

The caching of the Confederate treasury

In Richmond, on Sunday, April 2, 1865, Confederate President Jefferson Davis received an urgent message from General Robert E. Lee while attending a church service. Lee warned Davis that his government should evacuate Richmond immediately, or risk being captured by Federal troops.

Amongst the official records of the Confederacy were many crates and barrels containing gold and silver coins, bullion, and a substantial amount of fine jewelry donated to the cause by women across the South.

Late that night, two trains departed Richmond heading south. The first carried President Davis and other Confederate officials, along with the government's most important documents and other archived materials. Onto the second train were loaded all the cash reserves of the Confederacy.

On April 10, 1865, the Chicago Tribune newspaper quoted these dispatches.

March 31

Maj. D. H. Wood, Quartermaster:

Major: Please furnish transportation to Danville, Va., for five hundred barrels government archives, to be shipped in four lo's in charge of Messrs. L. T. Boissieux and J. F. Landry, with transportation for these agents.
Jno. W. Hale, Chief Clerk.

TREASURY DEPARTMENT, C.S.A.

March 31

Messrs. J. F. Boissieux and J. F. Landry:

SIRS: You will proceed to Danville, Va., in charge of a shipment of papers, &c., belonging to the office of Second Auditor, procure a suitable warehouse at Danville, on the best terms practicable, in which to store the same, and remain there to attend them, receipts for further shipments and to make all necessary arrangements for the proper care of the property. Report the arrangements made promptly to this department.

G. A. TRENHOLM, Sec. of Treasury.

On May 4, after Davis and the few advisers that remained with him made the decision to disband his government, they entrusted some \$86,000 of the remaining treasury funds to two Confederate navy officials tasked with smuggling it out of the country to Britain. One of these was James A. Semple, a distinguished captain in the Southern Navy who had truly seen the world. His command of several ships had taken him to Tokyo, Europe, South America, and

every part of the Mediterranean. He was a key provisioner for the navy, and in that role placed depots of food and clothing not only along the Southern coast, but also inland, including Danville, Virginia.

He was unable to deliver the treasury assets as planned, but Machias Seal Island, in the Bay of Fundy near Maine, was part of Britain.

Machias Seal Island

Machias Seal Island is a remote treeless, 15-acre, granite island in the Bay of Fundy about 10 miles southeast from Cutler, Maine, and 12 miles southwest of Grand Manan Island, New Brunswick.



Sovereignty of the island today is disputed by the United States and Canada. Britain established possession of Machias Seal Island and set up two lighthouses in 1832. There is no indication of either nation having a presence there prior to 1832. The Canadian Coast Guard continues to staff the lighthouses on the island.

A wooden railway track was placed on the island in 1856 to link the coal shed adjoining the foghorn building with the landing area. A one-inch rope connected to machinery in the engine-house powered the railway car, which could carry two to three tons of coal each trip. The tramway had to be repaired about every other year, even after the original wooden one was replaced with a 210-foot-long iron tramway in 1896.

Like Oak Island, it is situated where, for two or three centuries, there was frequent sea traffic from Europe to the new world by Templars, British, French navies, marauding pirates and privateers. The nearest town is Eastport on

Maine's coast. From 1807 to 1809, Eastport was a center of extensive two-way smuggling and by 1833 it was the second largest trading port in the country, after New York City. As part of Britain, Machias Seal Island was not under any authority of the Union government. Yet, it was remote but easily accessible, uninhabited; it was the perfect hiding spot.

As a small uninhabited island, except for its lighthouses, it does not need or warrant a regularly scheduled ferry service. However, it lies directly on the sea route between Boston, Massachusetts, Eastport, Maine and Saint John, New Brunswick. This route was well serviced by the International Steamship Company with a tri-weekly ferry service which would have stopped there on request.

Saint John Colonial Presbyterian and Protestant Journal
August 22, 1867



1867.

International Steamship Company.

TRI-WEEKLY LINE.

SUMMER ARRANGEMENT.

ON and after the 1st of July, the Steamers of this Company will leave Reed's Point Wharf every MONDAY, WEDNESDAY and FRIDAY Mornings, at 8 o'clock, for EASTPORT, PORTLAND and BOSTON. Returning—will leave Boston and Portland same days.

FARES:

From Saint John to Eastport.....	\$1 50;
" Portland.....	4 00;
" Boston.....	5 00;
By Steamer and Railway to Boston.	6 50;

Freight received on Tuesdays, Thursdays

The main participants in these events were the following.

- Colonel Robert Enoch Withers reported directly to CSA president Jefferson Davis and was the administrator in charge of the evacuation from Richmond.
- Major Edward Sixtus Hutter, referred to by most of his family as Sixtus and sometimes just "SIX," was assigned the disposition of the CSA archives and treasury.

- His brother, Captain Ferdinand Charles Hutter, was entrusted with hiding the treasury. While on this journey he wrote a coded message back to headquarters.
- A Simonton family member was a fur trader dealing with native tribes along the east coast.

In April 1885, Virginia Job Print, a small print shop in Lynchburg, Virginia, published a pamphlet titled *The Beale Papers* by an anonymous author. It is a story of buried treasure and secret ciphers. One cipher, particularly called C1, specified The Locality of the Vault. Declared a hoax by many, *The Beale Papers*, nevertheless, continued to intrigue and baffle treasure hunters and cryptologists for 138 years, until now.

Paul James Smith (1928-2012)

Paul started work in 1950 at the Department of Defense with the Armed Forces Security Agency (AFSA) which, in 1952, became the National Security Agency (NSA). He was a cryptologist in the computer R&D division. Later, from 1962 to 1964 he was at the NSA at Fort Meade, Maryland, as a Data Systems Analyst GS-13, in the R&D division headed by Dr. Solomon Kullback. Dr. Kullback was a cryptanalyst and a mathematician, and one of the first three employees hired by Col. William F. Friedman at the US Army's Signal Intelligence Service (SIS) in the 1930s.

Paul learned of *The Beale Papers* at the NSA and began serious work on the Beale ciphers in the late 1970s and continued until his death. He was a member of the Beale Cypher Association (BCA) and a subscriber to *Cryptologia*, a scholarly journal of the history and technology of cryptology and communications intelligence.

Paul Smith corresponded with Dr. Carl Hammer and Carl Nelson, the founders of BCA, with Robert Caldwell (the last president) and with Dr. Kullback, Paul's earlier boss at NSA.

Both Carl Hammer and Carl Nelson told Paul Smith they had five solutions to C1, but they were not considered valid because they did not address the treasure cache site. We have no details on those solutions.

Based on his extensive experience and the advice from those sources, Paul Smith tackled the Beale ciphers for four decades with three main objectives:

- each cipher number always had to represent the same letter
- the clear text jargon had to be readable English
- the clear text jargon had to describe the location of the treasure cache site

Paul Smith finally succeeded where no one else had in 138 years. He solved Beale cipher C1, The Location of the Vault. Paul's clear text jargon below is

legible, and it fully adheres to his three goals. It is the only such solution of C1 and it is made public here for the first time.

THE VAULT LOCATION FROM WAONNIA DRUID NOW CANONIZE ST
BURRIED N OLEANS I WROTE A CTD TO SIX HQR TO RENE ONE
INF TO DECODE IT TAKING RAIL STORAGE SITE TREASURE STS
NEAR STONE IN LOCATION AT CREOLE TOSHONE NATION THE SR
LIST RR O KEEK IKES GILT ON A LOOK OVER BUTTE NO NEED A
TRIP TO ELK MN ORE ARRIVING O A TOWN FERRY A TWO TOTEM
MINT O GER BORNE SAINT JOHN R SIMONTON A HATTER ERSE
ARRIVED IN LATE DEC EARLY AM HOR AFTER EST SLEPT SIXTY FT
RT OF WHOOTER IN LONG RAILWAY UNDERXING START TURNING
SOD TEN FT OF UNDER SHED WE HOMESTEAD AT TRAIL EXIT
NEXT O ROAD XACTLY AT FIVE FT WEST OF FISHING ISLAND AT
SEAL IERS RETURN REUNCOVER IT WITH NO DIFFICULTY

The Mexican Reales
"Two Totem" silver
coin was held in large
quantities by the CSA
treasury



 **8 Reales - Fernando VII**
1813-1822
Silver (.903) • 27.07 g

Despite his years of computer use at NSA Paul did not own or use a personal computer. All his cipher work was done manually. There is no source book or formula.

The method of decoding was by experimenting with a great many beginnings and endings, applying the resulting code/letter combinations to the rest of the ciphers, and looking for the best results. This provided a frame structure to be filled in by other methods. C1 has 177 cipher numbers used only once, or 34% of the 520 total. The standard frequency of use of the letters of the alphabet told Paul, with fair precision, how those 177 numbers would translate to letter quantities. The challenge then was to distribute those letters in such a way as to satisfy the objectives of readability and description of the treasure cache. This arduous task is what took forty years to accomplish. The following layout of C1 cipher frequencies is from Paul's files. This page was clearly printed by a drum printer of the type common in computers in the 1960s and 70s. It appears that Paul brought this home from his time at the NSA.

BC #

NUMBERS

[illegible]

```

UNIQUE NUMBERS IN DATA = 298 OUT OF 520 TOTAL
RATIO OF(UNIQUE/TOTAL) = .573077E+00
RANGE = 2905.
MEDIAN = 1452.50
ARITHMETIC MEAN = .173400E+03
MODE = 18
ROOT MEAN SQUARE(RMS) = .511979E+03
HARMONIC MEAN = .412496E+02
MEAN DEVIATION = .248562E+03
STANDARD DEV(SIGMA) = .432868E+03
VARIANCE (SIGMA SQD) = .187375E+06
GEOMETRIC MEAN = .124574E+03

```

.142168E+06	.136304E+09	.191178E+12	.336111E+15	.126062E+02	.129252E+06	.108962E+04
.273400E+03	.262122E+06	.367651E+09	.646366E+12			

PREP OF
CHINESE 4.8

His clear text jargon contains many abbreviations, acronyms and expressions and we have clarified them, in italics, to make it 98% readable.

THE VAULT LOCATION FROM WAONNIA DRUID NOW CANONIZE ST
BURRIED N OLEANS. *(A druid (medieval heathen) from Wallonia (part of Belgium) is canonized saint and buried in Orleans (where many saints are buried) This statement is an opening proclamation saying: ...the impossible is happening, we have clear sailing ahead or... believe it or not) I (Ferdinand C. Hutter) WROTE A CTD (a common maritime logistics acronym for Combined Transport Document) TO SIX (Edward Sixtus Hutter) HQR (headquarters) TO RENE (Robert **EN**och With**ERs**) ONE INF TO DECODE IT TAKING RAIL STORAGE SITE. (information to be decoded to take the tramway to storage site) TREASURE S(i)TS NEAR STONE, IN LOCATION (Location of ore is near a stone at location) AT CREOLE TOSHONE NATION (the Maliseet native tribe of the Saint John River called themselves "people of the shining river" and spoke some French, therefore they were the CREOLE TOSH(i)NE NATION) THE SR (Shipping and Receiving) LIST RR O (via railroad) KEEK (Scottish for peep) (L)IKES GILT (gold) ON A LOOK OVER BUTTE NO NEED A TRIP TO ELK MN (Elk Mountain located in Crested Butte Colorado - was the alternative hiding place, so no need a trip there) ORE ARRIVING O A TOWN FERRY (Precious metal is shipped on a town ferry) A TWO TOTEM MINT (a great quantity of Mexican Reales "two totem" coins) O GER BORNE SAINT JOHN R (o'er carried on or over or borne on the St. John River) SIMONTON (a fur trader with natives) A HATTER ERSE (an Irish hat maker), ARRIVED IN LATE DEC EARLY AM HOR AFTER. (arriving [with ore] on a winter day in the AM hour or later). EST SLEPT SIXTY FT RT OF WHOOTER IN LONG RAILWAY UNDERXING. (Establish dormancy [at location] sixty feet right of foghorn in area of tramway undercrossing.) START TURNING SOD TEN FT OF UNDER SHED. (Start turning or shoveling ground 10 feet from under shed.) WE HOMESTEAD AT TRAIL EXIT. (We set up camp at trail's exit.) NEXT O ROAD, XACTLY AT FIVE FT WEST OF FISHING ISLAND AT SEAL IERS. (next o'er road, exactly at 5 feet west of fishing island at seal (p)iers.) RETURN, REUNCOVER IT, WITH NO DIFFICULTY.*

With all the clues provided in Paul's clear text jargon now clarified, namely: railway, Saint John, ferry, Creole nation, whooter, fishing island, seal piers, we have identified Machias Seal Island as the location. "Railway," in particular, is a strong indication. This was the time when railway construction was in its infancy, and there was no other railway within 120 miles of Saint John.

Simonton is the only person's name that appears in the C1 decryption.

Who was he? How did he happen to be the conveyor of the transfer of the CSA treasury to its hiding place?

The patriarch of the American branch of this Simonton family was

Major Robert Simonton (1713-1788). He immigrated to North Carolina from Ireland (ERSE) and was active in the Revolutionary War and the French and Indian Wars. He was a surveyor and Magistrate-Justice.

A few generations later, the Simonton's had a family business in Paterson, New Jersey, headed by James Simonton (1834-1914). They were tailors and clothiers, and their business was listed in the *Hat, Cap and Fur Trade Review*. James had a brother named Peter, born in 1824, in the same trade. In 1865 they were 31 and 41 years old, respectively. The business required them to travel up and down the coast in search of furs from the Indian tribes. They are both prime candidates to be the ERSE HATTER SIMONTON.

Colonel Christian Jacob Hutter came to Pennsylvania from Germany in 1789 where the family had worked in leather tanning and manufacturing.

By the late 18th century both the Hutter and Simonton families lived in Lancaster County, Pennsylvania. They were in related businesses, hat making and fur trade for the Simonton's and leather tanning for the Hutters. Both families had military backgrounds and inevitably came to know each other well.

The history of the fur trade around Bay of Fundy informs us that the Saint John River trade, as had been the case for decades, was funneled through Boston, Massachusetts, and that the Maliseet (CREOLE TOSHONE NATION) controlled the fur trade. The route from Saint John to Boston, Massachusetts, goes right by Machias Seal Island.

As he was familiar with this area, the SIMONTON was the obvious choice for Edward Sixtus Hutter to select as the conveyor of the treasury. He also needed a trusted leader for the expedition and his brother Ferdinand Charles Hutter, aged 34, was the perfect option. Edward Sixtus Hutter had to remain behind in Danville, Virginia, to secrete the Confederate archives. The Hutters were miners, with a mine in Pittsville, Pittsylvania County, Virginia. They were well equipped for this task.

And so, Ferdinand Charles Hutter wrote the secret message to RENE (Robert Enoch Withers), at Sixtus' headquarters which was eventually inserted intact in *The Beale Papers*, as The Locality of the Vault.

But who wrote the rest of *The Beale Papers* story? Three candidates clearly had access to the original message: Edward Sixtus Hutter, Robert Enoch Withers, and Ferdinand Charles Hutter. Who coordinated its publication in 1885 with James Beverly Ward and the Virginia Job Print? Edward Sixtus Hutter is the most probable candidate; he lived until 1904. Knowing that he would soon die, Ferdinand Charles Hutter may have coordinated it. A second brother to Edward Sixtus Hutter, James Risque Hutter, lived until 1923. Robert Enoch Withers lived until 1907 and is another possibility; like Charles Button, the owner of the Virginia Job Print, Robert Enoch Withers had been a newspaper owner in Richmond, Virginia, and a Grand Master Freemason. They knew each other well.

In his final years and correspondence, Paul Smith was very frustrated that he had not been able to break the remaining Beale cipher, C3, Names and Residences. A fully readable translation of that code remains a mystery.

It is thought unlikely that anything remains on Machias Seal Island from this treasure. Given its value, and the number of people involved in this project, it may have been spent or moved.

Very few years after 1865, the island became very busy with the construction of two new lighthouses. Did the lighthouse keeper discover the cache? Was that the source of the financing for the new lighthouses? Or was the Confederate treasury moved back to the mainland?



These lighthouses were constructed in late 1869 – 1877, replacing the two original ones built in 1832. One can speculate on the coincidence of the dates and the source of the financing.