

MONEY MAKER

By Ben Tarnoff



ON FEBRUARY 22, 1862, damp flags fluttered along Pennsylvania Avenue as thousands of citizens walked toward the Capitol to commemorate the 130th anniversary of George Washington's birth. They passed beneath its unfinished dome in the wet, gloomy weather and joined the throng of people trying to get inside. Seated in the House of Representatives were the government's most powerful men: congressmen and senators, generals and commodores, cabinet members and Supreme Court justices. They had come to hear the secretary of the Senate read Washington's Farewell Address, the day's main event. In his final message as President, Washington had urged Americans to put aside their regional loyalties and unite as a nation — advice that, 10 months

into the Civil War, must have seemed powerfully prophetic to the sea of solemn faces gathered in the crowded hall.

Not all celebrations were as somber as the scene at the Capitol. In Philadelphia, a shopkeeper named Samuel Curtis Upham watched lively crowds surging through the streets to the celebratory sounds of cannon fire. He stood about five feet eight inches tall, with a high forehead and a square chin. His frank, alert face exuded common sense and sobriety, qualities that set him apart from the merrymaking mob. When night fell, specially prepared lights illuminated the city. Merchants on Chestnut Street competed for the brightest, best-decorated storefront, adorning their windows with silk and satin banners dyed red, white and blue. Upham was one of

them: his shop stood at the intersection of Chestnut and Fourth. He lit his store's narrow facade so brilliantly that it caught the eye of a passing journalist, and when Philadelphia's weary residents picked up the *North American and United States Gazette* that Monday, they found a description of it on the front page. Upham's facade featured one of the night's most impressive displays, the journalist wrote, "a blaze of glory from basement to apex."

On Monday morning, Upham woke up and went to work. He lived on the south side of town, about a mile and a half from his store at 403 Chestnut Street, where he sold stationery, newspapers and cosmetics with names like Upham's Hair Dye. Perhaps in part because of the *Gazette's* favorable report, business that day was



Detail of Samuel Curtis Upham (center), age 58, from a group portrait of the Associated Pioneers of the Territorial Days of California, 1877.

Courtesy of The Bancroft Library, University of California, Berkeley. BANK PIC 1963.002:1882 (enclosure)-D.



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Counterfeit \$5 Confederate note printed by Samuel Curtis Upham, with his tag attached.

brisk. One customer after another came in, and they all wanted the same thing: not the *Gazette* but its competitor, the *Philadelphia Inquirer*. Even after Upham ran out of copies, people kept stopping by to look for it. Puzzled, he asked one of his patrons what made that day's *Inquirer* so sought-after.

The answer was on page one. Just below the Gothic type of the newspaper's title, the editors had printed a copy of a \$5 Confederate note. The *Inquirer's* reproduction was primitive: the original had been beautifully executed in red and black ink, with finely textured etching that disappeared in the transfer to newsprint. But people didn't care: they had never seen rebel money before and were fascinated by it.

Upham wasted no time. He raced to the *Inquirer's* cast-iron headquarters, a block away from his store, and persuaded the publisher William W. Harding to sell him a plate of the note. Then he called on a nearby printer and ordered 3,000 copies on French letter paper. When the bills were ready, he brought them back to his shop and sold them for a cent each. Along the bottom margin of the notes he included a thin strip that read in small print "Fac-simile Confederate Note — Sold Wholesale and Retail, by S.C. Upham, 403 Chestnut Street, Philadelphia." They sold extremely well. The novelty thrilled

Philadelphians, most of whom expected the war to be brief and glorious. They wanted souvenirs of the rebellion before the Union crushed it.

After the success of his first print run, Upham began expanding his inventory. He searched everywhere for more issues and denominations. He insisted that his notes were souvenirs—"a curiosity ... worth preserving," as the original *Inquirer* article put it. But as Upham's enterprise grew, it became clear that his merchandise served another, less innocent purpose. The tags along the bottom of the bills bearing his name and address could easily be clipped off, transforming the "facsimile" into a counterfeit note. Upham, the respectable small-business owner, devoted patriot and upstanding member of Philadelphia's middle class, had become a counterfeiter.



UPHAM MADE AN UNUSUAL addition to the pantheon of American counterfeiters. He hawked his counterfeits openly, on a busy street in one of the nation's most densely populated cities. He wasn't a bandit; he was a shopkeeper driven by the logic of supply and demand. Southern notes, issued by a government that was emphatically not recognized by the Union, had no legal status in the North,

which meant Upham could forge them with impunity. The British military had counterfeited American currency during the Revolution; Upham, however, didn't belong to an official Union effort to undermine the Southern economy by flooding it with fake money. True to the American spirit of private enterprise, his operation came about as a for-profit business, not a government-sponsored campaign.

By the time the Civil War broke out, counterfeiting had been flourishing in America for more than a century. The absence of a strong central government, an anarchic economic system, and the irrepressibly entrepreneurial spirit of its citizens helped make the country a haven for counterfeiters from the colonial era onward. Counterfeiting gave enterprising Americans a chance to get rich quick: to fulfill the promise of the American dream by making money, literally. Stories of their rise and fall thrilled their contemporaries, who traded tales of these criminal adventurers in taverns and devoured the reports that appeared in the pages of local newspapers.

American counterfeiters had an early advantage over their European counterparts for one crucial reason: the British colonies in North America were the first governments in the Western world to print paper currency. Paper notes

appeared in response to the severe shortage of precious metals that was a persistent problem of colonial life. In 1690, colonial Massachusetts began printing “bills of credit” to pay its expenses from a war with French colonists. The crude quality of these notes made forging them fairly easy. Soon other colonies followed suit with their own notes.

After the Revolution, paper money became even more pervasive. Although the Constitution forbade individual states from producing currency, the states evaded this restriction by chartering private banks to print it for them. As the number of these banks increased, so did the quantity and variety of their bills. In 1800, there were 29 banks in the United States; 16 years later, the number had soared to 250. The nation’s mushrooming financial sector benefited counterfeiters enormously. The dizzying diversity of American paper currency gave them an array of bills to forge. And with too many kinds of paper changing hands for the average American to be familiar with all of it, it became even easier to pass off a fake note undetected. By the 1850s, there were more than 10,000 different kinds of notes circulating in the US.

The arrival of the Civil War created a new kind of counterfeiter: someone who could forge currency without breaking the law. This paradox of a profession was perfect for Upham, whose own personality contained more conflicts and contradictions than would have been apparent to those who knew him only as a middle-aged shopkeeper. Only a few months after he started printing his “facsimiles,” his name had become notorious in the Confederate capital of Richmond. The \$5 bills he copied from the *Inquirer* surfaced there as early as April 1862, and caused a sensation at the Confederate Treasury Department. A Treasury officer persuaded the editors of the *Richmond Daily Dispatch*, the most popular of the town’s papers, to spread the word about the new counterfeiters. “This note is well calculated to deceive, and in nearly every particular is a fac-simile of the original,” they wrote, condemning the forgeries as “Yankee scoundrelism.” As more of Upham’s bills poured in, their outrage grew.

Upham provoked such vitriol because he enabled people to undermine the Confederacy’s authority. The South was prepared to send its citizens to the most gruesome deaths imaginable to secure its

sovereignty. Its paper notes were symbols of that sovereignty, rectangles emblazoned with images that reminded people from tiny towns in Georgia or North Carolina that they were part of a proud, powerful country. “The attempt to pass a counterfeit Confederate note is certainly an act of hostility against our government,” said the *Daily Richmond Examiner*. The fact that Upham challenged the Confederacy so openly—that he was brazen enough to put his name and address on his counterfeits—made Southerners even angrier. At 403 Chestnut Street in Philadelphia, a shopkeeper was selling stacks of fake Southern cash, and the Confederates couldn’t do anything about it.

While Upham owed his success partly to the quality of his imitations, what really distinguished him was his skill as a salesman. Thanks to the Civil War, he could treat counterfeiting like a legitimate business. While steadily enlarging his catalog of Confederate currency, Upham attracted new customers by placing full-page advertisements in various Northern publications. As his business evolved from a modest retail operation into a high-volume wholesaling enterprise, there could no longer be any doubt about why people wanted his reproductions. A flyer published in late May claimed he had sold 500,000 facsimiles in the past three months. His inventory had grown to include 14 varieties of Confederate notes, shipplasters and postage stamps—and, for a premium, the notes could even be printed on real bank note paper. Ingeniously, Upham also began fulfilling orders through the mail. For 50 cents, plus 18 cents for postage, customers throughout the Union could have 100 of Upham’s notes delivered.

The biggest passers of counterfeit Confederate cash were Union troops. They drew low wages, and fake notes obtained cheaply in the North offered an easy way to boost their income. They could use the money to buy provisions from Southern civilians, while also sabotaging the rebel economy. The role of Union soldiers in circulating counterfeiters drew enraged responses from Southerners. The *Richmond Daily Dispatch* had no doubts about who had brought Upham’s notes into the South: the bills appeared “wherever an execrable Yankee soldier polluted the soil with his cloven foot.” As spurious notes streamed across the border in ever-greater quantities, Confederate leaders started to

see the North’s moneymaking operations as something more insidious than a handful of hustlers angling for a profit. They became convinced that the Union was waging a deliberate campaign of economic warfare against their currency. Southerners focused on Upham in particular. His energetic salesmanship helped persuade the Confederates that Union officials were involved. For the Philadelphia shopkeeper to be able to advertise his forgeries in newspapers and send them through the mail meant the authorities must have given him permission or, possibly, material support. How could the federal government not know?

If Secretary of State William H. Seward or Secretary of War Edwin M. Stanton had wanted to aid Northern counterfeiters, there were plenty of ways to do so. They could furnish them with Southern plates and bank note paper seized from captured blockade-runners, organize groups of soldiers and spies to spread forged notes throughout the South or just agree not to interfere with anyone trafficking in fake Confederate paper. But, contrary to Southern claims, there is no evidence of any officially sanctioned Union policy to promote the counterfeiting of Confederate money. Federal authorities most likely found it easier to ignore the forging of Southern bills than to take a position either for or against it. Certainly by the time Upham began manufacturing bills in bulk, the government didn’t seem interested in preventing it.



FOR ALL ITS STRENGTHS, Upham’s business model had a fatal flaw. The more counterfeiters he sold, the less valuable Confederate notes became, depressing demand for his product. Of course, the notes would depreciate without his help. Mounting expenses forced the Confederacy to continue printing more notes. Southern dependency on paper currency was self-reinforcing: as the value of the notes fell and prices rose, the Confederate Congress ordered more bills to meet the government’s costs, further depreciating the currency. Upham hastened their decline, which would inevitably take a toll on his trade. His fortunes were tied to those of the Confederacy, a peculiar situation for a Northern patriot.

Too much paper money wasn’t the only

N. B.—If you order by the 100, send 18 cents in addition to the price of each 100, to PRE-PAY postage.

HALF PRICE! HALF PRICE!!**CONFEDERATE NOTES AND SHINPLASTERS**

SELLING AT

ONE-HALF FORMER PRICES.

FOURTEEN DIFFERENT

REBEL NOTES, SHINPLASTERS AND POSTAGE STAMPS,

Perfect FAC-SIMILES of the originals, (printed in red, green and black ink,) sold by the 100 or 1,000 at the following reduced rates:—

50 cents per 100, or \$4 per 1,000. One each of the fourteen different kinds sent post-paid to any address, on receipt of 25 cents.

All orders by Mail or Express, promptly executed.

Address,

S. C. UPHAM, 403 Chestnut St. Philadelphia, Pa.**500,000 SOLD THE PAST THREE MONTHS.****WORD TO THE PUBLIC.**

As an individual in New York and a "shyster" in this city, lacking the brains to originate an idea or the liberality to pay for a respectable drawing or engraving, have recently gotten up "shocking bad" copies of several of my FAC-SIMILE REBEL NOTES and SHINPLASTERS, which they are endeavoring to foist upon the public. I have this day reduced the price of my FAC-SIMILE NOTES, SHINPLASTERS and POSTAGE STAMPS to 50 cents per 100 or \$4 per 1,000, and shall be happy to receive and fill orders in large or small quantities at the above rates.

N. B.—BEWARE OF BASE IMITATIONS! Each and every FAC-SIMILE issued by me bears my imprint.

Philadelphia, May 30, 1862.

S. C. UPHAM,
No. 403 CHESTNUT ST.**NOTICES OF THE PRESS.**

"REBELDOM HIGHLY INDIGNANT.—YANKEE TRICK." The rebel papers contain the following:
"PHILADELPHIA CONFEDERATE BONDS.—Detective Goodrich, of the rebel Treasury Department, has exhibited to the editor of the Richmond Dispatch what he terms 'the last and grossest piece of Yankee scoundrelism, and an infernal means to discredit the currency of the Southern Confederacy.' It consists, says the Dispatch, 'in well executed counterfeits of our five dollar Confederate notes, struck off in Philadelphia, where the news-boys are selling them at five cents a piece. This note is well calculated to deceive, and in nearly every particular is a fac-simile of the original. We caution persons receiving this money to be exceedingly careful, as there is no means of knowing to what extent they have been circulated.'

"The 'Yankee Scoundrel' who has counterfeited these Valuable notes is Mr. S. C. Upham, 403 Chestnut Street. He has issued fac-similes of seven kinds of rebel shinplasters and two denominations of their notes. He has also issued exact copies of rebel postage stamps of three kinds, the five and ten cent stamps issued by the Confederate Government, and the five cent stamp got up by J. S. Riddell, the postmaster at New Orleans, and bearing his name. Mr. Upham sells these fac-similes very cheap, but they certainly bring as much as the originals are worth."—Philadelphia Evening Bulletin.

SAMUEL C. UPHAM, of Philadelphia, advertises that he will sell Confederate notes at easy prices. We at first thought that he had taken some of them for a very bad debt, but it appears he has executed fac-similes of them which he disposes of as mementos. The rates offered by MR. UPHAM are very moderate, and yet we assure all who are anxious to speculate, that his lithographed notes are worth just as much as those issued by Jeff. Davis.—Louisville Journal.

Confederate Bank Notes, of the denomination of FIVE and TEN Dollars each, have been issued by S. C. Upham, No. 403 Chestnut Street, and are sold by him at the most remarkable discount on record. The engraving is fully equal to that of the originals, and the notes are perfect fac-similes of those prepared at Richmond.—Philadelphia Inquirer.

CONFEDERATE NOTES.—MR. S. C. UPHAM, 403 Chestnut Street, has published fac-similes of the \$5 and \$10 Confederate Notes, issued in Richmond, which will be curiosities ere long, when the rebellion is crushed. MR. UPHAM's notes are as valuable, we dare say, as the originals.—Philadelphia Press.

MR. S. C. UPHAM, No. 403 Chestnut Street, Philadelphia, publishes fac-similes of the Confederate State notes, which are quite interesting to the curious.—N. Y. Tribune.

Confederate Money.—MR. S. C. UPHAM, 403 Chestnut Street, has got out excellent fac-similes of the \$5 and \$10 notes of the "Confederate States of America," which he sells at prices even cheaper than they bring in Richmond and Memphis. They are curious and interesting, and will become more so as time advances.—Phila. Evening Bulletin.

The \$5 and \$10 Notes, on Bank Note Paper, at \$3 per 100, or \$20 per 1,000.

Advertising circular from Samuel Curtis Upham, dated May 30, 1862.

thing causing the decline of the Confederate dollar. The value of Treasury notes relied to a great extent on something the Confederate Congress couldn't control: the public's perception of whether the South was winning the war. The better the Confederacy fared, the better chance it would keep its promise to eventually exchange its notes for gold or silver, and thus the more desirable the bills. Some Treasury notes made this connection explicit, like the \$5 bills that Upham first counterfeited, which promised their redemption six months after the ratification of a treaty between the Confederacy and the Union.

In the second half of 1862, the decline in the value of Southern currency picked

up speed. On August 1, a gold dollar cost two Confederate paper dollars; by the end of the year, it cost \$3.25, an increase of more than 60%. This precipitous drop in value coincided with a series of events that changed the Southern view of the war. The Battle of Antietam took place on September 17, Lincoln introduced the Emancipation Proclamation on September 22, and by November 4, most Northern states had voted in the congressional elections, leaving the Republicans in control of Congress. Taken together, these developments demonstrated the Union's will to fight. The North sacrificed thousands of men to eke out a narrow victory at Antietam, and then committed itself to waging total

war by targeting the South's core institution. Continued Republican supremacy in Congress ensured that Lincoln's policies would remain in place, and eliminated any possibility of a negotiated peace. The consequences for the Southern money market were clear. A protracted struggle would prolong the redemption of the notes, perhaps indefinitely. And, in the event of a Union victory, not only would Confederate currency be worthless but the entire economic system it was based on would be dismantled.

Upham abandoned the counterfeiting business in August 1863. By that time, Confederate currency was in a free fall. Runaway inflation and deepening distrust of the Richmond government had driven the price of gold in Confederate dollars up 500% in the past year. That summer, the Battle of Gettysburg dealt the Confederacy a painful defeat, and when the news reached the South, it triggered another steep decline in the money market. Upham sold his store at 403 Chestnut Street and opened a different kind of shop five blocks away. With no medical training whatsoever, he began hawking cures. He styled himself a chemist and called his store a laboratory, marketing his remedies as vigorously as he had his counterfeits. He patented his treatments and took measures to discourage bootleggers. "Beware of Counterfeits," one of his flyers warned.

Upham had moved from one swindle to another, from counterfeiting to quackery. He had nothing to recommend him but his talent as a salesman, which was considerable. His business thrived. He enjoyed an impeccable reputation, paid his debts on time, and had no trouble obtaining credit. On June 29, 1885, he passed away. At 66 years old, he died neither rich nor poor but somewhere in between, solidly middle class to the end. His brief obituary in the *Philadelphia Inquirer* did not include a word about his counterfeiting career. He was killed by stomach cancer, in the privacy of his own home—a quiet, un-dramatic end for a man who had masterminded one of the most extraordinary counterfeiting schemes in American history. \$

Ben Tarnoff is the author of Money-makers: The Wicked Lives and Surprising Adventures of Three Notorious Counterfeiters (Penguin Press, 2011). He has worked as an assistant editor at Lapham's Quarterly and lives in New York.