to whom I communicated my views. We attempted to produce a paper evenly tinted in the fibre with a bright non-photographic tint, which would not interfere with the engraving, and could not be removed from the paper without destroying the fabric, and which would, at a glance, distinguish the government issues from all other. All our efforts failed to produce this desideratum. We could introduce no suitable pigment which we could not chemically remove.

The advertisement inviting proposals for paper was prepared by me under the direction of Mr. Chase, limiting the submission of proposals to manufacturers of paper only. Notwithstanding this limitation, proposals were received from the bank note companies of New York, and they submitted offers with samples of a well-known maker at \$18 per thousand, while the maker himself submitted like samples, at the same time, at \$12 50 per thousand.

These various offers and samples received were first submitted to a clerk for report, and subsequently resubmitted to me for like purpose. My report was made on the 28th July, 1862, and was as follows :

“TREASURY DEPARTMENT, BUREAU OF CONSTRUCTION,

“*Washington, July 28, 1862.*”

“SIR : In compliance with the verbal instructions of the Assistant Secretary, to re-examine the samples of note and bond paper already reported upon by Mr. Homans, I have the honor to report :

“That I have carefully examined all the samples, and concur with Mr. Homans that the two samples submitted, respectively, by Mr. Goodwin and Mr. Hudson are the best.

“The difference between the two is slight ; each has minor excellences over the other, but as a whole there is very little choice between them. Both are good.

“Their *fitness for the purpose*, however, will depend upon the kind of ink to be used. If the so-called ‘green tint’ is used, the sample of Mr. Hudson is too transparent. If his sample should be selected, he should be directed to make the paper more opaque, which he can readily do without affecting its other qualities, or its value, by taking out less of the vegetable oil in the preparation of the pulp.

"I find some of Mr. Hudson's paper of a similar quality to these samples, with the samples submitted by the Bank Note Company; but as the Bank Note Company's paper is \$18, and the manufacturer's price is \$15, I think that Mr. Homans has properly confined his report of the *best* samples to the one submitted by the manufacturer.

"The price of both Hudson and Goodwin, *with* water-mark, is \$15; *without* water-mark, Mr. Goodwin offers at \$12 50. Mr. Hudson makes no price for his paper *without* water-mark, but it is a reasonable inference that it would be less if the water-mark was omitted.

"The weight of the paper selected is fourteen pounds. The Secretary doubtless understands that manufacturers will furnish any *weight* ordered of a given quality in other respects.

"The use of the 'green tint' has forced the department into the use of heavy paper to sustain it—first twenty-two pounds, and now eighteen pounds. If a million of dollars in *ones* is to be transmitted, they will weigh one thousand pounds more (less difference of weight in clippings, which is fractional) if printed on eighteen-pound paper than on fourteen-pound.

"In my judgment, (which is confirmed by the experience of banks,) the thinner the paper, within a given limit, of a good quality, the better it is for all purposes. I have issued bills on paper (printed on one side only) of eleven pounds, which was the most satisfactory issue of bills I ever made.

"The specimen of water-marks submitted are all inferior and badly done. None are worthy of the Secretary's consideration, and the extra price charged therefor is excessive. I cannot recommend the adoption of any of them, nor of any of the 'distinctive characteristics' submitted. Wilcox No. 6 is the best water-mark; but that is too poor. Scymour & Co.'s is the best design, but there is no specimen of its execution. Two parties submit specimens of silk threads. I am not prepared to recommend either, as I deem them very undesirable. The most ingenious of the two is Mr. Haywood's straight threads in colors.

"This closes my report on the samples examined by Mr. Homans; but since his report was rendered another bid has been received from Stuart Gwynn, of Boston. The envelope of this bid was postmarked at Boston, July 18, but as the bids were not opened until the 19th, the bidder could not have had access to them, and it was therefore decided to examine his proposal, and the seal was broken by the Assistant Secretary on the 25th instant.

"This bid contains samples of most extraordinary character and excellence. The maker divulges to the department his process of manufacture, which is different from anything I have heretofore known, and sound in principle.

"The paper possesses wonderful strength, is not permanently injured by soaking in hot or cold water, and the surface does not rough up by abrasion under the ordinary tests. It is too transparent for the 'green tint,' and from its nature cannot well be more opaque. But it is a question well worthy the Secretary's consideration, whether there would not be greater safety against counterfeiting by the use of this paper, (of which he might control the product,) omitting the green tint, and thus saving more than two-thirds the cost of printing.

"The 'green tint' proves itself to be no security. The St. Louis counterfeit \$10 proves this, and the Treasurer's clerk (Mr. Melime) tells me that among the bills coming to him to be split prior to burning he has found some with the green tint entirely gone.

"I have been unable to test these samples as to their fitness to 'receive and retain ink.' They are too small for that purpose. Theoretically, however, they would seem better adapted for ink than the ordinary paper, and the manufacturer alleges it to be a better surface for this purpose than bank note paper. It could be readily tested here if larger samples were sent; and if the Secretary is favorably impressed, after reading the bidder's letter and examining his

samples, I recommend that a few sheets be ordered for the purpose of testing its printing qualities. Mr. Neale (in the library) is a practical printer, of large experience, and can test the paper on our photographic press.

"The samples of Nos. 1 and 2 were not in the envelope—so I have not seen them. Of the remainder, I prefer No. 4, at \$16, but should prefer a lighter weight than the lightest one submitted, the samples of No. 4 being, respectively, 14, 16, and 18 pounds. I think ten pounds heavy and strong enough of the 'vegetable membrane' paper, and I should desire no better paper than this for the new issue of national designs now preparing. I think it can be printed dry. Experiment can readily settle that point.

"The 'distinctive mark' submitted by Mr. Gwynn is ingenious, and might be serviceable to the department in detecting counterfeits. But it would be of little value to the public at large; and for that reason, and also because it injures the paper, I do not recommend its use.

"I commend Mr. Gwynn's sample to the Secretary's careful consideration, and have the honor to be, very respectfully, your obedient servant,

"S. M. CLARK,

"Acting Engineer in charge.

"Hon. S. P. CHASE,

"Secretary of the Treasury."

No action was taken on this report, or on the report of Mr. Homans. The report was promptly delivered by me to the Assistant Secretary, but was not, as will appear hereafter, read by the honorable Secretary himself; and the department continued to be supplied with paper by the New York bank note companies at the old prices.

I continued my experiments for the production of a distinctive paper. In this pursuit it had occurred to me that if the paper could be printed dry, so as to avoid the alternate expanding and shrinking consequent upon the ordinary method of wetting the paper preparatory to printing, it would not only add a distinctive feature to the government issues, but would enable me to separate the notes from the sheets after printing, by machinery, and thus make them more convenient for public use than if issued in sheets, and at the same time lessen the cost of production. From the different shrinkage of different sheets, by alternate wetting and drying at each of the different printings, it was found impossible to separate such small notes as the fractional currency, mechanically, when printed wet; and the great labor, cost, and delay which would result in separating them by hand labor had compelled the department to issue them to the public in sheets. This resulted in the notes becoming much mutilated from the very irregular manner in which they were separated by those who thus received them.

The attempt to print engraved plates on dry paper was, in itself, no novelty. It had been a *desideratum* since the first production of plate-printing; and much time, thought, and labor, with large sums of money, had been expended in attempting it by different persons, both in this country and in Europe, but without any practical success.

I communicated my views on this subject to your predecessor, who heard them patiently and attentively examined my theory, but he was by no means sanguine that I could succeed in printing on dry paper satisfactorily. In view, however, of the economy and safety that would result, if successful, he authorized me to make experiments for the purpose.

In an informal conversation had with Mr. Chase, at his residence, on these and kindred matters, in October, 1862, I made allusion to my report upon paper last above quoted, and then found, to my surprise, that he not only had never seen the report which I had duly delivered to the Assistant Secretary some months before, but he was not aware that any report had been made by me upon

the subject. He immediately directed me to find the report and submit it. After some search it was discovered and read to him, when he immediately telegraphed Dr. Gwynn to come to Washington forthwith and bring specimens of his paper with him. Up to this time I had never seen Dr. Gwynn, and only knew of him from letters of inquiry he had addressed to the department in reference to the advertisement inviting proposals for paper and from his proposal subsequently received.

Dr. Gwynn came to Washington upon this telegraphic call, and his visit resulted in a contract for the production of the paper in the treasury building, revocable at the Secretary's pleasure on six days' notice; a condition that was inserted by myself, because I then had as yet only slight and recent personal knowledge of Dr. Gwynn, and did not desire that the department should be irrevocably committed to the employment of any person for the manufacture of its paper until he was favorably known by his acts. A copy of the contract, as draughted by me, will be found in the appendix, marked E.

Dr. Gwynn took the necessary steps to procure requisite machinery, which was made in different northern markets.

I soon found that Dr. Gwynn possessed great scientific acquirements, with large mechanical experience and ability, and freely communicated to him my various plans for protecting the public and lessening the cost of the government issues. He received them with cordial favor, and entered with me upon their execution with patriotic zeal. On my part I gladly availed myself of his proffered aid, for his scientific research and mechanical resources were largely in advance of my own, and promised satisfactory results.

His first attention was given to tinting the fibre of paper to be made under his contract. He made extensive experiments, but, with all his scientific knowledge, failed to produce an even non-photographic tint which that same scientific knowledge could not effectually remove. In the course of his experiments he discovered a method of tinting non-photographically with a new and rare pigment, a fibre foreign to that used in the manufacture of paper, but which could be introduced into and mingled with it in such a manner that no re-agent known to chemistry, nor any method that he could devise, would remove its non-photographic property without at the same time removing the fibre itself. This was the origin of the so-called "spider-legs" in the membrane paper, and which has been adopted as one of the distinctive characteristics of the national paper now made in the department.

Dr. Gwynn at the same time earnestly devoted himself to the experiments of dry printing, and neglected all other pursuits to give me his aid in this work.

The first membrane paper produced was unsatisfactory. The peculiar process of making rendered it more liable to split than ordinary bank note paper. All bank note paper hitherto made would split more or less readily, but this proved more liable to split than any other, and its use in that form was therefore abandoned. But experiments were immediately made to overcome this difficulty, and ultimately with entire success. He now produces a paper under his contract which cannot be dissolved in hot or cold water, which cannot be split, which has an irremovable non-photographic tint in its spider-leg fibre, and which takes ink more readily, retains it longer, and wears better than any paper heretofore manufactured for the purposes of currency in any country.

At the time this success in Dr. Gwynn's manufacture of paper was attained our experiments in dry printing had reached a point where success seemed certain, when, in January, 1864, Dr. Gwynn was arrested and confined in the Old Capitol prison on the assertion of an employe of one of the departments, now known by the name of Baker, that he could and would produce charges against Gwynn to justify his arrest. After being kept in confinement thirty days, without being allowed to face his accusers or commune with his friends, or to know what charges were made or to be made against him, Dr. Gwynn was

unconditionally released and "allowed to go where he pleased." He found, on his release, that no charges had been made against him, and that none would be made. He spent several months in seeking justification or redress, but failing to get either, and becoming disgusted with his treatment and the delay in atoning for it, he has left the department and engaged in other pursuits, leaving the execution of his contract to a competent expert and attorney.

After Dr. Gwynn's arrest I conducted the experiments in dry printing alone, and although a successful result was declared impossible by experts and professional men of great repute and experience, I had the satisfaction to continue them to a perfect success.

Your predecessor, though frequently and earnestly warned by many treasury officers and other interested parties that the attempt to print dry would be a failure, steadily encouraged me to persevere, although he could not avoid much apprehension as to the result.

Before Mr. Chase relinquished the charge of the department he had an opportunity to see the dry printing presses, with all their adjuncts, as stated by him in a letter to a committee of Congress, dated June 3, 1864, "operating simultaneously, and in daily use, producing dry printed impressions, of unexcelled perfection and beauty."

While the matters above narrated were occurring the growth of the division continued. In April, 1863, a new issue of bonds became necessary, and I suggested to the Secretary the economy of printing them in the treasury. The necessities of the public service would not allow sufficient time to prepare the plates at the department, but I proposed to print them from plates prepared in New York. These suggestions were made of record on the 18th of April, 1863, as follows:

"TREASURY DEPARTMENT, BUREAU OF CONSTRUCTION,  
"April 18, 1863.

"SIR: In reply to the oral inquiry of the Assistant Secretary—'if the bonds for a new loan can be prepared in this department within six weeks'—I have the honor to submit the following report and suggestions:

"The *entire* work cannot be done in the department in the time specified.

"In order to insure the desired speed, with more economy and safety than attend the present issue, as well as to give the bonds a distinctive treasury characteristic, I respectfully suggest:

"First. That one or more of the bank note companies, and Mr. Baldwin, be employed to produce the plates for the faces of the bonds for printing in the treasury building.

"Second. That Mr. Westbrook be employed to produce the plates on his new plan (of an imprint from the grain of wood) for the backs of the bonds, for a like purpose.

"(I may say in this connexion that I consider Mr. Westbrook's invention greater security for bond backs than geometric lathe-work, but useless for a *currency*, or any note intended for *universal circulation*. The reasons for this opinion I will give in detail whenever the Secretary desires them.)

"Third. That the plates so prepared be printed in the treasury on the (now idle) presses. This can be done at the rate of about ten thousand sheets per day, without interfering with fractional currency. If the bonds average one thousand dollars each, this would be about ten millions per day.

"Fourth. That a surface print in gold or bronze of some characteristic and appropriate design, which can be prepared by treasury engravers, be printed on the bonds as a distinctive treasury mark.

"Fifth. That the bonds be printed on paper now in the treasury. Dr. Gwynn has on hand about 250,000 sheets of paper not yet converted into membrane, which he does not offer under his contract because he has improvements in-

vented since its preparation, which he desires to use on the currency. It is, however, distinctive in its character—differs from all other papers—has the non-photographic property, and is well adapted for bonds. It is a mooted question whether it is not sufficiently protective and distinctive to render the printing of the backs unnecessary. If so, the daily product can be doubled and the cost largely lessened. I enclose some of this paper on which currency proofs were taken for the Secretary's inspection.

"These suggestions are respectfully submitted for consideration.

"I have the honor to be, very respectfully,

"S. M. CLARK.

"Hon. S. P. CHASE,

"*Secretary of the Treasury.*"

Two of the companies, viz: the American and National Bank Note Companies of New York, declined to furnish engraved stock, (which includes bed-pieces or dies, rolls, original cuttings of lathe-work, &c.,) and the plates made therefrom, unless they were allowed to print from them all the impressions that should be needed. In view of the excessive prices demanded by them for the printing, Secretary Chase declined to fetter his contract for stock and plates with any agreement for printing at the rates then demanded, and upon their decision not to furnish plates on any other condition than that they should print from them, he addressed the following letter to Mr. Hatch, president of the American Bank Note Company:

"TREASURY DEPARTMENT,

"May 23, 1863.

"SIR: Your note of the 22d is just received. The letter of your predecessor, dated March 25, was in reply to mine of January 31 to Mr. Cisco. In my letter I had expressed the understanding that the dies, plates, &c., from which the United States notes were printed belonged to the government, and their custody subject to the directions of the department. The reply of your predecessor controverted this position; and as I found that the understanding of the company differed so widely from that of the department, I did not think it just to insist on the latter in disregard of the former. The printing, therefore, continued as before. I did, however, express both to your predecessor, and to other gentlemen connected with your company, my entire conviction of the correctness of my views, and my purpose not to concede in future, as a right, what I yielded temporarily to the contrary conviction of the company. When, therefore, I proposed for designs for the new national currency I had no thought that the question as to the ownership and custody of the dies would be renewed. It seems, however, that I was mistaken.

"In your letter you expressed your intention to concede the ownership of the dies to the government, and their custody to the exclusive direction of the Comptroller, but only conditionally; and even this you do upon the ground that you are bound to presume that in making the requirement I desire to subserve some good purpose, which I do not deem it proper to disclose, and that I am willing to take upon myself the whole responsibility of the dangers apprehended by you. Your intimation that I have any purpose which I do not deem it proper to disclose is equally unwarranted and offensive; but it is, on the other hand, quite true, that I am entirely willing to take the whole responsibility of whatever I think necessary to the most safe and efficient conduct of the public affairs under my direction.

"The condition on which you make your concessions of the ownership and custody of the dies to depend is inadmissible. I can make no stipulations as to the printing to be executed from the dies, bed-plates, rolls, or transferred plates,

which I propose to have prepared for the government. I shall, however, aim to do justly and liberally with whatever company or individuals may execute the whole or part of that printing.

"Sincerely regretting that your determination makes it impossible for the department to avail itself of the ability, talent, skill, and means controlled by your company,

"I remain, yours, very respectfully,

"S. P. CHASE,

"*Secretary of the Treasury.*

"GEO. W. HATCH, Esq.,

"*President American Bank Note Company.*"

At the same date the following letter of like purport was addressed to Mr. Shepard, President of the National Bank Note Company :

"TREASURY DEPARTMENT,

"*May 23, 1864.*

"SIR: Your note is just received. I do not desire to create the slightest embarrassment for you. If, therefore, your desire to consult one or more of your trustees in relation to the subject-matter of my letter of the 20th instant makes a delay of your answer until Monday convenient to you, I shall not object to it.

"I regret that you find the main features of the matter to be considered so 'radically different' 'from what had been expected.' I supposed that the tenor of our repeated conversation had left no doubt upon your mind as to the purpose of this department to insist on the ownership and on the direction of the custody of the dies and plates used in printing notes and bonds. You are aware that I regarded such ownership and custody as the right of the department, under its former contracts for printing with the two companies. As this view was not conceded, I did not insist on the right, but continued the printing as before. In a new contract you could hardly expect that I would leave this question open to controversy.

"My purpose now is to obtain dies and plates suitable for printing the national currency, and having obtained them, to employ in printing them those parties who will do the work in the best and most prompt manner for a fair and just compensation. I design to come under no stipulation which will at all embarrass the department hereafter in such action as the public interests may really require; while, at the same time, I propose to deal justly and liberally with all who ren-

"I send you this note in order that you may labor under no misconception der service to the government.

whatever. I desire no proposals for dies or notes coupled with any other condition than that of payment for them when they are prepared.

"Yours, respectfully,

"S. P. CHASE,

"*Secretary of the Treasury.*

"F. SHEPARD, Esq.,

"*President pro tem. of National Bank Note Company.*"

The only parties in New York, therefore, whom Mr. Chase could contract with for the engraved stock and plates were the Continental Bank Note Company, a new concern with inferior facilities, and a Mr. Baldwin, who also desired to engrave work for the government. An agreement was therefore made with the Continental Company for the engraved stock and plates of two of the four denominations of bonds to be issued, and with Mr. Baldwin for the other two. Very great delay occurred in the delivery of the plates by both these parties, but they were finally delivered, and printed in the department, with the exception of the denomination of one hundreds, which were printed in

New York. The sum saved to the treasury by the mere printing of this one series of bonds in the department was, as appears by the record, \$37,906 50.

Subsequently similar arrangements were made for engraved stock and plates in New York, and printing in the treasury building other issues. The stock, with one set of plates, was thus procured for one and two years five per cent. notes, the additional plates necessary made in the department, and all printed in this division.

The leading companies having withdrawn their refusal to execute engraved work for the treasury without doing the printing, were employed to make the engraved stock and one set of plates for the above named issues.

The plates for the fourth series of 5-20 coupon bonds; for all the 10-40 bonds, both coupon and registered; for the 5-20's of the seventy-five million loan, and for those of the forty million loan, both coupon and registered; for the new issue of 7-30 notes; and for a portion of the bonds required for the conversion of the first issue of 7-30's; for the compound interest notes; and for the fractional currency, were all prepared and printed in the department, as well as the plates for the certificates of indebtedness, for the treasury drafts, and for various other work required by current business.

The engraved stock purchased from the bank note companies, added to that produced in the department, together with that which its staff of artists was capable of producing, rendered the department entirely independent of these monopolists. The change from a condition of complete dependence upon them to a condition of complete independence, with a large saving of cost and great increase of convenience, was no inconsiderable result, and involved great and anxious labor.

In detailing the growth of the division, it is proper to record that this growth has been retarded, to some extent, by the non-fulfilment of measures which were originally inaugurated for promoting its efficiency, usefulness, and economy. When the contracts with the New York bank note companies for the engraved stock and one set of plates for the currency of the national banks were contemplated, it was with the intention of making in this department, if it should be found necessary or desirable, by the process of transferring from the engraved stock so acquired, the very large number of plates that would be necessary for the banks then organized and those about to be organized, and also for printing more or less of their issues in the treasury building. The great saving of cost that would be thus effected from the rates first demanded by the bank note companies—more than half a million dollars on the mere transferring of the plates alone—as well as the greater security that would be attained by printing at the department, induced your predecessor to favor the plan of doing this work in the treasury.

After the appointment of the Comptroller of the Currency this plan was changed. This officer has steadily opposed transferring and printing of the national currency in the treasury, deeming it less safe for the department (as appears by his testimony before a committee of Congress) to employ its own agents, under its immediate control, than it was to employ the New York bank note companies, upon whom there was no treasury check whatever, either for paper, printing, or issue. The economy that would be effected was ignored.

This opinion appears to me the more incorrect in view of the fact that all the issues of the national banks ultimately pass through this division. Every dollar of the national currency thus far delivered to the national banks by the Comptroller is numbered, trimmed, and sealed in this division. When it is received from the New York bank note companies, it is delivered to me to be finished, and then returned by me to the Comptroller before it is transmitted to the banks. So that, in point of fact, the risk of handling the sheets in New York is added to the risk of handling them in this division. The bonds, also, which are first printed in this division, and delivered to the Register, and sub-



sequently purchased by the national banks for deposit with the Treasurer of the United States and with the Comptroller of the Currency, as security for government deposits, or as security for the circulating notes, come back again to the division for printing their indorsements, thus making them twice handled by its operatives. This also goes to show, in my judgment, the unsoundness of the Comptroller's opinion, as the notes he has issued, and bonds received by him, have passed through my hands without, to this date, the loss of a single dollar in this division.

The presses and machinery prepared for transferring and printing the currency of the national banks have thus remained idle, and their cost has added to the expense of organizing this division, without as yet any corresponding benefit.

In view of the possible transferring and printing of the plates in the treasury, your predecessor had decided not to allow the original dies to be hardened in New York before they were delivered to the department. To appreciate the necessity for this action, it must be observed that *duplicates* of the work cannot be made, by the transfer process, until after the original dies or bed-pieces are hardened. When they *are* hardened, duplicates can be made from them with a transfer press in a few moments. Secretary Chase was of the opinion that they should not be hardened before they came to the treasury, because, if hardened before delivery, there would be a division of responsibility as to their fraudulent reproduction; and if any duplicates should surreptitiously get into use, they would afford no means of determining whether they were duplicated in New York or in the treasury.

He therefore wrote to the Continental Bank Note Company, who were then preparing the dies for the \$5 and \$10 national currency notes under their contract, specifically directing them not to harden the dies for the work, until after the proofs had been sent to the treasury and approved. Notwithstanding this direction, the Continental Company hardened the dies before sending the proofs, and thereupon Mr. Chase sent the president of the company the following letter:

"TREASURY DEPARTMENT,  
"September 25, 1863.

"SIR: I am in receipt, through Mr. W. D. Wilson and Mr. Ormsby, of the proofs of the five-dollar and ten-dollar national currency notes engraved by your company, which will have my careful examination.

"I am surprised to find that all the dies of the obverse have been hardened, as proven by the transfers now exhibited to me. On the 10th, and again on the 11th instant, I wrote you distinctly directing that none of the work should be hardened until the proofs were approved, and I understood that you would not harden them.

"I am aware that the dies can be softened, and alterations made, and be again hardened for use; but your action in hardening them has rendered nugatory my action to avoid any division of responsibility, as suggested in my letter of the 11th instant, and assented to in yours of the 12th instant, by the appointment of an agent of this department to take charge of them when they were hardened. As they have been out of the department's custody since they were hardened, of course no complete responsibility can be assumed by either party.

"I much regret your action, and desire an explanation.

"Very respectfully,

"S. P. CHASE,  
"Secretary of the Treasury.

"ALEX. C. WILSON, Esq.,

"President Continental Bank Note Company, New York."

Subsequently it was ascertained that the American Bank Note Company were preparing, without any authority or contract therefor, the work for the \$5 and \$10 notes from the same design and for the same issue as were being prepared by the Continental Company under contract. Mr. Chase did not stop their work, because, as he advised them on the 14th November, 1863, "he was unwilling to institute proceedings against them, and because, also, he thought it not impossible that contingencies might arise in which the government would find it useful to avail itself of their work." But a contract was made with them for the engraved stock and one set of plates for the denominations of 20's, 50's, and 100's of the same issue of national currency notes.

Mr. Chase then directed me to submit to the Comptroller, in writing, my views as to the proper course to be pursued under the existing circumstances. Under this instruction I submitted the following letter, which was personally referred by the Comptroller to the Secretary :

"NATIONAL CURRENCY BUREAU, FIRST DIVISION,

"October 30, 1863.

"SIR: After the most earnest reflection I am able to give the matter, I am prepared to recommend the following course for you to adopt in regard to the national currency :

"*First.* I would divide the denominations of the 5's and 10's, giving the 5's to the Continental, and the 10's to the American. If they will make transfers at a fair price, I would order plates from each for all the banks organized, and a sufficient number more with blanks for titles, for probable future use, and then direct all dies and original work, with all rolls and transfers, other than plates for printing, to be transmitted to you, to be by you sealed up and retained, and not mixed with the department's government stock. No plates of these denominations to be transferred at the department.

"This would divide the risk of reproduction between the two companies, and any surreptitious copies put in circulation could be distinctly charged to one or the other.

"The best security we will then possess will be in a distinctive paper.

"If the issue of a single bank is made on common bank note paper, this security will be also lost.

"I would, therefore, print all the issues dry, on membrane paper, as now prepared, which is more difficult to split than ordinary bank note paper, and cannot be obtained elsewhere than in the treasury; and, in the present state of art, such printing can nowhere else be done.

"Thus the responsibility of all transfers will be on the companies, and the responsibility of all printing on the government. All security now attainable will thus be reached for the 5's and 10's.

"*Second.* For the 20's, 50's, and 100's, I would insist that the entire work should be transmitted to you before hardening; not a single piece to be hardened. These denominations I would transfer and print in the treasury.

"If this course had been insisted upon with the 5's and 10's, there would now be no division of responsibility. It is mortifying that the companies' non-compliance with the Secretary's order should inure, as they expected it would, to their pecuniary gain and government loss; but all regrets for such results must now be merged in what is most for the safety of the banks and the people.

"If the above suggested course be thought unwise, and it is decided that it is best to transfer some of the fives and tens in the treasury, I will not shrink from the personal risk of reputation involved to myself.

"If my lifetime character cannot maintain itself against the companies' machinations, it is not worth preserving. But I cannot lose sight of the fact that if they make the public believe anything discreditable to myself, it will react to

the Secretary's injury for employing me under existing circumstances. I therefore much prefer the course herein suggested, which to me, after serious canvassing all the points, seems the most judicious, and the most likely to result satisfactorily to the department and to the people, and the most speedy way, consistent with security, to get the notes into circulation.

"Please understand that I will not hesitate to assume any responsibility, however grave, which I am desired to, where I can control *the details*. I only hesitate in this because the result may be unfortunate from causes *out of my control*, and in the control of those who would gladly do me and the department an injury.

"In this connexion I respectfully call your attention to the fact that the National Company have not responded to the Secretary's invitation to submit proposals for engraving the 500's and 1,000's; and also to the fact that the American Company refuse to sell the dies for the seals to the department at any price, but offer to furnish duplicates at \$10 each. These duplicates do not cost fifty cents each.

"Very respectfully,

"S. M. CLARK.

"Hon. HUGH McCULLOCH,

"*Comptroller of the Currency.*"

This paper was carefully read and examined by Mr. Chase, in the presence of the Comptroller and myself, and by him emphatically adopted in whole and in every part. He thereupon, with the Comptroller's assent, directed my recommendations to be carried into effect. Under the oral instructions of Mr. Chase, I then prepared a letter for the Comptroller's signature, directing the American Company not to harden the dies for the 20's, 50's, and 100's. This letter was duly signed by him and mailed. Some time after its date I received information that the American Company intended to disregard the Comptroller's order, in the same manner as the Continental Company had disregarded the Secretary's order of like tenor and effect, and that the Comptroller tacitly assented to their course.

I therefore addressed the following letter to the Secretary of the Treasury at its date:

"TREASURY DEPARTMENT,

"December 3, 1863.

"SIR: I have the honor to call the Secretary's attention to the matter of hardening the dies of the twenties, fifties, and hundreds of the national currency.

"I am led to believe that it is not the intention of the bank note companies to comply with the instructions of the Comptroller in the matter; and since these instructions were issued, I think the Comptroller has, in his own mind, decided not to transfer the plates, or print them, in the treasury.

"I do not ask any action from the Secretary which would prevent the bank note companies from doing the printing, but I do most earnestly desire that he should retain the option of causing the work to be done either by the companies or in the treasury, as he may himself think best.

"The action of the companies on the fives and tens, in hardening the dies against orders, resulted, as the Secretary is aware, in making a division of responsibility unavoidable, unless the companies completed the work. I seek to avoid such a result in the other denominations, and have prepared a letter to the company, which accompanies this, for which I ask the Secretary's signature if my views meet his approval.

"Transfer presses have been built and placed in the treasury to do the transferring, and printing presses to do the printing, and men hired for the work.

"I think the Secretary would justly censure me if I failed to call his at-

attention to this matter, and by such omission should leave the department open to the charge of incurring the expense for the work, and then depriving itself, *in advance*, of the power to do it with safety.

"I have the honor to be, very respectfully, your obedient servant,

"S. M. CLARK.

"Hon. S. P. CHASE,

"*Secretary of the Treasury.*"

The letter alluded to and enclosed in the above was as follows :

"TREASURY DEPARTMENT,

"*December 3, 1863.*

"SIR: You were instructed, on the 6th ultimo, by the Comptroller of the Currency, not to harden the bed-pieces for the \$20's, \$50's, and \$100's of the national currency before transmitting them to the department.

"You will please follow this instruction literally, and not harden any of the work.

"I am aware that your contract requires you to furnish one set of plates of each denomination, and that you cannot furnish them without the hardening of the dies.

"It may be that I shall not require of you the fulfilment of this part of your contract; and while I am not prepared to say that I shall not require it, it is proper to advise you that if I should not, I think it equitable to make you a fair compensation for any loss of profit on the omitted work which such a decision might involve. I wish every portion of the work to be first transmitted to the department in its original condition without hardening or transfer, and you will then be advised of what further action I may desire in reference to it.

"Yours, respectfully,

"S. P. CHASE,

"*Secretary of the Treasury.*

"GEO. W. HATCH, Esq.,

"*President American Bank Note Company.*"

This letter was immediately signed by the Secretary and transmitted to the company by mail.

Notwithstanding all this the company hardened the dies as soon as completed, for which they had the authority of the Comptroller, by his letter of the 6th February, 1864, which is published at page 302 of the report of the special committee of the last session of Congress.

Thus were all the carefully matured efforts to protect the government, and to get the work done economically, and without a further division of responsibility, frustrated, and the entire work of transferring and printing the currency for the national banks of the denomination of five dollars and upwards given to the New York bank note companies at a very great advance on the treasury cost.

The difference of opinion between the Comptroller and myself on these and other matters has led to many oral discussions between us, and some correspondence, the general tenor of which may be inferred from the following letters :

"NATIONAL CURRENCY BUREAU,

"*First Division, November 23, 1863.*

"SIR: In accordance with your orders, I send this day, by express, the first parcel of bank note paper, being 2,000 impressions with titles bronzed on an irremovable mordant, for the national currency.

"The bank note companies have told you that they can print these notes with an accurate register, according to my plan.

"I have told you that they cannot, and I now desire to place that opinion upon the record to abide the result, for I sincerely believe you will be disappointed.

"I will also place my reasons upon the record which I have so often repeated to you.

"The titles are bronzed on the sheet in exactly the position on the paper required by the proof you have given me, to appear in the proper places on the notes.

"When the companies receive this paper, they will first wet it preparatory to printing one color on the back.

"The sheets will expand irregularly in the wetting. It will then be printed and dried. It will shrink irregularly in the drying. This operation will be repeated with like results for the second printing of the back. It will then be wet for the third time for the faces. Under the alternate expanding and shrinking of the paper, the bronzed letters will now be in different relative positions from the original ones, and consequently will not appear in the same places on all the different notes. One note out of each four can be registered properly. The others cannot, except upon such sheets, if any, as happen to have been unchanged by the above process. The same will be true as to an accurate register of backs and fronts.

"If you find the result to be as I predict, you will then appreciate the force of my remark, that if I have devised a method for preventing successful imitation, which baffles all the skill, resources, and facilities of these powerful companies, the issue thus prepared would be far beyond the reach of ordinary counterfeiters.

"Personally, I have no desire to do this work; it would largely increase my care, my labor, and my responsibility, without in any way increasing my income.

"It is only a sincere conviction that it would be an economy to the government, and a safety to the people, that has induced me to urge that the work should be done in the treasury.

"My views are unchanged since my letter of the 30th October, to which you are respectfully referred.

"Very respectfully,

"S. M. CLARK.

"HUGH McCULLOCH, Esq.,

"Comptroller of the Currency."

To this letter the Comptroller replied as follows:

"TREASURY DEPARTMENT,  
"OFFICE OF COMPTROLLER OF THE CURRENCY,  
"Washington, November 24, 1863.

"DEAR SIR: Your favor of the 23d instant is received, and in reply I have to say that it contains the first intimation I have had from you, or anybody else, that there would be any difficulty in the accurate and uniform printing of the national currency by reason of the title being bronzed upon the sheets before they were forwarded to the bank note companies. If I had been advised that, in your opinion, these companies could not accurately print the notes over the bronzed title so that the bronzed letters should be upon each note in the same place, I should have hesitated before adopting this supposed protection against photography. It will be a matter of deep regret if the preparation of the notes for the national banks shall be delayed by reason of your not communicating your opinion to me on this point before the decision in favor of the use of the mordant had been made.

"The difficulty of making an accurate register of backs and fronts, in the ordinary way of printing, you have frequently alluded to, but until your ability

to print with the hydrostatic presses with sufficient rapidity to meet the wants of the national banks had been tested, it is very questionable whether the plates should have been so prepared (as they were prepared under your advice) as to prevent the bank note companies from giving as satisfactory impressions from them as you predict will be the case. In regard to the paper manufactured by Dr. Gwynn, I need only remark that when I first came to Washington I was assured by you that the fractional currency would be printed upon it, and be for a sufficient time in circulation for a proper trial of its merits, before we shall be ready to commence the printing of the national currency. In your letter to me under date of the 30th ultimo you say, I would therefore print all the issues dry, on membrane paper as now prepared, &c; and yet, on the 9th of November, when I put the question to you, would you advise the printing of the national currency on any paper yet manufactured by Dr. Gwynn, or in use for the fractional currency, I understood you to say that you would not, but that you expected that such paper would be prepared, and specimens would be ready for examination within five days from that time. Whether or not, after a year or more had been expended in, up to that time, unsatisfactory experiments in the manufacture of a peculiar and desirable paper, it was advisable to wait for still further experiments, and to commence the printing of the national currency on paper, the merits of which had not been subjected to the practical test of wear, I am perfectly willing to leave for the decision of your own unprejudiced judgment. As you have evidently addressed your letters of the 30th ultimo and 23d instant to me for the purpose of placing your position upon record, I have thought proper to address you this letter in order that my own may not be misunderstood.

“Very respectfully, yours,

“H. McCULLOCH, *Comptroller.*

“S. M. CLARK, Esq.,

“*Chief First Division National Currency Bureau.*”

To this letter I at once made the following reply :

“NATIONAL CURRENCY BUREAU, FIRST DIVISION,

“*November 25, 1863.*

“SIR: I am in receipt of your letter of the 24th instant, in reply to mine of the 23d.

“It was not my object to provoke a discussion by that letter, nor do I now propose to do so; but I cannot, in justice to myself, omit to reply to your letter.

“As you allege that I had not before told you that wet printing would not bring the bronze lettering always in the same place upon the note, I must believe it is so, though I have said it so often I can hardly see how I omitted to say it to you. But it was in reality unnecessary to say it to you, as you admit that I told you that one printing (the backs) would not register with another (the fronts.)

“It is so obvious that the same result would attend any other two printings, that your usual good judgment could not fail to see that it applied with equal force in both cases. No expert knowledge was necessary. If true in one case, it was necessarily true in the other.

“Your remark that your adoption of this *supposed* protection against photography, &c., is not just in its terms. This protection was the result of much thought, labor, and experiment. It has to this hour defied all the attempts of the scientific commission to successfully remove it, although they had the advantage of being informed of what materials it was composed. It is true that Mr. Lea has frequently asserted that he could remove it, and you have advised me that he has done so; but I have never seen a piece of paper from

which it has been removed, without also removing the engraving. Having invented it, and given it gratuitously for the use of the treasury, I was not at first willing, as you will remember, that it should be used gratuitously by the bank note companies; but I yielded this point cheerfully, on your own earnest suggestion, that the invention, though used by the companies, was used for the government. This being so, it seems hard that you now intimate that the usefulness of the invention is only a matter of supposition.

"To your next allegation, that it was 'questionable whether I had the right to devise a form which the bank note companies could not print,' my reply is, that it was not only my right, but my duty, to devise safeguards against counterfeiting. It is no part of my duty to limit those devices by what the bank note companies might be able to do. If it shall prove that my method is beyond their successful imitation, I respectfully submit that it will prove a very great safeguard against ordinary counterfeiters.

"To your third allegation, of contradictory statements on my part in relation to membrane paper, I reply that you have, doubtless unintentionally, confused what I have said about quality with what I have said about size.

"My advice of the 30th October, 'that I would print on membrane as now prepared,' in no way conflicts with my reply to your inquiry of the 9th November, if I was 'ready to print the national currency on paper that I could recommend.' You must have forgotten, or else strangely mistaken my reply, for I told you then that I had none prepared for your size. The size I was then using was prepared for fractional currency size; that prepared for your size was of an earlier make, which I did not recommend. I have not, even at this day, any prepared of your size of the kind I recommend. I shall not prepare any until you order it. When you order it, it can be speedily prepared. I prepared the first without orders, for my inference from our conversation was, that you intended to use it. When I found, to my regret, that you did not design to use membrane paper, I of course decided not to prepare any for your use, (which would be useless for fractional currency,) unless you should thereafter direct me to do so.

"But I will not prolong my reply. I am pained by the tone and spirit of your letter more than by its words. I had hoped to meet your cordial and approving co-operation in my plans to protect the public and the government. I perceive, to my great regret, that my plans are, to a considerable extent, overruled by your decisions, and that the careful study and experience of the past two years is thus, in my judgment, to that extent frustrated.

"Your decision being made, you need no assurance from me of my earnest co-operation in carrying out your views, as is my duty, to the whole extent of my ability, on such portions of your work as may come into my hands. All I wish is, that it may be of record, that the work is to be done in accordance with your judgment, and not in conformity with mine.

"I trust this letter will not be deemed in any sense disrespectful. Nothing is further from my mind than even a show of disrespect. I am sorry that my plans are not to be carried out; yet, if they are not in accordance with your judgment, you do right not to carry them out; but on you, not on me, must rest the responsibility.

"Very respectfully,

"S. M. CLARK.

"HUGH McCULLOCH, Esq.,

"Comptroller of the Currency.

"P. S.—November 27.—The above was written at its date, but was not handed to you, because upon the morning that I designed to leave it at your office you received from the bank note company a proof of their work, verifying

my prediction (recorded on the 23d instant) as to the inability to do the work accurately with wet printing.

“ Upon further reflection, it has seemed to me best to hand it to you, in order that it may be put on file.”

To this letter no reply was made by the Comptroller.

The lapse of time, and more experience, have failed to convince me of the wisdom of these alterations in the original plans; nor can I yet perceive what advantage the government can possibly derive from getting the work upon its issues done out of its immediate control, by agents who are responsible only to a private corporation, upon whom there is no treasury check whatever, and who execute the trust at a distance from the seat of government at a greatly enhanced cost, in addition to the cost and risk of bringing the printed sheets to this city; while they retain all the original dies and transferred plates in their own custody, instead of their being deposited in treasury vaults. When it is remembered that the notes ultimately pass through this division, the error of the Comptroller's opinion becomes, in my judgment, more apparent.

The difficulty of getting seasonably from the public printing office much of the currently needed letter-press printing, such as blank forms, circulars, &c., induced your predecessor to direct me to establish a small experimental printing office in connexion with this division. This was accordingly done; a few small fonts of type procured and one compositor employed. The experiment proved satisfactory, and was soon found to be a necessity from other causes. The number of forms required for surface-printing, as well as the printing of indorsements upon all the bonds and other securities which were deposited with the Comptroller and Treasurer by the national banks, rendered a printing office indispensable in some portion of the building, as the work on them is so urgently required as to preclude the possibility of sending it elsewhere to be printed, while the amount, sometimes nearly two millions of dollars per day, would render their transmission to and from a distant office at the department's risk very hazardous. The great convenience resulting from the arrangement gradually led to the enlargement of these facilities, as well as the addition of a ruling machine for ruling blanks, &c. Step by step this business has increased, until a sufficient amount of type and presses have been accumulated for all treasury letter-press printing, with appliances for ruling all its forms and tables, as well as for ruling all the blank paper required by the department at much less cost than formerly.

The large number of impressions of letter-press printing required by the various loans made a necessity for stereotype plates and their frequent renewal; while the great delay in getting them from any foundry within reasonable distance caused serious hindrance to the public business, and created great dissatisfaction among those dealing with the government. This led to the addition of a stereotype foundry to this division, which is now in successful operation, producing in a few hours plates of a superior quality to those which the department was before compelled to wait days and even weeks to obtain. The cost of these plates has also been largely reduced from the prices formerly paid for the work, and the stereotype foundry has proved to be a very important and useful adjunct to the division.

The same causes which led to the establishment of this foundry also led to the erection of suitable batteries for electrotyping, and all electrotpe work required in the department is now executed in this division, at a great saving of time and expense.

The celerity and economy of production of the mechanical work done in this department have become so apperent that both the State and Post Office Departments have made application for work which was immediately required, which could be more rapidly executed here than at the places from which they were accustomed to obtain it. Under your authority work has been done for



these departments, which is to be paid for from the proper appropriations under their control.

The work done for other departments has been of a character usually obtained by them from some northern city. For the State Department there has been engraved a new exequatur plate, from which its present supply has been printed, and also a new plate for passports, which is nearly ready for printing. A supply of passports was also printed from its old plate. For the Post Office Department all the money orders so far issued have been double-numbered in this division by the numbering machines.

The labors of this division have therefore largely increased beyond what the mere issue of government notes and securities would have required, and far beyond what any one would have imagined at the outset, but the convenience of the department has thereby been materially promoted, with a large saving to its revenue; while it has enabled the treasury force to transact the enormous amount of business which the war has engendered, more readily and promptly and satisfactorily than could possibly have been done if this division had not been called into existence.

#### PRESENT CONDITION OF THE DIVISION.

The present condition of the division is, therefore, one of independence of extraneous aid for the work it has to perform. It now possesses within itself the means of preparing and printing all government issues, and all printed work required in the operations of the treasury. Nothing but the raw materials and motive power are required to be furnished. It is prepared to make and repair its own machinery, manufacture its own paper and ink, engrave and print its own plates, and need not go outside the treasury walls for the execution of any of its present work which the exigencies of the public service may require.

In view of these facilities, now in possession of this division, it is, in my judgment, matter of regret that it is not charged with the production of the currency issued by the national banks; and it is still more to be regretted that, by a recent decision of the Comptroller of the Currency, which I learn only from the newspapers, the printing of the small notes, authorized by an act of the present Congress to be provided for those banks, is likewise to be done outside of the treasury and of its control.

I regret that these means and facilities are not better appreciated by the Comptroller, because the question of printing practically results in the simple issue of who shall hire the journeymen. The work would probably be mostly done by the same men wherever printed; and in effect it had only to be decided whether the government should hire the men, or whether the companies should hire them, and charge their profit on such hiring. It is well known, both here and in New York, that the award of this printing to the companies will result in lessening the facilities of the division, as it will thereby be depleted of more or less of its journeymen, who have awaited the announcement of this decision to determine whether they would work in Washington or New York.

Under the instruction of your predecessor, a new fractional currency is now in course of preparation to take the place of the present issue. This course seems unavoidable, to protect that portion of the public which will not protect itself by the exercise of ordinary diligence in scrutinizing paper money. The counterfeit issues, after they are artificially worn and soiled, which the counterfeiters are very skillful in doing, become difficult to distinguish from the genuine, except by some care in their examination; and many of those who handle this currency receive and pay it with scarce any examination whatever. The only course, in my judgment, when a counterfeit gets into the channels of circulation, is, therefore, to make a new issue, radically differing in size and style

from the counterfeited issue, and withdraw the latter from circulation. This is what your predecessor proposed to do. If the issue now preparing should be successfully counterfeited—a not impossible event, for it is a saddening fact that much rare talent is thus dishonestly employed—another change will be required, unless by that time specie payments should be resumed, and the now hoarded small change of the country again come into active use.

It was designed to issue this new currency printed exclusively upon the national paper, and to print it dry. In the present stage of art, this paper can be procured nowhere else in the world except from the treasury, nor can it, at present, anywhere else be printed dry. It is expected that these two distinctive features will render the successful counterfeiting of the new currency more difficult. It will certainly, so far as the capacity of experts to detect it is concerned, for these differences from ordinary paper and dry printing are unmistakable by any one conversant with the work of engraving and printing. But it cannot be denied that no measures yet devised will protect those money takers who will not give time, or exercise judgment for its examination in receiving and paying it.

The machinery for dry printing is now, and has been for some months, in successful running order, producing daily a large number of impressions, much superior to any impressions by wet printing. Any number of dry-printing presses can be operated simultaneously, without interference with each other, by the peculiar and novel adjuncts devised for the purpose. But ten of them are now in active use, and, although a pressure of more than two hundred tons is exerted at each impression, yet an impression can be taken in a few seconds. Experience proves that impressions can be taken as fast as the plates can be inked and put in the press, (the process of inking being the same as for wet printing,) and this is the only limit to the rapidity of their execution; while every impression is not only perfect in itself, but each is likewise an *exact* counterpart of the original—a result impossible by any wet printing. During the last two months not a single imperfect impression has been produced on any one of the dry presses now in use; while, by the wet presses, the production of imperfect impressions is daily reckoned by hundreds. The work of both wet and dry printing is done by journeymen for what are technically termed “piece prices”—that is, a given price per thousand sheets for the number of impressions printed. The piece prices paid for dry printing are nearly twenty per cent. less than for wet printing; and when the operatives become expert, it is expected that the entire cost, including wages of valve-tenders and feeders, will be less than the cost of wet printing.

This official announcement of these results, attained under ceaseless opposition, is, to me, peculiarly gratifying.

The machinery now in use in the division is thus enumerated :

Ten steam-engines, from four to thirty horse-power each.

Seven engine lathes.

Two planing machines.

One upright drill.

One circular sharpener.

Two parallel sharpeners, and other machinist's tools.

Fifteen transfer presses.

Seventy-two hydraulic presses.

Four hydraulic receivers.

Twenty-five hydraulic pumps.

Ninety-six roller presses.

Five paper presses.

Six Hoe & Co.'s cylinder presses.

One Washington press.

One ready proof press.

Two paper engines.

Six ink mills.

One stereotype press.

One stereotype planer, with other tools for stereotyping.

Three batteries for electrotyping.

One guillotine paper cutter.

One upright paper cutter.

Twenty-two numbering machines.

Nine trimming machines.

Seven separating machines.

Fourteen sealing presses.

Four double-acting separators for fractional currency.

Two pentographs.

One ruling machine for paper.

One ruling machine for metal.

Making a total of three hundred and twenty-four engines, machines, &c.

There are now employed in the division, in connexion with this machinery, 237 male and 288 female operatives; but the number varies more or less, from time to time, as the exigencies of the public service require.

#### DIFFICULTIES ENCOUNTERED.

Some of the difficulties which have been encountered in creating this division have already been alluded to in this report, in detailing its origin and growth. The opposition to its successful establishment was steady and persistent, and since it has been successfully established like opposition to its progress has continued to be apparent in various forms. From the beginning of the work until the present time it has manifested itself through many different channels, both from within and without the department. Most of that from without the department has, not improbably, been supposed to originate with the New York bank note companies, though not at all times traceable to them. It is not charitable to suppose, although it has been so asserted, that the opposition manifested by those within the department had the same origin.

It was natural that the bank note companies should oppose the organization of this division. The very large amount saved to the treasury by its operations lessened so much the gains of these companies. This was particularly true of the older companies, the American and National. The Continental Bank Note Company, a new concern, was put in operation in New York, with resources and facilities greatly inferior to those of the other two companies, for the special if not the sole purpose of doing the government work, which had been, up to the time of this company's formation, monopolized by its older rivals. It had, therefore, no present gains to lessen. Its profits were prospective. The complete organization of this division being likely to render the employment of the Continental company neither necessary nor desirable, intensified their opposition, and its officers were more bitter and vindictive, or at least more undisguisedly exhibited their vindictive bitterness, than the officers of the American or National companies.

The first openly acknowledged attempt to oppose your predecessor's policy of producing the government issues in the treasury came from the president of the Continental Bank Note Company, in the shape of written charges, with specifications, signed by himself, and addressed to the Secretary of the Treasury, against my personal character. It was supposed by this president that if he could induce the Secretary not to employ me upon the work the enterprise would fail. He seemed to be, or chose to appear, ignorant of the fact that I was the Secretary of the Treasury who was guiding the operations of the division, and that I was simply his agent in effecting its organization.

These charges were allegations only, and were not attempted to be sustained by proof. They had, however, a careful investigation by Mr. Chase, who became satisfied of their untruth, and that they originated only in interested, if not malicious, motives. He therefore dismissed them as unworthy of his formal official action. They were subsequently withdrawn by the president of the company, and submitted by him to a committee of Congress. This committee, after examining the charges, and finding them wholly unsupported by proof, and that their author stated in his testimony before them that "he knew none of them to be true personally," (Report, page 140,) refused to give them further examination, or to enter them upon the record of the committee. I am not aware that the company intends to reproduce them in any other form, or before any other tribunal.

The American Bank Note Company, through its then president, Mr. Edson, made an elaborate argument to your predecessor against the organization of this division, and endeavored to prove the greater security which would result from having the work done by their company than would attend its execution in this department. The argument of Mr. Edson, which is the same since submitted by the present president of the company, Mr. Hatch, to a committee of Congress, was, that, in view of the changes of administration to which the government was liable every four years, involving change in the authority to produce issues, as well as to hold the custody of the plates, dies, &c., it was safer to trust the company than some possible incumbents of the treasury offices hereafter.

I failed to perceive the cogency of this reasoning, as applied against the government and in favor of the company. On the contrary, it appeared to me that its force, if it had any force, was *against the company* and in favor of the government, inasmuch as the administration of the company is liable to change every two years, while the executive term of office is usually at least four. One of these changes of the company's administration occurred under your predecessor, producing a change of policy on their part, and imposing upon the government the necessity of trusting new agents.

Your predecessor was not convinced by this argument of any impropriety in his efforts to produce the government issues economically in the treasury, and therefore continued his exertions to that end.

Incidental and petty opposition, however, manifested itself almost daily, and various obstacles to the growth of the division were constantly encountered. Many of these were ingenious, and craftily devised; others were simply stupid, and only served to show the agency of the bank note companies in producing them; but, as they have all been, so far, successfully met and overcome, it is not deemed necessary to prolong this report by their recital.

The next organized attempt to impede and prevent the success of this division came originally from the American Bank Note Company, though other companies, and parties in the treasury, afterwards came to its assistance in the work. This attempt, at its commencement, took the same shape as that from the Continental company, viz: personal accusations against myself. An opposition member of Congress was induced to proclaim these charges on the floor of the House of Representatives, which he soon expanded into general charges against the system inaugurated in the treasury for printing its notes and other government securities, and finally into charges against the Secretary of the Treasury himself.

When the charges assumed this shape a special committee of the House was demanded by one of its leading members, to investigate the matter and report the result of its investigations.

Congress promptly raised this committee, consisting of nine members, and it was in session during the months of May and June, 1864. It was organized on the 30th of April, 1864, and, on the 30th of June following, after what

seemed to its members a very thorough investigation, reported the result to Congress in a volume of nearly 400 printed pages, in which they summed up their conclusion as follows :

“Reviewing the whole case, the committee are fully persuaded that these charges were, in part, the result of an effort on the part of some to break up the plan of printing in the Treasury Department, and partly the result of a conspiracy on the part of Colonel Baker and the female prostitutes associated with him, by the aid of coerced testimony, to destroy the reputation of Mr. Clark, and, by the odium thus raised against the Treasury Department, shield himself and justify his unauthorized arrest of one of the officers in the printing bureau. The injury thus wantonly inflicted, and the publicity given to these shameful and unfounded charges, appear in a still stronger light when contrasted with the exceedingly weak and inadequate evidence adduced to sustain them.

“The committee, therefore, report that the charge made by the honorable James Brooks, that the treasury of the United States had been ‘converted into a house for orgies and bacchanals,’ is wholly unwarranted by the facts, in the highest degree unjust and injurious, both to the superintendent and employes in the printing bureau of the treasury ; that the other charge, that millions and millions of the public money had been sacrificed, and still more was in danger of being sacrificed, by the system of printing public money now in use in the Treasury Department, is not only unwarranted by the facts, but no evidence has been adduced to show that a single dollar has been fraudulently issued under the system of printing now in use. On the contrary, the plan of doing the work in the Treasury Department has facilitated the issue of the currency, and very greatly reduced the cost of manufacture. It secures to the government the ownership and custody of the plates and dies, which would otherwise remain in the possession of commercial parties in no way officially connected with the government.

“The committee find that Mr. Clark, the superintendent of the printing bureau, has conducted the affairs of his department with great energy and skill, and has made its operations successful against formidable obstacles and discouragements.”

The committee closed their report with the following resolution :

“*Resolved*, That the policy of printing public money in the treasury has resulted in a great saving of expense to the government, and security against fraud, and the affairs of the printing bureau have been administered with marked ability and integrity.”

Thus ended the second organized attempt to break up this division. The examination of witnesses by this committee was wholly *ex parte*. No opportunity was afforded me, or any other representative of this division, to refute the charges preferred against me, and against its system of business. The charges were simply overruled and rejected by the committee by reason of the absence of evidence to sustain them.

When I learned that this committee was about to adjourn without allowing me opportunity to defend myself, or the division of which I had charge, because, in the judgment of the committee, no defence was necessary, I addressed them a letter asserting the untruth of such charges as were rumored in the newspapers, and asking to be informed what charges were preferred against me or against the division, and to be allowed opportunity of disproof. This letter, though entered upon their record, elicited no reply. A copy of the letter will be found in the Appendix, marked F.

None of the requests enumerated in the letter were complied with, and the committee closed its sittings and reported, without hearing me or any witness in my behalf, or in behalf of the division.

It is therefore, in my judgment, not only a right, but a duty, to make brief record in this report of the parties employed, and the proceedings resorted to.

to obstruct the treasury policy, and accomplish the designs of the bank note companies.

The action of Congress is, at all times, to be respected by officers of the departments. I yield to no one in the great deference and respect I ever manifest for its collective wisdom. But this does not impugn my right to examine the action of an individual member, especially when the action of that member is not sustained by his peers.

The member who was induced to proclaim the false charges on the floor of the House of Representatives was the Hon. James Brooks, of New York. Having preferred the charges, he was, by the usual parliamentary courtesy, placed by the House upon its committee.

Of his fitness for the duty which thus devolved upon him, I prefer that he should be his own exponent. In making the charges he stated, as reported in the Congressional Globe, that "it was with the greatest difficulty he could organize a three-cent newspaper establishment so as to prevent stealing." And again when before a tribunal of justice in New York, charged with mutilating the ledger of a commercial company in which he was a partner, with the intent to cheat one of his associates, he said, upon the witness stand and under oath, as reported in the daily papers:

"Question by counsel. Look over this account and show me where the discrepancy arises that you referred to in your direct examination.

"Answer by Mr. Brooks. O, I can't; I am no hand at figures; I do not keep the accounts of my own house even; it would take me half an hour or an hour to figure the thing up."

With this voluntary self-elucidation of his own competency and fitness to examine and justly criticise the accounts of this division for a period of years, covering transactions which at times amounted to many millions of dollars per day, I am not surprised that he said of me and my accounts in his minority report to Congress: "He keeps no ledgers, balances no books, for an accountant to see and understand at a glance. The eye is wearied and the mind fatigued by innumerable figures of his," &c., &c.; nor did it excite surprise that he should thus report, *after* he had propounded to me, before the committee, the following questions, and I had, under oath, thus responded:

"Question by Mr. Brooks. Is there anything like a record, showing what has been done each day?

"Answer. Yes, sir.

"Question. Is there anything posted on one book so that you can see at a glance what has been done in a single day in the different branches?

"Answer. Yes; it is posted on a single sheet. You can go with me to-night and see the report of the day's work, showing the entire progress of the day."

Nor need it excite surprise that when the Hon. Mr. Brooks subsequently examined these records, as he did, in my presence, on the 6th of May following, that they "*only wearied his eye and fatigued his mind,*" although these same records can be, and are daily, "*comprehended at a glance*" by many of the female employes of this division.

During the time this committee was in session, it is within my knowledge that the Hon. Mr. Brooks was in frequent if not constant communication with one or more officers of the American Bank Note Company. Many of the questions propounded by him to witnesses—indeed, all his questions which were pertinent to the engraving and printing business of this division—bear intrinsic evidence of having been prompted by these officers, or by some interested experts. They exhibited an expert knowledge which the Hon. Mr. Brooks did not profess to possess.

It appears also from the committee's report (page 185) that my evidence before that committee was submitted by the Hon. Mr. Brooks, for criticism, to one of the officers of the American Bank Note Company, and that this officer was

permitted to review that evidence in writing, and publish his review with the committee's documents. (Report, page 367.) This was the more oppressive to me, in view of the fact that I, the party on trial, was not permitted to see or know any charges or evidence against me that were in the possession of the committee; while an affidavit, submitted by me in disproof of certain rumored charges, was abstracted from the files of the committee without its chairman's knowledge, and without the knowledge of its clerk, to whose custody it was confided, and was subsequently seen in the possession of one of the hirelings of my accusers. It is also a matter of notoriety that the American Bank Note Company had been very lavish in its expenditure upon the crusade against this division. But it is only with the *action* of the Hon. Mr. Brooks, in throwing difficulties in the way of the division, and with the instruments by which he was aided in that work, that this report is concerned. It is beyond my power to sit in judgment upon his motives.

The chief coadjutor of the Hon. Mr. Brooks, in his labor of promoting the object of the bank note companies, was the man Baker, who had been, and for aught I know still is, employed as a detective in one of the departments. As to Baker's fitness to be an associate of the Hon. Mr. Brooks in this work, I know nothing.

Baker was ceaseless and untiring in his unscrupulous efforts, for many months, in coercing testimony to form a conspiracy; the fact of his coercing testimony being attested by the evidence of Mr. Jordan, Solicitor of the Treasury, as given under oath before the committee, and the fact of his engaging in a conspiracy being certified by the committee of Congress, as already quoted. When this testimony so produced was collated before the committee, it was, upon examination, promptly rejected, and refused a record. It may be that the great labor and time devoted by Baker upon this business was thus gratuitously, and with no other motive, devoted to the public good, though I do not know anything in his reputed character or antecedents to warrant such a conclusion.

The efforts of the Hon. Mr. Brooks, even though aided by Baker, failed to convince the committee that there was any foundation for these charges; but as the Hon. Mr. Brooks and the bank note companies have widely circulated printed copies of the subject-matter attempted to be introduced as evidence before the committee, they have engendered much prejudice against this division among those who only read their charges as promulgated in the Hon. Mr. Brooks's New York newspaper, and in the pamphlets printed for the American Bank Note Company. I have therefore deemed it my official duty to present in my report this explanation of the matter.

The President of the Continental Bank Note Company, Mr. A. C. Wilson, also appeared before this committee with charges against me, and presented, as part of his case, the report of a committee of a former Congress in reference to the discharge of my duties as engineer of the office of construction under this department. My reply to those charges was made at the time to the then Secretary of the Treasury, Mr. Chase, and placed upon the files of the department. This reply was not before the committee. In justice to Mr. Chase, who placed me in charge of this division, after a committee of Congress had reported against my employment in the Bureau of Construction, (although Congress took no action on that report,) I subjoin my letter of reply in the Appendix to this report, marked G.

This Mr. Wilson's original opinion of my defence against these charges, brought against my official conduct in the Bureau of Construction, will appear from the following extract of a letter, written by him to me at the time he read my reply, and now on file in the department. He wrote: "*I need hardly assure you of the absolute conviction of your integrity which it enforces.*" This was written by him on the 1st of July, 1863; but on the 7th of May, 1864, after his pecuniary interests were unfavorably affected by my subsequent labors in this

division, he reproduced before a committee of the present Congress, and in proof of his allegations of my "dishonesty and incapacity," these charges made by a committee of a former Congress against my action as chief of the Bureau of Construction.

I shall be glad of an opportunity to review and refute *all* of the charges made before this committee of the present Congress, but the Secretary may not deem the rendering of this report such an opportunity, and I therefore omit an examination of the charges in detail.

I forbear at present from making any further exposition of the difficulties and opposition which have been encountered in organizing and perfecting the work under my charge. I think sufficient has been adduced to show that this opposition emanated from those whose pecuniary interests are affected by its success.

AMOUNT OF WORK.

The quantity and amount of work upon the currency and securities in this division from the date of its organization to the 1st of October, 1864, is properly divisible into three classes, viz :

*First.* Currency and securities printed wholly or in part by the New York bank note companies, and finished in this division. These aggregate 12,786,214 sheets, and amount to \$629,305,900.

*Second.* Currency and securities printed and finished in this division. These aggregate 6,693,257 sheets, and amount to \$1,636,281,239.

*Third.* Securities which have been delivered to this division by the Treasurer of the United States and the Comptroller of the Currency, for printing indorsements and certificates thereon. These aggregate 20,022 sheets, and amount to \$52,375,350.

CLASS No. 1.

Statement No.	Character of issue.	Issued under act of—	Sheets.	Amount.
The first class is composed of—				
1	6 per cent. coupon bonds.....	July 17 and Aug. 5, 1861..	152,502	\$122,501,500
3	5-20 6 per cent. coupon bonds, series 1 and 2.....	February 25, 1862.....	391,203	200,221,500
4	5-20 6 per cent. coupon bonds, series 3.....	February 25, 1862.....	61,228	6,122,800
6	United States notes.....	February 25, 1862.....	10,128,911	237,998,600
	United States notes.....	July 11, 1862.....		
7	United States notes.....	March 3, 1863.....	2,052,370	62,461,500
	Currency of the national banks.....	June 3, 1864.....		
Totals.....			12,786,214	629,305,900



## CLASS No. 2.

Statement No.	Character of issue.	Issued under act of—	Sheets.	Amount.
	The second class is composed of—			
1	6 per cent. coupon bonds.....	July 17 and Aug. 5, 1861..	41, 699	\$3, 639, 950
2	6 per cent. registered bonds.....	July 17 and Aug. 5, 1861..	4, 200	367, 500
4	5-20 6 per cent. coupon bonds, series 3.....	February 25, 1862.....	203, 304	115, 075, 750
5	5-20 6 per cent. coupon bonds, series 4.....	February 25, 1862.....	278, 316	147, 530, 450
8	Certificates of indebtedness.....	March 1, 1863.....	77, 232	190, 292, 000
9	One year 5 per cent. treasury notes.....	March 3, 1863.....	487, 763	49, 314, 760
10	Two years 5 per cent. treasury notes.....	March 3, 1863.....	150, 658	121, 606, 000
11	Two years 5 per cent. coupon treasury notes.....	March 3, 1863.....	182, 943	255, 881, 600
12	6 per cent. coupon bonds.....	March 3, 1863.....	97, 800	63, 130, 000
13	6 per cent. registered bonds.....	March 3, 1863.....	42, 230	133, 125, 000
14	Compound interest treasury notes.....	March 3, 1863.....	52, 355	18, 400, 400
15	Fractional currency.....	March 3, 1863.....	3, 529, 064	13, 851, 859
16	10-40 5 per cent. coupon bonds.....	March 3, 1864.....	272, 300	135, 130, 000
17	10-40 5 per cent. registered bonds.....	March 3, 1864.....	16, 487	96, 736, 650
18	7-30 treasury notes, with coupons.....	June 30, 1864.....	147, 532	110, 580, 000
19	Compound interest treasury notes.....	June 30, 1864.....	1, 109, 374	181, 619, 320
	Totals.....		6, 693, 257	1, 636, 261, 239

## CLASS No. 3.

Character of issue.	Sheets.	Amount.
The third class is composed of—		
Seven-thirty notes received from the Treasurer of the United States.....	967	\$715, 000
Certificates of indebtedness received from the Treasurer of the United States.....	880	2, 117, 500
Coupon bonds received from the Treasurer of the United States.....	5, 445	4, 951, 450
Coupon bonds received from the Comptroller of the Currency.....	2, 670	4, 929, 050
Registered bonds received from the Treasurer of the United States.....	5, 697	14, 973, 550
Registered bonds received from the Comptroller of the Currency.....	4, 363	24, 682, 800
Totals.....	20, 022	52, 375, 350

The aggregate quantity which has passed through this division is therefore (19,499,493) nineteen million four hundred and ninety-nine thousand four hundred and ninety-three sheets, and amounts to (\$2,317,962,489) two thousand three hundred and seventeen million nine hundred and sixty-two thousand four hundred and eighty-nine dollars.

DETAILED STATEMENTS SHOWING THE QUANTITY AND AMOUNT OF EACH DENOMINATION OF CURRENCY AND SECURITIES HANDLED IN THIS DIVISION SINCE ITS ORGANIZATION: BY WHOM PRINTED: TO WHOM DELIVERED: AND PRESENT CONDITION OF THE QUANTITY ON HAND OCTOBER 1, 1864.

No. 1.—Six per cent. coupon bonds, issued under the acts of July 17 and August 5, 1861.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by the New York bank note companies .....					60,001	\$30,000,500	92,501	\$92,501,000	152,502	\$122,501,500
Printed and finished by this division .....	10,599	\$529,950	31,100	\$3,110,000					41,699	3,639,950
Totals.....	10,599	529,950	31,100	3,110,000	60,001	30,000,500	92,501	92,501,000	194,201	126,141,450
Delivered to the Register of the Treasury .....	10,000	500,000	29,800	2,980,000	60,001	30,000,500	92,501	92,501,000	192,302	125,981,500
Mutilated and ready for burning .....	599	29,950	1,300	130,000					1,899	159,950
Totals.....	10,599	529,950	31,100	3,110,000	60,001	30,000,500	92,501	92,501,000	194,201	126,141,450

No. 2.—Six per cent. registered bonds, issued under the acts of July 17 and August 5, 1861.

PRODUCTION, DELIVERY, AND CONDITION	FIFTIES.		ONE HUNDREDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....			1,050	\$52,500	3,150	\$315,000
Delivered to the Register of the Treasury .....			1,000	50,000	3,000	300,000
Mutilated and ready for burning .....			50	2,500	150	15,000
Totals.....			1,050	52,500	3,150	315,000

No. 3.—Five-twenty six per cent. coupon bonds, first and second series, issued under the act of February 25, 1861.

PRODUCTION AND DELIVERY.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by New York bank note companies .....	64,500	\$3,225,000	95,750	\$9,570,000	27,153	\$43,576,500	143,850	\$143,850,000	391,203	\$300,221,500
Delivered to the Register of the Treasury .....	64,500	3,225,000	95,750	9,570,000	27,153	43,576,500	143,850	143,850,000	391,203	200,221,500

No. 4.—Six per cent. five-twenty coupon bonds, third series, issued under the act of February 25, 1862.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIER.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed (in part) in New York.....			61,238	\$6,122,800					61,238	\$6,122,800
Printed and finished in this division.....	51,705	\$2,585,250	16,045	1,604,500	49,336	\$24,668,000	86,218	\$86,218,000	203,304	115,075,750
Totals.....	51,705	2,585,250	77,273	7,727,300	49,336	24,668,000	86,218	86,218,000	264,532	121,198,550
Delivered to the Register of the Treasury.....	17,900	895,000	62,000	6,200,000	32,000	16,000,000	78,500	78,500,000	190,400	101,595,000
Delivered to the Treasurer to be burned.....	19,043	952,150	791	79,100	10,035	5,017,500	4,621	4,621,000	34,490	10,669,750
Mutilated and ready for burning.....	14,762	738,100	14,482	1,448,200	7,301	3,650,500	3,097	3,097,000	39,642	8,923,800
Totals.....	51,705	2,585,250	77,273	7,727,300	49,336	24,668,000	86,218	86,218,000	264,532	121,198,550

No. 5.—Six per cent. five-twenty coupon bonds, fourth series, issued under the act of February 25, 1862.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division.....	26,299	\$1,314,950	92,000	\$9,200,000	46,003	\$23,001,500	114,014	\$114,014,000	278,316	\$147,530,450
Delivered to the Register of the Treasury.....	25,100	1,255,000	90,750	9,075,000	44,250	22,125,000	107,500	107,500,000	267,600	139,955,000
Mutilated and ready for burning.....	1,199	59,950	1,250	125,000	1,753	876,500	6,514	6,514,000	10,716	7,575,450
Totals.....	26,299	1,314,950	92,000	9,200,000	46,003	23,001,500	114,014	114,014,000	278,316	147,530,450

No. 6.—United States notes, issued under the acts of February 25, 1862, July 10, 1862, and March 3, 1863.

PRODUCTION, DELIVERY, AND CONDITION.	ONES.		TWS.		FIVES.		TENS.		TWENTIES.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed in New York.....	4,397,125	\$17,582,500	2,325,865	\$18,606,920	1,812,381	\$36,247,620	1,082,306	\$43,292,240	434,046	\$34,723,680
Delivered to the Treasurer.....	4,395,500	17,582,000	2,325,000	18,600,000	1,812,191	36,243,820	1,082,126	43,285,040	433,996	34,719,680
Mutilated and ready for burning.....	1,625	6,500	865	6,920	190	3,800	180	7,200	50	4,000
Totals.....	4,397,125	17,582,500	2,325,865	18,606,920	1,812,381	36,247,620	1,082,306	43,292,240	434,046	34,723,680

No. 6—Continued.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed in New York.....	41, 896	\$379, 200	13, 360	\$5, 344, 000	6, 956½	\$13, 912, 500	14, 976	\$59, 904, 000	10, 128, 911½	\$237, 998, 660
Delivered to the Treasurer of the United States.....	41, 876	375, 200	13, 360	5, 344, 000	6, 956½	13, 912, 500	14, 976	59, 904, 000	10, 125, 981½	237, 966, 240
Mutilated and ready for burning.....	20	4, 000							2, 930	32, 420
Totals.....	41, 896	379, 200	13, 360	5, 344, 000	6, 956½	13, 912, 500	14, 976	59, 904, 000	10, 128, 911½	237, 998, 660

No. 7.—Currency of the national banks, issued under the act of June 3, 1864.

RECEIPT AND DELIVERY.	FIVES.		TENS.		TWENTIES.		FIFTIES AND LARGER.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Received from the Comptroller.....	1, 403, 350	\$28, 067, 000	341, 250	\$13, 650, 000	240, 900	\$12, 045, 000	66, 870	\$8, 699, 500	2, 052, 370	\$63, 461, 500
Delivered to the Comptroller.....	1, 403, 350	28, 067, 000	341, 250	13, 650, 000	240, 900	12, 045, 000	66, 870	8, 699, 600	2, 052, 370	62, 461, 600

No. 8.—Certificates of indebtedness, issued under the act of March 1, 1861.

PRODUCTION, DELIVERY, AND CONDITION.	ONE THOUSANDS.		FIVE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division.....	48, 969	\$48, 967, 000	28, 265	\$141, 325, 000	77, 232	\$190, 292, 000
Delivered to the Treasurer of the United States.....	48, 035	48, 039, 000	27, 629	138, 145, 000	75, 668	186, 184, 000
On hand, unfinished and mutilated.....	928	928, 000	636	3, 180, 000	1, 564	4, 108, 000
Totals.....	48, 967	48, 967, 000	28, 265	141, 325, 000	77, 232	190, 292, 000

No. 9.—One-year five per cent. treasury notes, issued under the act of March 3, 1863.

PRODUCTION AND DELIVERY.	TENS.		TWENTIES.		FIFTIES.		ONE HUNDREDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division.....	188, 459	\$7, 538, 360	216, 955	\$17, 356, 400	42, 598	\$8, 519, 600	39, 751	\$15, 900, 400	487, 763	\$49, 314, 760
Delivered to the Treasurer of the United States.....	188, 459	7, 538, 360	216, 955	17, 356, 400	42, 598	8, 519, 600	39, 751	15, 900, 400	487, 763	49, 314, 760

TREASURY DEPARTMENT PRINTING BUREAU.

## No. 10.—Two-years five per cent. treasury notes, issued under the act of March 3, 1863.

PRODUCTION AND DELIVERY.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	53,434	\$10,686,800	66,258	\$26,503,200	19,724	\$39,448,000	11,242	\$44,968,000	150,658	\$121,606,000
Delivered to the Treasurer of the United States .....	53,434	10,686,800	66,258	26,503,200	19,724	39,448,000	11,242	44,968,000	150,658	121,606,000

## No. 11.—Two-years five per cent. treasury notes, with coupons, issued under the act of March 3, 1863.

PRODUCTION AND DELIVERY.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed in New York .....							8,000	\$32,000,000	8,000	\$32,000,000
Printed and finished by this division .....	49,940½	\$9,998,100	59,617½	\$23,847,000	35,747½	\$71,494,500	25,638	\$118,552,000	174,943½	\$23,881,600
Totals .....	49,940½	9,998,100	59,617½	23,847,000	35,747½	71,494,500	37,638	150,552,000	182,943½	255,881,600
Delivered to the Treasurer of the United States .....	49,940½	9,998,100	59,617½	23,847,000	35,747½	71,494,500	37,638	150,552,000	182,943½	255,881,600

## No. 12.—Six per cent. coupon bonds, issued under the act of March 3, 1863.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	11,000	\$530,000	15,800	\$1,580,000	20,000	\$10,000,000	51,000	\$51,000,000	97,800	\$63,130,000
Delivered to the Treasurer of the United States .....	9,000	450,000	14,000	1,400,000	18,000	9,000,000	50,000	50,000,000	91,000	60,850,000
Mutilated and ready for burning .....	2,000	100,000	1,800	180,000	2,000	1,000,000	1,000	1,000,000	6,800	2,280,000
Totals .....	11,000	530,000	15,800	1,580,000	20,000	10,000,000	51,000	51,000,000	97,800	63,130,000

## No. 13.—Six per cent. registered bonds, issued under the act of March 3, 1863.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	2,200	\$110,000	6,000	\$600,000	4,030	\$2,015,000	14,400	\$14,400,000
Delivered to the Register of the Treasury .....	500	25,000	2,500	250,000	2,000	1,000,000	4,800	4,800,000
Mutilated and ready for burning .....	1,700	85,000	3,500	350,000	2,030	1,015,000	9,600	9,600,000
Totals .....	2,200	110,000	6,000	600,000	4,030	2,015,000	14,400	14,400,000

No. 13—Continued.

PRODUCTION, DELIVERY, AND CONDITION.	FIVE THOUSANDS.		TEN THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	8,000	\$40,000,000	7,600	\$76,000,000	42,930	\$133,125,000
Delivered to the Register of the Treasury .....	3,900	19,500,000	3,000	30,000,000	16,700	55,575,000
Mutilated and ready for burning .....	4,100	20,500,000	4,600	46,000,000	25,530	77,550,000
Totals .....	8,000	40,000,000	7,600	76,000,000	42,930	133,125,000

No. 14.—Six per cent. compound interest treasury notes, issued under the act of March 3, 1863.

PRODUCTION AND DELIVERY.	TENS.		FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	23,105	\$924,200	13,895	\$2,779,000	10,008	\$4,003,200	5,347	\$10,694,000	52,355	\$18,360,400
Delivered to the Treasurer of the United States .....	23,105	924,200	13,895	2,779,000	10,008	4,003,200	5,347	10,694,000	52,355	18,360,400

No. 15.—Fractional currency, on membrane paper, printed dry, issued under the act of March 3, 1863.

PRODUCTION, DELIVERY, AND CONDITION.	FIVES.		TENS.		TWENTY-FIVES.		FIFTIES.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	11,857	\$14,821 25	17,098	\$42,745 00	58,689	\$293,445 00	62,300	\$623,000 00	149,994	\$974,011 25
Delivered to the Treasurer of the United States .....	11,670	14,586 80	16,092	40,053 20	55,051	275,254 00	60,559	605,586 50	143,302	935,480 50
On hand, imperfect, and mutilated .....	187	234 45	1,076	2,691 80	3,638	18,191 00	1,741	17,413 50	6,642	38,530 75
Totals .....	11,857	14,821 25	17,098	42,745 00	58,689	293,445 00	62,300	623,000 00	149,994	974,011 25

No. 15—Continued.—*On bank note paper, printed dry.*

PRODUCTION, DELIVERY, AND CONDITION.	FIVES.		TENS.		TWENTY-FIVES.		FIFTIES.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division .....	6,500	\$8,125 00	9,000	\$22,500 00	65,000	\$325,000 00	4,100	\$41,000 00	84,600	\$396,625 00
Delivered to the Treasurer of the United States .....	6,500	8,125 00	9,000	22,500 00	65,000	325,000 00	4,000	40,000 00	84,500	395,625 00
On hand.....							100	1,000 00	100	1,000 00
Totals.....	6,500	8,125 00	9,000	22,500 00	65,000	325,000 00	4,100	41,000 00	84,600	396,625 00

No. 15—Continued.—*On bank note paper, printed wet.*

PRODUCTION AND DELIVERY.	FIVES.		TENS.		TWENTY-FIVES.		FIFTIES.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division.....	996,004	\$1,245,005 50	1,249,295	\$3,123,237 50	475,846	\$2,379,230 00	573,375	\$5,733,750 00	3,294,520	\$12,481,223 00
Delivered to the Treasurer of the United States .....	996,004	1,245,005 50	1,249,295	3,123,237 50	455,846	2,279,230 00	573,375	5,733,750 00	3,274,520	12,381,223 00
On hand.....					20,000	100,000 00			20,000	100,000 00
Totals.....	996,004	1,245,005 50	1,249,295	3,123,237 50	475,846	2,379,230 00	573,375	5,733,750 00	3,294,520	12,481,223 00

No. 16.—*Five per cent. ten-forty coupon bonds, issued under the act of March 3, 1864.*

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed and finished by this division .....	50,000	\$2,500,000	73,800	\$7,380,000	46,500	\$23,250,000	102,000	\$102,000,000	272,300	\$135,130,000
Delivered to the Register of the Treasury .....	19,000	950,000	40,000	4,000,000	36,000	18,000,000	42,000	42,000,000	137,000	64,950,000
Ready for delivery and unfinished .....	31,000	1,550,000	33,800	3,380,000	10,500	5,250,000	60,000	60,000,000	135,300	70,180,000
Totals.....	50,000	2,500,000	73,800	7,380,000	46,500	23,250,000	102,000	102,000,000	272,300	135,130,000

No. 17.—Five per cent. ten-forty registered bonds, issued under the act of March 3, 1864.

PRODUCTION AND DELIVERY.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division .....	10,023	\$501,150	10,000	\$1,000,000	4,011	\$2,005,500	6,000	\$6,000,000
Delivered to the Register of the Treasury .....	9,500	475,000	9,500	950,000	3,750	1,875,000	5,250	5,250,000
Delivered to the Treasurer for burning .....	523	26,150	500	50,000	261	130,500	750	750,000
Totals .....	10,023	501,150	10,000	1,000,000	4,011	2,005,500	6,000	6,000,000

No. 17—Continued.

PRODUCTION AND DELIVERY.	FIVE THOUSANDS.		TEN THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division .....	13,000	\$65,000,000	7,703	\$77,030,000	50,737	\$151,536,650
Delivered to the Register of the Treasury .....	3,250	16,250,000	3,000	30,000,000	34,250	54,800,000
Delivered to the Treasurer for burning .....	9,750	48,750,000	4,703	47,030,000	16,487	96,736,650
Totals .....	13,000	65,000,000	7,703	77,030,000	50,737	151,536,650

No. 18.—Seven-thirty treasury notes, with coupons, issued under the act of June 30, 1864.

PRODUCTION, DELIVERY, AND CONDITION.	FIFTIES.		ONE HUNDREDS.		FIVE HUNDREDS.		ONE THOUSANDS.		FIVE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division .....	64,000	\$10,000,000	55,500	\$16,850,000	8,500	\$12,750,000	18,500	\$55,500,000	1,032	\$15,480,000	147,532	\$110,580,000
Delivered to the Register of the Treasury .....	57,500	8,875,000	51,500	15,600,000	8,280	12,420,000	18,500	55,500,000	781	11,720,000	136,561	104,115,000
On hand, finished, and mutilated for burning .....	6,500	1,125,000	4,000	1,250,000	220	330,000	.....	.....	250	3,760,000	10,971	6,465,000
Totals .....	64,000	10,000,000	55,500	16,850,000	8,500	12,750,000	18,500	55,500,000	1,032	15,480,000	147,532	110,580,000



No. 19.—Six per cent. compound interest treasury notes, issued under the act of June 30, 1864.

PRODUCTION, DELIVERY, AND CONDITION.	TENS.		TWENTIES.		FIFTIES.		ONE HUNDREDS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division .....	486,944	\$19,477,760	307,032	\$24,562,562	220,125	\$44,025,000	68,120	\$27,248,000
Delivered to the Treasurer of the United States .....	442,446	17,697,840	295,373	23,629,840	212,800	42,560,000	65,035	26,014,000
Unfinished and mutilated for burning .....	44,498	1,779,920	11,659	932,720	7,325	1,465,000	3,085	1,224,000
Totals .....	486,944	19,477,760	307,032	24,562,562	220,125	44,025,000	68,120	27,248,000

No 19—Continued.

PRODUCTION, DELIVERY, AND CONDITION.	FIVE HUNDREDS.		ONE THOUSANDS.		TOTALS.	
	Sheets.	Amounts.	Sheets.	Amounts.	Sheets.	Amounts.
Printed by this division .....	21,153	\$42,306,000	6,000	\$24,000,000	1,109,374	\$181,619,320
Delivered to the Treasurer of the United States .....	19,000	38,000,000	5,000	20,000,000	1,039,654	167,901,680
Unfinished and mutilated for burning .....	2,153	4,306,000	1,000	4,000,000	69,720	13,717,640
Totals .....	21,153	42,306,000	6,000	24,000,000	1,109,374	181,619,320

## METHOD OF PRODUCTION.

The "method of production" is the method inaugurated in advance of the work, with such alterations and additions as experience, and the different varieties of issues, have suggested.

The method of preparing the plates from which the government issues are printed is the same as is followed by bank note engravers. The dies or bed-pieces are first engraved by the patient labor of skillful men of genius upon flat pieces of steel, made artificially soft for the purpose. The time occupied in this work varies from one to eighteen months, depending upon the difficulty and size of the work to be engraved. Scarce any die can be properly engraved in less than thirty days, and the time is more often reckoned by months. The large number of plates necessary for each kind and denomination issued would preclude the printing of the large amounts required, unless there was some method of reproducing plates quicker than to engrave them. They are reproduced rapidly and perfectly by the transfer process, as follows :

The original bed-piece or die alluded to, having the required vignette or letters engraved in intaglio thereon, is made artificially hard by a process similar to the ordinary process of "case-hardening." After hardening it is placed in a transfer press, and a cylindrical piece of steel, called a roll, made artificially soft, is placed upon it and rolled back and forth under powerful pressure. The hard bed-piece being thus pressed against the soft roll transfers the engraving in reverse from the bed-piece to the roll, *i. e.* the portions depressed (being the lines cut out of the steel) on the bed-piece appear raised upon the roll. This roll in its turn is now made artificially hard, again placed in the press, and forced down by the pressure upon a soft plate of steel, and rolled to and fro until its reverse, being a copy of the original flat piece, is produced. This is the work of but a few moments, and exactly reproduces, by repetitions of the process, as many perfect copies of the original, on steel plates for printing, as are desired. From the plates so prepared the paper is printed, the original bed-piece and roll being used only to produce plates for printing.

It is obvious that the risk of fraudulent use at this point of the work is in the original bed-pieces and rolls. If these could be surreptitiously used, plates exactly like those printed from in the treasury or elsewhere could be easily reproduced and printed fraudulently. To guard against this risk, so far as the work in this department is concerned, the bed-pieces and rolls are kept in a massive iron safe, specially made for the purpose with proper drawers and compartments. To this safe there are three different locks. Three different custodians are appointed for the safe, each of whom has a key to one of the three different locks. One was appointed by the Treasurer of the United States, one by the Comptroller of the Currency, and one by myself. It required the presence of all three custodians to take any roll or bed-piece from the safe. These dies and rolls are all numbered and recorded in suitable books, kept by the principal custodian.

When a transferrer requires any particular roll or die, he makes application, through the superintendent of his division, upon the custodian, stating the use for which he desires it. The roll is then delivered to him, the delivery recorded in a book styled "Record of Deliveries," and the transferrer's receipt taken therefor, specifying the use which is to be made of it. One of the custodians goes with the transferrer and sees that the use specified in the receipt and upon the record-book, and that use only, is made of it. When the transferrer has completed his work of transferring, the roll is returned, the date of return recorded in the book of deliveries, in a column prepared therefor, and the return to the custodian certified by the initials of his associates upon the record. No bed-piece or roll is left out of the safe over night. At the close of each day's

work each transferer returns what he may have in use at the hour of closing, when the return is recorded, and they are again given out next morning under like system, and new receipt taken. Thus the record-book will show the particular kind of work done at any period, the date at which the bed-pieces or rolls were taken out, and the use that was made of them.

These custodians have also the custody of the transferred plates, (which are numbered and recorded,) when they are not in use for printing; and their delivery to the superintendent of plate-printing is receipted for and certified the same as the delivery of dies and rolls to the transferers. The superintendent of plate-printing receives and receipts for these plates, and gives them out each morning to his journeymen printers, under the same system as rolls and dies are given out to transferers, and they are returned to him at night.

The principal custodian makes a report to me every night, in a printed blank, of the bed-pieces and rolls taken out during the day, the nature and kind of work produced from them, the name of the transferer to whom they were delivered, and the fact of their return. This report is certified by the initials of his associate custodians.

This method has, so far, prevented any fraudulent use of either dies, rolls, or plates; and if experience suggests any further improvement in the system, it will of course be adopted.

So much of the paper as is now made in the department, (and it is designed, ultimately, to make all that is used,) as will be understood from a previous portion of this report, is manufactured in the cellar of the building by an agent of the contractor. By the terms of the paper contract, the room occupied for its manufacture is at all times under the contractor's exclusive control, no one having the right of access to it except the operatives, who are hired, paid, and controlled only by himself; unless the contract is made perpetual, in which event the Secretary has the power, if he so elects, to assume the control of the operatives, of the machinery, and of the room occupied for the purpose of manufacturing.

The method of receiving and delivering the paper proposed by me in December, 1863, and approved by your predecessor, was as follows:

*“ Proposed system of checks and balances for the receipt and delivery of paper manufactured in the department.*

“ TREASURY DEPARTMENT,  
Washington City, D. C., December 30, 1863.

*“ Storeroom.*—There shall be a convenient room set apart as a storeroom, to and from which paper shall be received from the manufacturer, and delivered to the superintendent of the counting division.

*“ Appointment of clerk of paper room.*—This room shall be in the exclusive charge of a competent person, to be appointed by the Secretary, who shall be styled ‘clerk of paper room.’

*“ Deliveries upon orders.*—When the manufacturer has paper ready to deliver, he shall notify the chief of the first division of the national currency bureau of its kind and quantity. Upon such notice, the chief shall issue authority to the clerk of the paper room to receive it. The notice and the consequent authority to receive shall be made matter of record, and be in printed forms.

*“ Duty of the clerk of the paper room.*—The clerk of the paper room shall receive the paper from the manufacturer and receipt therefor in a pass-book, properly prepared, showing the date of receipt, size, weight, and quantity. He shall, at the same time, record in a record book, properly prepared, the same particulars, together with the price per thousand sheets, and the value of each receipt, and the date at which the manufacturer's bill is audited for payment.

*“ Pass-book.*—The pass-book will be retained by the manufacturer as a voucher for his delivery, and the clerk of the paper room shall give the manu-

facturer a receipt in a printed blank showing all these particulars, and also give a duplicate receipt to the chief, who shall cause it to be filed for future reference.

*"Bills rendered.*—The manufacturer shall make out his bills from these receipts and attach the receipts as sub-vouchers thereto, and present them to the clerk of the paper room for examination and comparison with the record.

*"Bills audited.*—If found correct, the clerk shall indorse thereon the reference to the First Auditor for settlement, in the same manner as other bills are now referred for settlement and remittance.

*"Accounts vised by chief.*—These bills shall then go to the chief and be compared with his record; if found correct, marked with his initials, and sent to the chief clerk or Assistant Secretary, in the usual manner for reference to the First Auditor.

*"Delivery of paper.*—The paper shall be delivered from the paper room *only* in the following manner:

*"Requisitions.*—The superintendent of the printing division, when in want of paper, shall issue a requisition therefor upon the chief, in a printed blank, stating the size and quantity of the paper required, and the use which is proposed to be made of it. Upon the receipt of the requisition the chief shall cause it to be filed, and issue thereon an order, in a printed blank, upon the clerk of the paper room in favor of the superintendent of the counting division, stating size, quantity, and use. The superintendent of the counting division shall receipt for this order, record it, and present it to the clerk.

*"Orders.*—Upon this order the clerk shall deliver the paper, taking the receipt of the superintendent in duplicate therefor, and file the order recording the delivery with all its particulars in the book prepared for the purpose, and sending one copy of the receipt to the chief. These orders shall become his voucher in settling his paper account, to be adjusted and treated the same as a cash account with a banker, checked upon by a depositor.

*"Daily report.*—The clerk of the paper room shall render a daily report, in a printed blank, to the chief, of paper received to date, received during the day, delivered to date, delivered during the day, and balance on hand at night.

*"Books for requisitions and orders.*—The requisition of the superintendent of the printing division and the order of the chief shall both be in books with printed margins, and the margins shall be a record of the requisitions and a receipt for the order.

*"Printing.*—The superintendent of the counting division shall record her receipts from the paper room and their delivery to the printer, charging them to the latter in a book prepared for the purpose, and rendering a daily report, similar in character and detail to the report of the clerk of paper.

*"Counting Division.*—After printing, the paper to be returned to the superintendent of the counting division, be there counted again, and, if found correct, be credited to the superintendent of the printing division in the same book in which it was charged, similar in effect to an ordinary debit and credit account in a ledger."

\* \* \* \* \*

The blank books, some twenty in number, were prepared in accordance with the above system, but they are not now in use, because I am informed by the paper clerk, recently appointed by you, that he proposes to change this system. What the changes are to be I am not yet advised.

The present system in this division is as follows:

The paper is delivered by the paper clerk, in packages of one thousand sheets each, to such superintendent of counters as may have charge of the particular issue for which the paper is designed, counted by one of her counters, the count verified by a second counter, each counter placing her initials upon the package, and then entered in a book prepared for the purpose, showing the quantity and size of paper, and the denomination and kind of issue for which it is designed.

It is entered in the book both by the number of sheets and the amount of dollars the sheets are to represent when finished. In all cases, after it enters the counting room, it is treated and charged as so many dollars as well as so many sheets, though it is, as yet, but white paper; and it is so treated in all stages of the work, in each and every subdivision. Each package is always two, often three, and sometimes four times counted in this division, before the paper is given out for work.

If the issue is one of a kind which requires bronzing, (the bronzing being always the first thing done to the sheets,) the paper is delivered to the superintendent of the bronzers, charged to him, and receipted for by him in a book prepared for the purpose, which book is retained by the superintendent of counters. It is also at the same time entered in a pass-book, which goes to the bronzers with the paper.

The receipt in all cases, in this and all other subdivisions, is given, *subject to count on the day of its date*. If the receiver's count does not agree, it must be reported to the prior subdivision as soon as counted. Thus it is a qualified receipt only for the day of its date, and a final receipt after that day. The count is required to be immediate; and if not found to be correct, the counter is to report forthwith to the superintendent of the subdivision from which it is received. If this should, by carelessness or design, be omitted by the receiver, the party delivering is relieved from responsibility, and the party receiving is held responsible. In practice, however, such neglect has not yet occurred, the rule operating to prevent it. The amount in sheets and dollars is entered upon the bronzer's record, and the count verified by the bronzer's counters. Thus the package is always counted for the third time (and sometimes for the fourth or fifth time) by different counters before the work is put upon the press.

It is then given out, in packages of one thousand sheets, to the bronzer's operatives, and charged to each operative, when delivered, in a book prepared for the purpose. After bronzing, it is returned to the counting room, when the superintendent of counters receives it, giving the bronzer her receipt in a bound book, and crediting the amount to the superintendent of the bronzers in the same book in which it was originally charged to him in the ordinary debit and credit form of a merchant's ledger. It is now again counted, for the fourth time. If the work is not to be bronzed, it is given, after the second count, to the superintendent of the plate-printing, so that the issues not bronzed are often but twice counted before delivery for printing. It is delivered in like manner, whether bronzed or plain paper, to the superintendent, by charging it to him in a separate book, and upon his pass-book, which goes with the bronzed or plain sheets, and is entered upon the plate-printer's record, and counted by his counters, in the same manner as the previous delivery to the bronzers.

The plate-printing room being in the attic, and the general counting room in the basement, (a necessity growing out of the building being occupied for both clerical and mechanical purposes,) the paper is placed in boxes and locked up, (each superintendent having a key to the box,) and elevated to the attic by a dumb waiter, which is itself locked after the boxes are placed in it.

After it has been counted for the fifth time (or third time if not bronzed) by the plate-printer's counters, and entered upon the superintendent's record, it is given out to the journeymen in packages of different amounts. The distinction of 1,000 sheet packages cannot be here literally followed, from the nature of the work. It is given out in such quantities and at such times as the particular work to be printed and the particular kind of paper may require. It is necessary to take enough to make a suitable mass in the wetting room. The journeymen printers do not have access to the plate-printing counting room, where the paper to be printed is kept, but receive their paper through an opening in the partition, prepared for the purpose, and, immediately counting it (for the sixth time, if not bronzed) before removing it, sign a receipt for the amount on a blank slip pre

pared for the purpose, and filed for reference, which states the quantity of paper received, and the kind of printing which is to be done upon it. The delivery is at the same time entered upon the journeyman's pass-book, which he keeps, and the amount charged to the journeyman upon the superintendent's ledger. The first printing of the issues not bronzed is for what is technically called the "tints," *i. e.* the green tinted work on the face of the notes.

If the issue is for wet printing, the paper is taken by the journeyman to the wetting-room, when it is wet down, as it is technically termed, which is done by placing wet cloths at regular intervals between the sheets, and the whole mass of paper and wet cloths then put between thick boards under heavy weights. In this state it remains from twelve to twenty-four hours, when the journeyman relieves it from the weights, separates the paper from the cloths, and reversing the position of the sheets, again places it between the boards and under the weights. It thus remains until the whole mass of paper is evenly moistened and mellow. When it is thus made ready, it is taken by the journeyman in such quantities as he may require, generally a day's work at a time, to the printing-room to be printed. He takes only a portion of that which he has wet, and adds each day to his pile of wet by obtaining more dry paper from the counters, thus diminishing his pile of wet by so much as he takes daily for printing, and augmenting it by fresh supplies. The quantities thus taken are irregular, necessarily so, as some days the journeyman will do more work than others, depending upon his physical condition, the demand for work, and other causes. Thus each journeyman has at all times, until a given issue is completed and ended, a pile of wet paper on hand which cannot readily be counted in that condition. An informal settlement of the paper account of each journeyman is made weekly, and a final settlement made monthly, when the wet paper not printed is dried, counted, delivered back to the counting-room, and credited to the journeyman.

If the paper is given out for dry printing, the journeyman takes it directly to the printing-room, and his paper account is settled daily. The dry printer never has any paper on hand over night, but gets his fresh supply every morning, taking as much as he thinks he can print, and returning both printed and not printed at the close of each day's work. Thus the dry printing method simplifies the work, and, enabling frequent settlements, avoids the risk necessarily attending wet printing.

To return to the wet printing. The journeyman takes his wetted paper to the printing-room, where he prints it upon the roller-presses, with the aid of a "helper," (generally a young girl, who is paid by the printer, not by the government,) and after printing placed between dry sheets called "backers," to prevent the wet sheets from off-setting or transferring from one to another. They are counted by the helper, (for the seventh time,) and a thin strip placed between every tenth sheet. As soon as the journeyman prints one hundred sheets, he sends them by his helper, with his pass-book, to the drying-room.

The superintendent of the drying-room and her counters receive the one hundred sheets, receipt for them, count them, (for the eighth time,) and they are then spread upon racks in the drying-room, which is artificially heated for the purpose.

The journeyman thus makes one hundred-sheet-deliveries as fast as he prints during the day, relieving himself at each hundred of so much of his responsibility, and placing it upon the drying-room superintendent. When his day's work is finished, which may or may not be of even hundreds, he places such paper as he may have left, if any, under the weight with his pile. During the day it is kept under wet cloths to keep it at the proper moisture.

At the close of the day's work, the superintendent of the drying-room places, with the day's work of each journeyman on the rack, a ticket, on which is written the aggregate number of sheets for which she has receipted in the pass-

book of each, the name of the journeyman, the number of the plate from which it was printed, (all plates being differently numbered,) and the kind of work printed, which, in the case I am describing, would be "tints."

The printed sheets remain upon the rack until they are dry—from twelve to thirty-six hours, depending upon circumstances. No one is allowed to enter the drying-room except those who are employed therein. When sufficiently dry they are taken up and removed to an adjoining room by the drying-room operatives, each journeyman's work being kept with his ticket, the "backers" removed and the sheets counted, (for the ninth time.) If the count corresponds with the tickets, the sheets are sent, with the tickets, to the plate-printing counting room, when they are again counted, (for the tenth time,) and if they are found to agree, the amount is credited to the journeyman whose name is upon the ticket, and the ticket is filed for future reference. Here the different piles are mingled and again counted (for the eleventh time) into packages of one thousand sheets each, with paper slips placed between each one hundred sheets in the same manner as they were originally packed, ready to be given out for a second printing.

In this second delivery to the journeyman, the receipts are marked "tints to back;" that is, the receipt is for sheets which have had the tints on the face of the note printed, and which are now given out again to have the backs of the notes printed upon them.

The paper now goes again through precisely the same course as already described: first to the wetting-room, then to the printing-room, then to the drying-room, and then back to the plate-printers' counting room, being counted as before in these transits, six times, and thus arriving at the seventeenth count.

Again it is given out in like manner, the receipts being marked "back to face," showing that the tints and backs have been printed, and that it is taken out to print the faces.

The paper pursues the same journey again, with the successive counts, and is returned for its twenty-third count.

The printed sheets are now sent to the examining room, where they receive their twenty-fourth count, and are there critically examined by experts, the imperfect being separated from the perfect, and sent by the dumb waiter, in the same manner the paper was brought up, perfect and imperfect being treated alike, but kept in separate packages, and delivered by pass-book to the superintendent of the counting division on the basement floor.

Here they are counted for the twenty-fifth time, and if found correct, the plate-printer is credited with the delivery upon the same book in which they were originally charged.

The next operation is to *press* the sheets, which have all necessarily become rough or crumpled in the alternate wetting and drying which they have received while being printed. For this purpose they are delivered to the superintendent of pressing, and charged similarly to the delivery to the printer. They are then counted, (twenty-sixth time,) pressed, and returned to the superintendent of the counting, who counts them, (twenty-seventh time.) and if the quantity is found correct they are credited to the superintendent of the pressing room in the same book in which they were charged.

The superintendent of the pressing room keeps a record in a book prepared for the purpose, showing the kind, denomination, and quantity of work pressed by each of his operatives, and at the close of each day's work aggregates the amount done by each press upon his record-book.

The sheets are next to be numbered. Some kinds are numbered by consecutive notes, others by consecutive sheets. The fractional currency is not numbered, but all other kinds of currency and securities are numbered, each denomination consecutively by itself, whether of notes, bonds, coupons, drafts, or checks. For this purpose they are delivered by the superintendent of the counting to the superintendent of the numbering room, and charged same as

other deliveries; the latter counts them (twenty-eighth time) and delivers them in parcels, generally of 100 sheets each, to his operatives, and charges them to each in books prepared for the purpose, different books for each different kind of issue. After numbering, they are returned to the superintendent of the counting, counted (twenty-ninth time) and credited, as before, to the superintendent who returns them.

Next they go to the superintendent of the trimming to have the edges of the sheets trimmed by the trimming machines, being charged the same as before. This superintendent counts them (thirtieth time) and delivers them to the operatives in parcels of 500 sheets, charges them in books prepared for the purpose to each operative, specifying the nature of the work to be trimmed, its denomination, numbers, and gross amount. From this point they do not again go to the general counting room, being now delivered by the superintendent of the trimming to the superintendent of the sealing, who counts, (thirty-first time,) relieves the trimmers of their responsibility, and enters them upon his record. The red seals are affixed in this subdivision by power presses, and the sheets are fed to the presses by girls. Each feeder receives 500 sheets at a time, seals them, and returns them to the superintendent, who immediately delivers them in the same package and charges them to the superintendent of the separating room.

This superintendent receipts and counts them, (thirty-second time,) delivering them in like packages to her operatives, charging them to each in the same manner as in other subdivisions. The notes being, up to this time, four on a sheet, are here separated one from the other, and their sides trimmed by the separating machines, of which mention was made in the early part of this report. The notes on each sheet are respectively lettered by the engraver, A, B, C, and D, and these separating machines not only separate them from each other, and trim two edges of the upper and lower note on each sheet, but place the notes in four different boxes, each letter, A, B, C, and D, by itself, so that no two different check letters are in any one package after separating.

In this division the fractional currency, or so much of it as is printed dry, is separated by double-acting automatic cutters. These cutters take the notes in sheets—the sheets being of various sizes, from 20 to 50 notes on each sheet—separate them from each other, count them, and place them in piles of five, ten, and twenty dollars, as the different denominations may require. These fractional currency cutters were expected to prove failures by all who saw them in course of construction. Notwithstanding the condemnation which the plans received, it having been deemed impossible to cut two ways at right angles with each other at the same time in the same machine by a pinching motion to simulate the cut of shears, I had an abiding faith that they would work, and I have had the satisfaction of seeing them running successfully for many months, each machine being capable of doing the work of forty girls by hand labor.

From the separating room the notes, now finished and ready for issue, are delivered to the final counting room, where they receive their last count in this division, (thirty-third time,) and are placed in packages of suitable decimal amounts. These packages are then sent in boxes, securely locked, by two porters and a messenger, to the Treasurer of the United States, who gives a qualified receipt on their delivery, or a receipt subject to count. After the Treasurer's counters have counted them, if found correct, the qualified receipts, which are in a book of record, are marked correct, and re-signed, and the responsibility of this division is ended.

#### CHECKS AND BALANCES.

In the above "detailed history of the method of producing the government currency and securities," the Secretary is incidentally apprised of a portion "of the system of checks and balances adopted for the security of the government



in that production." It will be perceived that the particular issue of which the production has been detailed is counted thirty-three times; that by these counts each subdivision becomes a check upon that whose work preceded it. Each one of these superintendents makes separate report, every night, of the operations of the subdivision during the day, stating how much has been received from the preceding division, and how much delivered to the one following, as well as an aggregate of the doings of the subdivision on that issue. These various reports are compared and collated by the general bookkeeper and aggregated upon one book, (a separate book for each kind of issue,) called the Superintendent's Record. If the reports do not agree, if one superintendent reports the receipt or delivery of more or less than is reported delivered or received by the next preceding or succeeding superintendent, the discrepancy is explained and adjusted before entry upon the record. Errors of *fact*—that is, errors in the number of sheets handled, do not occur in these reports. The system of successive counting checks any error of fact immediately upon its occurrence, when it is corrected on the spot. *Accountant's errors*—that is, clerical errors in the figures, sometimes occur in the reports, from erroneous copying or wrong addition of amounts, which the general bookkeeper detects in making comparison before recording. A condensed recapitulation of the work upon each issue is made out from the superintendent's record in printed blanks prepared for the purpose, and daily deposited in the Secretary's office, where they are examined and compared with the Treasurer's and Register's reports. The Treasurer and Register make separate reports to the Secretary of what they have respectively received from this division, and I report to the Secretary what I have delivered to those officers. These reports are compared daily by an officer detailed by the Secretary of the Treasury for the purpose, who is in no other way connected with the Treasurer's or Register's office, or with this division.

None of the operatives, after they enter the room in the morning where the notes and bonds are handled, are allowed to leave during the day, except for sickness or other unavoidable cause; and none are permitted to leave at the close of work until the counting in every subdivision is finished, and the day's work declared correct by each superintendent.

It is not supposed that this system is perfect. "Perfection is not among human conditions." But it has been improved from time to time, as experience has suggested, and it is expected to continue its improvement until it is as near perfect as "human conditions" will admit. The system has worked well in practice, and I see no present occasion to change its principal features. What changes may be contemplated by the new paper clerk I am not aware, but I should hesitate to adopt any material changes unless they manifestly increased the safety of production.

#### LOSSES.

The losses thus far encountered have been few, and *no loss has occurred to the government.*

The first loss of treasury notes occurred on April 14 or 15, 1864, in the plate-printers' drying room. A parcel of eight hundred *unfinished* sheets of twenty-dollar five per cent. two years' notes, printed on the 14th of April, 1864, when returned from the drying room on the 15th counted but seven hundred and ninety-nine sheets. Thorough search was made without finding the missing sheet. The date and fact of the loss were recorded and reported. Suspicion attached to a scrubbing woman who was employed, under surveillance, to clean the room. Her movements were traced, and the utterance of one of the notes at a store on Pennsylvania avenue discovered the next day. She was promptly arraigned and charged with the theft, which she denied, though clearly proven. The matter was placed in the hands of the Solicitor of the Treasury and the

district attorney; but, as the stolen sheet was unfinished, and not legally money, its only value being, consequently, the value of the paper upon which it was printed, these officers thought it inexpedient to pursue the matter, and the case was dropped with the dismissal of the woman from government employment.

On the 27th of February, 1864, four sheets of fractional currency, amounting to forty dollars, were missed from the plate-printers' drying room. No trace was ever found of them, and no sufficient suspicion attached to any party. The loss was therefore assessed upon and paid by all the occupants of the drying room where it occurred. It was thought by some of these occupants that a new girl, then recently hired, was the guilty party, although nothing in the shape of proof was adduced. But there being other sufficient cause why she should not be employed, (though she had been highly recommended to me by a senator,) her services were dispensed with, for rendered reasons, other than the loss of the sheets.

Subsequently, on the 23d of July, 1864, another loss of ten sheets of fractional currency of fifty-cent pieces, amounting to one hundred dollars, occurred in another drying room of the plate-printers. This was not recovered, and the loss was assessed upon the employés in that room. The superintendent, Mr. Neale, had suspicion of the guilt of some of them, but failed to obtain any proof, and I directed the whole division to be discharged. This was done, and so many of them as the superintendent had confidence in were subsequently re-employed.

On the 10th of September, 1864, a loss of one sheet of four ten-dollar compound interest treasury notes occurred in the sealing division. No one was here suspected. (The losses in this and its adjoining subdivisions are always known within an hour of their occurrence.) Diligent search was made until a late hour, and all the operatives of the division were carefully searched by a committee of their number, selected for that duty, without finding the sheet; and it is a mooted question whether it was not caught and utterly destroyed in the machines, or cut up so fine as not to be found among the clippings. Its value was, however, assessed upon the division, the loss recovered, and no sheet of like number with the missing one has been issued by the Treasurer.

These are all the losses which have occurred since the commencement of the work. They aggregate of finished work one hundred and eighty dollars. The amount handled during that period was more than twenty-three hundred millions of dollars. It will be observed that even these comparatively trifling losses are not borne by the government, but by the operatives.

I doubt if the world's history can parallel the handling of such an amount of money by a manufacturing establishment, either governmental or private, in the same period of time, with such small loss; and the immediate discovery of such loss as has occurred is creditable to the system in use.

The loss in the Treasury Department during the past year of one hundred \$1,000 coupon bonds, amounting to one hundred thousand dollars, which was discovered in June, 1864, did not occur in this division, although the package of bonds, from which the one hundred were abstracted, passed through some of its subdivisions.

These bonds were printed by a New York bank note company, and forwarded by mail-car to the loan branch of the Secretary's office, where they were received, counted, and found to agree with the invoice. The package, consisting of six thousand bonds of \$1,000 each, numbered from 29301 to 35300, was received from the loan branch by this division.

When the loss was discovered, a search was immediately made in this division, (by Mr. Bailey, clerk in charge of loan branch,) with the apparent expectation of finding here some trace of the loss.

The search was made on *Sunday*, the 5th of June, 1864, when none of the superintendents of the subdivisions through which the bonds had passed were

present to explain the entries upon their records, when it plainly appeared that the six thousand bonds were received from Mr. Bailey by the superintendent of the bond counters, on the 27th September, 1863, counted, found correct, and entered upon the record. From this superintendent they passed on the same day to the superintendent of the trimmers, and were again counted, found correct, receipted for and entered upon the trimmer's record. After being trimmed they were delivered, on the same day, to the sealing division, counted, found correct, receipted for and entered upon the sealer's record. After being sealed they were, on the next succeeding day, returned to the superintendent of bond counters, counted, found correct, and the return recorded. From thence they were, on that day, (September 28, 1863,) returned to the loan branch, counted in that office, found correct, and Mr. Bailey's receipt for the exact quantity taken upon a book of record. Mr. Bailey delivered them to the Register of the Treasury, and from the point of delivery to the Register no methodical or recorded trace of them exists.

Thus it will be perceived, that nine months after they were handled in this division, a perfect recorded history of such handling appears upon the record, which was "comprehended at a glance" by one not familiar with the books, without any explanation from, and even without the presence of, those who made the record.

This occurrence, in my judgment, forcibly illustrates not only the merit of the system established in this division, but also goes to show the soundness of the general principle upon which that system is based, viz: that "*nothing representing values, or intended to represent values, ever changes hands without a count, and a receipt in a book of record;*" and also enforces the rule which I have had the honor to submit, for consideration, to both yourself and your predecessor, that "*the fewer hands that handle the money the better for its safety; as the more immediate and direct the delivery can be made from the manufacturer of the money to the officer authorized to make lawful issue, the less will be the liability to loss.*"

The experience had in this division, and the losses above narrated, go to show, in my opinion, that the time, thought, and labor bestowed upon the system in use to prevent losses has not been bestowed in vain.

#### SAVINGS.

The saving to the government by producing its issues in the treasury, instead of producing them by contract in New York, can only be approximately stated in this report. There has not been time, since the report was ordered, with the force at my command, to make a careful statement in detail for the the Secretary's information. Since the death of my principal bookkeeper, in September last, his place has not been supplied, and I have consequently been without sufficient aid, and have been compelled to rely, principally, upon such time as I could personally devote after each day's work was finished, to keep the books and accounts of my office in proper order. The prompt and satisfactory performance of this work, in connexion with my other duties, has required the utmost diligence and energy which I could command, with constant application for from twelve to fifteen hours to each day for seven days in the week. Without serious hindrance to the daily public business, and the risk of my accounts getting in confusion, such a statement in detail could not be prepared during the period that had elapsed since the Secretary's order was issued to prepare the present annual report. To prepare it even in its present imperfect and incomplete form, has required more time than I could possibly take from other duties, except by devoting nearly the whole of each night to labor.

I propose, at the earliest possible moment, to submit to the Secretary a care-

fully prepared statement in detail, showing the *actual* saving effected by this division.

I propose to do this in the following manner: First, to take the entire disbursements on account of this division, from its commencement to the first of October, 1864, and from this amount to deduct the value of all the machinery and tools on hand at that date, as well as the cost of the stock of paper, ink, plates, and other material, not then put in use. I propose, also, to make the further deduction from this amount of the value of all such work done, as was done upon the issues by the department before this division was organized, such as trimming, sealing, separating, packing, &c.; the sum then remaining will represent the actual cost of all the work done up to that period, which had before been executed outside of the treasury.

I then propose to compute the cost of all the work done in the treasury, at the prices paid before this division was organized; the difference between these two sums, so ascertained, will of course show the exact amount saved to the treasury by this division to that date. From the data already accumulated, I estimate with confidence that the amount saved will prove to exceed two millions of dollars.

COMPARATIVE COST.

The cost of the issues produced in the department has generally been about one-fourth the amount which the same issues would cost under the former contracts with the New York bank note companies.

The amount paid these companies for printing the *United States notes*, for 14,245,552 impressions was \$1,516,297 38. The cost of the same work, if done in the department, as ascertained and made of record on the 13th of November, 1863, would have been \$413,899 93.

The cost of printing the third series of *five-twenty bonds* in the department was accurately ascertained and recorded on the 24th of November, 1863. A careful account of every item of cost had been kept as the work progressed, and the result showed the actual cost to be \$43 21 for each thousand impressions. The price paid the bank note companies for the second series of five-twenty bonds was \$171 for each thousand impressions.

The comparative cost of the fractional currency, as engraved and printed at the department, with the cost of the postal currency, as engraved and printed by the New York bank note companies, was elaborately computed on the 28th of January, 1864, with the following result. I quote from the record-book, vol. 2, page 254:

“The comparative cost of fractional currency and postal currency, computed at the prices actually paid, is—

	Fractional.	Postal.
Of 50 cent pieces per \$1, 000.....	\$1 59	\$6 97
Of 25    "    "    " .....	3 08	13 94
Of 10     "    "    " .....	6 71	28 87
Of 5      "    "    " .....	13 43	55 75
	24 81	105 53
	24 81	105 53

“The ‘Treasurer’s assortment’ of \$50,000 would cost—

Of postal currency.....	\$1,128 51
Of fractional currency .....	262 61
	1,391 12
Saving on each \$50,000 .....	865 90”

Sufficient time has elapsed since the above results became known to show, among other things, their effect upon the prices demanded by the bank note companies for their work in producing the issues of the government. When the proposals for the work upon the currency of the national banks were invited, one of the New York companies submitted its proposal for transferring the necessary plates at one thousand and fifty dollars per set. I then endeavored to prove to the Comptroller of the Currency that the plates could be transferred in the treasury for one hundred dollars per set. My representations, I regret to say, were not sufficiently convincing to cause the work to be done in the treasury. They had, however, the effect to induce the department to resist the company's demands. These demands were from time to time abated, as my predicted results of the work in the treasury became more and more likely to be realized, until one, if not more, of the companies now offer to contract for transferring the plates necessary for the new issue, (authorized by the present Congress,) at one hundred and fifty dollars per set—an abatement of nine hundred dollars per set from the original demand. On the number of sets necessary, this difference alone would amount to more than one million of dollars.

If there is, to these companies, a satisfactory profit on their *present prices*, when materials and labor cost more than twice as much as they did when their *first proposal* was made, it is not a forced inference that the "comparative cost" in the treasury with the prices originally paid to the companies warranted the organization of this division, and justifies its continuance.

The cost of producing issues in New York, instead of in the treasury, is further augmented by the cost of transmission from New York to Washington of the printing executed by the bank note companies. The charges for transmission to the government, though reported to be much less than the charges to individuals for like service, still aggregate a large amount; and on some of the issues the cost of transmission alone exceeds the entire cost of producing in the treasury. For instance, the charge for transmitting the registered bonds from New York to Washington is fifteen cents for each thousand dollars transmitted. Two packages of registered bonds were recently delivered to this division, printed in New York and transmitted by express, marked to contain thirty-two millions of dollars. Each of these packages could have been carried by hand. The contract price of transmission would be forty-eight hundred dollars. The same amount of this issue of the same denominations could have been printed in the treasury for one hundred and ten dollars.

Within a few days sixteen millions of dollars of the same bonds were received in one package which could be carried by hand. The contract price of transmission was twenty-four hundred dollars. The cost of printing these in the treasury would have been but sixty-three dollars.

These facts urge the economy of printing in the treasury more forcibly than any comment I can make upon them.

#### COMPARATIVE SECURITY.

The comparative security of producing the government paper issues under the immediate direction and control of the Secretary of the Treasury, and of producing them by contract in New York out of such control, seems to me obviously in favor of treasury production upon the simplest statement of the case. Who has ever doubted that the issues of *coin* are produced at the mint with greater security than would have attended their production under contract by some of the different metal workers in the northern cities? Why do not the same conclusions and the same reasons apply with equal force to the *paper* issues of the government?

The greater security to government in producing its own paper issues may be further illustrated by comparing the difference of protection to the government

against any printed notes getting into circulation, through dishonest employes, by the two methods of production.

For example: The department has no knowledge of how much paper the bank note companies may give to their employes to be printed, nor how much of such paper is returned after printing. This knowledge is confined exclusively to the officers of these companies and their printers.

In this division every sheet delivered for printing is not only recorded, but receipted for in a book of record; and every sheet returned is also recorded and receipted for upon the same book. And these books of record are subject at all times to the inspection of the Secretary, or any officer he may designate for that purpose. Every sheet delivered is required to be returned, printed or not printed, in whatever condition it may be.

The comparative security may be further illustrated by a comparison of the checks, in each method, upon the gross amount produced.

The department has no knowledge of how much money the companies may print upon a given order. It may order a hundred thousand impressions of a named issue, from New York, and it receives a like number upon that order, from the contractors. But whether one or more hundred thousand additional have been printed is known, and can be known, only to the officers of the company executing the work. In point of fact, it has occurred that a large quantity of United States notes were printed or partially printed, not only in advance of orders from the Secretary, by the American and National Bank Note Companies, but in advance of any authority given by Congress to issue the money so printed.

In this division the department has not only an accurate knowledge, but a perfect record, open for inspection at all times, of every sheet printed of any given issue, as well as a daily report to the Secretary, made up from that record.

That notes printed by the bank note companies have got into circulation, apparently without the knowledge of those companies' officers, is matter of record in the department. Notes which bore upon their face indisputable evidence of such surreptitious issue have been presented and paid at the treasury, and ultimately redeemed by the bank note companies, thus obtaining their admission of false issue. But how many notes have thus fraudulently obtained circulation the department has no present means of ascertaining.

That the check upon production established by these companies for their own protection is insufficient, is proven by two marked occurrences in this division. In one case, one of the New York companies sent to me a package containing one thousand more impressions—amounting to eight thousand dollars—than was marked upon the package or included in the invoice. I immediately notified the proper officers of the company of its receipt. They at first denied the sending of the excess. Even after the sheets were converted into lawful money, and I had delivered the amount to the Treasurer of the United States, and obtained his receipt therefor, they still refused to admit the sending of the excess. It was not until such excessive sending was proven upon them by the consecutiveness of numbers that they reluctantly admitted the error, and rendered a bill for the printing. In the other case, another New York company sent me an excess of one hundred impressions—amounting to four hundred thousand dollars—more than was marked upon the package or included in the invoice. I immediately notified them, both by telegraph and mail, of the error. In this case the succeeding day's mail brought an acknowledgment of the error.

The comparative security may be still further exemplified by a comparison of the two methods in respect to the mutilated and imperfect products.

More or less of the paper printed, both by the companies and at the treasury, is imperfectly printed, or otherwise made unfit for proper use, in the process of production. Some is spoiled in the earlier stages of the work, in such condi-

tion that it would cause no loss to the government if it should get into dishonest hands ; while some is spoiled when so nearly completed that it would readily pass from hand to hand without question, if it should get into circulation.

Of the quantity thus made unfit to issue by the bank note companies in producing some twenty millions of impressions, no one in the Treasury Department has any knowledge, or can have any knowledge ; nor can its amount, with certainty, ever be known to treasury officers. No report is made of it to this department—no treasury officer has inspected it ; neither is the method by which it was destroyed known to the treasury, nor whether it has been destroyed at all. If it has been burned, the evidence of such burning, and the circumstances attending it, have never been reported at the treasury. All that the department knows is, that a certain number of perfect impressions have been received.

In this division, on the contrary, every spoiled sheet, no matter in what stage of the work it has occurred, is made matter of record on the day in which it occurs ; the sheet so spoiled is defaced under treasury regulations, and delivered to the Treasurer, in the same manner and under like receipt, to be as rigorously examined and carefully treated, as the perfect money. The treasurer receives and counts it, and after recording the count, cuts the spoiled sheets in two parts, sending one part to the Secretary's office, and the other part to the Register's office. These parts are then separately counted by different counters, in different offices, the counts compared, and if found to agree, the whole is burned under the direction and in the presence of a committee of four—one of whom is from the office of the Secretary of the Treasury—a second from the office of the Treasurer of the United States—a third from the office of the Register of the Treasury—and the fourth is an appointee of the Secretary's, who is not connected with the department, but selected for his known integrity and familiarity with such business. These officers unite in a certificate, showing the amount and the nature of the issues burned, and the date of such burning.

The comparative security to the government by these two methods requires no comment.

Additional comparative security inures to the government by printing at the department, from the fact that the risk of transmission is avoided. The money transmitted from New York to the treasury was originally sent in leather pouches by the mail cars. It is now sent by express. That which is printed in the treasury is delivered, as soon as finished, directly to the Treasurer of the United States, counted and receipted for by him, and placed in his vaults. All risk of accidents upon the road, or robbery while in transit from New York, is thus avoided.

It seems to me unnecessary to further elucidate the "comparative security" of the two methods, for I think it must be apparent to the Secretary that the treasury production is the more secure, without even these exhibits.

#### COMPARATIVE CELERITY.

The speed with which the work is produced in the treasury differs in favor of such production from the speed with which it was produced under contract, mainly in the matter of *printing* the issues.

The original engraved stock can be even more rapidly produced at present by the bank note companies than it can be produced in the treasury, for the reason that a larger staff of artists happens to be employed now by these companies than is yet employed in the treasury. The peculiar talent required for the finer and more difficult portions of bank note engraving is very rare, and the largest part of it is controlled by the American and National Bank Note Companies of New York. These companies at one time were the only parties with whom this talent could find employment at adequate pay. The possessors of this talent were not generally possessed of the means or facilities

for coming in immediate contact with the banks, to whom alone their services were then valuable. The companies had a monopoly of the work for the banks, and the artists were thus forced to rely on them for employment. Taking advantage of this fact, the officers of these companies have compelled the artists into engagements which forbade them, under severe penalties, from doing similar work for any other parties. The artists have not, therefore, felt at liberty to enter the service of the government, though many have expressed a desire to do so if they could be honorably released from their engagements to these companies without pecuniary sacrifice. On my part I have not been willing to offer them inducements to enter this division while they were under these engagements, as I did not desire to interfere with the private business of these companies, or to lessen their facilities. When these artists' engagements terminate they will seek employment here, and if the government should then need their services, its staff of artists can be increased. So far I have confined myself to hiring those only who were disengaged.

In all the other elements of production, the celerity is in favor of the treasury work. Particularly is this true in the matter of printing.

As the companies originally charged a large price for each new plate transferred, it was for their interest to print as few impressions from each plate per day as the department would allow, and thereby secure the making of a larger number of plates. The contrary is true of the department work. It is for its interest to produce the largest number of impressions from each plate, and to make only just so many plates as could, by the greatest diligence and largest time devoted, produce the number of impressions required. To this end I have, when the public service required it, employed two sets of hands upon each plate, and frequently three sets, each working eight hours, and thus getting twenty-four hours' work each day from each and every plate.

The highest number of impressions that the bank note companies have offered to print from each plate daily has been six hundred, while from bond and other large plates they have alleged that they could give but two hundred and fifty impressions per plate. In the treasury I have produced, when the exigencies of the service required it, two thousand impressions per day from each plate.

I have thus attained the maximum number of impressions at the minimum cost for plates.

The "celerity" is also in favor of the department by so much time as is lost in sending the orders to New York, and transmitting the work in return. Irrespective of this time, the companies possess the *power* to print as rapidly as in the treasury, but it would appear that it is not always for their pecuniary interest to exercise that power.

#### RECOMMENDATIONS.

The Secretary directs me to state what legislation, in my judgment, is necessary, if any, for the future operations of this division, and to make such recommendations for his consideration as my experience in the work may dictate.

In my judgment, this division, which now only exists *ex necessitate rei*, should be organized by law as a distinct and separate bureau, to be entitled "*The Engraving and Printing Bureau of the Treasury Department.*" The necessity for paper issues, in some form, is likely to be coexistent with the public debt, and the production of such issues in connexion with the production of the currency for the national banks, and the large amount of printing and engraving required for the various drafts, checks, and certificates of the Treasurer, assistant treasurers, and disbursing agents, will give ample employment for such a bureau, if permanently organized and established by law. The internal revenue stamps, postage stamps, envelopes, postal money orders, and all similar work



for other departments, could be more economically and safely produced by such a bureau than by the present method of contracting with individuals or private corporations. Much other incidental work would also naturally be done under such a bureau.

The work should all be executed in a fire-proof building, to be erected and exclusively occupied for this purpose. A substantial but not costly structure should be built on the grounds adjacent to the treasury building, and communication between it and the rooms occupied by the Treasurer of the United States should be made by a subterranean passage between the two buildings through which the printed values could be transmitted, thus avoiding such risk of transmission as attends the present method of carrying the finished money through the main halls and passages of the treasury, to which both the public and the treasury force have free access. The experience of the past two years in this division, in connexion with the detailed descriptions which have been obtained of the construction of the buildings in which the banks of England and of France prepare and issue their notes, will enable the interior accommodations to be economically and conveniently planned for the safe prosecution of the work, if such a structure should be authorized by Congress.

The head of the bureau should be appointed by the Secretary of the Treasury, subject to confirmation by the Senate. Its affairs cannot, in my judgment, be successfully administered by a division of its responsibility under different heads. One chief, and one alone, should guide its details, under the general direction of the Secretary of the Treasury, to insure its economy, safety, and efficiency. Perfect integrity, with a familiar knowledge of all the details of the work to be done, should be combined in this head, and about him every possible guard should be thrown, to prevent all opportunity for fraud or malfeasance.

A rigorous system of accountability—frequent, and where it is possible, *daily* adjustment of accounts—regular and systematic daily reports, to be carefully scrutinized and tested by competent officers not connected with the bureau, will be found essential, safeguards; and these, if properly systemized and made of record, will at all times satisfy the department and the public of the daily condition of the trust. But no system, however ingeniously and skilfully devised, will compensate for lack of integrity; and *freedom from all desire of gain* should largely characterize the incumbent of such an office. Men of such character, amply qualified, are readily found, if sought for in the proper walks of life. They are to be sought for the office, as they are not seekers after office.

The merchant and manufacturer find no difficulty in getting such men for private establishments, and government need not, if it seeks in the same quarter and offers like inducements for permanency upon proper discharge of the trust and performance of the duties. The salary should be sufficiently large to insure a maintenance with reasonable accumulation, and the tenure of the employment should not be subject to political changes. The employment should continue so long as the duties are well and faithfully performed.

The employés upon the work should be hired and discharged, on their merits, by the head of the bureau alone, who should be held strictly accountable for the integrity and good conduct of all his subordinates, for the correctness of the accounts, and for the safe handling of all the products. To this end he should be empowered to make such rules and regulations for the guidance of these subordinates as he is willing, personally and officially, to abide the result of. Any method of business which places out of his control the complete power over his aids, or which lessens the belief and knowledge of that power among them all, will, I feel the strongest conviction, result in disaster. Experience proves that the adoption of such guides for the employment for these responsible mechanical operations as usually guide appointments for clerical purposes, do not result satisfactorily. The head of the bureau should select his aids solely for their fitness for the work and its responsibilities, irrespective of

the locality of the applicant, or his professed claims for government patronage, or of any political or partisan influence which may be brought to guide such selection.

I feel the more free to place my views on all these matters—the result of much experience and study—upon the record, because I cannot, under any circumstances, continue much longer in charge of the work, even if it should be desired. I have, therefore, no selfish ends to promote, and record my deliberate judgment with the sole view to the safe and efficient prosecution of the work, and of the public good.

If my suggestions, or any of them, meet the Secretary's approval, I respectfully recommend that the proper legislation be asked for, to carry such of them into effect as accord with the Secretary's judgment.

An inventory of the stock on hand will be found at the close of the Appendix.

I have the honor to be, very respectfully, your obedient servant,

S. M. CLARK,

*Chief of Division.*

Hon. WM. P. FESSENDEN,

*Secretary of the Treasury.*

## APPENDIX.

### A.

#### *Contract between the Continental Bank Note Company and the United States of America.*

This contract, made and entered into this thirtieth day of July, in the year of our Lord one thousand eight hundred and sixty-three, by and between Salmon P. Chase, Secretary of the Treasury, for and in behalf of the United States of America, of the first part, and the Continental Bank Note Company, of the second part, witnesseth:

That the party of the second part, for the consideration hereinafter mentioned, has agreed, and does hereby covenant and agree, to engrave or cause to be engraved, in the highest style of art, on suitable steel plates, certain designs, to be hereinafter enumerated, for five and ten dollar notes. The engraved portion of the notes to be of the uniform size of three by seven inches; and after the engraving of the same shall have been approved by the party of the first part, to cause the same to be skilfully and properly transferred to suitable rolls, and to make therefrom proper plates for printing, in such quantities as may be ordered by the Secretary of the Treasury.

The party of the second part further covenants and agrees to do and complete the above work, and deliver to the Comptroller of the Currency in the Treasury Department, or to hold and safely keep, subject to the order of said Comptroller, the bed-plates or dies so prepared, together with one set of plates for each denomination, properly lettered, within three months from the date of the approval of the model, as hereinafter provided for.

The designs above alluded to shall be as follows: For the obverse of the five-dollar (\$5) notes there shall be engraved upon the left-hand portion of the note a vignette representing the "*Discovery of America by Columbus*," and on the opposite or right-hand end of the note a copy of a symbolic design this day delivered to the manager of the Continental Bank Note Company, entitled "*America presented to the Old World*." Between these two vignettes shall be engraved two legends as follows:

In the upper part of the space between the vignettes the following legend,

viz: "*National Currency.*" This note is secured by the bonds of the United States, deposited with the Treasurer at Washington," together with the engraved *fac similes* of the signatures of the Treasurer of the United States and the Register of the Treasury.

In the lower part of the space between the vignettes the following words: "*The First National Bank of Washington, D. C., will pay the bearer five dollars on demand at their office in the city of Washington, District of Columbia;*" and suitable blanks shall be left for the date and for the signatures of the president and cashier of the association.

In the upper right-hand corner of the note the figure five is to be engraved, of suitable size, and a space to be left for imprinting the Treasury seal upon the right-hand end of the note. The whole to be surrounded by a suitable border, in which the figure 5 and the letters fi-v-e shall be often repeated in different characters.

For the reverse of the five-dollar (\$5) note there shall be engraved in a central elliptical vignette, two and a half by five ( $2\frac{1}{2}$  by 5) inches, a *fac simile* of Vanderlyn's painting in the Capitol, entitled "*Landing of Columbus.*" Above this vignette shall be engraved the legend expressing the uses of the note, and below it the legend expressing the penalties for counterfeiting. The words of these legends to be prescribed by the Secretary of the Treasury.

At each end of the vignette, oval spaces, one by one and a half (1 by  $1\frac{1}{2}$ ) inch, shall be left. For one of these spaces there shall be engraved a suitable die or bed-plate for surface printing, and a roll made therefrom (after its approval by the Secretary of the Treasury) of the national shield; and for the other space an appropriate device, with the words "*Issued from the District of Columbia.*" These dies shall not be transferred to the note plates, but twelve (12) transfers therefrom shall be made upon separate plates of steel, and these, with their dies, &c., shall be delivered to the Comptroller of the Currency, or held subject to his order, as hereinbefore provided.

The words *First National Bank* shall be engraved above the central vignette, and the words "*Washington D. C.,*" shall be engraved below it. The two lines so engraved to be between the vignette and the legends.

The corners shall be filled with proper counters, indicating the denomination of the note, and the interstices be filled with work of a character to add as much as practicable to the security of the note against counterfeiting. The whole to be surrounded by a suitable border.

The ten-dollar (\$10) note to be similar in character to the five-dollar note; but the left-hand vignette on the obverse to be from the design entitled "*Franklin and the Lightning,*" and the opposite or right-hand vignette to be engraved from a symbolical design "*entitled America grasping the Lightning,*" this day delivered to the manager of the Continental Bank Note Company.

The vignette on the obverse to be a *fac simile* of Powell's painting in the Capitol, entitled "*De Soto discovering the Mississippi.*"

The designs on the reverse of the five and ten dollar notes to have suitable title tablets engraved in the central lower portion of the vignettes.

Models of the notes made in accordance with this contract to be submitted to the Secretary of the Treasury, and to be approved by him before engraving.

The party of the first part, acting in behalf of the United States of America, covenants and agrees, upon the satisfactory completion of the aforesaid dies or bed-plates, rolls, and plates, and their surrender to the Comptroller of the Currency, to pay therefor as follows:

For the bed-plates or dies, rolls, and one transferred plate of the five-dollar (\$5) note, the sum of two thousand two hundred and fifty dollars, (\$2,250.)

For the bed-plates or dies, rolls, and one transferred plate of the ten-dollar (\$10) note, the sum of two thousand dollars, (\$2,000.)

It is further understood and agreed that four notes shall be symmetrically

transferred upon the plates, with a space exactly one-eighth ( $\frac{1}{8}$ ) of an inch between them, so that the united width and spaces of the notes upon the plates shall be twelve and three-eighths ( $12\frac{3}{8}$ ) of an inch (United States standard) from the outward border of the upper note to the outward border of the lower note.

It is also covenanted and agreed between the parties hereto that the party of the second part shall execute, with two or more good and sufficient sureties, a bond to the United States in the sum of fifty thousand dollars, conditioned for the faithful performance of this contract and the agreements and covenants herein made by the said party of the second part, and for the custody and safe-keeping of the work to be executed under this contract.

It is also covenanted, agreed, and understood that no member of Congress, or other person whose name is not at this time disclosed, shall be admitted to any interest in this contract; and in the event of the department becoming satisfied that any other party or parties than those herein mentioned have either a contingent or direct interest therein which may appear to the party of the first part to be prejudicial to the interests of the work or of the government, then the said Secretary shall be, and he hereby is, empowered to cancel this contract, and relet the same.

It is further covenanted and agreed by the parties hereto, that this contract shall not be assigned, except by consent of the Secretary of the Treasury; and that any assignment thereof, except as aforesaid, will be a forfeiture of the same, and shall subject the said party of the second part and his bondsmen to such damages, to be recovered of them by suit in the name of the United States, as shall have been suffered by the said party of the first part.

In witness whereof, the said Salmon P. Chase, Secretary of the Treasury of the United States, as aforesaid, for and in behalf of the United States, hath hereunto subscribed his name and caused the seal of the Treasury Department to be affixed; and the said Continental Bank Note Company hath caused Alexander C. Wilson, president thereof, to subscribe his name hereunto, and the seal of said corporation to be affixed the day and year first above mentioned.

S. P. CHASE,

*Secretary of the Treasury.* [SEAL.]

ALEX. C. WILSON, *President.* [SEAL.]

Witnesses to the signature of Alexander C. Wilson, president :

EDWARD P. MOORE.

JOSEPH ANDREWS.

*Bond.*

Know all men by these presents, that we, the Continental Bank Note Company, of New York, as principal, and William H. Russell, of the city of New York, and Homer H. Stuart, of Jamaica, in the county of Queens, and State of New York, as sureties, are held and firmly bound unto the United States of America, in the full and just sum of fifty thousand dollars, for the payment of which, well and truly to be made to the United States, we bind ourselves, our heirs, executors, administrators, successors, or assigns, jointly and severally, firmly by these presents. Sealed with our seals and dated this 13th day of July, in the year of our Lord one thousand eight hundred and sixty-three.

The condition of the above obligation is such, that if the above-bound Continental Bank Note Company shall well and truly perform and execute all the covenants contained in a certain contract attached hereto, bearing date the 13th day of July, A. D. 1863, between Salmon P. Chase, Secretary of the Treasury, for and in behalf of the United States, of the first part, and the said Continental Bank Note Company, of the second part, to furnish all the dies or bed-pieces, rolls, plates, &c., or to hold and safely keep the same, and to do and perform all

the work required by said contract, in completing the plates for the notes therein contracted for, then the above obligation to be void; otherwise, to remain in full force and virtue.

In testimony whereof, the said Continental Bank Note Company hath caused Alexander C. Wilson, president thereof, to subscribe his name, and the seal of said corporation to be affixed hereunto; and the said William H. Russell and Homer H. Stuart have hereunto subscribed their names and affixed their seals the day first above written.

ALEX. C. WILSON, *President*. [SEAL.]  
 W. H. RUSSELL. [SEAL.]  
 HOMER H. STUART. [SEAL.]

Signed, sealed, and delivered in presence of us:

EDWARD P. MOORE.  
 JOSEPH ANDREWS.

STATE OF NEW YORK.

*County of New York, City of New York, ss:*

Personally appeared before me, a judge of the United States district court for the southern district of New York, the above-named William H. Russell and Homer H. Stuart, who signed the above obligation, and who made solemn oath, each for himself, that the said William H. Russell was worth the sum of fifty thousand dollars, and that the said Homer H. Stuart was worth the sum of twenty-five thousand dollars, over and above their legal liabilities.

W. H. RUSSELL.  
 HOMER H. STUART.

Sworn to and subscribed, as above written, this 13th day of July, A. D. 1863

LAW. R. BETTS,  
*District Judge United States Court, &c.*

OFFICE OF THE U. S. DISTRICT JUDGE,  
*Southern District of New York, July 13, A. D. 1863.*

I hereby certify that William H. Russell and Homer H. Stuart, the sureties who have signed the foregoing bond, are known to me as residents of this district and citizens of the United States, and that I believe them to be amply sufficient security for the amount thereof, and that the bond is good.

LAW. R. BETTS,  
*Judge of the United States, &c.*

B.

*Contract between the American Bank Note Company and the United States of America.*

This contract, made and entered into this twentieth day of July, in the year of our Lord one thousand eight hundred and sixty-three, by and between Salmon P. Chase, Secretary of the Treasury, for and in behalf of the United States of America, of the first part, and the American Bank Note Company, of the second part, witnesseth:

That the party of the second part, for the consideration hereinafter mentioned, has agreed, and does hereby covenant and agree, to engrave or cause to be engraved, in the highest style of art, on suitable steel plates, certain designs, to be hereinafter enumerated, for twenty, fifty, and one hundred dollar notes. The engraved portion of the notes, obverse and reverse, to be of the uniform size of three by seven inches; and after the engraving of the same shall have

been approved by the party of the first part, to cause the same to be skilfully and properly transferred to suitable rolls, and to make therefrom proper plates for printing, in such quantities as may be ordered by the Secretary of the Treasury.

The party of the second part further covenants and agrees to do and complete the above work, and deliver to the Comptroller of the Currency in the Treasury Department, or to hold and safely keep, subject to the order of said Comptroller, the bed-plates or dies so prepared, together with one set of plates for each denomination, properly lettered, within three months from the date of the approval of the model, as hereinafter provided for.

The designs above alluded to shall be as follows: For the obverse of the twenty-dollar (\$20) notes there shall be engraved upon the left-hand portion of the note a vignette representing the "*Battle of Lexington*," and on the opposite or right-hand end of the note a copy of a symbolic design entitled "*Loyalty*." Between these two vignettes shall be engraved two legends as follows:

In the upper part of the space between the vignettes the following legend, viz: "*National Currency. This note is secured by the bonds of the United States, deposited with the Treasurer at Washington*," together with the engraved *fac similes* of the signatures of the Treasurer of the United States and the Register of the Treasury.

In the lower part of the space between the vignettes the following words: "*The First National Bank of Washington, D. C., will pay the bearer twenty dollars on demand at their office in the city of Washington, District of Columbia*;" and suitable blanks shall be left for the date and for the signatures of the president and cashier of the association.

In the upper right-hand corner of the note the figure 20 is to be engraved, of suitable size, in a white letter with black shade, and a space to be left for imprinting the treasury seal upon the right-hand end of the note. The whole to be surrounded by a suitable border, of alternate leaf and vine work, and of tablets, in which the figures 20 and the letters twenty shall be often repeated in different characters.

For the reverse of the twenty-dollar (\$20) note there shall be engraved in a central elliptical vignette, two and a half by five ( $2\frac{1}{2}$  by 5) inches, a *fac simile* of Chapman's painting in the Capitol, entitled "*Baptism of Pocahontas*." Above this vignette shall be engraved the legend expressing the uses of the note, and below it the legend expressing the penalties for counterfeiting. The words of these legends to be prescribed by the Secretary of the Treasury.

At each end of the vignette, oval spaces, one by one and a half (1 by  $1\frac{1}{2}$ ) inch, shall be left. For one of these spaces there shall be engraved a suitable die or bed-plate for surface printing, and a roll made therefrom (after its approval by the Secretary of the Treasury) of the national shield; and for the other space the coat of the State from which the note is to be issued. These dies shall not be transferred to the note plates, but twelve (12) transfers therefrom shall be made upon separate plates of steel, and these, with their dies, &c., shall be delivered to the Comptroller of the Currency, or held subject to his order, as hereinbefore provided.

The words *First National Bank* shall be engraved above the central vignette, and the words "*Washington, D. C.*" shall be engraved below it. The two lines so engraved to be between the vignette and the legends.

The corners shall be filled with proper counters, indicating the denomination of the note, and the interstices be filled with work of a character to add as much as practicable to the security of the note against counterfeiting. The whole to be surrounded by a suitable border, its exterior size to be the same as the obverse, viz., 3 by 7 inches.

The fifty-dollar (\$50) note to be similar in character to the twenty dollar note; but the left-hand vignette on the obverse to be from the design entitled

"*Washington Crossing the Delaware*," and the opposite or right-hand vignette to be engraved from a symbolical design entitled "*Prayer for Victory*," this day delivered to the manager of the American Bank Note Company.

The vignette on the obverse to be a *fac simile* of Weir's painting in the Capitol, entitled "*Embarkation of the Pilgrims*."

The one-hundred dollar (\$100) note to be similar in character to the others, but the left-hand vignette on the obverse to be from Powell's painting of the "*Battle of Lake Erie*," from a sketch to be furnished by the painter, and the opposite or right-hand vignette to be from a symbolical design, entitled "*Maintain it*," this day delivered to the American Bank Note Company.

All the vignettes on the obverse to occupy the width of the note, (the numerals or counters being cut therein,) and as much of the length as shall be proportionate to the width of the original drawing, giving suitable room for the legends.

The designs on the reverse of all the notes to have suitable title tablets engraved in the central lower portion of the vignettes.

Models of the notes made in accordance with this contract to be submitted to the Secretary of the Treasury, and to be approved by him before engraving. After being engraved, proofs from all the dies to be submitted to and approved by the Secretary of the Treasury before they are hardened or tempered.

The party of the first part, acting in behalf of the United States of America, covenants, and agrees upon the satisfactory completion of the aforesaid dies or bed-plates, rolls, and plates, and their surrender to the Comptroller of the Currency, to pay therefor as follows:

For the bed-plates or dies, rolls, and one transferred plate of the obverse and reverse of each denomination, the sum of three thousand and fifty dollars, (\$3,050.)

It is further understood and agreed that four notes shall be symmetrically transferred upon the plates, with a space exactly one-eighth ( $\frac{1}{8}$ ) of an inch between them, so that the united width and spaces of the notes upon the plates shall be twelve and three-eighths ( $12\frac{3}{8}$ ) of an inch (United States standard) from the outward border of the upper note to the outward border of the lower note.

It is also covenanted and agreed between the parties hereto that the party of the second part shall execute, with two or more good and sufficient sureties, a bond to the United States, in the sum of fifty thousand dollars, conditioned for the faithful performance of this contract, and the agreements and covenants herein made by the said party of the second part, and for the custody and safe-keeping of the work to be executed under this contract.

It is also covenanted, agreed, and understood that no member of Congress, or other person whose name is not at this time disclosed, shall be admitted to any interest in this contract; and in the event of the department becoming satisfied that any other party or parties than those herein mentioned have either a contingent or direct interest therein, which may appear to the party of the first part to be prejudicial to the interests of the work or of the government, then the said Secretary shall be, and he is hereby, empowered to cancel this contract, and relet the same.

It is further covenanted and agreed by the parties hereto that this contract shall not be assigned, except by consent of the Secretary of the Treasury; and that any assignment thereof, except as aforesaid, will be a forfeiture of the same, and shall subject the said party of the second part and his bondsmen to such damages, to be recovered of them by suit in the name of the United States, as shall have been suffered by the said party of the first part.

In witness whereof, the said Salmon P. Chase, Secretary of the Treasury of the United States, as aforesaid, for and in behalf of the United States, hath hereunto subscribed his name, and caused the seal of the Treasury Department to be affixed; and the said American Bank Note Company hath caused George

W. Hatch, president thereof, to subscribe his name hereunto, and the seal of said corporation to be affixed the day and year first above mentioned.

S. P. CHASE. [SEAL.]

*Secretary of the Treasury.*

GEO. W. HATCH, [SEAL.]

*President American Bank Note Company.*

Witness as to the signature of George W. Hatch, president :

W. R. BLISS, *Secretary.*

*Bond.*

[50-cent revenue stamp.]

Know all men by these presents, that we, the American Bank Note Company, of New York, as principal, and Nezhiah Wright and George W. Wright, of New York, as sureties, are held and firmly bound unto the United States of America in the full and just sum of fifty thousand dollars, for the payment of which, well and truly to be made to the United States, we bind ourselves, our heirs, executors, administrators, successors, or assigns, jointly and severally, firmly by these presents. Sealed with our seals, and dated this 13th day of July, in the year of our Lord one thousand eight hundred and sixty-three.

The condition of the above obligation is such, that if the above-bound American Bank Note Company shall well and truly perform and execute all the covenants contained in a certain contract attached hereto, bearing date the 13th day of July, A. D. 1863, between Salmon P. Chase, Secretary of the Treasury, for and in behalf of the United States of the first part, and the said American Bank Note Company, of the second part, to furnish all the dies or bed-pieces, rolls, plates, &c., or to hold and safely keep the same, and to do and perform all the work required by said contract in completing the plates for the notes therein contracted for, then the above obligation to be void; otherwise, to remain in full force and virtue.

In testimony whereof, the said American Bank Note Company hath caused George W. Hatch, president thereof, to subscribe his name, and the seal of said corporation to be affixed hereunto; and the said Nezhiah Wright and George W. Hatch have hereunto subscribed their names and affixed their seals the day first above written.

GEO. W. HATCH, [SEAL.]

*President American Bank Note Company.*

GEO. W. HATCH. [SEAL.]

NEZIAH WRIGHT. [SEAL.]

Signed, sealed, and delivered in presence of us :

W. R. BLISS.

EDWIN F. CORREY.

STATE OF NEW YORK,

*County of New York, City of New York, ss:*

Personally appeared before me, a notary public for the State of New York, in and for said city of New York, the said George W. Hatch and Nezhiah Wright, who signed the above obligation, and who made solemn oath that they are worth one hundred thousand dollars over and above all their legal liabilities

Sworn to and subscribed as above written, this 17th day of August, A. D. 1863.

EDWARD T. CORREY,

*Notary Public.*

[Notarial seal, and 5-cent revenue stamp.]



OFFICE OF THE UNITED STATES ASSISTANT TREASURER,  
*District of New York, August 17, A. D.*

I hereby certify that the sureties who have signed the foregoing bond are known to me as residents of the city of New York and citizens of the United States, and that I believe them to be amply sufficient security for the amount thereof, and that the bond is good.

JOHN J. CISCO,  
*Assistant Treasurer United States.*

C.

*Copy of proposed System of Checks and Balances for the issue of Revenue Currency, submitted to the Secretary November, 1862.*

TREASURY DEPARTMENT.  
*November 7, 1862.*

SIR: I have the honor to submit the following programme of proposed details for the issue of a Revenue Currency, of which I respectfully ask the Secretary's perusal, that its errors may be corrected before going into operation, and that, when approved, the necessary books and blanks may be *seasonably* prepared.

My *general* design is to make each division a check upon the other, and to balance the whole by a *résumé* before delivery to the Treasurer. I propose to accomplish this design as follows:

The paper will be made in the basement paper-room, from whence it will be delivered by a dumb-waiter, in quantity of even thousand sheets, to the plate-printing room in the attic. Each delivery to be accompanied by a pass-book, in which will be entered the quantity and sizes of the sheets delivered. These will be received by the assistant superintendent of plate-printing, who will count the sheets, and, if found correct, sign the receipt in the pass-book, returning the book by the dumb-waiter to the paper-room, after recording the quantity and size received in a book to be prepared for the purpose, and entitled "Record of Paper Received."

The person in charge of the paper room will make a daily report to me, in printed blanks, showing the number and sizes of the sheets on hand in the morning, number and sizes *manufactured* during the day, number and sizes *delivered* during the day to the plate printer, and the number and sizes on hand at night.

The assistant superintendent of plate printing will deliver the paper to the pressmen in quantities of five hundred sheets, charging them to the pressmen by name, in a book prepared for the purpose with two columns, ruled for crediting the return of printed sheets, one for "perfect," the other for "imperfect" sheets. Each pressman to be held strictly accountable for the sheets delivered to him, the charge to be cancelled only by the delivery *in kind* to the assistant superintendent—not by payment; *i. e.*, nothing but membrane paper will cancel the charge. All sheets torn, soiled, or otherwise spoiled, to be returned the same as perfectly printed ones, but to be entered in the "imperfect" column, and the sum of the two columns to be the same as the amount charged.

The assistant superintendent will then deliver the perfectly printed sheets to the person in charge of the drying-room, and charge each delivery in the "Drying Receipt Book," properly ruled with blanks for the returns. After drying, the dryer will return them to the assistant superintendent in the same quantities as received, who will count and credit them against the charge, so that each line in the book shall balance itself, deliveries being on the left and receipts on the right hand of the page. The assistant superintendent will then deliver the

sheets, in parcels of one thousand each, by the dumb-waiter to the messenger of the trimmers' division, well secured in a galley; sending with the galley a pass-book, in which is entered the quantity delivered, stating in parallel columns the number of sheets, the denominations of the currency, and their amount in dollars. As often as the "imperfect" sheets amount to one hundred, they are to be delivered, with pass-book, by galley, dumb-waiter, and messenger to me, when I am to sign the receipt therefor, returning the pass-book and galley, count and seal up the sheets, marking the package with the quantity and date of receipt over my initials and placing them in the vault, from which they are from time to time to be taken, and burned under such supervision as the Secretary may direct. The receipts and burnings to be recorded in a book kept for the purpose, to be entitled "Record of Imperfect Sheets;" and at each burning as many of my receipts to be cancelled as the burnings embrace. The assistant superintendent of plate printing to make a daily report to me in printed blanks, showing the number and size on hand in the morning; number and size received during the day; number, size, denomination, and amount, in dollars of the printed sheets on hand at night, as well as the number of "imperfect" sheets delivered and on hand.

The superintendent of the trimmers' division will count and compare the sheets received from the plate printer, and sign the receipt in the pass-book, returning the pass-book and galley by messenger and dumb-waiter to the plate-printing room, first recording the quantity and amount received in a book kept by her for the purpose, to be entitled "Record of Currency received from the Plate Printer."

The superintendent of the trimmers' division will then deliver the sheets to the operatives of the trimming machines, in parcels of five hundred sheets each, to be trimmed on two sides, charging them to the operator in a book properly prepared for entering the returns. The operator, after trimming, will return them to the superintendent, who will again count and credit them to the operator, so that each line in the book shall balance itself; noting in parallel columns the perfect returns, and those which may have been mutilated in the trimming. In like manner they are again to be given out, recorded and credited on their return for the trimming, by another machine, of the other two edges. When thus trimmed on all sides, they are to be delivered in parcels of five hundred sheets each, by the superintendent of the trimmers' to the superintendent of the surface printing division, to be receipted for by him in a book prepared for the purpose, and kept by the superintendent of the trimmers.

The sheets imperfectly cut, or otherwise spoiled in trimming, not to be separated from the rest, but to be delivered to the surface printer the same as "perfect" sheets. The sheets injured to be the top sheets of the pile delivered. From this point forward the "imperfect" sheets are to be carried on, the same as the "perfect," until they pass to the separator's division.

The superintendent of the trimmers' division to make a daily report to me, in printed blanks, of the number, denomination, and amount in dollars of the sheets on hand in the morning; recorded during the day; delivered that day to the surface printer, and on hand at night.

The superintendent of the surface printing division to record his receipts give them out in parcels of five hundred, charge to the operator, and credit returns in a properly prepared book, the same as the superintendent of the trimmers, taking care that the "imperfect" sheets are not surface printed.

After surface printing, the sheets will require, at least, three days for the ink to dry and become hard. For this purpose the superintendent will, after printing, place the packages ("perfect" and "imperfect") of five hundred each between mill boards prepared for the purpose, ticket each packet with his name, the date, and quantity, and lock them up in the iron drying cupboards of the vault, keeping the keys of the cupboards, (duplicates of which shall be kept by

the Treasurer of the United States,) and being held responsible for the currency while it is there drying; after drying, he will deliver the packages of five hundred to the superintendent of the separators' division, placing on the top of the pile the imperfect sheets received from the trimmers, with those which may have been any way spoiled in his division, and taking the receipt of the superintendent of the separators, in a book similar to the trimmers, showing, in parallel columns, the "perfect" and "imperfect." He will also make daily reports to me, in printed blanks, of his day's doings, similar to the other divisions, with an additional line showing quantity, denominations, and amount in the vault cupboards.

The superintendent of the separating division will pursue the same system of recording, receipting, and charging to operatives in prepared books, as the previous divisions, except that she will not give out imperfect sheets for separating. She will keep upon her table, day by day, one package of five hundred sheets as a "stock package" of each denomination, to and from which she will exchange imperfect sheets for perfect ones, so as to give to her operator five hundred perfect sheets at each delivery. If the operator mutilates or otherwise spoils a sheet in separating, she must immediately return it to the superintendent to be exchanged for a perfect sheet from the "stock package." (This is necessary to insure decimal delivery to the Treasurer, as well as making a more ready and simple check upon the packers.) When the stock package shall have been all converted into imperfect sheets by such exchanges, they are to be delivered to me, and be by me counted and receipted for; recorded in the "Record of Imperfect Sheets," sealed up, marked, and placed in the vault for future burning.

As the separated currency comes from the machines it is to be delivered by messenger and pass-book to the superintendent of the packing division, who will receipt therefor upon the pass-book, and record them in her book of receipts.

The superintendent of the separators' division will make daily reports to me in printed blanks, the same as the other divisions, with additional columns showing the imperfect sheets received, made, delivered, and on hand.

The superintendent of the packers, after recording her receipts, will cause them to be packed as follows:

The 5 cents, 10 cents, and 25 cents to be put up in packages of \$10 each, secured by a paper strap marked \$10, and the 50 cents in packages of \$20 each, secured by a paper strap marked \$20. Five of each of these packets, aggregating \$50, to be banded together by a strap marked \$250. Four of these \$250 packets to be placed in neat paper boxes, to be prepared for the purpose, (measuring 6 inches long,  $5\frac{1}{4}$  inches wide, and  $3\frac{3}{4}$  inches high,) and labelled on the top thus:

1,000 dollars United States Revenue Currency.  
                   \$200 in 5 cents,  
                   \$200 in 10 cents,  
                   \$200 in 25 cents,  
                   \$400 in 50 cents,

And in this condition to be delivered to the United States Treasurer in locked-up wooden boxes, by a messenger.

The Treasurer, or his delegated clerk, to receipt for each delivery, for so many boxes as may be delivered "marked to contain" one thousand dollars each. On the morning of each day the clerk shall, if found correct, write across the previous day's receipts the words "correct in count," and sign it with his name. Upon the presentation of this certified receipt the Treasurer shall affix his own signature in the "Final Receipt Book" to a receipt for like amount. The Treasurer, after ascertaining the correctness of each box, shall secure the cover and box together by a band of red taffeta passing in two directions around the box, crossed and tied at the centre of the top, where he shall affix his official

seal, so that the box cannot be opened without breaking the seal or cutting the band. When thus prepared they are ready for delivery to the assistant treasurers and designated depositaries.

The superintendent of the packing division to make daily report to me in printed blanks, similar to other divisions.

The superintendent of each division to be held accountable to the department for its receipts, and the operators in their turn to be held accountable to the superintendent for deliveries until the returns are fully credited. All losses, after leaving the plate-printing room, invariably, and against all excuses, apologies, or reasons, to be deducted from the pay of the party in whose custody the sheets may have been when the counting first discloses the loss.

The superintendent of each division, at the close of each day's work, shall properly secure the sheets on hand in galleys, (except such of the surface printing as may be in vault or drying cupboards,) ticket them with the amount and name of the division, and deliver them to the proper person, to be placed in the vault for safe-keeping during the night.

The inner door of the vault to be locked and unlocked by the Treasurer, (or clerk delegated by him for the purpose,) and the outer door by myself.

It shall be my duty, in addition to the general supervision of all the divisions, to record daily, in a book prepared for the purpose, a tabulated *résumé* of all the reports made to me, and make a comprehensive report thereof in a printed blank, to be placed each morning on the Secretary's table.

This record-book to be so kept as not only to clearly show each day's operations, but to be susceptible of a balance at any time by an examining officer.

The Secretary to detail a proper person to make an examination and balance, (either at regular or irregular periods, as the Secretary may deem to be the safest check,) who shall, upon such examinations, certify upon the book that he has examined and compared the receipts and deliveries with the original reports, and finds that the deliveries and marked packages of imperfect sheets, together with the amount reported on hand, by the various divisions, balances the membrane paper manufactured up to the date of the examination.

Such certificate to be final proof of correctness, and relieve me of responsibility up to that point.

The Secretary to designate the persons to act as superintendents of the different divisions, who are to be held accountable for the currency while in their possession.

Mr. Charles Neale having been already designated by the Secretary as the superintendent of the "plate-printing division" and entered upon its preliminary duties, his letter of appointment, dated at the time his services commenced, is herewith submitted for the Secretary's signature.

I have the honor to be, very respectfully, your obedient servant,

S. M. CLARK,  
*Chief Clerk in charge.*

HON. S. P. CHASE,  
*Secretary of the Treasury.*

D.

*Report upon the manufacture of paper in the Treasury Department.*

TREASURY DEPARTMENT, OFFICE OF CONSTRUCTION,

July 7, 1862.

SIR: In compliance with your instructions I have the honor to make the following estimate of the probable cost of the machinery for manufacturing note and bond paper in the treasury building, viz :

One 60-inch Fourdrinier machine, about.....	\$5, 000
One 40-horse steam-engine, about.....	2, 000
Three beating engines, say \$500 each, about.....	1, 500
One 8-horse steam-engine, about.....	500
One flue boiler for both engines.....	2, 500
	<hr/>
	11, 500
	<hr/> <hr/>

The necessary cisterns, pumps, &c., with other fixtures, could be made by the employés upon the extension, and blank books, &c., by the public printer.

The water of the Potomac is too impure for the purpose, but a necessary supply could be had with the control of the I street spring, which now delivers in the treasury court-yard.

The space I should devote to the purpose would be the two long (south) rooms in the cellar of the west wing, and one (east) room over them in the basement.

From these I would construct an exterior elevator (accessible from the interior) on the court-yard side to elevate the paper to the drying lofts. The drying lofts I would provide for by making a full story (iron exterior) of the east half of the attic of the west wing, which would give ample room without marring the architectural beauty of the building. Plans and specifications for this work are prepared and ready for advertisement.

The paper could best be made in one of two ways: 1st, to bargain with a competent manufacturer to purchase the stock and make the paper in the building with the government machinery at so much per one thousand sheets; or 2d, to hire a similar expert to make the paper at an annual salary, the department furnishing stock and employés as well as machinery. The latter course I should decidedly recommend as the better means of procuring the best quality of paper at a minimum cost, and the most within the Secretary's control.

I recommend the manufacture of paper in the building in preference to contract outside, because I believe it would give greater security against counterfeiting and loss, and insure a better and more uniform paper at a lower cost. I am satisfied it could be made as low as \$10 per thousand, and am led to believe it could be produced, of the very best quality, for a less sum. That we are liable to loss, as the Secretary suggests, from dishonest employés, I do not think sound argument against it. I do not see that such objection obtains in coinage. We make our own coin under a like risk; and I believe the present system now in operation for treasury notes, of rigid accountability, with such modifications as experience suggests, will be a close approximation to safety.

If the department should make its own stamps, (which I recommend,) to be used in carrying into effect some of the provisions of the tax bill, it would be an additional incentive for making the paper in the building, as the sheets made, not of the required thickness or perfection for notes and bonds, could be worked up in the stamp room, adding to the security of the stamps issued, while it lessened their cost. In paper mills, making paper with a distinctive mark for government, all paper varying from the standard (and more or less will necessarily so vary) would go back into the pulp for remanufacture.

The same reasons that make it wise for the department to engrave its own issue of notes, viz: greater security with lessened cost, apply with equal force to stamps, so far as the government is concerned. The people, as whole, will not feel great interest in the genuineness of stamps, although the rivalry of trade will measurably operate as a detective force.

As I believe no one now in the department will live to see the end of paper issues by the government, (especially if the Secretary's comprehensive, far-reaching, and wise project be adopted of furnishing local banks with a "currency" or "circulation," upon the deposit of United States six per cents,) so I believe the manufacturing of the issues in the building will become a fixed policy.

Whether it will be sooner or later will depend on the Secretary's judgment as to its feasibility and propriety. It may be that the wisdom of such policy must first be certified by losses to the people and the government; but the experience of other nations has proved, what ours will prove, if the present system be continued. The Bank of England protects the people by redeeming counterfeits, and, relying on its own manufacture of paper, protects itself by a record of each note issued and redeemed, with an efficient detective force of its own, aided by a rigid and summary execution of the laws. No one in England questions the authenticity of a note offered; it passes from hand to hand by tale as a matter of course. The confidence in genuineness and redemption is alike universal.

I respectfully apprise the Secretary that all preliminary details are ready for his decision. No expense or obligations have yet been incurred for making paper, but I have reached a point where they must be incurred, if anything more is to be done; and every day that now elapses will only add a cost for the circulation that is to be issued, (on an expected withdrawal,) if the treasury ultimately manufactures its own issues.

I have conferred with none of the makers of the machinery above estimated, (not feeling warranted yet to do so,) so that I cannot positively aver that none of it is to be bought ready made, but it is all of a character not ordinarily kept on hand for sale. It is always made to order. Some second hand or rejected machinery may be had. Under the most favorable circumstances it could not be made in less than sixty days, and probably ninety days would be consumed in making and setting it up.

I have also the honor to report that the time has arrived when it is necessary to give the orders for the required machinery for engraving and printing, if the work is to be done in the department. My estimate is as follows:

(Transfer presses will be first required. They cost from \$1,000 to \$1,500 each. If stamps, as well as notes, are engraved, two transfer presses will be necessary. I assume that stamps will be engraved, and therefore estimate for two, and take highest cost.)

Say: Two transfer presses, at \$1,500 each.....	\$3,000
Ten numbering presses, at \$200 each.....	2,000
Sealing presses, on hand.....	.....
100 printing presses, outside cost, say \$150 each.....	15,000
	20,000

Blankets, ink, &c., as circumstances dictate.

The necessary fixtures, &c., can be made by the workmen on the extension, and blank books, &c., by the public printer.

I purposely omit any estimate for a geometric or cycloidal lathe, as I do not think such work affords sufficient security to justify the cost.

At least six first-class artists would be required for etching, for the figures and portraits, for lettering and for transferring. Each printing-press would require a male expert and female attendant, and the numbering and sealing presses would each require an operator.

Each branch of the work would require a superintendent,—some, in addition, a foreman, all to be under one general head. For the accommodation I propose an additional (iron) story to the central wing. Plans and specifications therefor are prepared and ready for advertisement, and it could be made ready, if now commenced, as soon as the paper could be made.

All that I have yet done for this branch of the work (other than my personal service) has been to get the necessary photographs of paintings for the four lowest denominations; hire an etcher at a (temporary) compensation of \$1,600 per annum, (to be hereafter advanced if he proves sufficiently expert,) and to buy a few pieces of steel for bed-plates, upon the preparation of which the etcher is

now engaged. I have ordered the slate for the proposed new story; if it should not be built, it would all be required on the north wing hereafter. The experiments in ink. (for dry printing,) which were suspended during Professor Schaffer's absence, are now progressing, and I gain confidence in the result at every step.

The orders for the machinery (except sealing presses, for the "small note organization," under the project submitted for the Secretary's consideration on the 10th of April, and adopted on the 10th of May) are all issued, and the work well advanced. I delayed ordering the sealing presses, thinking that engraving in the treasury might possibly supersede them. Upon the Secretary's suggestion I have examined the law, and find that sealing was obligatory on the former issue, and if it so remains on the new issue (I have not yet seen the new law) I will at once order the presses. The massive blocks of granite and the angle iron for the new vault were duly ordered, and the cargo of granite has arrived, but I have yet no wharf whereon to land them. The wharves are all in the possession of the military authorities. The preparation for issuing small notes will all be complete before the bills are ready.

I have the honor to be, very respectfully, &c.,

S. M. CLARK,  
*Acting Engineer in charge.*

Hon. S. P. CHASE,  
*Secretary of the Treasury.*

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E.

*Copy of contract with Stuart Gwynn for membrane paper.*

This agreement, made this 13th day of October, A. D. 1862, by and between S. P. Chase, Secretary of the Treasury, for and in behalf of the United States of America, of the first part, and Stuart Gwynn, of the city of New York, of the second part, witnesseth:

That whereas the said Stuart Gwynn has discovered and invented a new process for the manufacture of paper, and which it is deemed advisable that the Treasury Department should, for the present, possess the exclusive right to manufacture and use for its issue of stamps, notes, &c.:

Now, therefore, it is mutually agreed by and between the parties hereto that the said Stuart Gwynn, for the consideration hereinafter named, shall convey, and he does hereby convey, to the Treasury Department the exclusive right to manufacture and use, or control the manufacture and use of, the said "membrane paper" so long as the Secretary of the Treasury may desire; and the said Stuart Gwynn hereby covenants and agrees for himself, his heirs, administrators, and assigns, that he will not, so long as this agreement remains in force, make or sell any "vegetable membrane," or any like article, or any material produced by like chemical agencies and mechanical appliances, for, or to any person or persons, corporations or associations, in this or any other country, nor impart or divulge the secret or process of its manufacture to any person or persons whatever, except those immediately engaged in making it for the department, to whom such knowledge must be necessary for its production. And the said Stuart Gwynn further covenants and agrees for himself, his heirs, administrators, and assigns, that he will manufacture the said vegetable membrane, for the department's use, in the treasury building, in such quantities and of such size and quality as may be directed, in sheets not exceeding fourteen inches in width and twenty-one inches in length, and not weighing more than twenty pounds to one thousand sheets, and deliver the same in such quantities and in such manner and to such parties as may be directed, at the rate of twelve dollars (\$12) per thousand sheets, while the delivery is not more than 16,000 sheets per day; and in the event of a larger number of sheets than 16,000 per day

being found necessary or desirable, he shall furnish such larger number at fifty (50) cents per thousand sheets less for each additional 8,000 sheets ordered, until the reduction of price shall have reached a minimum of ten dollars (\$10) per thousand sheets; that is, the price of the membrane shall be as follows:

For 16,000 sheets per day, \$12 00 per thousand.

24,000 sheets per day, 11 50 per thousand, for the third 8,000.

32,000 sheets per day, 11 00 per thousand, for the fourth 8,000.

40,000 sheets per day, 10 50 per thousand, for the fifth 8,000.

48,000 sheets per day, 10 00 per thousand, for the sixth 8,000.

And for all deliveries over 48,000 per day, \$10 per thousand for each additional thousand sheets.

The party of the second part further agrees that he will superintend the construction of the necessary machinery for the manufacture of the vegetable membrane, and have the same placed in working order in a room to be prepared by the department for the purpose, in the basement of the west wing of the treasury extension, within thirty days from the date hereof, or as soon thereafter as it is mechanically possible. Said machinery to be constructed and set up at the cost of the department, but not to cost more than \$2,500, exclusive of motive power, for each machine capable of producing 8,000 sheets in ten working hours. If each machine should prove to cost more than \$2,500, then such excess of cost over \$2,500 shall be chargeable to the said party of the second part, and be deducted from the monthly payments hereinafter provided to be made to the said Gwynn, (such deduction not to be more than twenty-five per cent. from any one payment,) until the whole of such excess over \$2,500 is reimbursed to the department. It being understood that in the contingency hereinafter provided for, of an abandonment of the use of the membrane, and the repurchase by the said Gwynn of the machinery at a valuation, such excess of cost over \$2,500, and so much of said machinery as the excess of cost over \$2,500 shall equitably represent, shall not enter into the computation of the valuation, but shall be deemed and taken to be already the property of the said Gwynn; but should no such contingency arise, and the department continue permanently to use the membrane, then the entire machinery shall be the sole and exclusive property of the government.

It is further agreed and understood that the party of the first part shall provide motive power in the shape of a steam-engine and boiler of twenty-horse power, of suitable construction, with proper cut-off and governor, and furnish the fuel and an engineer therefor, to run such hours as the exigencies of the public service shall make necessary.

It is further agreed and understood that a secret mark shall be placed in the web of the paper, so that one copy, or impression thereof, shall be upon each note or stamp issued, of such size and device as may be directed by the Secretary of the Treasury, and that the paper shall be tinted of such color as may be desired, without extra charge for such mark and tint, provided the department furnished all the means and appliances for making such private mark and such tints at its own proper cost without charge or expense to the said party of the second part.

The party of the second part further agrees to furnish, at his own proper cost and charge, all the materials, chemicals, and labor for the proper manufacture of the vegetable membrane, and all the necessary operatives, who shall be hired and paid by him, and who shall be subject to his exclusive control. And, inasmuch as he deems that the possession of the secret of its manufacture will be of great value to him if this contract shall be abrogated, the room wherein the web is converted to a vegetable membrane shall be at all times under his exclusive control, subject only to the general directions of the officer in charge of the currency, it being understood, however, that if at any time this contract shall be made perpetual, then the Secretary of the Treasury shall have the power, if



he so elects, to assume the entire control of the operatives and of the machinery, and of the room occupied in the conversion of the web.

The party of the first part, acting for and in behalf of the United States, hereby covenants and agrees, well and truly to pay to the party of the second part for the vegetable membrane, delivered under this agreement, at the rate of twelve dollars (\$12) per one thousand sheets, while the delivery is sixteen thousand sheets per day, or less, and *pro rata* less price, according to quantity, as hereinbefore provided for. And it is mutually agreed and understood by and between the parties hereto, that such payment shall be a full and complete consideration for the exclusive use, ownership, and control of the discovery and invention of the said Gwynn, as well as for materials and labor employed in the manufacturing of the membrane, and that no other consideration of any kind whatever shall be paid for the monopoly or the manufacture; the party of the second part hereby unconditionally agreeing to accept the prospect of profit he expects to make at the above-named prices, as a full and complete indemnification for the surrender of all the rights which may accrue to him as the inventor and discoverer of the process, apparatus, and machinery used in the process and manufacture of the vegetable membrane. It is further agreed by and between the parties hereto, that the party of the first part may, at any time that he may so elect, abrogate this agreement, and annul all its obligations for receiving and paying for the said membrane, upon giving six days' notice to the party of the second part, which notice shall take date from the time it is delivered in writing to any party in charge of the working machinery, whether the said Gwynn be then actually present or not.

In the event of such cancelling of this agreement, then the entire and exclusive right to manufacture, vend, or use this vegetable membrane shall return and be again vested in the said Gwynn, as fully and completely as if this contract had not been entered into, and the Treasury Department shall retain no right or interest whatever therein, and shall not manufacture or cause to be manufactured, nor use any of the vegetable membrane, except such as shall be manufactured by said Gwynn, or with his consent, or any like article or material produced by like chemical agency and mechanical appliance for any person or purpose whatever; and the said Gwynn, in the event of such cancelling of this agreement, hereby agrees to purchase and receive such machinery as may then be in use for the manufacture, with the contingent exception hereinbefore named, at a valuation by three disinterested parties, to be mutually chosen by the Secretary of the Treasury and the said Stuart Gwynn, provided they can agree upon a basis to make such valuation; and if not, then one of such persons to be chosen by the Secretary, one by said Gwynn, and the other by the two thus chosen. It is further agreed that payment shall be made monthly, under this contract, for as many sheets of the membrane as may have been delivered during the month, and that the receipt of the superintendent of the printing department shall be evidence of delivery of as many sheets as such receipt may acknowledge.

In witness hereof the said S. P. Chase, Secretary of the Treasury, acting for and in behalf of the United States, and the said Stuart Gwynn, acting for himself, his heirs, administrators, and assigns, have hereunto, interchangeably, set their hands and seals, in duplicate, on this the 13th day of October, 1862.

S. P. CHASE, [SEAL.]  
*Secretary of the Treasury.*  
 STUART GWYNN, [SEAL.]  
*of New York.*

Witnesses to the signature of Stuart Gwynn:

J. HOOPER.  
 S. M. CLARK.

## F.

*Copy of a letter to the Hon. Mr. Garfield, Chairman of the Special Committee of Congress.*

TREASURY DEPARTMENT,  
NATIONAL CURRENCY BUREAU,  
First Division, June 20, 1864.

SIR: I am informed that it is the intention of the special committee of Congress, of which you are chairman, to close its labors, so far as I am concerned, without further examination of witnesses. I hope this is not so; but if it be, I must, without intending any disrespect to the committee, most earnestly remonstrate against any such action.

I have been charged, by name, upon the floor of Congress, by a member of the House, with official dishonesty and gross immorality.

When this member made these charges he stated, in his place before the House, as reported in the Daily Globe, that he could and would prove them if he was allowed a committee of investigation.

These charges and this statement have been copied, and enlarged, and circulated with opprobrious comments, in sensation articles, from Maine to Louisiana. Congress promptly gave my accuser this committee, with the most enlarged power. He is a member of it, and has assisted at its deliberations and examinations as public prosecutor. I have been before it upon subpoena three times, being told the last time that I should be again called, and am as yet unadvised by the committee of a single specification, or, indeed, of a single charge made against me. They have questioned me on various matters. To all questions, the committee will bear witness, that, without knowing, or caring to know, the end to which their inquiries tended, I have evaded nothing, suggested nothing, withheld nothing, but have endeavored to make my answers fully responsive to the questions, patiently waiting the pleasure of the committee to advise me of the charges and the specifications of charges, and of the proof which has been offered in support of them by the prosecutor.

For the committee now to close its labors, after many weeks' examination of witnesses furnished by my accuser, without divulging to me the charges and the nature and kind of proof produced, and without giving me an opportunity to attempt distinct refutation, or to name witnesses for the committee's examination, would, irrespective of this committee's conclusions, I am constrained to say, in my humble judgment, be unjust to me and oppressive.

It may, indeed, appear to the committee that I should confide in their just judgment; that, being disinterested and impartial judges, if *they* perceive no ground for further examination, *I* should be content with the record.

I am well advised of the justice and integrity of this committee. I expect nothing from them but a fair and impartial decision upon the evidence before them. But, because I am satisfied with my tribunal, it by no means follows that I may not desire to make out my case.

The accused in court may place the most implicit confidence in the judge upon the bench, but he will none the less exercise his lawful right to examine his accusers or their witnesses as to the real truth of matters of which he is presumed to know everything, and his judge is presumed to know nothing. How otherwise can full and exact justice to all be done by the judge?

No man who properly values himself, when his character is falsely assailed by grave charges, will accept a non-suit on technicalities or upon the *supposed* untruth of the accusations. He will claim the right to *prove* their untruth—it may be from the mouths of his accusers—and thus to fully vindicate himself by the record. That simple right I now respectfully claim of this committee.

It is not enough that my accuser, after long searching of the dregs and scum of Washington life for pliant witnesses by his tools, has signally failed to produce any proof satisfactory to the committee of his allegations. This is not enough. I desire opportunity to disprove them, so thoroughly, that he will not again be permitted to make use of his high prerogative, as a member of Congress and of its committee, to vilify, for party purposes, or for any purpose, the good name of even so humble a citizen as myself. I desire to avail myself of this the only lawful opportunity which the sacredness of debate upon the floor of the House will admit, to nail these slanders to the counter, and brand their utterance as it deserves.

The imperative necessity for claiming and exercising this right is forcibly presented to me, when, as I am credibly informed to-day, an officer of a New York bank note company, bearing himself no enviable reputation, has been in constant daily intercourse with my accuser, running to and fro between him and prejudiced or suborned officers and employés in this department, and to the reporters of the sensation press. It is publicly alleged that he, with other agents of the bank note companies, from their knowledge as experts, prompted my accuser to prepare questions to their co-laborers as witnesses, whose answers, standing unexplained and unquestioned upon the record, may be prejudicial to the method of business in the treasury; for, you are well aware that *the system*, as well as myself, is on trial before you.

Thus the prosecutor may avail himself of the aid of experts to spread upon the record such shaping of established facts as may tend to sustain his accusations, while the unprejudiced portion of the committee, who are only desirous to elucidate truth, have not the aid of experts, and are left to rely solely upon their professional or personal acumen to strip the false varnish from the real fact. It is my duty, as it is my right, to examine and scrutinize this prepared expert testimony by cross-examining the witnesses, or at least by suggesting questions for such cross-examination, to the end that the exact and undistorted facts may be upon your record.

I have thus far spoken of my rights as a citizen. I now speak as an officer of the government. I am charged with a grave and responsible trust by the honorable Secretary of the Treasury, perhaps the most grave and responsible ever intrusted to a single subordinate officer in the financial history of our country. Upon the faithful discharge of this trust rests the trustworthiness of the currency and securities of the government, and through them the credit of the nation in all countries where its securities are negotiated.

If belief in false issues of fabulous amounts of the country's liabilities obtains with the public, the commercial value of the true issue will be lessened and confidence in the national securities weakened. I do not say that this is the aim and intent of my accusers and prosecutor, but I do most emphatically say, and desire the committee to be fully impressed with the fact, that this will be the inevitable effect of the accusations, unless these charges of false issue be met and refuted in the broadest possible manner by the most comprehensive and indisputable evidence of their utter falsity. It is not, therefore, for personal reasons alone that I entreat the committee that I may be allowed to hear and refute these charges. The people who have intrusted their vast revenues to the Treasury Department—the Secretary of the Treasury, who has accepted the trust—the department itself—nay, the very head of the nation and all his constitutional advisers, have a vital interest in their truth or falsity. They are grave accusations against the integrity of a subordinate officer charged with the details of a most important portion of this vast trust, proclaimed on the floor of Congress by a member who asserts that he truly represents a large financial constituency. The people will judge for themselves of the truth or falsity of these charges by the recorded evidence; and if that record be not a broad and full refutation of the charges made, or implied, their judgment may or may not accord with the

udgment of the committee. Therefore do I claim, as a broad public right, that every charge and every specification of charge, no matter how ill-founded they may seem to the committee, shall be subjected to the most thorough, searching, and complete investigation.

If, as has been publicly asserted, I am charged before this committee with a fraudulent or over issue of any of the nation's liabilities, then I respectfully demand from this committee that the kind of security thus charged to be overissued, or issued fraudulently, be distinctly stated; that the accounts of its manufacture and issue in this department be thoroughly, carefully, and completely examined, by the means already at the disposal of the committee, and such other means as they may deem useful or desirable; that these accounts be carefully balanced, and that balance made of record, to the end that the public may know if such momentous charges be true or false.

I am told that certain parties, even in the treasury, are communicating distorted reports of occurrences in this division to my accuser. This may be true or not true, but I have reason to know that information of events transpiring here is promulgated through my accuser, with telegraphic directness, in the committee-room, with such comments as he sees fit to make. I ask, therefore, to be heard in reply to such statements, evoked by such witnesses, in attempted prejudice of this department.

If, as I am told, the fact of one unfinished impression of notes having been stolen from the drying-room in the treasury building has been placed upon your record discreditably to the treasury system, then I respectfully remonstrate against any incomplete record of this occurrence being made. I desire opportunity to prove that the fact of this abstraction of one sheet from the fifty thousand sheets printed on that day was known to the treasury officers, through the system of checks and balances, and made matter of record on the day of its occurrence; that the guilty party was suspected and watched; that her first utterance of a note on the next day was known, the note so uttered recovered, and the woman identified and arraigned for the theft. I desire also the opportunity to prove, in defence of the treasury system as against a system sought to be forced to its use, that the fact of false utterance of notes when prepared, as formerly, by the bank note companies, was no very rare occurrence, and one which the officers apparently neither knew nor suspected until the notes had been in circulation, returned to the treasury for redemption, and the companies notified thereof. Or, if they did know it, the false utterance was connived at; or, at the best, that if it was known, the knowledge was suppressed. I desire opportunity to prove, also, that even now, notes which have been in circulation are presented for redemption which bear upon their face undeniable proof of having been issued from these New York establishments without passing through the office of the Treasurer of the United States; and that such notes so presented are redeemed and paid by these companies upon the Treasurer's demand, thus tacitly proving the false utterance. These are all facts of record in the Treasury Department. Let them appear upon your record also, and thus spread the whole truth before the people.

I am advised by witnesses who have testified before you that my accuser has imputed fraud to me in connexion with a contract for the Charleston custom-house, made in the time of Secretary Corwin, many years before I entered the department; and I know from the Daily Globe that he has caused to be read from the Speaker's desk, as part of his speech, the report of a committee of a former Congress charging me with such fraud in reference to that contract. I know also that when I was before your committee he made inquiries of me in reference to that report. In my answer I took occasion to state that I had replied to that committee's most extraordinary and most false report, in a letter to the honorable the Secretary of the Treasury. This I stated in the expectation that the committee would call for a copy of that letter from the files of this de-

partment, and thus put my defence upon the record. The committee in its wisdom have seen fit to omit making such call. I now respectfully ask that such call be made, or that I be heard in reply to that report, formally made, as it has been, a part of the present attack upon me.

If, as I infer from report, the charges of personal immorality consist of the coerced and suborned affidavits filed with the Solicitor of the Treasury by the infamous hireling of men reputed to be better than himself, but whose love of greed blunts their moral sense, then I desire to say to this committee, most distinctly, that I am prepared to prove affirmatively, by overwhelming and irrefutable testimony, the total untruth of all the allegations they contain. I am prepared, with overwhelming refutation and contradiction, to disprove *all* charges against the good conduct of the bureau of which I have charge; and prepared to prove, by the sworn testimony of those who know whereof they testify, its eminent good order and decorum.

If, as I have been told, the president of a New York bank note company has been permitted to put upon your record a statement formerly filed in the Treasury Department by him, and subsequently withdrawn by him, to the effect that I was once arrested in a house of ill-fame in the city of New York, and imprisoned, and that the fact of the arrest and imprisonment was published in the newspapers of the day, then I demand that he shall be called upon to produce proof of that arrest—a matter easily proven, if true—and that he shall be called upon to produce the papers or paper in which such arrest was published, or certified copies from their files—a kind of proof easily adduced if it ever existed.

If he fails to produce these proofs, I claim not only that his allegations are false, but that they are wilfully and maliciously false, for these are charges that cannot be mistakes. They allege distinct facts, as of record. Let the record be shown, and let both my accuser and myself abide the result. Meanwhile I distinctly avow to the committee that no such arrest or imprisonment ever took place; that no allegation of such arrest or imprisonment was ever printed in any newspaper; that I was never arrested for any cause in my life; that I never for any cause was imprisoned an hour in my life; and I challenge proof to the contrary. Any proof thereof failing, this bank note company's president must stand branded by your record as a perjured slanderer, and it will be my duty hereafter to hold him and those he represents to their lawful responsibility.

If there be unrefuted charges before the committee, other than those I have enumerated, (and I have heard of none.) prejudicial to my management of this bureau, or to strict propriety in that management, or anything in any way derogatory to my character, either financial or moral, I respectfully ask to be informed of them, and of their specifications, and pledge myself to their full and complete refutation. In the event of failing so to refute them, I consent to be disgraced by your record before my friends and the public.

All I ask is opportunity of disproof.

This, I respectfully submit, is my manifest right; and therefore do I most earnestly remonstrate against this committee now closing its deliberations before my proof is presented, (even though the committee, as the case stands, should hold me guiltless,) and I desire this, my protest, to be placed upon your record.

Very respectfully,

S. M. CLARK,

*Chief of First Division, National Currency Bureau.*

Hon. JAMES A. GARFIELD, M. C.,

*Chairman of Special Committee, &c., &c.*

## G.

*Letter to the Hon. Secretary of the Treasury in reply to the charges of a Special Committee of Congress, of which the Hon. Mr. Sargeant was Chairman.*

TREASURY DEPARTMENT, OFFICE OF CONSTRUCTION,

August 15, 1862.

SIR: In accordance with your order, orally delivered by your private secretary, on the 23d ultimo, I surrendered the charge of this bureau to Mr. Rogers and resumed my duties as chief clerk.

As this order was issued immediately after the publication of an *ex parte* report by a congressional committee, condemning the manner in which I had discharged my duty as chief of the bureau, your action is naturally construed by my friends, and so much of the public as take any interest in the matter, as an indorsement of that committee's report. I cannot so accept it, although the change was ordered without any previous intimation from you that you had it in contemplation, because, if you believed the committee's report, you would not, I think, now employ me in *any* capacity. But I none the less rest under the imputation, both in and out of the department.

As it is known in the department that you had not asked me for a defence against the committee's charges, or sought to know if I had anything to say in reference to it, I respectfully desire, with your permission, to place upon the files a reply to some of their accusations.

But, first, I desire to apprise you of the circumstances which inaugurated and attended the action of the committee, and of the character of its advisers, and the cause of the action of those advisers.

By reference to a letter now on file from Mr. Latham, dated June 28, 1862, it will be found that he, by his own confession, "to some extent stimulated the investigation;" and it is generally alleged that the resolution upon which the committee have acted was introduced at the instigation of certain contractors, who were exasperated by my reporting adversely upon claims presented by them to the department. These claims I believed, as did my predecessors, Major Bowman and Captain Franklin, were baseless or fraudulent. Foremost among these contractors were Mr. Latham, contractor for the Buffalo and Oswego custom-houses, and Mr. Cluskey, contractor for the Galveston custom-house.

The first of these, Mr. Latham, in the letter above alluded to, states that "I make no secret of my personal hostility to him," and that "very naturally a bitter feeling has been engendered between us," and, in effect, alleges that my reports on his claim have been, and will be, influenced by personal vindictiveness. Mr. Latham mistakes; I never saw or heard of him until he was before the department as a claimant, and since he has been before it I have seen nothing in him worthy either of my anger or respect. A bitter feeling may be "natural" to him, but it is not to me, and if it exists he enjoys a monopoly of it. My hostility is to the claim, not to the man. If I know myself, I was governed in my reports by a simple sense of duty—not by malice. There is no person, place, power, or pay that can force me into rendering a report against my sincere convictions of right on *any* matter. My record for six years past exists in the department; I feel that I ought to be judged by that, rather than by the vindictive misrepresentations of a disappointed claimant.

Mr. Latham's contracts aggregated in the sum of one hundred and fifty-eight thousand six hundred dollars, (\$158,600.) Upon the report of Major Bowman, with my knowledge and concurrence as chief clerk, he had been paid this amount by Mr. Guthrie, with forty-one thousand two hundred and forty-five dollars (\$41,245) more for extras, including an enlargement of one of the buildings.

Thus he was paid nearly two hundred thousand dollars in all, and he now

claims over two hundred and fifty thousand more—making a demand of over four hundred and fifty thousand dollars (\$450,000) upon his contracts of one hundred and fifty-eight thousand six hundred dollars, (\$158,600.)

The items of extras claimed were carefully examined in detail by my predecessor, Major Bowman, and rejected during Mr. Guthrie's administration, after the Secretary's personal examination of the merits of the claim.

Subsequently the claim was renewed during Mr. Cobb's administration, when I examined such items as were then again presented, and coming to the same general conclusions as Major Bowman, I made a similar adverse report. Mr. Cobb made a personal examination of the claim, and after hearing, at a stated meeting, the arguments of the claimant's counsel, (John Cochrane and Henry B. Stanton, esqs.,) rejected it.

I am credibly informed, that if I had certified this claim for payment I should have heard of no congressional examining committee.

The claim was then removed to the Court of Claims. Before this court, Captain (now General) Franklin was examined as an expert, and has frequently expressed to me his opinion, coinciding with mine, upon the claim, but has never officially reported upon it, as he was not in office when the claim was before the department.

While the matter was before the Court of Claims, I was detailed by Mr. Cobb to assist the Solicitor in his examination of some of the witnesses.

Pending its trial, the claimant's counsel, in a partly jocose manner, offered me \$20,000 if I would report that there was \$70,000 due them on their claims. I then considered that the offer was made in a serio-comic way for the purpose of laughing it off as a jest if I resented it, or of carrying it into execution if I met it in a kindred spirit; and I therefore only replied that I should report exactly according to the merits of the claim. I reported, orally, this offer to Mr. Cobb in the same terms as here written. I now regret that I did not make it matter of record at the time, as Mr. Cobb cannot be called to substantiate my statement, and it must rest entirely on my asseveration.

Subsequently, and in the same manner, the counsel offered me \$10,000 if I would report that \$50,000 was due them, which I treated in the same way, and immediately reported the offer to Mr. Cobb.

In explanation of such offers being possibly serious, while the claim was before the court, and after I had reported upon it to the department, I can only suppose that the claimants might think that if I should report again after hearing their witnesses that my views were changed and I deemed such sums were due them, that the Secretary would then cease to oppose them before the court, and order the money paid.

The present Secretary may find some corroboration of the above statement in the fact that I have orally reported to him a similar offer since he has been the head of the department, and may infer therefrom how far I am open to the charge of venality.

I will not extend this paper by a detail of Mr. Cluskey's claim, and the action thereon, which is, in some respects, a similar history, though differing in detail; and my action thereon was the same as the action of my predecessor. The claims of both parties have been passed upon by two administrations preceding your own; and Mr. Cluskey, being from Georgia, was the personal and political friend of Mr. Cobb, and I am told (but do not know) that he is now his active sympathizer.

These men are my accusers. In these men the acting chairman of the committee, Mr. Sargeant, has evidently placed the most entire and abject confidence. He told me himself that he had "very great confidence in Mr. Cluskey."

It is a noticeable fact that my action upon Mr. Cluskey's or Mr. Latham's claims was not made a subject of examination by the committee. If my official action in their cases was "malicious," or the result of "ignorance," none so



competent to prove it as they who were familiar with their every detail. But on these matters there has been profound silence; matters only being questioned of which they had no personal knowledge whatever, or which were the result of the action of others than myself. They *knew*, but would not acknowledge, that my action in their cases was right, so they sought for wrong, and hoped to find it by a prejudging committee's aid, where they were totally ignorant.

This committee, from their official position, are entitled, before action, to such respect as citizens may choose to award congressional investigating committees. But when, by their action, they cease to deserve respect, I cannot be so hypocritical as to affect any, simply because they profess to represent their constituents.

I am credibly informed that my accusers have openly avowed for years past that they would effect my removal, for reporting adversely upon their claims. Failing at the department, they have at last found a congressional committee facile and apt to their purpose. My accusers have sat with this committee at their examination of witnesses—except when Mr. Young and myself were examined—propounding questions, and were subsequently themselves examined in private as witnesses. The committee may see a fairness in this method of trial, but I confess that it is not apparent to me.

When I was examined Judge Kelley read the questions from a paper *not* in his own handwriting.

The only other person who *appears* against me before this committee is a Mr. Hamilton, who was one of Mr. Latham's witnesses before the Court of Claims; and in regard to him I shall, at the proper time, present to Congress the affidavit of the then solicitor of that court, that Hamilton acknowledged on the stand that he had committed perjury. Another of Mr. Latham's witnesses, who was not now put on the stand, was indicted by the grand jury of New York for perjury, in giving his testimony upon Mr. Latham's claim before the Court of Claims.

It is my present intention, also, at the proper time, to present to Congress the affidavits of respectable citizens of Washington to the effect that Mr. Cluskey is not to be believed under oath, which, I am advised, can be readily obtained in large number. Thus much for *the men* who have moved and controlled the investigation.

I next desire to place upon the record some unrecorded action of this committee.

I was the first person examined in form—Judge Kelley being the examiner. After some weeks' examination of me and of papers, he expressed himself satisfied, and told me that he desired to question me no more. He voluntarily told me, at the close of my examination, in the presence of the committee, that if my character should thereafter be assailed by any witness, I should be recalled for explanation. Subsequently he told me that he was disgusted with the whole proceeding—considered it puerile, and that he should not meet with the committee again.

Within the past few days Judge Kelley was in this city, and reiterated these opinions to me, and said, emphatically, that he should seek an opportunity for an interview with the Secretary, to communicate them to him; and on the same day I saw him waiting in the Assistant Secretary's room for that purpose, as he told me, but do not know whether he obtained an interview with the Secretary or not. If he did not, my assertions, all-important as they are in this case, can be readily verified by addressing him a letter, quoting what I have here written.

Judge Kelley's place upon the committee was supplied by Mr. Sargeant, of California. This gentleman called upon me at the office for information, and for papers and drawings, all of which were freely, frankly, and promptly given to him in copy, often to the serious hindrance of the current business of the office; and *he* also said that I should be recalled to the stand if my character was assailed, or words to that effect. I do not remember his precise phraseology; I



did not charge my memory with his words, for I did not care whether he recalled me or not, and did not then know that he was my assailant. I only now record it to exemplify the *animus* of the man. His promise was volunteered, not asked for.

*I was never recalled.*

A virulent report—so steeped in virulence as to kill itself with its own poison in the judgment of those cognizant of the facts—was made to Congress by Mr. Sargeant, just before the close of the session, accompanied by what purported to be the evidence in the case, and the report, with the testimony, was ordered to be printed. The printed copy is now before me. In it my testimony, taken by Judge Kelley, is printed in a garbled or altered form, and some of it suppressed, or else not reported by the committee's clerk. Some of the printed answers falsify my evidence. For instance:

Judge Kelley asked me, "Can you tell, approximately, the amount already expended?" (on the treasury extension.)

I replied: "I *can* tell *exactly*."

The reply is printed, page 17 of the report, "I *cannot* tell exactly." But the answer, as printed, goes on to state the exact amount expended, thus making the answer contradictory in itself, and falsifying my reply.

Mr. Young and Mr. Oertly both tell me that like liberties are taken with their testimony, and that their answers, as printed, give a different meaning from that intended by their answers to the committee. The only other witness examined from this office, Mr. Curtis, is not now employed in it, and I do not know if his testimony be altered or not. For his own reputation I trust that it is.

Almost all the explanatory statements brought out by examination before the committee are omitted in the printed record. Whether by accident or design I can only infer.

The committee have arraigned me, not only for the acts of my predecessors, but for details of contracts entered into and signed long before I came into the department in *any* capacity. For instance: the contracts for the custom-house at Charleston, S. C., were made in Secretary Corwin's time, 1852-'53, and for the treasury extension in June, 1855, and no other contracts are called in question by them. I entered the department in August, 1856, and previous to that time had not been in Washington for twenty years, and had never been interested in or had any knowledge of *any* government contracts. I did not know these contracts were in existence, nor did I know, nor had I ever heard of, any of the parties to them until I met them officially in the treasury. These facts I stated to the committee.

I said in my testimony, in reply to inquiries, that soon after being placed in charge of the bureau I called the attention of the Secretary to certain enormities in the Charleston contract, which had come under my notice as clerk, and told him that, in my judgment, hundreds of thousands of dollars were being uselessly expended there, and that, in the then existing state of things, (the work being suspended under the omission of Congress to make the usual annual appropriation for its continuance,) I thought that a new arrangement might be amicably made with the contractors, by which government could obtain the remainder of the marble required for the work at a fair price. The Secretary then directed me to prepare a statement in detail for his examination. I caused such a statement to be prepared, showing in detail each stone and its dimensions and its character that were required to complete it, up, ready for the roof, and what each would cost under the contract prices as already paid. This statement is matter of record in the office.

Congress having directed the Secretary to report in his (then) next annual report what economy he could make in completing this work, he instructed me to go to Charleston and see what other economy, besides that contemplated by the table, I could recommend. The incessant duties of the office (as I have

never had a chief clerk since I have been in charge, and consequently was all the time doing double duty) prevented (with the assent of the Secretary) immediate compliance with my instructions, and the secession of the State soon following, precluded any further action at the time. These facts were presented in brief in my then next annual report, and were stated by me in detail to the committee. I also repeated them to Mr. Sargeant, at my desk, after he was placed on the committee.

*Not one word of this statement, or any allusion to it, appears in the printed testimony or report;* but I am, inferentially, charged with "ignorance or corruption, perhaps both," (page 1 of the report,) for the existence of the contract.

I respectfully invoke the attention of the Secretary to the fact that my statements, as given above and suppressed by the committee, exist of record in this department.

Mr. Oertly assures me that he also stated, in full detail, to the committee, the above facts, with which he was perfectly familiar, and yet no word of *his* statement is recorded, nor is there the slightest allusion to it in the report.

I respectfully submit to the Secretary that this is monstrous and disgraceful injustice on the part of the committee.

Only one cargo of marble for Charleston was paid for subsequent to the facts above narrated, and that one was then in transit; but an advance of money was made, pursuant to the terms of the contract, for some marble at the quarry in Hastings upon Hudson, designed for this building. The *quantity* of this marble, (not the *quality* nor value, as the report of the committee, page 3, falsely states,) I was ordered by Secretary Dix to inspect. I did so, and reported. Upon that report the proper officer (being the one prescribed by the contract) computed its value. Upon this computation the amount was paid. These facts all appear in the documents printed at the close of the testimony in the report, (page 126,) and yet the report, commenting on the transaction and testimony, as printed, deliberately denounces me as "incompetent or dishonest" (page 3) for my action thereon.

In the printed testimony of Mr. Young, (page 24,) which is also printed by the committee, on page 3 of the report, he is made to state, in reply to the committee's question—"Who made the report to you of the *quality* of the material at Hastings?"—that "Mr. Clark, the engineer in charge," reported it. Mr. Young alleges that the questioner said *quantity*, not *quality*, and that he replied accordingly. No one knows better than Mr. Young that I did not report upon *quality*, and that it was not my business so to report; and in my report itself, printed at the close of the testimony, (page 126,) the fact is apparent.

But the malice does not stop at this perversion of truth. The report says: "To ascertain if this large quantity (not *quality*) of marble was really at Hastings, the committee sent there Mr. Oertly, Mr. Hamilton, and Mr. Cluskey to examine it." They also say "there was a perfect concurrence between these gentlemen on their return," (page 2 of report.)

Now, these three gentlemen all report that they found the precise pieces, and exactly of the same *quantity*, as stated in my report; but *their* witnesses, Cluskey and Hamilton, allege that it was largely overvalued under the contract. With the computation of that value I had no more to do than the committee themselves. I only reported it as the computation of another, after it had been made by another, and *this* the committee *knew*, or they must be as stolid as they are unjust, for they print the fact at page 126. It was neither my province nor privilege to make the computation; my duty was simply to report it when made. And yet the committee strangely permit themselves to state (page 4) that they "are fain to believe" that in my incompetency is to be found the explanation for my action at Hastings!

Now, upon examination, the Secretary will perceive—

First. That *quality* was not reported upon by *me*.

Second. That no erroneous report of quality was made by *any* one.

Third. That no peculiarity of quality, whether reported or not, has entered into the alleged enormous price.

Fourth. That my report of *quantity*, being the only point upon which I had to report, is exact, and confirmed by the committee's own witnesses. And,

Fifth. That the valuation of the material was made in pursuance of the terms of the contract, which contract was not negotiated by me, and the computation was made by another person, over whom, in that respect, I had no control.

Whence, then, really comes this enormity of price?

The answer to this query is obvious—was doubtless known to the witnesses against me before the committee, and thus, probably, to some members of the committee itself; and this answer, which I will now proceed to give, has been most ignorantly, or else dishonestly, and at all events most unjustly, suppressed.

The answer is, that the enormous price resulted from *extraordinary finish* of the material, which extraordinary finish was prescribed by the chief of the bureau as early as 1853, three years before I came into it, and then not only prescribed by him, but exemplified for imitation by models, in accordance with which the marble was to be wrought.

Now, in the face of all this, which was known or ought to have been known to every member of the committee, I am most falsely held up to you and to the country in their report as being responsible for these enormous prices and payments.

I most earnestly submit to you that I have every right to be indignant at such wilful suppression and perversion of fact.

I do not propose to further weary the Secretary by now reviewing in detail all the falsehoods and fallacies of the report. I reserve such review for its more appropriate occasion; but I desire to call your attention to one more salient point of the committee's attack.

I refer to the settlement for the rough stock of the buttress caps for the south wing of the treasury extension.

The entire responsibility of this settlement I assume. It was made under my report and upon my advice.

It is true that I need not assume this responsibility, because the decision was that of Secretary Cobb upon my report, and after a careful personal examination of it; but as this decision was in strict conformity with my report, I choose, for my present purpose, to regard it as my own.

The sum of \$5,500 was paid for the rough stock of each cap. The sworn computer, Mr. Oertly, whose duty it is under the law (Statutes at Large, vol. 10, p. 93) to compute their value under the contract, made the rough stock amount to the enormous sum of \$34,104 57 each. The settlement was a compromise; it is detailed at length in my testimony, pp. 11, 12, and 13, which I respectfully ask the Secretary to read; and the reasons are there made apparent why the contractors accepted \$5,500 on a contract for nearly \$35,000. The compromise sum was reached by the sworn measurer's computation of how much these stones *would amount to under all the original rejected bids*, and by taking a sum fractionally less than the lowest of these as a basis of settlement. The committee state in their report (page 4) that "Mr. Clark represented that \$5,500 was the lowest price bid for these caps by any bidder." Thus they convey the false impression that the computation was mine, when the evidence upon which they are commenting (page 12) expressly says, *the sworn computer found that these caps amounted,*" &c., &c. Thus they demonstrate also their own utter incapacity to reason, when they put forward the idea that contractors' admitted rights, under the strict letter of their contract, to the enormous sum of \$34,104 57 as computed in their favor, by the man who, under the law, was clothed with exclusive and final computation in the premises, was not an element in every way to be "gravely used as an argument" in the determination

of the proper sum to be paid by a compromise between the government and contractors, who, in the terms of that contract, held the government at so great a disadvantage.

Mr. Cluskey testifies (page 40) that I omitted in the list of original rejected bids the bids of three parties. If an omission, it would not be mine, but the computer's. But it is no omission. The bids of these three parties, printed in the report, (Hawke's, pp. 88 and 89; Acker & Co., pp. 83 and 84; Berry & Mohun, p. 82,) show *that they made no bid for these caps as delivered.*

But I did not recommend the payment of \$5,500, until I had examined the computer's computation under the contract of \$34,104 57.

The committee say (page 4) that the computer admits that the rule whereby this amount is computed is a monstrosity. Be it monstrous or not—and I know that it *is* monstrous—the rule is expressly, and beyond all possibility of honest mistake or denial, *written down in the contract*; which contract I did not make or assist in making, but which I was sworn to execute.

The computation by which the computer obtains the value, under the contract, is so plain that no truthful expert can arrive at any other result; and any schoolboy, who had gone half through his arithmetic, could compute it, under the simple data furnished, thus:

The stone's *admitted* contents are  $571\frac{2}{3}$  cubic feet. The price per cubic foot for the rough stock of this quantity in stones of ordinary shape is four fifty one-fourth hundredths dollars, and, therefore, amounts to..... \$2, 573 93

The contract provides (report, page 109) that for "all stones whose width exceeds three times their thickness, there shall be paid an additional price of *twenty-five per cent.* for each additional three inches in width."

This is the monstrous contract rule.

These stones are 18 feet 8 inches long, 17 feet 6 inches wide, 1 foot 9 inches thick; consequently, for "each three inches" that "their width exceeds" 5 feet three inches, "*twenty-five per cent.* additional is to be paid." They exceed this width 12 feet 3 inches—or 49 times 3 inches—and, therefore, 25 per centum must be added 49 times to the amount of \$2,573 93; thus, 25 per cent. of \$2,573 93 is \$643 48 $\frac{1}{2}$ . Multiplied by 49, is..... 31, 530 64

Making ..... 34, 104 57

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This is the monstrous result of the indisputably monstrous contract rule; and it must be either stupidity or knavery that produces any other result, under the rule, than this. Mr. Latham says (page 33) that the true amount is \$2,463 79 $\frac{1}{2}$ , but he starts with a wrong measurement, and adds nothing for the excess of width over three times the thickness; thus showing, either that he knew nothing of the matter, or else deliberately falsified the matter which he undertook, as an expert, truthfully to expound under oath.

Mr. Cluskey, more artful, but not less knavish, adroitly conceals his *method* of computation, and gives only his result, and says (page 39) that the true amount is \$1,958 68, being more than *twenty per cent. less* than Mr. Latham's "true amount," although Cluskey takes the true dimensions, which are *greater* than those taken by Mr. Latham. Thus Cluskey also shows, either that he knew nothing of the matter upon which he had taken the stand as an expert, or else that he had committed deliberate perjury.

The committee's brace of cherished witnesses and prompters, though both zealous to accomplish the same object—my removal from office—do not agree with each other in their computations, nor in their assumed dimensions. Both

cannot be right—both I know are wrong. I believe that they are knowingly and wilfully wrong. And it is on such testimony that the committee have, with seeming eagerness, from behind the panoply of their congressional shield, attacked my competency and honesty.

Now, I respectfully submit to you, sir, that my action in obtaining a compromise of \$5,500 from contractors, who, under the terms and statutory computation of their contract, were entitled to \$34,104 57, was meritorious official action. I submit to you, sir, that in resorting to the lowest bid made for these caps to find my rule upon which to compute the proper amount of the sum to be fixed by compromise, I adopted the best and most fair and just rule possible. I relieved the government from the pressure of its most ill-considered contract; and while I took away from the contractors all power to press their unfair advantage against the government, I yet made due recognition of their rights as workmen, in thus taking for my rule of allowance to them the recorded judgment of other honest men, making, in competition with each other, proposals to the government for the same work. I state to you, sir, respectfully, that I would, as at present advised, and unless instructed to the contrary, if the business were now to be done again, adopt precisely the same course. It is proper for me to add that the then head of the treasury considered the compromise effected by me as an eminently successful settlement; but as I was, myself, exactly informed of all the difficulties which I had to overcome, I confess that I did not then, and do not now, feel the need of that attestation.

One other fact—referring to my suppressed testimony—I desire to place upon the record, and I will for the present follow the tortuous malevolence of the report no further.

I told the committee at the close of my examination, and desired the clerk to take down my words, that they had doubtless noticed that I had made my answers studiously responsive to the questions; that I had in no single instance interpolated anything which could be construed into a volunteered defence of my own action. But I demanded, as a right, that at least some of the witnesses, of whom I then handed them a list, should be examined. I told them the list contained the names of senators and members of the House of Representatives, who had transacted business for their constituents at my desk, whom I desired should be examined as to my *general* fitness for my duties; and that it also contained the names of well-known experts in this city, and elsewhere, whom I desired to be examined as to my *special* fitness.

I was assured that at least some of them should be examined.

Not one of them *was* examined, or, if examined, their evidence is suppressed in the report; and not one word of my statement, or any allusion to it, appears in the printed record.

The committee say, (page 1,) "many witnesses the committee desired to examine it was impossible to obtain, they being scattered by the impending war." None of *my* witnesses were "scattered by the impending war." On the contrary, "many of them" sat daily under the same roof with and in the sight of this committee, and not one of *them* "was it impossible to obtain."

The inference is irresistible that they did not "desire to examine" them. In their holy crusade in search of wrong, the committee have, with distorted vision, looked beyond the distinguished senators in their midst, who proffered me their testimony in my behalf, and sought among some vagrant followers of the army a support for their own contradictory witnesses.

I do not expect any immediate action from the Secretary upon this paper, for I am aware that exigencies may at times arise in the administration of the department which require the temporary sacrifice of individuals; but if the Secretary is satisfied of the truth of the allegations herein made by me, I shall hope the time may come when no public detriment will arise from his making his confidence in my official integrity as apparent and public as his seeming

want of it now appears ; for I do not want the humblest office at the Secretary's disposal, unless he has the confidence that I shall faithfully discharge its duties.

So long as I occupy my present position, I shall to the best of my abilities discharge its duties. I have served under five Secretaries of the Treasury, and this is the first time I was ever before any of them with a personal matter. I trust it may be the last. The promotions I have received have been voluntary. They came to me from a supposed fitness, and without solicitation on my part, or on the part of friends for me. They have not been given me for party reasons, for I am no partisan, and I can never be of service to any politician, except by the faithful performance of my duty.

I have the honor to be, very respectfully, your obedient servant,

S. M. CLARK,

*C. C. Bureau of Construction.*

Hon. S. P. CHASE,

*Secretary of the Treasury.*

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*Inventory of bed-pieces, rolls, lathe cuttings, plates, and stock on hand October 1, 1864.*

INVENTORY OF ENGRAVED PLATES.—FRACTIONAL CURRENCY.

30 plates of 25 subjects, 5 cents, obverse ; 2 of 50 subjects, 5 cents, obverse ; 1 of 20 subjects, 5 cents, obverse ; 27 of 25 subjects, 5 cents, reverse ; 2 of 50 subjects, 5 cents, reverse ; 33 of 25 subjects, 10 cents, obverse ; 2 of 50 subjects, 10 cents, obverse ; 1 of 20 subjects, 10 cents, obverse ; 21 of 25 subjects, 10 cents, reverse ; 1 of 50 subjects, 10 cents, reverse ; 52 of 20 subjects, 25 cents, obverse ; 4 of 40 subjects, 25 cents, obverse ; 29 of 20 subjects, 25 cents, reverse ; 1 of 25 subjects, 25 cents, reverse ; 7 of 40 subjects, 25 cents, reverse ; 18 of 20 subjects, 50 cents, obverse ; 2 of 40 subjects, 50 cents, obverse ; 18 of 20 subjects, 50 cents, reverse ; 2 of 25 subjects, 50 cents, reverse ; 3 of 40 subjects, 50 cents, reverse.

FRACTIONAL CURRENCY, NEW ISSUE.

26 plates of 12 subjects, 50 cents, obverse ; 2 of 30 subjects, 50 cents, obverse ; 28 of 12 subjects, 50 cents, reverse ; 1 of 15 subjects, 50 cents, reverse ; 4 of 30 subjects, 50 cents, reverse ; 7 of 25 subjects, 3 cents, reverse ; 1 of 12 subjects, 25 cents, reverse.

BOND PLATES, FIVE-TWENTIES.

9 plates of \$50 coupon bonds, 3d series ; 1 of \$50 coupon bonds, altered to act June 30, 1864 ; 10 of \$50 coupon bonds, 4th series ; 1 of \$100 coupon bonds, 3d series ; 11 of \$100 coupon bonds, 4th series ; 3 of \$100 coupon bonds, altered to act June 30, 1864 ; 3 of \$500 coupon bonds, 4th series ; 2 of \$500 coupon bonds, altered to act June 30, 1864 ; 1 of \$500 coupon bonds, coupons cut off for foreign loan ; 3 of \$1,000 coupon bonds, 3d series ; 1 of \$1,000 coupon bonds, 4th series ; 4 of \$1,000 coupon bonds, altered to act June 30, 1864 ; 2 of \$1,000 coupon bonds, coupons cut off for foreign loan ; 1 of \$1,000 coupon bonds, reverse, 4th series ; 4 of \$1,000 coupon bonds, reverse, act June 30, 1864 ; 1 of \$50 registered bonds, act June 30, 1864 ; 1 of \$50 registered bonds, tint, act June 30, 1864 ; 1 of \$100 registered bonds, act June 30, 1864 ; 1 of \$100 registered bonds, tint, act June 30, 1864 ; 1 of \$500 registered bonds, act June 30, 1864 ; 1 of \$500 registered bonds, tint, act June 30, 1864 ; 1 of \$1,000 registered bonds, act June 30, 1864 ; 1 of \$1,000 registered bonds, tint,

act June 30, 1864; 1 of \$5,000 registered bonds, act June 30, 1864; 1 of \$5,000 registered bonds, tint, act June 30, 1864; 1 of \$10,000 registered bonds, act June 30, 1864; 1 of \$10,000 registered bonds, tint, act June 30, 1864; 1 of \$50 registered bonds, 20 years; 1 of \$100 registered bonds, 20 years.

#### BOND PLATES, TEN-FORTIES.

3 plates of \$50 coupon bonds; 4 of \$100 coupon bonds; 3 of \$100 coupon bonds, unfinished; 2 of \$500 coupon bonds; 5 of \$1,000 coupon bonds; 1 of \$50 registered bonds; 2 of \$50 registered bonds, unfinished; 1 of \$100 registered bonds; 1 of \$100 registered bonds, unfinished; 1 of \$500 registered bonds; 2 of \$500 registered bonds, unfinished; 2 of \$1,000 registered bonds; 2 of \$1,000 registered bonds, unfinished; 1 of \$5,000 registered bonds; 2 of \$5,000 registered bonds, unfinished; 1 of \$10,000 registered bonds; 1 of \$10,000 registered bonds, unfinished.

#### BOND PLATES, 6 PER CENTS OF '81.

1 plate of \$50 coupon bonds, acts July 17 and August 5, 1861; 1 of \$50 coupon bonds, act March 3, 1863; 1 of \$50 coupon bonds, tint, acts July 17 and August 5, 1861; 1 of \$50 coupon bonds, tint, act March 3, 1863; 1 of \$100 coupon bonds, acts July 17 and August 5, 1861; 1 of \$100 coupon bonds, act March 3, 1863; 1 of \$100 coupon bonds, tint, acts July 17 and August 5, 1861; 1 of \$100 coupon bonds, tint, act March 3, 1863; 1 of \$500 coupon bonds; 2 of \$500 coupon bonds, unfinished; 2 of \$500 coupon bonds, tints; 2 of \$1,000 coupon bonds; 2 of \$1,000 coupon bonds, unfinished; 5 of \$1,000 coupon bonds, tints; 1 of \$50 registered bonds; 1 of \$50 registered bonds, unfinished; 1 of \$50 registered bonds, tint; 1 of \$100 registered bonds; 1 of \$100 registered bonds, unfinished; 1 of \$100 registered bonds, tint; 1 of \$500 registered bonds; 1 of \$500 registered bonds, tint; 1 of \$1,000 registered bonds; 1 of \$1,000 registered bonds, tint; 1 of \$5,000 registered bonds; 1 of \$5,000 registered bonds, tint; 1 of \$10,000 registered bonds; 1 of \$10,000 registered bonds, tint.

#### SEVEN-THIRTY TREASURY NOTES.

2 plates of \$50, three subjects, obverse; 2 of \$50, three subjects, tints; 2 of \$50, three subjects, reverse; 2 of \$100, three subjects, obverse; 2 of \$100, three subjects, tints; 2 of \$100, three subjects, reverse; 1 of \$500, three subjects, obverse; 1 of \$500, three subjects, tint; 1 of \$500, three subjects, reverse; 1 of \$1,000, three subjects, obverse; 1 of \$1,000, three subjects, tint; 1 of \$1,000, three subjects, reverse; 1 of \$5,000, one subject, obverse; 1 of \$5,000, one subject, tint; 1 of \$5,000, one subject, reverse; 7 of \$50, four subjects, obverse; 1 of \$50, four subjects, obverse, unfinished; 8 of \$50, four subjects, reverse; 7 of \$50, four subjects, tints; 3 of \$100, four subjects, obverse; 2 of \$100, four subjects, reverse; 2 of \$100, four subjects, tints; 1 of \$500, four subjects, obverse, unfinished; 1 of \$500, four subjects, reverse; 1 of \$500, four subjects, tint; 1 of \$1,000, four subjects, obverse, unfinished; 1 of \$1,000, four subjects, reverse; 1 of \$1,000, four subjects, tint.

#### ONE-YEAR INTEREST NOTES.

7 plates of \$10, obverse; 16 of \$10, tints; 15 of \$10, reverse; 6 of \$20, obverse; 6 of \$20, tints; 7 of \$20, reverse; 1 of \$50, obverse; 2 of \$50, tints; 2 of \$50, reverse; 1 of \$100, tint; 1 of \$100, reverse; 1 of \$500, tint; 1 of \$500, reverse; 1 of \$1,000, tint; 1 of \$1,000, reverse; 1 of \$5,000, obverse; 1 of \$5,000, tints; 1 of \$5,000, reverse.



## TWO-YEARS INTEREST NOTES.

2 plates of \$50, obverse; 2 of \$50, tints; 2 of \$50, reverse; 2 of \$100, obverse; 2 of \$100, tints; 2 of \$100, reverse; 1 of \$500, obverse; 1 of \$500, tint; 1 of \$500, reverse; 1 of \$1,000, obverse; 1 of \$1,000, tint; 1 of \$1,000, reverse.

## THREE-YEARS COMPOUND INTEREST TREASURY NOTES.

15 plates of \$10, obverse; 12 of \$10, reverse; 15 of \$20, obverse; 14 of \$20, reverse; 8 of \$50, obverse; 11 of \$50, reverse; 2 of \$100, obverse; 3 of \$100, reverse; 1 of \$500, obverse; 1 of \$500, obverse, unfinished; 1 of \$500, reverse; 1 of \$1,000, obverse.

## MISCELLANEOUS.

1 plate of certificate of deposit; 1 cover-plate for the fractional currency; 1 plate of letter-head, National Currency Bureau; 1 of \$1,000, certificate of indebtedness, 1 subject; 1 of treasury draft or warrant, 4 subjects; 1 of war draft or warrant, 4 subjects; 1 of Interior draft or warrant, 4 subjects; 1 of Navy draft or warrant, 4 subjects; 1 of vignette, portrait of Secretary Chase; 1 of vignette, portrait of Secretary Fessenden; 1 of \$5,000, certificate, of deposit, 1 subject; 1 of certificate of deposit, original and duplicate; 1 of check of the assistant treasurer of New York, five subjects; 1 of coin check, five subjects; 1 of alphabet; 1 of specimen plate of cycloid ruling; 1 of specimen plate of cycloid ruling; 1 of \$1,000, certificate of indebtedness, three subjects; 1 of \$5,000, certificate of indebtedness, three subjects; 1 of exequatur; 1 of passport; 1 of letter-head, Second Auditor.

## BLANK STEEL.

601 plates, nine by fourteen inches; 76 of nine by fifteen and a quarter inches; 62 of twenty and a half by fourteen and a half inches; 19 of twenty by fourteen and a quarter inches; 28 of eighteen by fifteen and a quarter inches; 15 of twenty by fourteen and a half inches; 20 of twenty by thirteen and a half inches; 53 of twenty by thirteen and a quarter inches; 19 of twelve by twelve and three-quarter inches; 6 of seventeen by thirteen and a quarter inches; 2 of nine by fifteen inches; 2 of seven and a half by fifteen inches.

## BLANK ROLLS.

40 rolls, half inch face; 8 of five-eighths inch face; 13 of nine-sixteenths inch face; 7 of one inch face; 5 of one and an eighth inch face; 7 of one and a quarter inch face; 16 of one and a half inch face; 9 of one and five-eighths inch face; 7 of one and three-quarters inch face; 23 of one and seven-eighths inch face; 9 of two-inch face; 6 of two and one-eighth inch face; 6 of two and three-eighths inch face; 11 of two and a half inch face; 6 of two and five-eighths inch face; 3 of two and a quarter inch face; 4 of three-inch face; 41 of three and a quarter inch face; 16 of two and three sixteenths inch face; 1 of two and a quarter inch face; 1 of one and five-eighths inch face; 6 of three and a half inch face; 2 of three and five-eighths inch face; 2 of one-quarter inch face; 2 of three-eighths inch face; 2 of one-half inch face; 1 of five-eighths inch face; 5 of three-quarters inch face; 3 of seven-eighths inch face; 14 of one-inch face; 16 of one and one-eighth inch face; 18 of one and a quarter inch face; 10 of one and a half inch face; 2 of one and five-eighths inch face; 9 of one and three-quarters inch face; 13 of one and seven-eighths inch face; 7 of two-inch face; 1 of two and three-quarters inch face; 1 of three and a



quarter inch face; 6 of one and three-eighths inch face; 9 of two and three-sixteenths inch face; 3 of two inch face; 6 of one and seven-eighths inch face; 3 of one and three-quarters inch face; 3 of one and five-eighths inch face; 3 of one and a half inch face; 3 of three and five-eighths inch face.

RED-PIECES.—FRACTIONAL CURRENCY.

No. 1, skeleton obverse; No. 2, skeleton reverse; No. 3, vignette, head of Washington; No. 4, vignette, head of Washington; No. 5, 5 cent obverse; No. 6, 5 cent reverse; No. 7, 10 cent obverse; No. 8, 10 cent reverse; No. 9, 25 cent obverse; No. 10, 25 cent reverse; No. 11, 50 cent obverse; No. 12, 50 cent reverse.

FRACTIONAL CURRENCY—NEW ISSUE.

No. 1, 50 cent reverse; No. 2, 50 cent obverse; No. 3, 25 cent reverse; No. 4, 3 cent reverse.

\$5,000 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 23, vignette, America offering her jewels; No. 23 *a*, vignette, America offering her jewels; No. 142, original lathe-work of oval counter, 5,000; No. 142 *a*, 5,000 counter, matched; No. 142 *b*, finished lathe-work counter, with denomination; No. 143 *a*, finished lathe-work counter, small 5,000; No. 144, Washington, October 1, 1863; No. 145, United States; No. 146, will pay the bearer with interest, &c.; No. 147, five thousand dollars; No. 148, corner-piece, 5,000, scroll-work; No. 148 *a*, corner-piece, 5,000, scroll-work; No. 149, legal tender for \$5,000—Register of Treasury and Treasury Department; No. 150, kaleidograph border; No. 167, check letters, A B C D; No. 153, kaleidograph tint, 5,000 repeated, in scroll; No. 153, kaleidograph original, 5,000 repeated, in scroll.

*Reverse.*—No. 155, vignette, eagle; No. 156, 5,000, lathe-work counter; No. 157, every person, &c., ornamented with scroll; No. 158, this note is a legal tender, &c.; No. 158 *b*, scroll-work.

\$1,000 TWO-YEARS INTEREST NOTES.

*Obverse.*—No. 120, vignette, naval battle scene; No. 121, vignette, De Soto; No. 123, legend of note; No. 124, original kaleidograph counter, 1,000; No. 124 *a*, finished kaleidograph counter, 1,000; No. 125, tablet, act of March 3, 1863; No. 126, original kaleidograph border of note; No. 127, finished kaleidograph border of note; No. 128, original lathe-work counter tint, 1,000; No. 128 *a*, finished lathe-work counter tint, 1,000; No. 129, scroll-work tint over coupon.

*Reverse.*—No. 130, original kaleidograph of coupon; No. 130 *a*, finished kaleidograph of coupon, with scroll; No. 124, kaleidograph counter, 1,000, original; 124 *c*, kaleidograph counter, 1,000, finished; No. 122, vignette, eagle; No. 131, scroll-work, with lettering—penalty; No. 129 *b*, this note is a legal tender, &c., for all debts, &c.; No. 167, check letters—No.; No. 125 *a*, tablet—legal tender for one thousand dollars.

\$1,000 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 21, vignette, justice; No. 22, vignette, liberty; No. 132, vignette, eagle and shield, "In God is our trust;" No. 133, corner ornaments, M and 1,000, in scroll; No. 134, one year from date; No. 135, one thousand dollars, with interest, &c.; No. 135 *a*, United States; No. 135 *b*, United States; No. 136, will pay the bearer; No. 136 *a*, act of March 3, 1863; No.

134 *a*, "M," printed in color; 134 *b*, 5,000, ruled in color; No 137, 1,000 repeated.

*Reverse*.—No. 130, original kaleidograph of centre; No. 130 *a*, finished 1,000, and one thousand, kaleidograph; No. 138, scroll-work corner-pieces; No. 139, original lathe-work counter; No. 140, lathe-work, with lettering—the penalty; No. 141, lathe-work, with lettering—this note is, &c.

#### \$500 TWO-YEARS' INTEREST NOTES.

*Obverse*.—No. 183, vignette, eagle and nest; No. 183 *a*, vignette, liberty; No. 184, United States; No. 185, lathe-work counter, 500; No. 186, five hundred dollars, will pay to bearer, &c; No. 187, signatures; No. 188, Washington; No. 189, lower corner ornaments; No. 190, U. S., ornaments, flowers and scroll; No. 191, this note is a legal tender for five hundred dollars; No. 191 *a*, section of border, U. S. and D; No. 193, treasury note, in tablet; No. 194, act of March 3, 1863; No. 194 *a*, Register of the Treasury—Treasurer of the United States; No. 195, two years after date; No. 196, corner ornaments and scroll, U. S.; No. 207, coupon, \$12 50; No. 192, finished border, U. S. and D.

*Obverse tint*.—No. 204, cycloid work over note; No. 205, D, ornamented with scroll; No. 206, pentagraph tint over coupon.

*Reverse*.—No. 209, lathe-work, with lettering and denomination; No. 196, small corner ornaments; No. 211, lathe-work over coupon; No. 209 *a*, section of counter, 500.

#### \$500 ONE-YEAR INTEREST NOTE.

*Obverse*.—No. 68, vignette, standard-bearer; No. 72, vignette, New Ironsides; No. 164, finished lathe-work counter, 500; No. 164 *a*, original lathe-work counter, 500; No. 164 *b*, original lathe-work counter, before lettering; No. 155 *d*, legal tender for five hundred dollars; No. 155 *e*, act of March 3, 1863; No. 155 *f*, border of note, end-pieces, lathe-work; No. 155 *g*, section of note, end-pieces, lathe-work; No. 160 *a*, treasury note, one year after date, &c.; No. 161, five hundred dollars, with interest, &c.—Washington; No. 160 *b*, corner ornaments.

*Obverse tint*.—No. 165, cycloid 500, repeated; No. 165 *a*, cycloid 500, section; No. 107, D, ruled face.

*Reverse*.—No. 163, lathe-work, full note; No. 163 *a*, lathe-work, original; No. 163 *b*, lathe-work, circular; No. 163 *c*, lathe-work, section.

#### \$100 TWO-YEARS' INTEREST NOTE.

No. 102, vignette, in the turret; No. 102 *a*, vignette, farmer and mechanic; No. 103, border of note, C, one thousand, repeated; No. 103 *a*, border of note, C; No. 104, treasury note—Two years after date the United States will pay bearer one hundred; No. 105, dollars, with interest at five per cent. per annum, payable semi-annually. The last six months' interest will be paid with this note. Washington, Dec. 1, 1863. Act March 3, 1863; No. 106, vignette, view of the treasury; No. 108, coupon of the note; No. 109, lathe-work counter, obverse of note in tint; No. 110, original lathe-work of counter, C, and 100; 110 *a*, finished lathe-work of counter, C, and 100; No. 111, lathe-work tint over obverse of note; No. 112, section of tint over obverse of note; No. 113, lathe-work strip over obverse of coupon; No. 114, legal tender for one hundred dollars; No. 115, lathe-work C, reverse of coupon; No. 116, lathe-work C, reverse of note with lettering; No. 117, lathe-work C, original of the reverse.

#### \$100 ONE-YEAR INTEREST NOTE.

*Obverse*.—No. 199 *a*, vignette, Washington; No. 199, vignette, justice; No. 228, vignette, victory and peace; No. 184 *a*, United States; No. 220 *a*, one

year after date; No. 229, act of March 3, 1863; No. 230, one hundred dollars; No. 196 *a*, U. S., corner ornaments, scroll and flowers; No. 196, U. S., corner ornaments, scroll and flowers; No. 218, counter, lathe-work, 100; No. 232, this note is a legal tender for one hundred dollars; No. 232 *a*, border, U. S. and C; No. 220, check letters, A, B, C, D; No. 188, Washington, in script; No. 187, signatures; No. 194, Register of Treasury, Treasurer of the United States.

*Obverse tint*.—No. 218 *a*, lathe-work; No. 218 *b*, lathe-work, C; No. 195 *b*, scroll, belonging to lathe-work.

*Reverse*.—No. 233 *a*, lathe-work, with lettering and denomination; No. 233, *b*, half section of counter; No. 233 *c*, section of lathe-work.

#### \$50 TWO-YEARS' INTEREST NOTE.

*Obverse*.—No. 197, vignette, Caduceus; No. 214 *a*, vignette, loyalty; No. 199, vignette, justice; No. 185 *a*, counter, lathe-work, 50; No. 185 *b*, United States; No. 200, two years after date will pay to bearer fifty dollars with interest at five per; No. 201, cent. per annum, payable semi-annually. Washington. The last six months' interest will be paid with this note; No. 201 *a*, lathe-work counter, 50, section of a circle; No. 201 *b*, lathe-work counter, without denomination; No. 195 *a*, act of March 3, 1863; No. 187, signatures; No. 208, coupon, \$1 25; No. 208 *a*, coupon, \$1 25.

*Obverse tint*.—No. 204, lathe-work tint; No. 208 *a*, L, ornamented with scroll; No. 195 *b*, scroll-work, belonging to tint; No. 210, this note is a legal tender for fifty dollars; No. 210 *a*, treasury note, in tablet; No. 196 *a*, scroll-work corners, U. S.; No. 194 *b*, small border, 50 and United States repeated; No. 206, pentagraph tint over coupon.

*Reverse*.—No. 212, lathe-work lettering and denomination; No. 213, lathe-work fifty dollars, reverse of coupon; No. 213 *a*, lathe-work fifty dollars, section.

#### \$50 ONE-YEAR INTEREST NOTES.

*Obverse*.—No. 214, vignette, loyalty; No. 234, vignette, Alexander Hamilton; No. 185 *b*, United States; No. 216 *a*, lathe counter, 50; No. 235, fifty dollars; No. 235 *a*, lathe counter, fifty; No. 235 *b*, ornamental scroll corner, fifty, 50; No. 195 *a*, act of March 3, 1863; No. 210 *a*, one year after date, in tablet; No. 210, this note is a legal tender for fifty dollars; No. 188, Washington; No. 220, check letters; No. 194 *a*, Register of the Treasury and Treasurer of the United States; No. 187, signatures; No. 194 *a*, lathe border, end-piece, United States, 50.

*Obverse tint*.—No. 231, lathe-work.

*Reverse*.—No. 241, lathe-work, denomination, &c.; No. 241, section of lathe-work.

#### \$20 ONE-YEAR INTEREST NOTE.

*Obverse*.—No. 70, vignette, portrait of President Lincoln; No. 71, vignette, victory; No. 69, vignette, mortar firing; No. 156, original, lathe-work of corner-piece, 20; No. 157, finished, lathe-work of corner-piece, 20; No. 158, border of note, lathe-work, twenty, 20; No. 158 *a*, section of lathe-work, twenty, 20; No. 155 *a*, legal tender for twenty dollars; No. 159, corner ornament, In God is our trust; No. 159, corner ornament, God and our right; No. 160, legend of note; No. 161, with interest at five per cent., Washington; No. 155 *b*, act of March 3, 1863; No. 155 *c*, check-letters.

*Obverse tint*.—No. 162, cycloid tint 20, repeated; No. 162 *a*, cycloid tint 20, section.

*Reverse*.—No. 153, lathe-work of full note; No. 154, lathe-work, original; No. 155, 20, XX, repeated.

**\$10 ONE-YEAR INTEREST NOTE.**

*Obverse.*—No. 214, vignette, eagle and capitol; No. 215, vignette, portrait of Secretary Chase; No. 215 *a*, vignette, peace; No. 216, vignette, United States; No. 216, one year after date, act of March 3, 1863; No. 217, lathe-work counter, 10; No. 216 *b*, lathe-work counter, X, ornamented with scroll; No. 216 *c*, lathe-work counter, X, ornamented with scroll; No. 219, ten dollars, with five per cent. interest; No. 188, Washington; No. 187, signatures; No. 196, corner ornaments, U. S.; No. 221, this note is a legal tender for ten dollars; No. 222, United States, ten, 10, repeated; No. 223, United States of America, ten, repeated; No. 223 *a*, United States of America, ten, section; No. 193, treasury note, in tablet.

*Obverse tint.*—No. 225, lathe-work; No. 226, lathe-work, figure X.

*Reverse.*—No. 227, lathe-work, with lettering and denomination; No. 225 *a*, lathe-work counter, 10.

**\$1,000 5-20 BOND.**

No. 45, it is hereby certified that; No. 59, United States of America, with scroll; No. 59 *a*, United States of America, with scroll; with lettering, six per cent. loan, under act of February 25, 1862. Redeemable after five, &c.; No. 60, one thousand dollars; No. 61, lathe-work counter, No., and third series; No. 62, scroll-work, belonging to border; No. 50 *a*, lathe-work, one thousand counter; No. 50 *d*, lathe-work, M, and corner-pieces; No. 55 *a*, vignette, farmer mowing; No. 63, vignette, girl at the well; No. 64, vignette, eagle with flag; No. 64 *a*, vignette, eagle with flag, with lettering, are indebted unto; No. 67, coupon, \$30; No. 67 *a*, coupon, \$30; No. 65, original lathe-work of the border of bond; No. 66, original lathe-work of strip parallel with border; No. 50 *e*, original lathe-work of counter, one thousand; No. 50 *f*, original lathe-work of counter, M; No. 50 *g*, original lathe-work of corner-piece; No. 83, United States of America, ruled face; No. 84, lathe-work, 1,000, reverse of bond; No. 86, ruled oval counter, fourth series and 4th; No. 87, cycloid counter, \$30, reverse of coupon; No. 78, cycloid counter, M and 1,000 with lettering, six per cent. loan, under act, &c.; No. 91, one thousand dollars, and writing of bond; No. 93, it is hereby certified that the Treasury Department, Register's office, are indebted unto, No.; No. 100, coupon, \$30, obverse.

**\$500 5-20 BONDS.**

No. 46, United States of America; No. 46 *a*, United States of America; No. 47, five hundred dollars; No. 48, lathe-work counter, No.; No. 49, lathe-work counter, 3d and third series; No. 50, lathe-work counter, D; No. 50 *b*, lathe-work counter, D, with lettering, six per cent. loan under act of February 25, 1862; No. 50 *c*, lathe-work counter, D, with lettering, redeemable after five and payable twenty years from date; No. 51, lathe-work counter, five hundred; No. 52, lathe-work counter, 500; No. 53, vignette, head of President Lincoln; No. 54, vignette, head of General Scott; No. 55, vignette, eagle; No. 56, coupon, \$15; No. 58, original lathe-work of the border of bond; No. 51 *b*, original lathe-work of counter, five hundred; No. 52 *a*, original lathe-work of counter, 500; No. 57, original lathe-work of coupon border; No. 57 *a*, original lathe-work of coupon border; No. 50 *h*, original lathe-work of counter, D; No. 49 *a*, original lathe-work of counter, 3d series; No. 92, ruled counter, 4th series and fourth.

**\$100 5-20 BONDS.**

No. 15, two tablets with legend; No. 16, Register's office, May; No. 16, Treasury Department, November, No.; No. 17, one hundred dollars; No. 18,

the United States of America are indebted unto ; No. 19, kaleidograph border, with matched corner ; No. 20, coupon, \$3 00 ; No. 21, vignette, justice ; No. 22, vignette, liberty ; No. 23, vignette, America offering her jewels ; No. 24, original lathe-work of \$100 counter ; No. 25, matched lathe-work of \$100 counter ; No. 26, original corner-piece ; No. 27, original counter, 3d ; No. 28, matched counter, with denomination ; No. 29, border kaleidograph ; No. 99, fourth series, black-face letter.

#### \$50 5-20 BOND.

No. 34 *a*, it is hereby certified that ; No. 34 *b*, the United States of America ; No. 34 *c*, are indebted unto ; No. 35, fifty dollars ; No. 36, kaleidograph border, with matched corner ; No. 37, kaleidograph border, with matched corner ; No. 38, kaleidograph counter, 50 ; No. 39, kaleidograph counter, with lettering, third series and Treasury Department ; No. 40, vignette, eagle ; No. 41, vignette, America and peace ; No. 42, vignette, reclining Indian ; No. 43, Treasury Department, Register's office, Register of the Treasury, No. ; No. 44, coupon, \$1 50 ; No. 29, kaleidograph border ; No. 15 *a*, tablets with legend ; No. 89, coupon, \$1 50, 4th series ; No. 38 *a*, lathe-work corner-piece, to match border.

#### MISCELLANEOUS STOCK.

No. 77, scroll work corner-piece ; No. 79, it is hereby certified that, treasury of the United States. Register of the Treasury ; No. 75, corner-piece, figure 2 and word two ; lettering, receivable for all United States stamps, engraved and printed at the Treasury Department ; No. 80, are indebted unto ; 81, one thousand dollars, Washington, No. and ruled counter 1,000 ; No. 82, if the order blank is not filled this, United States treasury ; No. 85, alphabet or check letters ; No. 88, counter, 50 dollars, 100 dollars, 500 dollars with lettering, Treasury Department, national currency bureau, and official business ; No. 94, border strip of lathe-work ; No. 95 *b*, United States treasury seal ; No. 95 *a*, United States treasury seal ; No. 90, signatures of F. E. Spinner and L. E. Chittenden ; No. 98, fifty dollars, a small black-face letter ; No. 97, counter, 100 dollars and 50 dollars ; No. 102, draft and \$ ; No. 118, United States of America, fancy letter, black face ; No. 151, interest 5 per cent. ; No. 152, 1st February, 1864 ; No. 30, it is hereby certified that ; No. 31, Phillebrown head of Washington ; No. 33, five per cent. loan under act of March 3, 1863, redeemable after ten and payable forty years from date ; No. 95 *c*, United States treasury seal ; No. 119, kaleidograph counter, 1,000 ; No. 167 *a to h*, \$25 coupon belonging to the \$1,000 10-40 ; No. 168, \$5 coupon belonging to the \$100 10-40 ; No. 170, five thousand dollars, certificate of indebtedness, one ; No. 171, \$12 50 coupon belonging to the \$500 10-40 ; No. 171 *a*, \$12 50 coupon belonging to the \$500 10-40 ; No. 176, lathe-work oblong counter ; No. 181, oval lathe work counter ; No. 182, section of border ; No. 181 *a*, lathe strip ; No. 181 *b*, lathe strip, double ; No. 182 *a*, lathe strip border ; No. 182 *ab*, lathe strip border, double ; No. 176 *b*, lathe strip border ; No. 203, lathe strip section ; No. 203 *a*, lathe strip, section strip ; No. 202, lathe counter, (large) ; No. 164, lathe section of counter ; No. 236, lathe section of counter ; No. 237, lathe section of counter ; No. 239, treasury warrant No., in favor of, on, \$, pay to, or order, on treasury warrant, No., 186, pay to, or order, issued on requisition No., registered, 186 ; No. 164 *a*, lathe border strip ; No. 238 *a*, lathe-work, small oblong counter ; No. 238 *b*, lathe-work, small oblong counter ; No. 244, lathe-work, miscellaneous ; No. 246, three years after date, compounded semi-annually ; No. 247, three years, three years after date ; No. 248, assistant treasurer of the United States ; No. 249, collector's office, New York, 186, pay to the order of, in coin, auditor ; No. 250, will pay the bearer fifty dollars, with interest at the rate of six per cent. per annum ; No. 251, three years, with interest, at the rate of six per cent. per annum, compounded semi-annually ; No. 238, lathe-

work border; No. 244 *a*, lathe-work border; No. 151 *a*, lathe-work counter; No. 240, reverse of three-years' interest notes with legend; No. 238 *aa*, section of lathe; No. 252, reverse of three-year \$50 interest note with legend; No. 254, Treasury Department, New York; No. 240 *a*, reverse skeleton of three-years' note; No. 151 *a*, lathe-work border; No. 238 *a*, lathe strip border; No. 255, six months' interest due July 1, 1881, payable with this bond, entered, recorded, Washington; No. 256, Register's office, Treasury Department; No. 259, cycloid tint for \$1,000, 6, 81, coupon 30; No. 260, coupon for \$15, 6, 81, bonds; No. 261, coupon for \$30, 6, 81, bonds; No. 263, cycloid tint for \$500, 6, 81, coupon 15; No. 264 *a*, cycloid fancy-faced letter, fifty; No. 264, cycloid fancy-faced figure 500; No. 267, coupon cycloid tint, with lettering act of March 3, 1863; No. 266, section of lathe-work; No. 268, 100 cycloid ruled face; No. 269, it is hereby certified that, plain white-face letter; No. 273, three years after date, with interest, at the rate of five per cent., &c; No. 272, lathe-work mitre for \$20, reverse three-years' note; No. 279, five coupons attached, last six months' interest payable with note; No. 278, act of June 30, 1864; No. 276, lathe-work narrow border; No. 154, lathe-work narrow border; No. 280, act of June 30, 1864, interest one cent per day, two cents per day, &c; No. 281, \$500 reverse, with legend for 7-30; No. 283, \$20, reverse for the \$20 three-years' interest notes; No. 284, double lathe-work counter 1,000; No. 285, lathe section of circle, 1,000; No. 286, reverse of the \$50, 7-30, with legend; No. 287, lathe and cycloid work with lettering, pay to bearer; No. 288, \$100 reverse 7-30 with legend; No. 289, compounded semi-annually; No. 290, coupon for 7-30, \$500, \$18 25; No. 290, coupon for 7-30, \$100, \$3 65; No. 291, coupon for 7-30, \$1,000, \$36 50; No. 291, coupon for \$50, \$1 82½; No. 292, at maturity, &c., in a small lathe border for reverse \$1,000, 7-30; No. 293, three years after date, black-face letter; No. 294, semi-annually in lawful money, payable, interest; No. 295, signature, S. B. Colby; No. 296, act of July 17 and August 5, 1861; No. 297, \$5,000 coupon for 7-30; No. 298, the United States of America, black face; No. 254 *a*, Treasury Department; No. 299, the United States of America, ruled face; No. 300, the United States of America, black face; No. 301, act of June 30, 1864, in tablet; No. 302, six per cent. loan under act of June 30, 1864, in tablet; No. 303, promise to pay to the order, with 7-30 per cent. in lawful money, semi-annually, August 15, 1864, February 15, August 15; No. 304, six per cent. loan under act of June 30, 1864; No. 305, United States of America, ornamented with stars; No. 308, six months' interest due November 1, 1864, payable with this bond, No; No. 309, Washington, August 15, 1864, promise to pay, dollars to the order, of 7-30 per cent. interest, payable semi-annually in lawful money; No. 310, United States of America, black face; No. 311, fifty dollars; No. 213 *a*, portrait of Secretary Fessenden; No. 312, promise to pay to the bearer, &c.; No. 314, Treasury Department, ornamented with scroll; No. 315, six months' interest \$1 50, six months' interest \$3, six months' interest \$15, six months' interest \$30, six months' interest \$150, six months' interest \$300; No. 317, ten thousand dollars, five thousand dollars, one thousand dollars, five hundred dollars, one hundred dollars; No. 318, sections of lathe-work for borders; No. 319, sections of lathe-work for borders; No. 320, counter 25 and section of lathe border; No. 321, one thousand dollars, German text; No. 323, lathe-work counter; No. 325, scroll-work, ornaments; No. 327, fifty dollars repeated, and Nos. repeated, and \$, and A; No. 328, lathe counter with denomination 3; No. 340, No. and \$, plain and fancy letters.

## UNITED STATES NOTES.

No. 73, scroll-work for back of two dollars; No. 74, two flags for back of two dollars; No. 76, scroll-work; No. 77 *a*, section of counter, two; No. 77 *b*, sec-

tional counter, two, complete; No. 306, the emigration of the pilgrims; No. 307, the landing of Columbus; De Soto on the Mississippi; also forty-three shells or lathe-cuttings of counters, borders, &c.

ROLLS—FRACTIONAL CURRENCY—NEW ISSUE.

1, 50 cent reverse; 1 A, ditto; 2, 50 cent obverse; 2 A, ditto; 2 B, ditto; 2 C, ditto; 2 E, ditto; 2 F, ditto; 2 G, ditto; 2 H, ditto; 1 B, 50 cent reverse; 3, 25 cent reverse; 3 A, ditto; 3 B, ditto; 3 C, ditto; 4, 3 cent reverse; 4 A, ditto; 4 B, ditto; 4 C, ditto; 4 D, ditto; 4 E, ditto; 4 F, ditto; 4 G, ditto.

FRACTIONAL CURRENCY.

1, skeleton obverse; 2, skeleton reverse; 3, head of Washington, by Ourdan; 4, head of Washington, more highly finished; 5, 5 cent obverse; 6, 5 cent reverse; 7, 10 cent obverse; 8, 10 cent reverse; 9, 25 cent obverse; 10, 25 cent reverse; 11, 50 cent obverse; 12, 50 cent reverse; 7 *a*, 10 cent obverse, mandril roll; 8 *a*, 10 cent reverse, mandril roll; 5 *a*, 5 cent obverse, mandril roll; 6 *a*, 5 cent reverse, mandril roll; 9 *a*, 25 cent obverse, mandril roll; 10 *a*, 25 cent reverse, mandril roll; 11 *a*, 50 cent obverse, mandril roll; 12 *a*, 50 cent reverse, mandril roll; 7 *b*, 10 cent obverse; 7 *c*, 10 cent obverse; 9 *b*, 25 cent obverse; 9 *c*, 25 cent obverse; 7 *d*, 10 cent obverse; 7 *e*, 10 cent obverse; 8 *b*, 10 cent reverse; 5 *b*, 5 cent obverse; 9 *d*, 25 cent obverse; 5 *b*, 5 cent obverse, mandril roll; 6 *b*, 5 cent reverse, mandril roll; 7 *b*, 10 cent obverse, mandril roll; 8 *b*, 10 cent reverse, mandril roll; 9 *b*, 25 cent obverse, mandril roll; 10 *b*, 25 cent reverse, mandril roll.

\$5,000 ONE-YEAR INTEREST NOTES.

*Obverse*.—No. 23, vignette, wealth offering up her jewels; No. 142, original lathe-work of oval counter 5,000; No. 142 *a*, original lathe-work of oval counter finished, 5,000; No. 143, original lathe-work of small counter 5,000; No. 143 *a*, original lathe-work of small counter, finished, 5,000; No. 143 *b*, ditto; No. 144, Washington, October 1, 1863; No. 145, United States; No. 145 *a*, ditto; No. 146, will pay the bearer with interest, &c.; No. 147, five thousand dollars; No. 147 *a*, ditto; No. 148, ornaments, 5,000 scroll-work; No. 148 *a*, ditto; No. 149, legal tender for 5,000 dollars; No. 149, *a*, Register of the Treasury, treasury note; No. 150, kaleidograph border in sections, 5,000 repeated; No. 150 *a*, ditto; No. 150 *b*, ditto; No. 166, check letters A, B, C, D; No. 153, kaleidograph tint on obverse of note printed in color; No. 153 *a*, ditto.

*Reverse*.—No. 155, vignette, eagle, &c.; No. 155 *a*, ditto; No. 156, 5,000 lathe-work counter, original; No. 156 *a*, 5,000 lathe-work counter, finished; No. 157 penalty, &c., ornamented with scroll; No. 158, this note is a legal tender, &c.; No. 158 *a*, ditto; No. 158 *b*, scroll-work, corner-pieces.

\$1,000 TWO-YEARS' INTEREST NOTES.

*Obverse*.—No. 120, vignette, naval battle scene; No. 120 *a*, ditto; No. 121, vignette, De Soto; No. 121, legend of note; No. 124, original kaleidograph counter of 1,000; No. 124 *a*, finished kaleidograph counter of 1,000; No. 125, tablet, act of March 3, 1863, treasury note; No. 125 *a*, tablet, legal tender for one thousand dollars; No. 126 *a*, original kaleidograph border of note; No. 126 *b*, finished kaleidograph border of note; No. 126 *c*, ditto; No. 127, coupon of note; No. 128, original lathe-work counter of tint 1,000; No. 128 *a*, finished lathe-work counter of tint 1,000; No. 129, scroll-work in tint over coupon; No. 129 *a*, ditto.

*Reverse*.—No. 130, original kaleidograph of coupon; No. 130 *a*, finished

kaleidograph of coupon; No. 124 *b*, kaleidograph of the body of note; No. 124 *c*, finished kaleidograph 1,000 counter; No. 122, vignette, eagle; No. 131, scroll-work, lettering, penalty; No. 129 *b*, this note is a legal tender, &c.; No. 129 *c*, except duties, &c.; No. 167, check letters A, B, C, D, and No.

#### \$1,000 ONE-YEAR INTEREST NOTES.

*Obverse*.—No. 21 *a*, vignette, justice; No. 21 *b*, ditto; No. 22, vignette, liberty; No. 132, vignette, eagle and shield, "In God is our trust;" No. 133, corner ornaments, M and 1,000, in scroll; No. 134, one year from date; No. 135, one thousand dollars, with interest, &c.; No. 135 *a*, United States; No. 135 *b*, ditto; No. 136, will pay the bearer; No. 136 *a*, act of March 3, 1863.

*Obverse tint*.—No. 134 *a*, "M," ornamental letter; No. 134 *b*, 5,000, ruled face; No. 134 *c*, 5,000, ruled face.

*Reverse*.—No. 130 *b*, original kaleidograph of centre; No. 130 *c*, finished 1,000, and one thousand; No. 138, scroll-work corner-pieces; No. 139, original lathe-work counter; No. 139 *a*, section lathe-work counter; No. 140, lathe-work, with lettering; the penalty; No. 141, lathe-work, with lettering, this note is, &c.

#### \$500 TWO-YEARS' INTEREST NOTE.

*Obverse*.—No. 183, vignette, eagle and nest; No. 183 *a*, vignette, liberty; No. 184, United States; No. 185, lathe-work counter, 500; No. 186, five hundred dollars, will pay to bearer, &c.; No. 187, signatures; No. 188, Washington; No. 189, lower corner ornaments; No. 190, U. S., ornaments, flowers and scroll; No. 191, this note is a legal tender for five hundred dollars; No. 191 *a*, section of border, U. S. and D.; No. 192, finished border, U. S. and D.; No. 193, treasury note, in tablet; No. 194, act of March 3, 1863; 194 *a*, Register of the Treasurer of the United States; No. 195, two years after date; No. 196, corner ornaments and scroll, U. S.; No. 207, coupon, \$12 50.

*Obverse tint*.—No. 204, cycloid work over note; No. 205, D, ornamented with scroll; No. 206, pentograph tint over coupon.

*Reverse*.—209, lathe-work, with lettering and denomination; No. 196, small corner ornaments; No. 211, lathe work and D over coupon.

#### \$500 ONE-YEAR INTEREST NOTE.

*Obverse*.—No. 68, vignette, standard-bearer; No. 72, vignette, New Ironsides; No. 164, lathe-work counter, 500; No. 164 *a*, lathe-work original of counter and sections; No. 164 *b*, lathe-work original of counter before lettering; No. 155 *d*, legal tender for five hundred dollars; No. 155 *e*, act of March 3, 1863; No. 155 *f*, border of note or end-piece, 500 repeated; No. 155 *g*, section of note or end-piece, 500 repeated; No. 160 *a*, treasury note, one year after date, &c.; No. 161, five hundred dollars, with interest, &c., Washington; No. 160 *b*, corner ornaments.

*Reverse*.—No. 163, lathe-work, combination; No. 163 *a*, lathe-work, original, combination; No. 163 *b*, lathe-work, circular, combination; No. 163 *c*, lathe-work, section, combination; No. 163 *d*, lathe-work, section, combination; No. 163 *f*, lathe-work, section, combination; No. 163 *g*, lathe-work, section, combination; No. 163 *h*, lathe-work, section, combination.

*Obverse tint*.—No. 165, cycloid 500, repeated; No. 165 *a*, cycloid 500, section; No. 107, D, ruled face.

#### \$100 TWO YEARS' INTEREST NOTE.

No. 102, vignette, in the turret; No. 102 *a*, vignette, farmer and mechanic; No. 103, border of note, C, one hundred repeated; No. 103 *a*, border of note, C; No. 104, treasury note. Two years after date the United States will pay



bearer one hundred; No. 105, dollars, with interest at five per cent. per annum, payable semiannually. The last six months' interest will be paid with this note. Washington, Dec. 1, 1863. Act March 3, 1863; No. 106, vignette, view of the treasury; No. 108, coupon of the note, obverse; No. 109, lathe-work counter, obverse of note in tint; No. 110, original lathe-work of counter, C and 100; No. 110 *a*, finished lathe-work of counter, C and 100; No. 111, cycloid lathe-work tint over obverse of note; No. 112, cycloid lathe-work tint over section of same; No. 113, lathe-work strip over obverse of coupon in tint; No. 114, legal tender for one hundred dollars; No. 115, lathe-work C, reverse of coupon; No. 116, lathe-work C, reverse of note with lettering; No. 117 *a*, lathe-work C, original of the reverse; No. 117 *b*, lathe-work section of the reverse; No. 117 *c*, lathe-work C, section of the reverse.

#### \$100 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 199 *a*, vignette, Washington; No. 199, vignette, justice; No. 228, vignette, victory and peace; No. 184 *a*, United States; No. 220 *a*, one year after date; No. 229, act of March 3, 1863; No. 230, one hundred dollars; No. 196, U. S., corner ornaments, scroll and flowers; No. 196 *a*, U. S., corner ornaments, scroll and flowers; No. 218, counter, lathe-work, 100; No. 232, this note is a legal tender for one hundred dollars; No. 232 *a*, border, U. S. and C; No. 220, check letters, A B C D; No. 188, Washington, in script; No. 187, signatures; No. 194 *a*, Register of Treasury. Treasurer of the United States.

*Obverse tint.*—No. 218 *a*, lathe-work; No. 218 *b*, lathe-work, C; No. 195 *b*, scroll, belonging to tint.

*Reverse.*—No. 233, lathe-work, with lettering and denomination; No. 233 *a*, half section of counter; 233 *b*, section of lathe-work.

#### \$50 TWO-YEARS' INTEREST NOTE.

*Obverse.*—No. 197, vignette, Caduceus; No. 214 *a*, vignette, loyalty; No. 199, vignette, justice; No. 185 *a*, counter, lathe-work, 50; No. 185 *b*, United States; No. 200, two years after date will pay to bearer, fifty dollars with interest at five per; No. 201, cent. per annum, payable semi-annually. Washington. The last six months' interest will be paid with this note; No. 201 *a*, lathe-work counter, 50, section of a circle; No. 201 *b*, lathe-work counter, without denomination; No. 195 *a*, act of March 3, 1863; No. 187, signatures; No. 194 *a*, Register of the Treasury and Treasurer of the United States; No. 220, check letters; No. 208, coupon, \$1 25; No. 208 *a*, coupon, \$1 25.

*Obverse tint.*—No. 204, lathe-work tint; No. 208 *a*, L, ornamented with scroll; No. 195 *b*, scroll-work, belonging to tint; No. 210, this note is a legal tender for fifty dollars; No. 210 *a*, treasury note, in tablet; No. 196 *a*, scroll-work corners, U. S.; No. 194 *b*, small border, 50 and United States repeated; No. 206, pentograph tint over coupon.

*Reverse.*—No. 212, lathe-work lettering and denomination; No. 213, lathe-work fifty dollars, pentograph, coupon; No. 213 *a*, lathe-work section of coupon.

#### \$50 ONE-YEAR INTEREST NOTES.

*Obverse.*—No. 214, vignette, loyalty; No. 234, vignette, Alexander Hamilton; No. 185 *b*, United States; No. 216 *a*, lathe counter, 50; No. 235, fifty dollars; No. 235 *a*, lathe counter, fifty; No. 235 *b*, ornamental scroll corner, fifty, 50; No. 195 *a*, act of March 3, 1863; No. 210 *a*, one year after date, in tablet; No. 210, this note is a legal tender for fifty dollars; No. 188, Washington; No. 220, check letters, A B C D; No. 194 *a*, Register of the Treasury, &c; No. 187, signatures; No. 194 *b*, lathe border, end-piece, United States, &c.

*Obverse tint.*—No. 231, lathe-work.

*Reverse.*—No. 241, lathe-work, denomination, &c.; No. 241, section of lathe-work.

\$20 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 70, vignette, portrait of President Lincoln; No. 71, vignette, victory; No. 71 *a*, vignette, victory; No. 71 *b*, vignette, victory; No. 69, vignette, mortar-firing; No. 156, original, lathe-work of corner-piece 20; No. 157, finished, lathe-work of corner-piece 20; No. 158, border of note, lathe-work, twenty, 20, repeated; No. 158 *a*, section of lathe-work, twenty, 20, repeated; No. 155 *a*, legal tender for twenty dollars; No. 159, corner ornament, In God is our trust; No. 159, corner ornament, God and our right; No. 160, legend of note; No. 161 *a*, with interest at five per cent., Washington; No. 155 *b*, act of March 3, 1863; No. 155 *c*, check letters.

*Obverse tint.*—No. 162, cycloid tint 20, repeated; No. 162 *a*, cycloid tint 20, section.

*Reverse.*—No. 153, lathe-work of full note; No. 154, lathe-work, original; No. 154 *a*, lathe-work, section of same to form border; No. 154 *b*, lathe-work, section of same to form border; No. 154 *c*, lathe-work, section of same to form border; No. 155, 20, XX, repeated.

\$10 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 214, vignette, eagle, flag, and capitol; No. 215, vignette, portrait of Secretary Chase; No. 215 *a*, vignette, peace; No. 216, United States, one year after date, act of March 3, 1863; No. 217, lathe-work counter, 10; No. 216 *b*, lathe-work counter, X, ornamented with scroll; No. 216 *c*, lathe-work counter, X, ornamented with scroll; No. 219, ten dollars, with five per cent. interest; No. 188, Washington; No. 187, signatures; No. 194 *a*, Treasurer of the U. S. and Register of the Treasury; No. 196, corner ornaments, U. S.; No. 220, check letters; No. 221, this note is a legal tender for ten dollars; No. 222, United States, ten, 10, repeated; No. 223, end border, United States of America; No. 223 *a*, section of, United States of America; No. 193, treasury note, in tablet.

*Obverse tint.*—No. 225, lathe-work; No. 226, lathe-work, figure X.

*Reverse.*—No. 227, lathe-work, with lettering and denomination; No. 225 *a*, lathe-work counter, 10.

\$1,000 5-20 BOND.

No. 45, it is hereby certified that; No. 59, United States of America, with scroll border; No. 60, one thousand dollars; No. 61, lathe-work counter, No.; No. 62, scroll-work, belonging to border; No. 50 *a*, lathe-work, one thousand counter; No. 50 *d*, lathe-work, M, one thousand counter; No. 55, vignette, farmer mowing; No. 63, vignette, girl at the well; No. 64, vignette, eagle with flag; No. 64 *a*, vignette, eagle with flag; No. 64 *b*, are indebted unto; No. 65, section of border, lathe-work; No. 65 *a*, section of border, lathe-work; No. 65 *b*, section of border, lathe-work; No. 65 *c*, section of border, lathe-work; No. 65 *d*, section of border, lathe-work; No. 65 *e*, section of border, lathe-work; No. 65 *f*, section of border, lathe-work; No. 65 *g*, section of border, lathe-work; No. 65 *h*, section of border, lathe-work; No. 67, coupon, \$30; No. 66, section of border, lathe-work, coupon; No. 83, United States of America, ruled face; No. 83, United States of America, ruled face; No. 84, lathe-work, 1,000, reverse of bond; No. 86, ruled oval counter, fourth series and 4th; No. 87, cycloid counter, \$30, reverse of coupon; No. 78, cycloid counter, M and 1,000, with lettering, six per cent. loan, under act, &c.; No. 91, one thousand dollars and writing of the bond; No. 93, it is hereby certified that the, Treasury Department, Register's office, are indebted unto, No.; No. 100, coupon, \$30, obverse; No. 100 *a*, coupon, \$30, obverse.

bearer one hundred ; No. 105, dollars, with interest at five per cent. per annum, payable semiannually. The last six months' interest will be paid with this note. Washington, Dec. 1, 1863. Act March 3, 1863 ; No. 106, vignette, view of the treasury ; No. 108, coupon of the note, obverse ; No. 109, lathe-work counter, obverse of note in tint ; No. 110, original lathe-work of counter, C and 100 ; No. 110 *a*, finished lathe-work of counter, C and 100 ; No. 111, cycloid lathe-work tint over obverse of note ; No. 112, cycloid lathe-work tint over section of same ; No. 113, lathe-work strip over obverse of coupon in tint ; No. 114, legal tender for one hundred dollars ; No. 115, lathe-work C, reverse of coupon ; No. 116, lathe-work C, reverse of note with lettering ; No. 117 *a*, lathe-work C, original of the reverse ; No. 117 *b*, lathe-work section of the reverse ; No. 117 *c*, lathe-work C, section of the reverse.

#### \$100 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 199 *a*, vignette, Washington ; No. 199, vignette, justice ; No. 228, vignette, victory and peace ; No. 184 *a*, United States ; No. 220 *a*, one year after date ; No. 229, act of March 3, 1863 ; No. 230, one hundred dollars ; No. 196, U. S., corner ornaments, scroll and flowers ; No. 196 *a*, U. S., corner ornaments, scroll and flowers ; No. 218, counter, lathe-work, 100 ; No. 232, this note is a legal tender for one hundred dollars ; No. 232 *a*, border, U. S. and C ; No. 220, check letters, A B C D ; No. 188, Washington, in script ; No. 187, signatures ; No. 194 *a*, Register of Treasury. Treasurer of the United States.

*Obverse tint.*—No. 218 *a*, lathe-work ; No. 218 *b*, lathe-work, C ; No. 195 *b*, scroll, belonging to tint.

*Reverse.*—No. 233, lathe-work, with lettering and denomination ; No. 233 *a*, half section of counter ; 233 *b*, section of lathe-work.

#### \$50 TWO-YEARS' INTEREST NOTE.

*Obverse.*—No. 197, vignette, Caduceus ; No. 214 *a*, vignette, loyalty ; No. 199, vignette, justice ; No. 185 *a*, counter, lathe-work, 50 ; No. 185 *b*, United States ; No. 200, two years after date will pay to bearer, fifty dollars with interest at five per ; No. 201, cent. per annum, payable semi-annually. Washington. The last six months' interest will be paid with this note ; No. 201 *a*, lathe-work counter, 50, section of a circle ; No. 201 *b*, lathe-work counter, without denomination ; No. 195 *a*, act of March 3, 1863 ; No. 187, signatures ; No. 194 *a*, Register of the Treasury and Treasurer of the United States ; No. 220, check letters ; No. 208, coupon, \$1 25 ; No. 208 *a*, coupon, \$1 25.

*Obverse tint.*—No. 204, lathe-work tint ; No. 208 *a*, L, ornamented with scroll ; No. 195 *b*, scroll-work, belonging to tint ; No. 210, this note is a legal tender for fifty dollars ; No. 210 *a*, treasury note, in tablet ; No. 196 *a*, scroll-work corners, U. S. ; No. 194 *b*, small border, 50 and United States repeated ; No. 206, pentagraph tint over coupon.

*Reverse.*—No. 212, lathe-work lettering and denomination ; No. 213, lathe-work fifty dollars, pentagraph, coupon ; No. 213 *a*, lathe-work section of coupon.

#### \$50 ONE-YEAR INTEREST NOTES.

*Obverse.*—No. 214, vignette, loyalty ; No. 234, vignette, Alexander Hamilton ; No. 185 *b*, United States ; No. 216 *a*, lathe counter, 50 ; No. 235, fifty dollars ; No. 235 *a*, lathe counter, fifty ; No. 235 *b*, ornamental scroll corner, fifty, 50 ; No. 195 *a*, act of March 3, 1863 ; No. 210 *a*, one year after date, in tablet ; No. 210, this note is a legal tender for fifty dollars ; No. 188, Washington ; No. 220, check letters, A B C D ; No. 194 *a*, Register of the Treasury, &c. ; No. 187, signatures ; No. 194 *b*, lathe border, end-piece, United States, &c.

*Obverse tint.*—No. 231, lathe-work.

*Reverse.*—No. 241, lathe-work, denomination, &c. ; No. 241, section of lathe-work.

## \$20 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 70, vignette, portrait of President Lincoln; No. 71, vignette, victory; No. 71 *a*, vignette, victory; No. 71 *b*, vignette, victory; No. 69, vignette, mortar-firing; No. 156, original, lathe-work of corner-piece 20; No. 157, finished, lathe-work of corner-piece 20; No. 158, border of note, lathe-work, twenty, 20, repeated; No. 158 *a*, section of lathe-work, twenty, 20, repeated; No. 155 *a*, legal tender for twenty dollars; No. 159, corner ornament, In God is our trust; No. 159, corner ornament, God and our right; No. 160, legend of note; No. 161 *a*, with interest at five per cent., Washington; No. 155 *b*, act of March 3, 1863; No. 155 *c*, check letters.

*Obverse tint.*—No. 162, cycloid tint 20, repeated; No. 162 *a*, cycloid tint 20, section.

*Reverse.*—No. 153, lathe-work of full note; No. 154, lathe-work, original; No. 154 *a*, lathe-work, section of same to form border; No. 154 *b*, lathe-work, section of same to form border; No. 154 *c*, lathe-work, section of same to form border; No. 155, 20, XX, repeated.

## \$10 ONE-YEAR INTEREST NOTE.

*Obverse.*—No. 214, vignette, eagle, flag, and capitol; No. 215, vignette, portrait of Secretary Chase; No. 215 *a*, vignette, peace; No. 216, United States, one year after date, act of March 3, 1863; No. 217, lathe-work counter, 10; No. 216 *b*, lathe-work counter, X, ornamented with scroll; No. 216 *c*, lathe-work counter, X, ornamented with scroll; No. 219, ten dollars, with five per cent. interest; No. 188, Washington; No. 187, signatures; No. 194 *a*, Treasurer of the U. S. and Register of the Treasury; No. 196, corner ornaments, U. S.; No. 220, check letters; No. 221, this note is a legal tender for ten dollars; No. 222, United States, ten, 10, repeated; No. 223, end border, United States of America; No. 223 *a*, section of, United States of America; No. 193, treasury note, in tablet.

*Obverse tint.*—No. 225, lathe-work; No. 226, lathe-work, figure X.

*Reverse.*—No. 227, lathe-work, with lettering and denomination; No. 225 *a*, lathe-work counter, 10.

## \$1,000 5-20 BOND.

No. 45, it is hereby certified that; No. 59, United States of America, with scroll border; No. 60, one thousand dollars; No. 61, lathe-work counter, No.; No. 62, scroll-work, belonging to border; No. 50 *a*, lathe-work, one thousand counter; No. 50 *d*, lathe-work, M, one thousand counter; No. 55, vignette, farmer mowing; No. 63, vignette, girl at the well; No. 64, vignette, eagle with flag; No. 64 *a*, vignette, eagle with flag; No. 64 *b*, are indebted unto; No. 65, section of border, lathe-work; No. 65 *a*, section of border, lathe-work; No. 65 *b*, section of border, lathe-work; No. 65 *c*, section of border, lathe-work; No. 65 *d*, section of border, lathe-work; No. 65 *e*, section of border, lathe-work; No. 65 *f*, section of border, lathe-work; No. 65 *g*, section of border, lathe-work; No. 65 *h*, section of border, lathe-work; No. 67, coupon, \$30; No. 66, section of border, lathe-work, coupon; No. 83, United States of America, ruled face; No. 83, United States of America, ruled face; No. 84, lathe-work, 1,000, reverse of bond; No. 86, ruled oval counter, fourth series and 4th; No. 87, cycloid counter, \$30, reverse of coupon; No. 78, cycloid counter, M and 1,000, with lettering, six per cent. loan, under act, &c.; No. 91, one thousand dollars and writing of the bond; No. 93, it is hereby certified that the, Treasury Department, Register's office, are indebted unto, No.; No. 100, coupon, \$30, obverse; No. 100 *a*, coupon, \$30, obverse.

## \$500 5-20 BONDS.

No. 46, United States of America; No. 46 *a*, third series; No. 47, five hundred dollars; No. 47 *a*, five hundred dollars; No. 49, lathe-work counter 3d and third series; No. 50, lathe-work counter D and third series; No. 50 *b*, six per cent. loan under act of February 25, 1862; No. 50 *c*, lathe-work counter D, redeemable after five and payable twenty years from date; No. 51, lathe-work counter, five hundred; No. 51 *a*, lathe-work counter, five hundred; No. 52, lathe-work counter, 500; No. 53, vignette, head of President Lincoln; No. 53 *a*, border belonging to the head of Scott; No. 54, vignette, portrait of General Scott; No. 55, vignette, eagle; No. 56, coupon, \$15; No. 57, lathe-work border of coupon; No. 58 *a*, lathe-work border of coupon; No. 92, ruled counter, 4th series and fourth over face.

## \$100 5-20 BONDS.

No. 15 *a*, tablets with legend; No. 15 *b*, tablets with legend; No. 15 *c*, tablets with legend; No. 16 *a*, Register's office, May; No. 16 *b*, Treasury Department, November, No.; No. 17 *a*, one hundred dollars; No. 17 *b*, No.; No. 18 *a*, the United States of America; No. 18 *b*, are indebted unto; No. 18 *c*, are indebted unto; No. 18 *d*, are indebted unto; No. 19 *a*, kaleidograph border, with matched corner; No. 19 *b*, kaleidograph border, with matched corner; No. 19 *d*, kaleidograph border, with matched corner; No. 19 *c*, kaleidograph border, with matched corner; No. 20, coupon, \$3 00; No. 21, vignette, justice; No. 22, vignette, liberty; No. 23, vignette, America offering up her jewels; No. 24, original lathe-work of \$100 counter; No. 28, matched counter, with denomination, finished; No. 29, border kaleidograph; No. 99, fourth series, black-face letter.

## \$50 5-20 BOND.

No. 34 *a*, It is hereby certified that; No. 34 *b*, the; No. 34 *c*, United States; No. 34 *d*, of America; No. 34 *e*, are indebted; No. 34 *c*, unto; No. 35, fifty dollars; No. 36 *a*, kaleidograph border, with matched corner; No. 36 *b*, kaleidograph border, with matched corner; No. 37, *a*, kaleidograph border, with matched corner; No. 37 *b*, kaleidograph border with matched corner; No. 38, counter, 50; No. 38 *a*, lathe-work, 3d and corner-piece, to match border; No. 39, kaleidograph counter 50, 3d series, and Treasury Department; No. 39 *a*, kaleidograph counter, No.; No. 39 *b*, third series, No.; No. 40, vignette, eagle; No. 41, vignette, America and peace; No. 42, vignette, reclining Indian; No. 43, Treasury Department, Register's office, Register of the Treasury; No. 44, coupon, \$1 50; No. 15 *d*, tablets with legend; No. 15 *e*, tablets with legend; No. 15 *f*, tablets with legend; No. 15 *g*, tablets with legend; No. 89, coupon, \$1 50, 4th series; No. 89 *a*, coupon, 4th series; 89 *b*, fourth.

## MISCELLANEOUS STOCK.

No. 77, scroll-work corner-piece; No. 79, it is hereby certified that, Treasury of the United States, Register of the Treasury; No. 81, one thousand dollars, Washington, No.; No. 81 *a*, ruled counter 1,000; No. 82, if the order blank is not filled this, United States Treasury; No. 85, alphabet or check letters; No. 85 *a*, alphabet or check letters; No. 94, border strip of lathe-work; No. 95 *a*, United States treasury seal; No. 90, signatures of F. E. Spinner and L. E. Chittenden; No. 98, fifty dollars, a small black-face letter; No. 98 *a*, fifty dollars, a small black-face letter; No. 102, draft and \$; No. 118, United States of America, fancy letter, black-face; No. 151, interest 5 per cent.; No. 101, lathe border with strip of cycloid work, mitre corner; No. 54 *a*, small oval head of General Scott; No. 41 *a*, America and peace; No. 42 *a*, reclining

Indian; No. 34 *d, e*, it is hereby certified that; No. 50 *e*, small lathe corner-piece; No. 34 *d*, it is hereby certified that; No. 170 *a*, five thousand dollars, one; No. 170, certificate of indebtedness; No. 18 *a*, are indebted unto; No. 170 *b*, certificate of indebtedness; No. 75, engraved and printed at the Treasury Department; No. 75 *a*, engraved and printed at the Treasury Department; No. 30 it is hereby certified that; No. 81 *b*, Washington, No., No.; No. 105 *a*, dollars, will pay the bearer; No. 32, Washington, act of March 3, 1863, one hundred in tablet; No. 174, lathe and kaleidograph border; No. 174 *a*, small counter lathe; No. 119, kaleidograph counter, 1,000; No. 119 *a*, kaleidograph counter, 1,000; No. 154 *a, a*, border lathe-work; No. 163 *a, a*, boraer lathe-work; No. 160 *a*, the United States treasury; No. 161 *a*, five hundred, Washington; No. 167 *a to e*, \$25 coupon belonging to the \$1,000 10-40; No. 168, \$5 coupon belonging to the \$100 10-40; No. 169, small lathe-work counter or corner-piece; No. 172, small lathe-work counter, 50; No. 173, small lathe-work counter, 10; No. 175, small corner-pieces scroll; No. 176, lathe-work counter; No. 177, United States treasury note; No. 33, five per cent. loan under act of March 3, 1863, redeemable after ten and payable after forty years from date; No. 95 *b*, United States treasury seal; No. 95 *c*, United States treasury seal; No. 171 *a, b*, \$12 50 coupon belonging to the \$500 10 40; No. 178, corner-pieces \$2 50; No. 176 *a*, oblong lathe counter, with white face, 10,000; No. 181, section of oval lathe counter; No. 182, section of border strip; No. 181 *a*, lathe strip made up; No. 182 *a*, lathe strip made up; No. 203, lathe section; No. 203 *a*, lathe section; No. 202, lathe section of counter; No. 164, lathe section of counter; No. 236, lathe section; No. 237, lathe section; No. 238, lathe sections miscellaneous; No. 164 *a*, lathe sections miscellaneous; No. 240, lathe-work reverse, \$10 one year interest note, bed-piece reverse, \$10 3-years; No. 243, lathe-work reverse of \$100, 1-year lettering erased, to be used on three-years' interest notes; No. 245, lathe-work reverse of \$500, 2-year lettering erased to be used on 3 years' interest notes; No. 244, sections of lathe-work; No. 244 *a*, sections of lathe-work; No. 238 *a*, sections of lathe-work; No. 210, sections of lathe-work; No. 176 *a, a*, oblong lathe-work; No. 249, collector's office, New York, 186. Pay to the; No. 249 *a*, order of, in coin, Auditor; No. 239 *a*, issued on requisition, No., registered, 186; No. 239 *b*, pay to, on treasury warrant, No. 186, or order; No. 239 *c*, treasury warrant, No. 186, pay to. or order, in favor of, on \$ ; No. 247, three years, three years after date; No. 248, Assistant Treasurer of the United States; No. 246, three years after date, compounded semi-annually; No. 151 *a*, lathe-work counter; No. 250, will pay the bearer fifty dollars, with interest, at the rate of six per cent. per annum; No. 244 *a*, section of lathe-work; No. 251, three years, with interest at the rate of six per cent. per annum, compounded semi-annually; No. 252, lathe-work, reverse of three-year \$50 note, skeleton; No. 232 *a*, this note is a legal tender for one hundred dollars; No. 252 *a*, lathe-work, reverse of \$50, three-years' note, finished; No. 238, lathe border strip; No. 257, \$1 50 coupon for the 6, 81 bonds; No. 258, \$3 coupon for the 6, 81 bonds; No. 151 *a*, lathe border strip, mitre; No. 244 *a*, lathe border strip, mitre; No. 244 *aa*, lathe border strip, mitre; No. 259, cycloid tint for \$1,000, 6, 81, coupon 30; No. 256 Register's office, Treasury Department; No. 260, coupon for \$15, 6, 8, bonds; No. 261, coupon for \$30, 6, 81, bonds; No. 238 *a*, lathe-border strip, mitre; No. 238 *aa*, lathe border strip, mitre; No. 255, six months interest due July 1, 1881, payable with this bond; No. 255 *a*, entered, recorded, Washington; No. 263, vignettes, oval, Washington, mortar firing, victory; No. 262, cycloid tint for \$500, 6, 81, coupon 15; No. 203 *aa*, lathe border strip, mitre; No. 265, coupon, blank dollars; No. 264 *a*, fifty, cycloid face, fancy letter; No. 267, coupon, cycloid tint, with lettering, act of March 3, 1863; No. 88, counter, 50 dollars, 100 dollars, 500 dollars, with lettering, Treasury Department, National Currency Bureau, and official business; No.

273 *a*, with interest at the rate of six per cent. per annum, compounded semi-annually, Washington; No. 273 *b*, three years after date, act of July 2, 1864; No. 274, counter lathe-work on two sections forming an oval; No. 281, \$500 reverse, 7-30; No. 276, lathe-work border; No. 276 *a*, lathe-work border; No. 277, \$1,000 white lathe-work, oblong counter; No. 277 *a*, \$1,000 white lathe-work, section of circle; No. 50 *i*, lathe counter; No. 275, five hundred dollars, white-face letter; No. 275 *a*, fifty thousand, one, ten, white-face letter; No. 66 *a*, lathe-work border; No. 278, act of June 30, 1864; No. 279, five coupons attached, last six months' interest payable with note; No. 273, three years after date; No. 154, lathe border; No. 281 *a*, \$500 reverse, with legend for 7-30; No. 154 *a*, lathe border, mitted; No. 283, \$20, reverse for the \$20 three-years interest notes; No. 280, act of June 30, 1864, interest one cent per day, two cents per day, &c.; No. 280 *a*, interest one dollar per day; No. 280 *b*, interest ten cents per day, interest 20 cents per day; No. 284, double lathe-work counter, 1,000; No. 285, lathe section of circle, 1,000; No. 288, \$100 reverse 7-30, with legend; No. 289, compounded semi-annually; No. 290, coupon for 7-30, \$500, \$18 25; No. 290, coupon for 7-30, \$100, \$3 65; No. 291, coupon for 7-30, 1,000, \$36 50; No. 291, coupon for 7-30, \$50, 1 82½; No. 292, at maturity, &c., in a small lathe border for reverse \$1,000, 7-30; No. 296, act of July 17, and August 5, 1861; No. 294 *a*, semi-annually in lawful money; No. 294, payable, interest, semi-annually; No. 295, S. B. Colby, signature; No. 293, three years after date, black-face letter; No. 295 *a*, S. B. Colby, signature; No. 297, \$5,000 coupon for 7-30; No. 186 *a*, five hundred dollars; No. 46 *b*, United States; No. 298, the United States of America; No. 299, the United States of America, ruled face; No. 300, the United States of America, black face; No. 301, act of June 30, 1864, in tablet; No. 302, six per cent. loan under act of June 30, 1864, in tablet; No. 54, head of General Scott; No. 303 *a*, promise to pay to the order, with 7-30 per cent. in lawful money; No. 303 *b*, February 15, August 15; No. 303 *c*, semi-annually, August 15, 1864, semi-annually; No. 304, six per cent. loan under act of June 30, 1864; No. 305, United States of America, ornamented with stars; No. 308, six months interest due November 1, 1864, payable with this bond; No. 309 *a*, Washington, dollars to the order, promise to pay; No. 309 *b*, August 16, 1864; No. 309 *c*, 7-30 per cent. interest, payable semi-annually, &c.; No. 310, United States of America, black-face letter; No. 311, fifty dollars, black-face letter; No. 213 *a*, portrait of Secretary Fessenden; No. 312, promise to pay to the bearer, &c.; No. 316, sectional roll of lathe-work; No. 317, sectional roll of lathe-work; No. 318, sectional roll of lathe-work; No. 319, sectional roll of lathe-work; No. 320, sectional roll of lathe-work, and counter 25; No. 322, sectional roll taken up for 25 cents reverse, new fractional currency; No. 324, head of Washington and sections of lathe-work; No. 326, lathe counter; No. 328, lathe counter with denomination 3.

GEO. W. CASILEAR, *Custodian.*

*Inventory of note and bond paper on hand, October 1, 1864.*

596,500 sheets, fourteen by seventeen inches; 73,000 sheets, fourteen by nineteen inches; 109,500 sheets, fourteen by twenty inches; 134,000 sheets, fifteen and a half by seventeen inches; 110,000 sheets, fifteen by twenty-two inches; 4,000 sheets, seventeen by twenty-seven inches; 31,500 sheets, eighteen by twenty-three inches; 220,000 sheets, sixteen and a half by twenty-eight inches; 22,500 sheets, eighteen by twenty-eight inches.

