Johnson (David R.), Illegal Tender: Counterfeiting and the Secret Service in Nineteenth-Century America

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Before 1862, the United States had no government-issued paper currency. Paper money consisted of the printed notes of almost 1,400 banks chartered in the individual states. Counterfeiting was rife. According to the *New York Times* that year up to eighty per cent of the banknotes in circulation were forged. The profusion of banknote issues and the reliance on local agencies for law-enforcement made counterfeiting quite easy to get away with. Most prosecutions were of the «shovers» who put fake notes into circulation, makers and distributors were hard to catch. Catching them was, in any case, rarely a priority. People finding faked notes were more likely to palm them off on others than to complain, and governments were largely indifferent to the matter. But the Civil War changed all this. A newly-dominant Republican party introduced Federal «greenback» notes in 1862. Counterfeiters promptly began forging them, but they were now threatening the integrity of government itself. In 1865, the Secret Service was formed to suppress them. Its early history, and its considerable success by the 1890s in reducing the circulation of fake notes, is the subject of this book.

David R. Johnson, author of previous studies of American law enforcement and the urban underworld, centres his argument on the rapid institutional development of the Secret Service. But he assembles a rich variety of material touching on social and economic history, the law and court practices, and state development, as well as crime and law-enforcement. The methods employed to safeguard the currency exemplified the extension of Federal power in the hitherto decentralised American political system. Johnson argues that this was achieved, not by creating a large organisation, but by systematic regulation and accountability. The late-nineteenth-century Secret Service was astonishingly small, averaging only twenty-five «operatives», but it substantially reduced counterfeiting by bringing to bear new cultural values and practices against the networks that had supported the production and distribution of forged notes.

The Service's early evolution embodied these cultural changes. Many of the first «operatives» were themselves former counterfeiters, recruited for their knowledge of criminal methods and networks. Agents purchased counterfeit notes to build evidence against makers, and promised informers freedom from arrest. Controversy over these measures led to shake-ups in the 1870s and the establishment of central administrative control over recruitment, detection methods, and prosecution. The Secret Service's relatively high conviction rate, and the sentencing of counterfeiters to long prison terms severely dented the national market in fake notes in the 1880s, forcing counterfeiters to resort to small-scale local operations or—in the case of some of the Italians who came to dominate the New York City counterfeiting scene—to having their notes printed abroad. Johnson provides no quantitative measure of the incidence of counterfeit bills around 1900 to set against the *New York Times* 1862 estimate, but he suggests that fear of arrest and long jail sentences reduced the demand for them. One index of this was the demise of the «green-goods gaine», a scam in which swindlers promised delivery of quantities of faked notes on receipt of a cash deposit, but then made off with the money.

«Cultural change» in the Secret Service, Johnson argues, was in essence a class change. Reform in the 1870s established middle-class recruitment patterns and a
routinised bureaucracy that demanded operatives’ distance from, rather than identification with, counterfeiters’ networks that Johnson suggests were working-class in origin. His late-nineteenth-century Secret Servicemen seem to have been upright, sober, Republican sticklers for the rules. Certainly they struck the authentic note of humourlessness that has remained a trait of American law-enforcement. One Secret Service chief spent months in the early 1880s tracking down and destroying toy money, while a confectioner once found himself threatened with prosecution for producing chocolate coins in the shape of dollar pieces.

Illegal tender traces how a single Federal service acted as an agent of cultural and economic change, a process which – significantly – enabled it to establish itself in the public mind as a useful protection against the risks posed by counterfeiting. The Secret Service not only helped extend Federal power, but did so in a way that made such power acceptable in a political culture strongly disposed to resist it, and so preparing the ground for further expansion of government in the twentieth century. Johnson goes some way in demonstrating how this shift was negotiated, though a tension at the heart of his argument prevents him from quite completing it.

A fuller discussion of the economic implications of counterfeiting, both for individuals and for the public in general, might have helped trace the shifts in economic behaviour between 1860 and 1900 that put counterfeiters firmly at the margins of society. Two early chapters in the book illuminate the social milieu in which counterfeiting flourished, especially in cities, but Johnson's language of ‘deviance and criminal subcultures’ fits uneasily with his evidence about the marginality and uncertainty of livelihood for many skilled and unskilled labouring people. He shows that counterfeiters and shovers moved between different activities, but despite its consistency with the picture he paints is surprised (p. 62) that this included ‘even legitimate business’. His assumption that counterfeiting always involved the choice of criminality prevents him from considering the possibility that this part of the criminality prevents him from considering the possibility that this part of the underworld » might have emerged during the social and political changes he is tracing.

Perhaps before the Civil War the line between «legitimate» and «illegitimate» activity was (in social terms) more permeable than it later became, and the route between «criminality» and «respectability» a two-way one? It is noteworthy, for instance, that Nauvoo, Illinois, became part of a ‘western’ counterfeiting nexus in the 1840s. Johnson attributes this to economic decline after the Mormons left for Utah, apparently overlooking early Mormonisms close association with rural coiners and forgers and, hence, the possibility that Nauvoo’s importance as a counterfeiting centre was due not to the Mormons’ departure, but to their presence. More attention to the shifting ground of cultural meaning in the nineteenth century might have rounded out this thought-provoking study more fully.

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