

Yesterday in Mekeel's, National Issue: The U.S. Postage Stamp, 1870-1900, Part 7

by Lowell S. Newman & Peter T. Rohrbach (From Mekeel's Weekly, Jan. 4-Feb. 1, 1990 with images added)

Chapter II

Stamps of The Depression: 1873-1877, Cont.

The paper used for the stamps produced by the Continental Bank Note Company for the Issue of 1873 was generally a hard paper that varied considerably in thickness. But there were also varieties of paper used occasionally, such as a thick, hard paper with vertical or horizontal ribbing. Some stamps were printed experimentally on papers that had been chemically treated, but these quite brittle stamps were only a test and they were never issued. Most interestingly, a number of stamps of this issue were sometimes printed on double paper: the 1¢, 2¢, 3¢, 6¢, 10¢, and 30¢ stamps.



Continental Bank Note Essay, Sc. 165-E1, chemically treated on heavily laid paper.

The double paper process, which had been in use for a number of years, consisted of a very thin paper on the upper side backed by a thicker and firmer paper. The idea here was that the impression of the stamp would be made on the upper side which was somewhat soft and porous and, therefore, any attempt to clean off the cancelling mark would make this upper portion pulpy, effectively destroying it. This was another attempt to prevent the re-use of stamps, but these double paper stamps were not particularly well received and this plan was quickly abandoned. As we have noted, small amounts of grilled stamps were produced and issued during the Issue of 1870. Any grilled stamps of the Issue of 1873 were only experimental stamps or essays that were never actually placed in use in the post offices. Continental grills have been reported on all denominations except the 24¢ and 90¢.



Scott 79, a National Bank Note issue, selected to better illustrate a grill, in this case the all-over "A" grill, which is one with the points up.

There was, however, one device that saw a limited use in the Issue of 1873, which was yet one more attempt to thwart the possible re-use of stamps: the "cogwheel punch." This was a device patented by C. A. Fletcher that applied eight "U" shaped punches to the stamp, arranged in a circle that resembled a cogwheel. These punches penetrated the stamp without cutting all the way through, and the idea was that when the stamp was affixed to an envelope it could not be removed without tearing it apart. This dubious device was applied only to some 10,000 of the 1¢ and 3¢ stamps delivered in 1877. But the beginning of machine cancellation of stamps in the 1870s fairly well put the end to cleaning prevention experiments such as this.

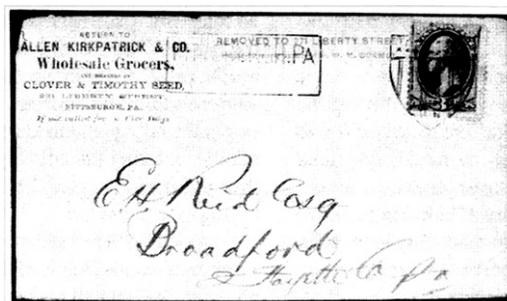


1873 1¢ Continental, Sc. 156 variety, a computer enhanced image to better show the shape of the U-shaped punches

There are extant machine cancelled stamps that date back at least to 1871 at the post office in Pittsburgh, Pennsylvania. That post office experimentally used a machine invented by Goff and Hursy in which envelopes were inserted and then a "killer" was impressed on the stamp, along with a box next to it that contained the word "Pittsburgh" and the date and time, much as today's cancellation marks. The "killer" used at Pittsburgh to deface the stamps was an open shield with stars and stripes. Labor saving devices like this began to appear in other post offices such as New York, Boston and Washington

in the middle of the decade.

Pittsburgh, Pa. "shield" machine cancel on an advertising cover with a 3¢ Bank Note paying the postage to Broadford, Pa.



The real impetus for the use of machines was the issuance of Creswell's penny post cards in 1873 and their consequent heavy use. The Boston post office, for instance, began using a Leavitt rapid cancelling machine in 1876, which had the capacity to cancel 4,000 post cards per hour, and by 1877 an improved Leavitt machine increased that capacity to 15,000 cards and letters per hour. During this post-war period when the Industrial Revolution was burgeoning in the United States, the U.S. Patent Office recorded patents for numerous postal cancelling devices like this, and over the next two decades machine cancellation of stamps was to become commonplace.



1876 Leavitt cancelling machine, from the National Postal Museum archives

Stamps continued to roll off the presses during the Continental contract, and during that four-year period more stamps were produced than during the preceding four years. The records of the U.S. Stamp Agent (see Table below) show the amounts of stamps delivered to him:

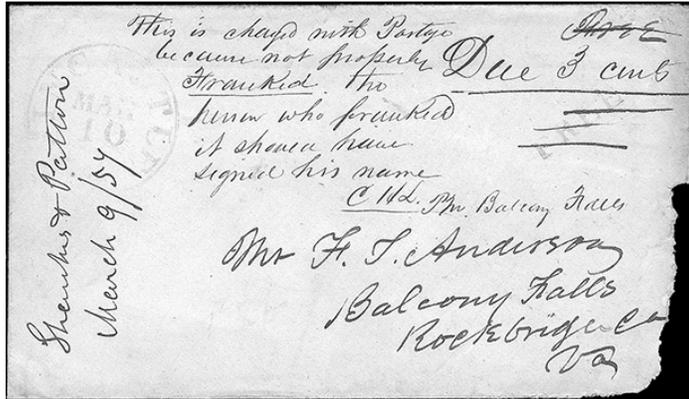
	Year Ending December 31st				Total
	1873	1874	1875	1876	
1 cent	59,355,000	117,930,000	122,937,500	148,067,500	448,290,000
2 cents	39,013,000	58,206,550	87,372,500	68,505,000	253,097,050
3 cents	248,132,500	436,919,500	481,156,500	495,085,000	1,661,293,500
5 cents	---	---	9,870,000	5,420,000	15,290,000
6 cents	6,177,500	17,659,000	7,845,000	6,630,000	38,311,500
7 cents	588,500	1,370,000	1,120,000	---	3,078,500
10 cents	3,318,500	3,795,000	5,137,500	9,220,000	21,471,000
12 cents	1,000,000	1,175,000	740,000	---	2,915,000
15 cents	1,344,500	---	755,000	925,500	3,052,000
24 cents	---	---	365,000	---	365,000
30 cents	---	590,000	---	192,500	782,500
90 cents	---	197,000	---	---	197,000

Some 1.6 billion 3¢ stamps were delivered during this four-year period, as compared with some 1.2 billion 3¢ stamps during the preceding four years. However, that figure for the regular first class postage does not include the some 100 million post cards which were also being issued each year and which had not of course been issued in the former period. Whatever other personal readjustments had to be made by Americans of this severe depression era, they were not cutting back on the use of the postal system; rather, they were employing it in an increasing manner, despite the hardships of the times.

The energetic John Creswell had a number of other progressive ideas for the more efficient use of the postal system in the 1870s, notably an abolishment of that old postal abuse, the franking system, which he called “the mother of frauds.” The franking privilege, by which certain people could send their mail through the system without paying postage fees had been one of the targets of the basic postal reforms of Rowland Hill in the 1830s in England, where franking privileges were granted not only to various government officials, but also to people of privilege and nobility.



In America, there had been no promiscuous granting of franking privileges to privileged classes, but the amount of free mail—i.e., franked mail—sent out by government officials was growing at astronomical rates in the 1870s; and Postmasters were complaining about the great amount of free mail which was being “dumped” into the system. It was generally known that much of the free mail sent in the U.S. was more in the nature of “favors” to constituents rather than the forwarding of legitimate official business of the franking official.



A Postmaster fights back: A cover with a Fincastle Va. Mar. 10. circular date stamp with matching “Free” upper right, crossed out and marked “Due 3 cents”, note from postmaster reads “This is charged with Postage because not properly Franked. he who franked it should have signed his name.” and then initialled by the postmaster, opened roughly at right, an unusual rejected free frank. Sold for \$85 in a Siegel Galleries 2002 auction.

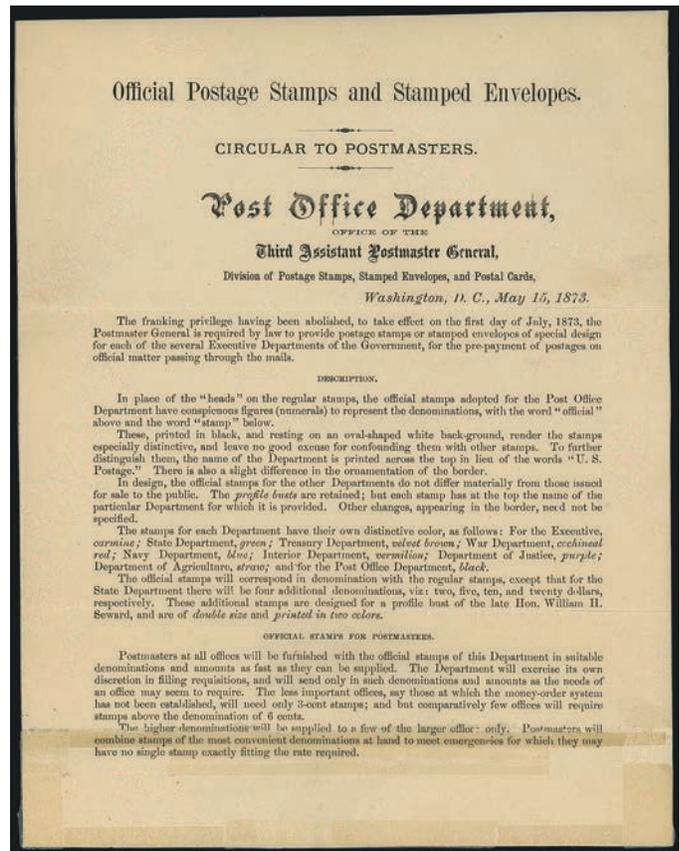
Creswell, in his Annual Report for 1872 said: “In my three previous reports, I have urgently recommended the immediate and unconditional repeal of the franking privilege. The experience of the past year has strengthened my conviction that its abolition is absolutely necessary to an efficient, economical, and vigorous administration of our postal system.”

He went on in the same report to point out that the actual cost of free material sent through the system was then about \$12 million annually. With unassailable logic, he asserted that if proper revenues had been charged for this franked mail, which was carried at full expense to the post office without any recompense, the post office would be operating at a profit rather than a deficit.

Amazingly, his logic took hold with the Congress, which was the greatest user of the franking privilege, and an act was passed that abolished the franking system as of July 1, 1873.

In its place, the post office prepared special stamps and stamped envelopes that bore the names of the various executive government Departments and which corresponded with the current postal rates in the rest of the system.

The Departments then purchased these stamps with funds out of their own appropriations. During the first full year of this new and somewhat revolutionary anti-franking system, Creswell’s Post Office derived \$1.7



The announcement abolishing Free Franks, enlarged on our front cover

The only recorded first day cover of the Treasury Dept. 1873 3¢ (Sc. 074), tied by a quartered cork cancel, with a “Washington, D.C., Jul 1” (1873) circular



date stamp. As this was a 3¢ short payment of the 6¢ treaty rate to Canada, it was charged the full rate plus a 4¢ penalty.

million from the sale of these official stamps and envelopes to other government agencies. The figure probably represents the amount of legitimate official mail that was carried in previous years as well, the rest of the \$12 million expense of previous years being the result of the great abuses of the franking privilege.

Unfortunately, Creswell’s successful attack on this old system of franking would be short-lived, and over the next decade his reforms would be eroded away. In 1875, for instance, Congress allowed speeches and reports that had been printed in The Congressional Record to be sent by franked mail if requested by a member of Congress. Then other printed public documents were permitted franking privileges.

In 1877, the present system of mailing official correspondence was inaugurated, providing the phrase “Official Business” was affixed to the envelope. For a while, Creswell’s Department Stamps remained in use, because the restoration of a general free franking system in the government was gradual, but soon they became irrelevant and they were declared officially obsolete in 1884.

Creswell’s concept of a postal system without general franking privileges—which was actually an old idea in postal reform—thus became only a quick and noble experiment, and we today have a system in which millions of pieces of franked mail are sent through the system each year.

Yesterday in Mekeel's, National Issue:

The U.S. Postage Stamp, 1870-1900, Part 8

by Lowell S. Newman & Peter T. Rohrbach (From Mekeel's Weekly, Feb. 15, 1990 with images added)



From our Officials Reference Manual: left to right, top row first: Franklin on 1¢ yellow Agriculture, Sc. O1; Jackson on 2¢ carmine Executive, Sc. O11; Washington on 3¢ vermilion Interior, Sc. O17; Lincoln on 6¢ blue Navy, Sc. O38; Stanton on 7¢ brown Treasury, Sc. O76; 90¢ black Post Office, Sc. O56; Jefferson on 10¢ rose War, Sc. O88; Clay on 12¢ vermilion Interior, Sc. O20; Webster on 15¢ purple Justice, Sc. O31; Scott on 24¢ blue Navy, Sc. O43; Hamilton on 30¢ dark green State, Sc. O66; Perry on \$20 dark green & black State, Sc. O71

Appendix II Official Stamps of the U.S. Government Departments, 1873-1874

In Chapter II we discussed the noble experiment of Postmaster General John Cresswell in 1873 when he attempted to eliminate that old postal custom by which government officials could send mail through the system without paying postage, the franking privilege which Cresswell had called “the mother of frauds.”

Through one of the great lobbying efforts in the history of U.S. governmental affairs, Cresswell was able to convince Congress to pass a law in 1873 that abolished the franking privilege and mandated specific sums in the budget for each executive government department, which it could then use to purchase specially designed stamps from the post office for the department’s use. There were no special stamps issued for the Congress, which was nevertheless expected to use regular postage on its correspondence, but the special stamps we are discussing here were issued for the nine major departments of the executive branch of the government.

These stamps were printed by the contractor of the moment—the Continental Bank Note Company—and they corresponded with the current rates in use in the rest of the system. The stamps ranging from 1¢ to 90¢ were the same basic stamps as the Issue of 1873, with the addition of four new higher denominations for the Department of State, but new colors were designated for each department. There were also some small design additions sometimes on the edges or corners of the stamps.

The story of the ten-year production and use of these new stamps to replace the regular stamps is a study unto itself, and it is often difficult to trace the precise numbers of all of these stamps with any accuracy. We summarize here that unique and extremely interesting episode in the history of American philately.

* * * * *

The law mandating the use of these new stamps to replace the old

franking privilege was passed on March 3, 1873, and went into effect on July 1 that year, the beginning of the new fiscal year. Although many of those new stamps were actually delivered to the various departments prior to July 1, the official post office records show that by September 30 of that year some 20 million stamps had been delivered to the government departments with a total face value of almost \$900 million. The individual department, of course, had to purchase these stamps from the Post Office out of its own operating funds.

Each department had its own stamp, and there were 11 stamps available for each department, except for the State Department which had four additional stamps in the denominations of \$2, \$5, \$10, and \$20. The 5¢ postage stamp, which was first issued in 1875 as the international stamp, was never issued as a government department stamp, and not all the departments ordered all of the various denominations available to them.

To create these stamps, the Continental Bank Note Company used the dies and plates from the original 1873 issue and then created new plates. The basic change on these new plates was the substitution of the specific department name in place of the original words, “U.S. POSTAGE”, in the curved frame above the portrait. For instance, the 10¢ stamp that was issued for the Department of Agriculture, had the word, “AGRICULTURE”, in the curved panel above the Jefferson portrait. In addition, the words, “DEPT.” and “OF”, appear in the upper left corner, and the letters, “U.S.,” appear in the upper right corner.



Left, 1873 Continental postage stamp, Sc. 161; right, Executive Department Official, Sc. O14

The Post Office Department specified new colors for these Official Stamps in the following shades: Executive, carmine; State Department, green; Treasury, velvet brown; War, cochineal-red; Navy, blue; Post Office, black; Interior, vermilion; Justice, purple; Agriculture, straw color.

Thus, the 10¢ Jefferson stamp for the Executive Department, which we used as an example, not only had the changed lettering on it, but was printed in the carmine color instead of the brown 10¢ Jefferson for general use.

The only major variation in the design of these Official Stamps occurred on the stamps issued for the Post Office Department itself. On those stamps, the portrait in the medallion in the center of the stamp was eliminated, and a large numeral representing the denomination was substituted in its place.



Sc. 051

For the four additional denominations issued for the State Department, the \$2, \$5, \$10, and \$20 stamps, the design was basically the same as the design used for the stamps of the Issue of 1873, except for the greatly enlarged size and the substitution of the full word, "DEPARTMENT", instead of, "DEPT". The portrait in the medallion on each of those stamps was of William H. Seward, who had been Lincoln's Secretary of State, and who had just died in the preceding year of 1872.

These stamps were printed in two sizes. The eleven stamps which ranged from 1¢ to 90¢ were issued in the size of 20 by 25 mm. The four higher denomination State Department stamps were printed in the size of 25-1/2 by 39-1/2 mm (see images, page 8, not in actual sizes but showing relative sizes).

The basic design features of the Official Stamps of 1873 are:

Agriculture: The word "AGRICULTURE" appears in the curved panel, with the addition of the words, "DEPT. OF", in the upper left corner, and the letters "U." and "S." in the upper right corner. The color is straw. [Scott calls it yellow, which is what it appears to be. JFD.]



Sc. 01



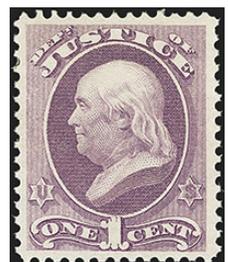
Sc. 010

Executive: On these stamps the word "EXECUTIVE" appears in the curved panel over the portrait. In the upper corners are, respectively, the letters "U." and "S." Some vertical stripes form a background to these letters. They are all printed in a carmine color.

Interior: Above the portrait are the words, "DEPT. OF THE INTERIOR." Six-point stars are in the upper corners, and there also are small shields bearing the letters "U." and "S." that appear in various places on various denominations of this Department's stamps. The color is vermilion.



Sc. 015



Sc. 023

Justice: The word "JUSTICE" is in the curved panel, with the words "DEPT." and "OF" in the upper corners. There also are six pointed stars with the letters "U." and "S." The color is purple.

Navy: This stamp has a quasi-maritime design. The words are, "NAVY" and "DEPARTMENT". There are stars—large ones in the upper corners, smaller ones on the sides—and the top and sides are bordered by a cable. The color is blue.



Sc. 035

Post Office: As noted, the portrait on these stamps was eliminated and replaced by a large numeral representing the value. In that same oval are the words, "OFFICIAL" above the number, and "STAMP" beneath. The words "POST OFFICE DEPT." appear above the oval. The letters "U." and "S." also appear in varying places on the denominations. The color is black.



Sc. 047

State: The curved panel bears the words "DEPT. OF STATE" with foliated ornaments below each end. The letters, "U." and "S." also appear in the upper corners. On the four new higher denominations of this stamp with the Seward portrait the words are "DEPARTMENT OF STATE" and there are faces on each side of the portrait. As noted, these four stamps are considerably larger. The color of the stamps is green, except for the four higher denominations, which are bi-colored, the vignettes being printed in black.



Sc. 057



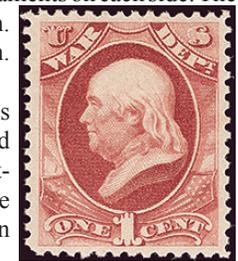
Sc. 071



Sc. 072

Treasury: The word, "TREASURY" crosses the tops of these stamps with, "U.S." and "DEPT." on each side. There is an addition of fringes and cord ornaments on each side. The color is velvet brown. [Scott calls it brown. JFD.]

War: The words are "WAR" and "DEPT.", with the letters "U." and "S." in the upper corners. Also, national shields appear in the lower part of the stamps. The color is red.



Sc. 083

The Continental Bank Note Company continued to produce all these Official Stamps until 1879 when it merged with the American Bank Note Company, and for the next five years that latter firm produced these stamps for the government. American produced only one new plate, for the 1¢ stamp, and used the plates which had been produced by Continental in 1873 for all the other stamps.

These stamps had a ten-year history, but as we noted in our previous discussion of this subject, Congress began rather quickly to undo much of the impact of the anti-franking law of 1873. The Congressional Record, and excerpts from it, were allowed to pass through the mails free by a law of 1875; and in 1877, the present system of mailing official correspondence was begun. Under this system, if the envelope bore the words, "Official Business," it could pass free through the mails. The 1877 Act also stipulated that a fine of \$300 would be imposed on anyone abusing this privilege and this penalty notice had to be printed on the envelope—hence, these envelopes became known as "penalty envelopes".

Despite these new laws, the Official stamps continued to be used throughout the 1870s and into the next decade, although in greatly declining numbers. After a few years, the penalty envelopes and other franking privileges began to render these Official stamps obsolete, so, on July 5, 1884, Congress officially terminated the use of these stamps.

During the ten-year history of this experiment, great numbers of

these stamps were printed and used by various government departments, instead of the franked mail that was used before and after that period. For instance, between 1874 and 1884 the Department of the Interior used some 5.2 million of the 3¢ stamps, and some 1.7 million of the 6¢ stamps. The Treasury Department used 11.2 million of the 3¢ stamps, and the Post Office Department itself used 65.2 million of the 3¢ stamps.

When these Official Stamps were discontinued by Congress in July of 1884, there were still some 17 million unused copies of them in the possession of either the Stamp Agent or in the vaults of the American Bank Note Company. By order of the Post Office Department, these stamps were all destroyed in the next few months. Thus ended this noble experiment, which had fulfilled one of the basic goals of the original postal reforms of the 1830s.

The Department of Agriculture was one of the lesser users of the Official Stamps, but this chart shows some of the typical dynamics of this unique stamp in U.S. history:

Department of Agriculture

	1 cent	2 cents	3 cents	6 cents	7 cents	10 cents	12 cents	15 cents	24 cents	30 cents	90 cents
1874	60,000	95,000	80,000	60,000	—	50,000	19,000	14,000	30,000	32,000	—
1875	30,000	80,000	15,000	25,000	—	45,000	32,000	40,000	30,000	50,000	—
1876	—	25,000	30,000	—	—	—	—	—	—	—	—
1877	5,000	15,000	20,000	5,000	—	—	—	—	—	—	—
1878	—	—	50,000	—	—	—	—	—	—	—	—
1879	—	5,000	40,000	10,000	—	—	—	—	—	—	—
1880	—	—	40,000	5,000	—	—	—	—	—	—	—
1881	—	—	60,000	5,000	—	—	—	—	—	—	—
1882	200	—	50,000	—	—	50	50	—	50	50	—
1883	65	10,000	50,000	10,000	—	65	65	50	65	65	—
1884	150	150	50	—	—	150	150	—	150	150	—
Total	95,415	230,150	435,050	120,000	—	95,265	51,265	54,050	60,265	82,265	—

Note that the Department of Agriculture ordered only nine of the available stamps, and did not use any 7¢ or 90¢ stamps. Also note the high use of the stamps in the first few years after the Act of 1873, usage which began to erode rather quickly as Congress began to restore the franking privileges. It is also curious to observe that, in the late 1870s and early 1880s, the Department of Agriculture continued to order 3¢ and 6¢ stamps, even though by that time the act of 1877 allowed it to send franked letters if they were marked "Official Business." One can only wonder about all this mail which would not qualify as "Official Business" from a federal department.