

February 1863, £2,075.0.6 (approx. \$10,065), \$1.60 tax, matching Foreign Exchange imperforate \$1 & 30c (x2)
Sole recorded example of \$1.30+ rate before the \$1.30, \$1.60 and \$1.90 were issued April 17, 1863

\$1.30, \$1.60 and \$1.90 Stamps of the Civil War Era: How Were They Used?

Purpose. This exhibit shows documents bearing the \$1.30, \$1.60 and \$1.90 stamps of 1862-1872, first as originally intended, to pay the Foreign Exchange tax of 1862-4; then paying the surprising variety of rates shown at right.

The \$1.30 and \$1.90 have each been recorded on only about a dozen documents, and the \$1.60 on about 25; the lion's share are here.

Red: read me! Special or extraordinary significance

- | | |
|--|---------------------------------|
| 1. Early Matching Usages | 6. Contract 1866 Rate |
| 2. Later Matching Usages | 7. Mortgage 1863 rate |
| 3. Foreign Exchange 1864 Rate | 8. Mortgage 1864 rate |
| 4. Inland Exchange 1864 Rate | 9. Conveyance 1864 rate |
| 5. Incoming Foreign Exchange 1864 Rate | 10. Second Issue \$1.30, \$1.90 |

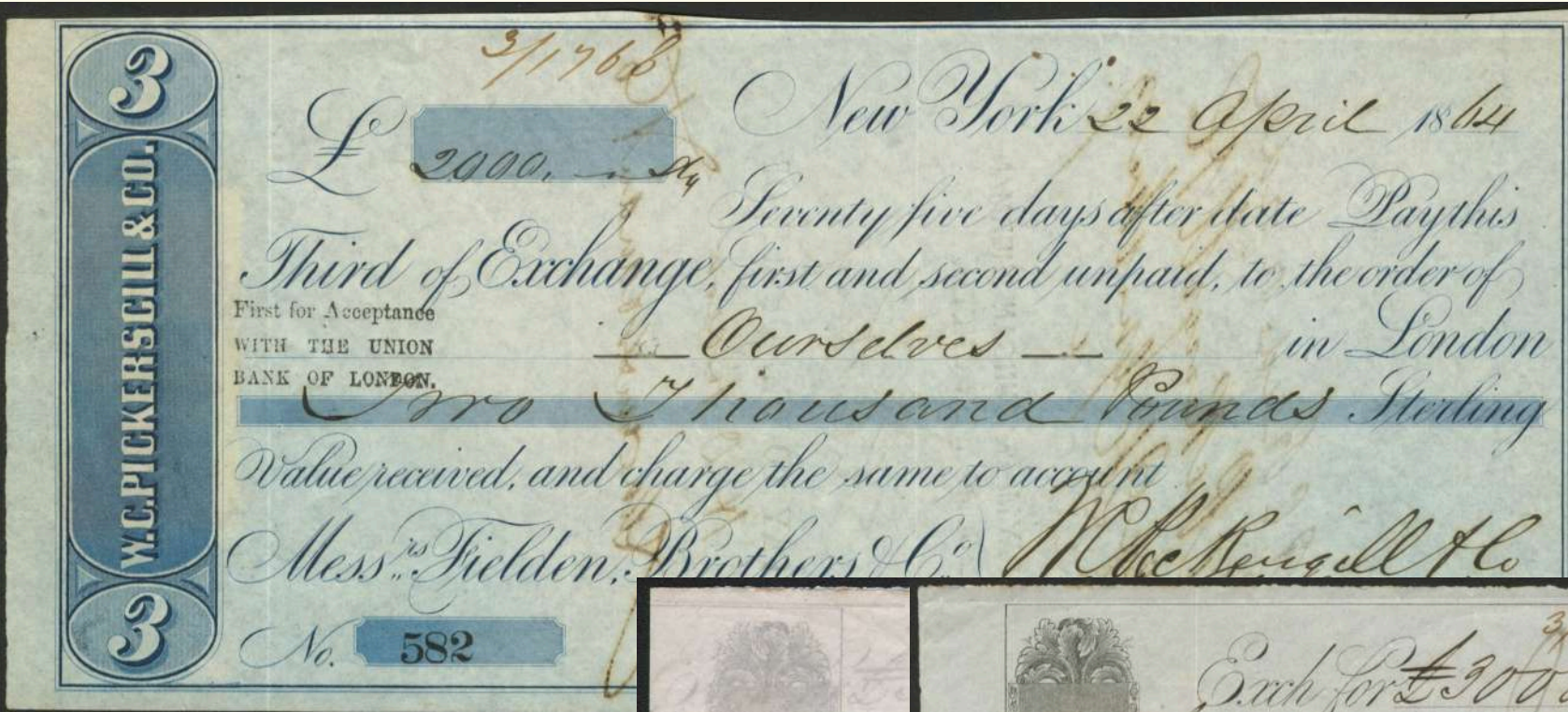
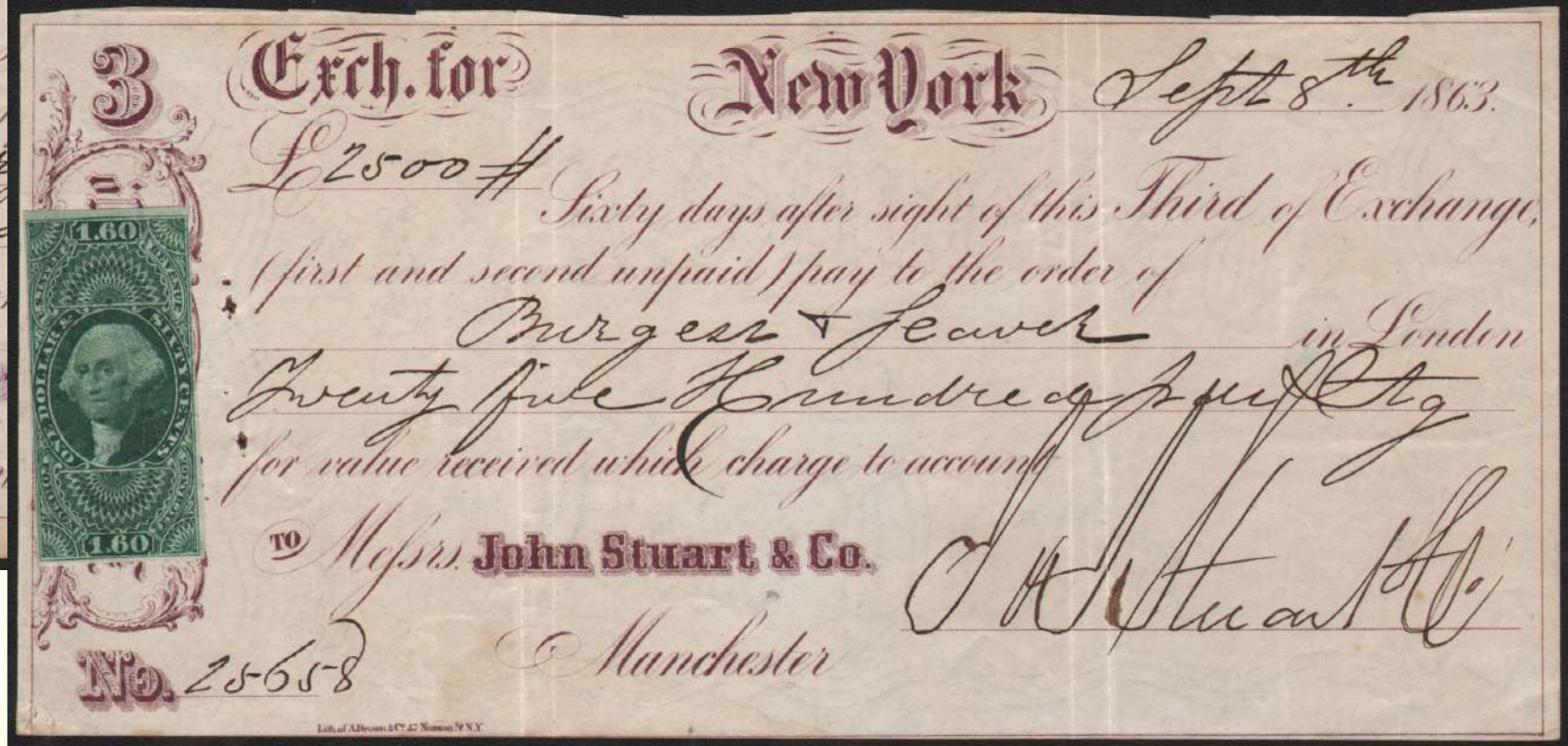
1. Raison D'etre. Early Matching Usages

In the original schedule of Civil War documentary stamp taxes, effective October 1, 1862, for foreign bills of exchange in amounts above \$7,500, an open-ended rate applied: \$1 for the first \$7,500, and an additional 30c for each additional \$2,500 or fraction. To facilitate payment of the first three steps of this rate, and as the use of "matching" stamps was required, the \$1.30, \$1.60 and \$1.90 Foreign Exchange stamps were created.

They were **not** strictly necessary; these taxes could have been paid with the \$1 and 30c Foreign Exchange stamps; in fact, until the \$1.30, \$1.60 and \$1.90 were delivered April 17, 1863, as shown far left here, this is just what was done.



Near right, October 1863, £2,000 (approx. \$9,700), \$1.30 tax, matching Foreign Exchange \$1.30 imperforate
Far right, September 1863, £2,500 (approx. \$12,125), \$1.60 tax, matching Foreign Exchange \$1.60 imperforate
Sole recorded matching uses of \$1.30 and \$1.60 imperforates
This celebrated matched pair of bills of J. & J. Stuart, Bankers, New York, ranks among the handful of premier items in all of Civil War era fiscal history. Both ex-Cunliffe.



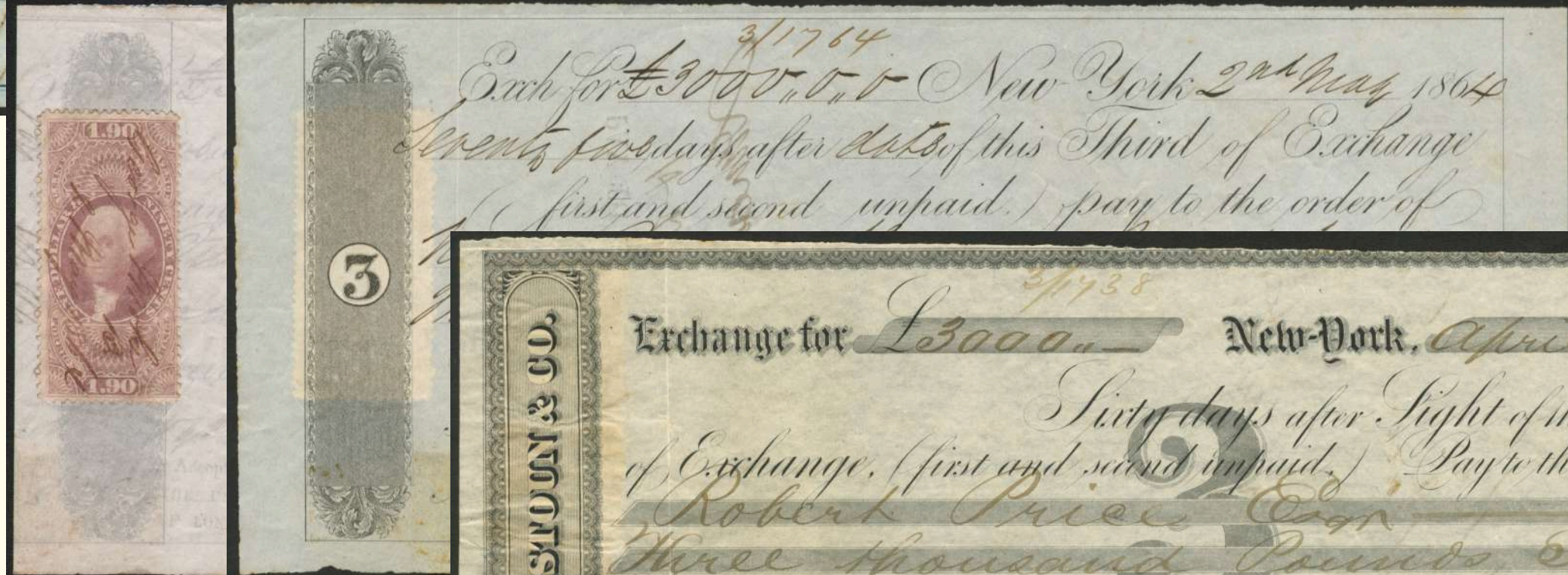
April 1864, £2,000 (approx. \$9,700), \$1.30 tax, matching Foreign Exchange \$1.30 perforated
Two examples recorded

2. Later Matching Usages

The requirement for matching usage was abruptly rescinded December 25, 1862. Matching stamps continued to be used in significant quantities for some months, as stocks ordered in compliance with the original law were gradually depleted.

Once these early stocks were gone, and any stamps could be used, matching usage generally became accidental, and philatelically inconsequential.

The Foreign Exchange \$1.30, \$1.60 and \$1.90 provide rare exceptions to this last rule. As there were no other titles with these denominations, as long as the original Foreign Exchange tax schedule remained in effect (until July 31, 1864), these stamps were intentionally and preferentially reordered and used in matching fashion to pay the Foreign Exchange tax on bills above \$7,500 to \$15,000.



May 1864, £3,000 (approx. \$14,500), \$1.90 tax, matching Foreign Exchange \$1.90 perforated
Sole recorded example



April 1864, £3,000 (approx. \$14,500), \$1.90 tax, matching Foreign Exchange \$1.60 & 30c perforated
Sole recorded example

3. Foreign Exchange 1864 Rate, 2c per \$100

With this rate change, effective August 1, 1864, the \$1.30, \$1.60 and \$1.90 stamps lost their preferred roles for paying the tax on foreign bills for \$7,500-15,000.

Thereafter they are only rarely seen on foreign bills, and then perhaps as "leftovers" from earlier orders.

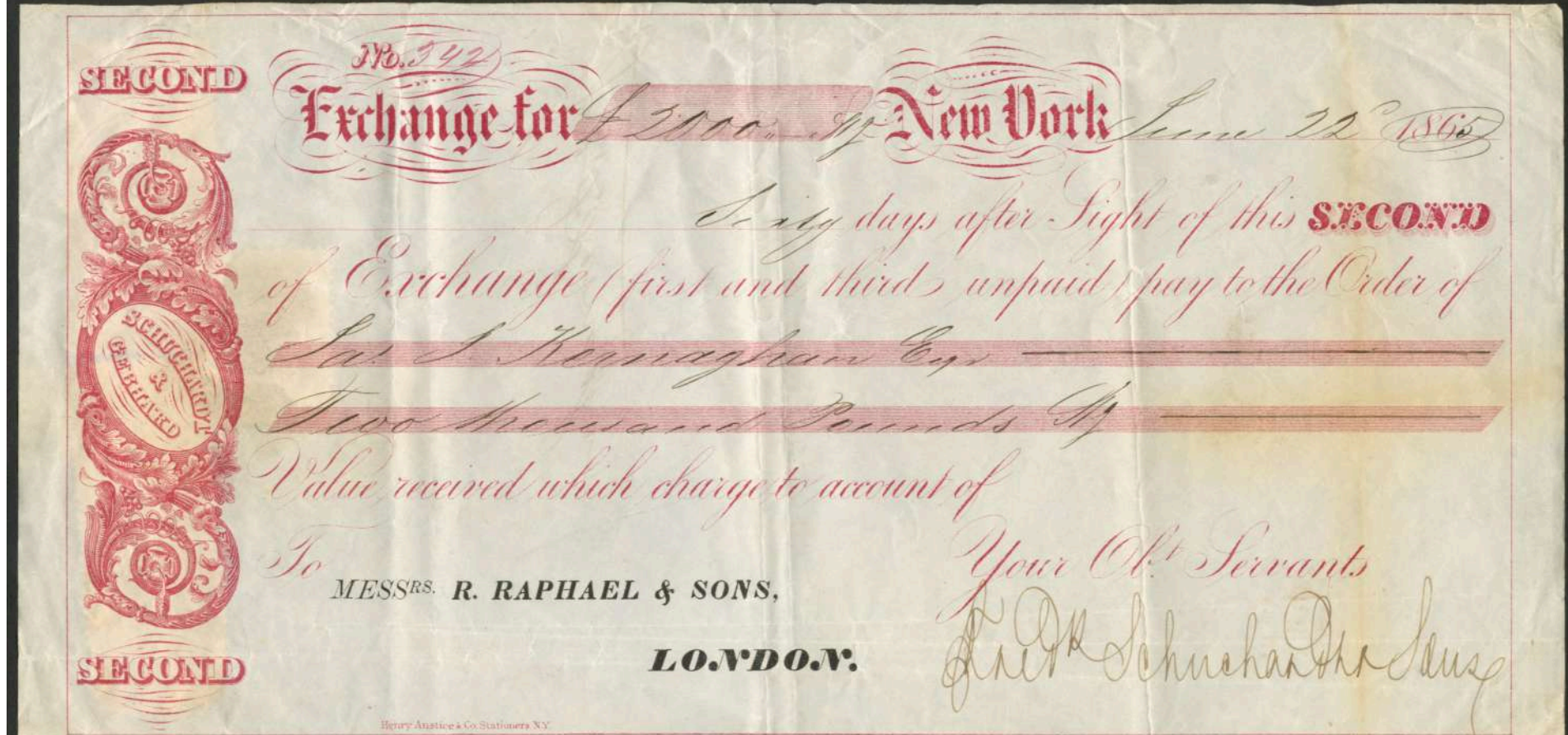
A contributing factor is that in any case, on the great majority of bills the tax was less than \$1.30.



June 1870, £2,174.13.11 (approx. \$10,550), tax \$2.12, Foreign Exchange \$1.30 plus 70c, 10c, 2c



December 1865, £3,078.13.6 (approx. \$14,930), tax \$2, Foreign Exchange \$1.90 and 10c Certificate



Combination Use (I)
Attached Second and Third bills,
\$1.30 and imperforate \$1.60 used together!

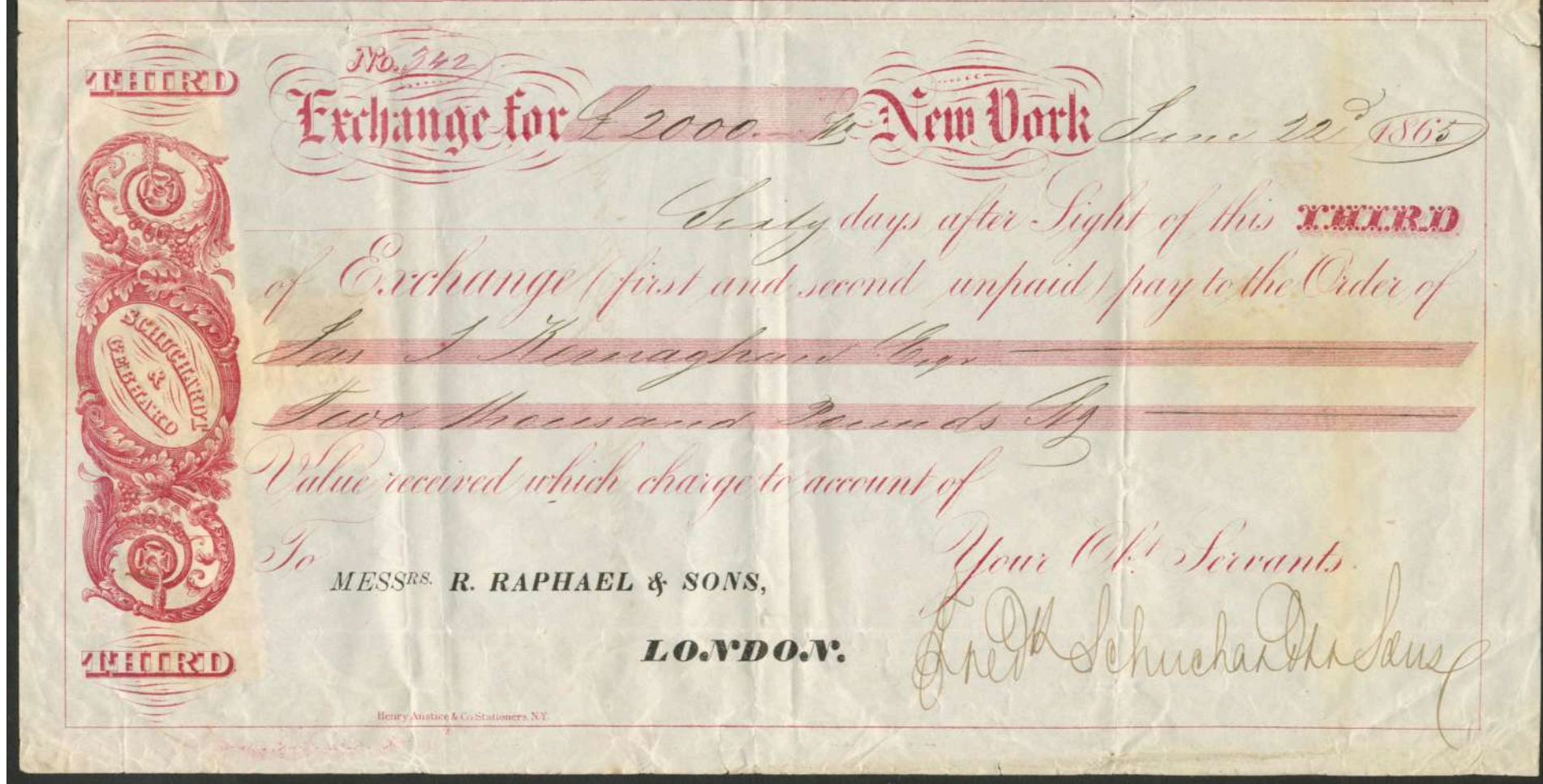
June 1865, £2,000 (approx. \$9,700), tax \$1.94
 Second: Foreign Exchange \$1.30 plus 60c, 4c
 Third: Foreign Exchange \$1.60 imperforate plus 30c, 4c

\$1.60 imperforate recorded on only a handful of documents

The use of the \$1.60 imperforate reinforces the "leftover" hypothesis; it was presumably ordered some two years earlier to pay the 1862 \$1.60 rate, then languished in stock until used here.

The use of different stamps to pay the identical tax suggests that each was the last of its kind in stock.

One of two recorded combination uses involving the \$1.30, \$1.60 and \$1.90



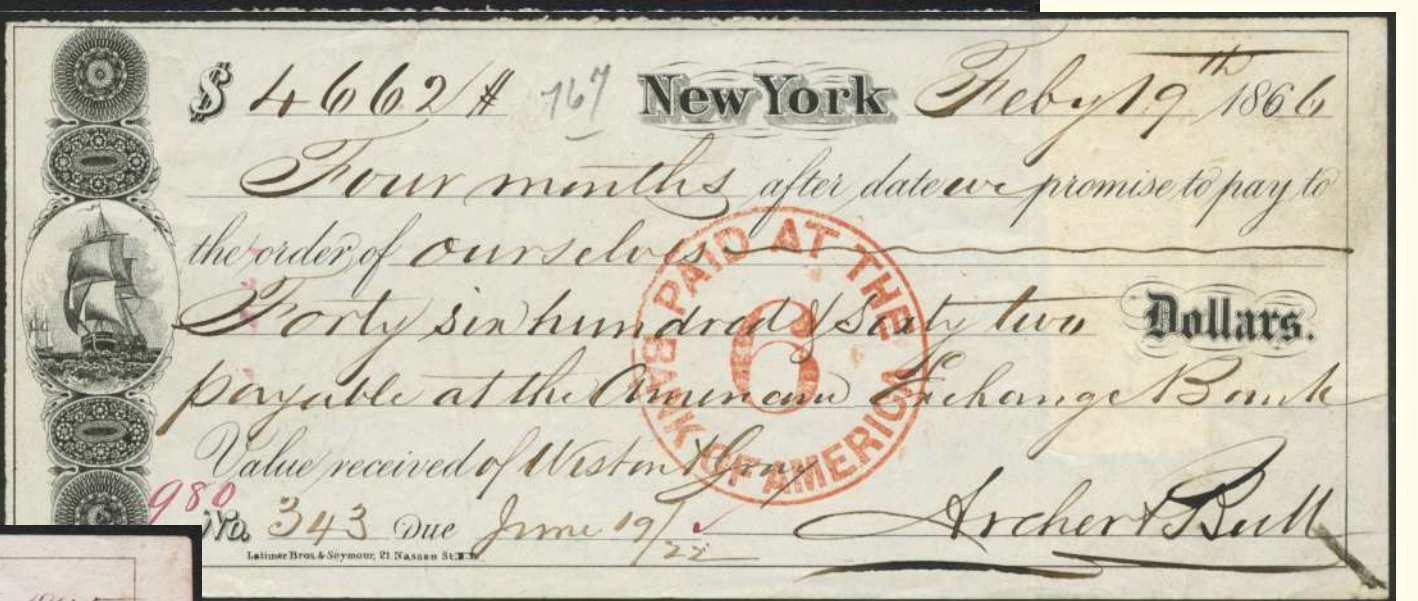
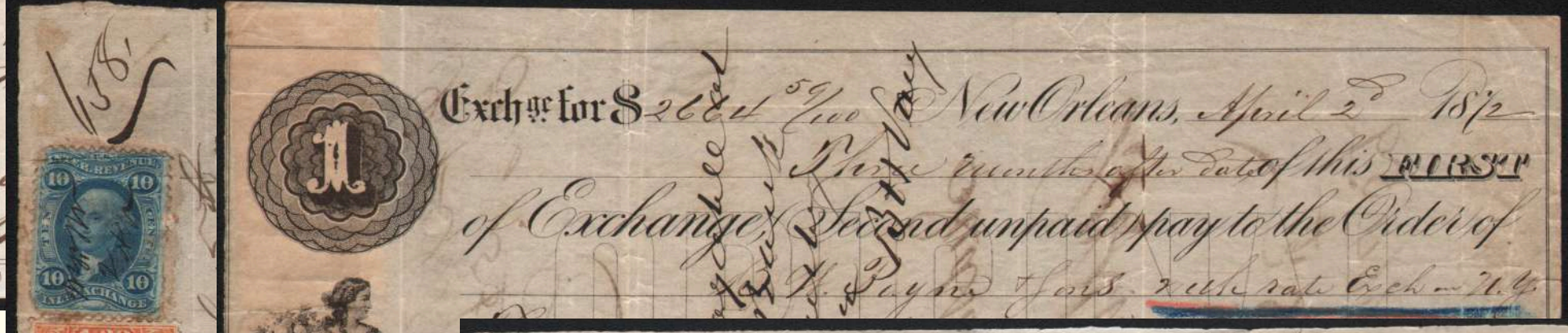
What Was a Bill of Exchange?

In legal terms, a bill of exchange is an order by one party to a second party to pay a third party; synonymous with a draft, and including checks, which are drafts drawn on banks.

In the mid-19th century, though, bills of exchange were colloquially understood to be drafts drawn on a distant source of funds, typically made in sets of two or more, designated "First," "Second," "Third," or similar terms, to allow for the loss of one or more in transit. They were the primary instruments for transfer of funds over long distances until superseded by telegraphic transfers.

Firsts were mailed to the distant drawee, often accumulating an array of markings enroute, changing hands as a form of commercial currency with attendant endorsements, before being accepted and finally paid.

In contrast, Seconds and Thirds typically remained in reserve. Occasionally, to the delight of present-day collectors, they were left unsevered.



4. Inland Exchange 1864 Rate, 5c per \$100

This tax applied to domestic promissory notes, time drafts and bills of exchange

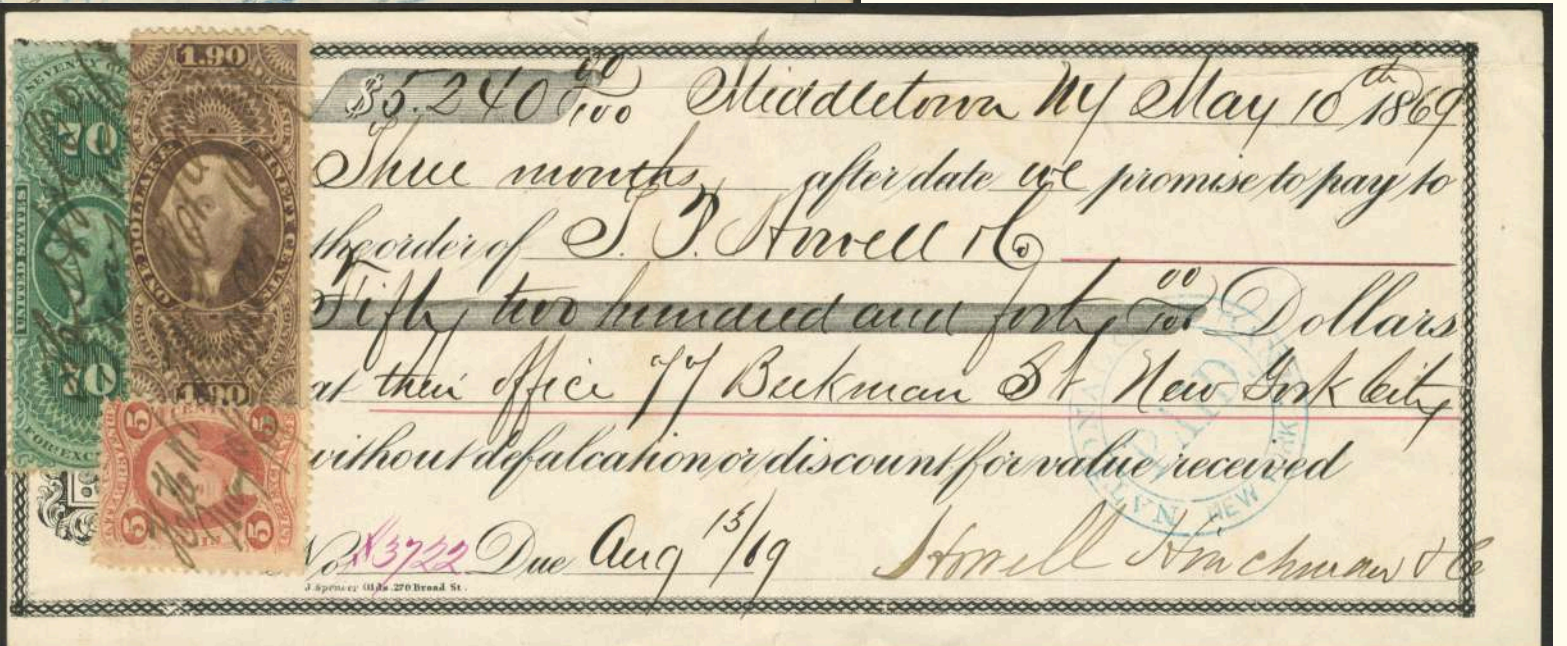
A very few examples of these stamps have been seen paying this rate. Those shown here have been gleaned from thousands of documents examined over four decades.

As they were at least all multiples of 5c, the \$1.30, \$1.60 and \$1.90 stamps were a bit more suited to payment of this rate than to the Foreign Exchange levy of 2c per \$100, but only just. Nearly all users opted for the \$1, \$1.50 and \$2 denominations instead, as reflected in their totals issued:

\$1.30	182,787
\$1.50	1,011,776
\$1.60	64,890
\$1.90	86,231
\$2	2,730,113

Moreover, in this case, unlike that for foreign bills, users would not have had any leftover stock of these unusual denominations on hand; any that were used must have been ordered specifically to pay this tax. Why the users shown here chose to order and use these denominations is an interesting open question.

1872 First of exchange, New Orleans, drawn on distant Ogdensburg, N.Y.) Domestic bills of exchange are seldom seen.



The Boston Revenue Book lists three shades of the \$1.90: pale mauve, deep mauve and brown violet. The first and last of these are shown here.

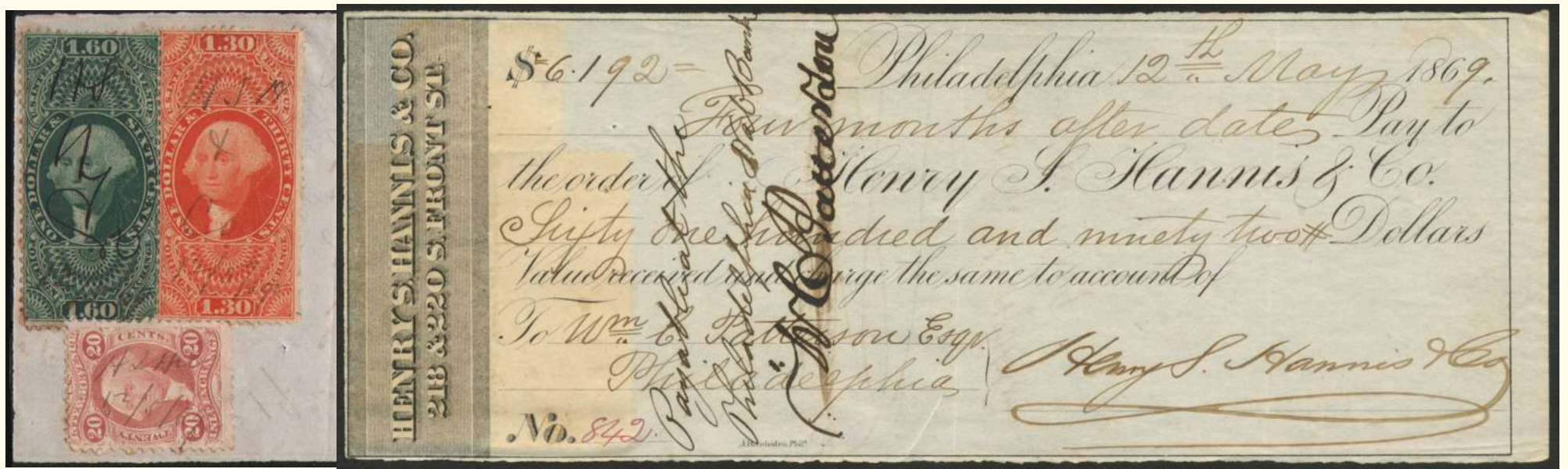
**Combination Use (II)
\$1.30 and \$1.60 used together!**

1869 time draft for \$6,192, tax \$3.10, \$1.60 Foreign Exchange, \$1.30 Foreign Exchange, 20c

At first thought, this combination appears to be a statistical near-impossibility. The \$1.30 and \$1.60 are each ultra-rare on document, for purposes of discussion, say one in a million. Is their use together the product of these probabilities, thus one in a trillion?

On reflection, the events are not independent. Firms that used the \$1.30 were likely to be those that generated many drafts and wished to stamp them with precision and efficiency, and as such were likely to have used the \$1.60 as well. Harry S. Hannis & Co. of Philadelphia, one of the county's largest whiskey distillers, was evidently such a firm; note the high serial number 842 here.

Even with both denominations on hand, though, for a combination like this to occur, several stars would have had to align, requiring at least a minor statistical miracle!



5. Incoming Foreign Exchange 1864 Rate, 5c per \$100
These were taxed upon acceptance in the U.S. at the same rate as inland bills, which as discussed above, after August 1864 was 5c per \$100.

The "Danford Knowlton Find"

Sugar importers Danford Knowlton & Co. of New York stamped well over a thousand incoming bills from Cuba, and did so with maximum efficiency, utilizing all applicable denominations. Surviving bills laid out for display march down the pages in stately procession, showing nearly every tax between 5c and \$4.50 paid precisely, usually with only one or two stamps.

The top two here, by Manuel Marquez & Co. of Nuevitas, show examples: amounts \$2,600 and \$2,700, taxes \$1.30 and \$1.35, elegantly paid by:

- remarkable solo use of the \$1.30 Foreign Exchange (two recorded),
- and by \$1.30 plus 5c (three recorded).

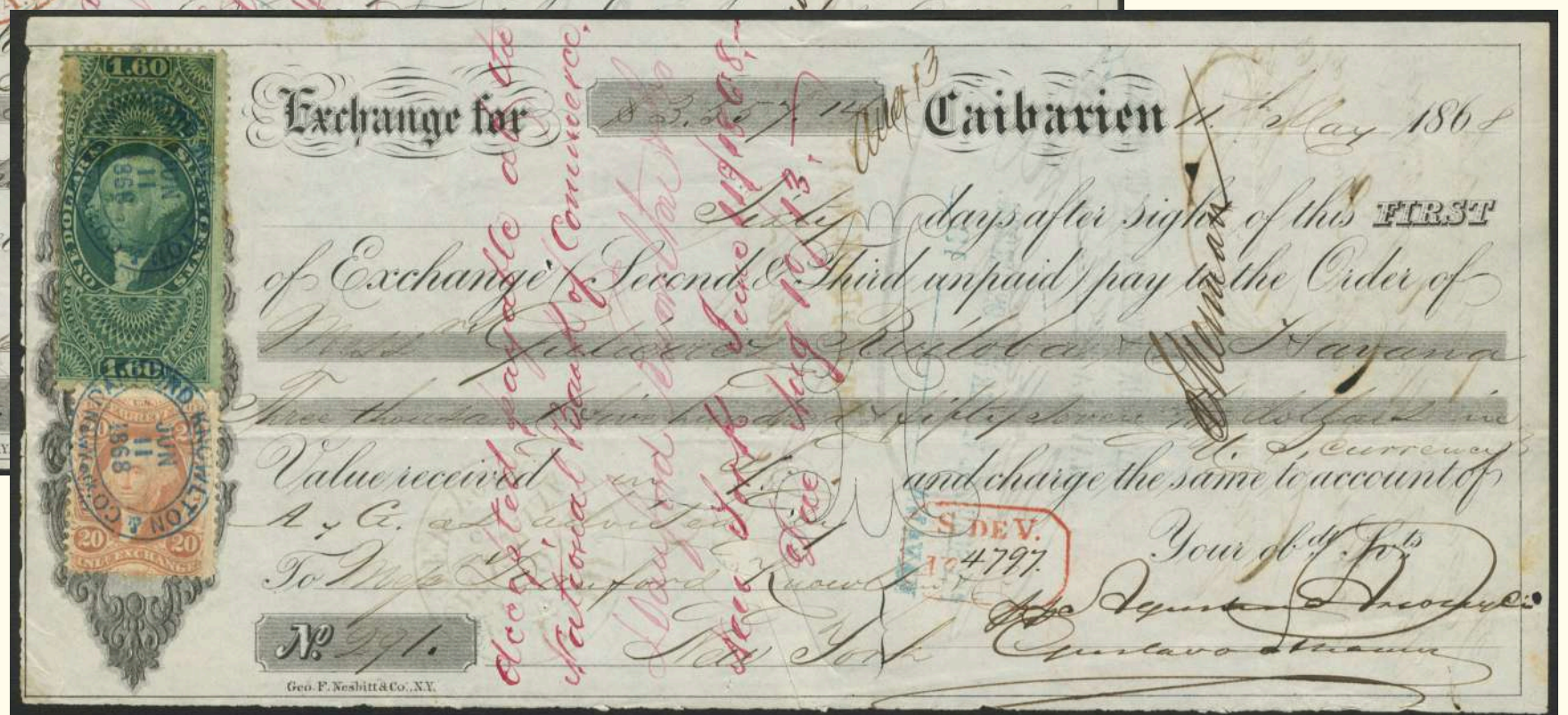
The Marquez bill at far right for \$8,000 — the other of just six recorded Knowlton bills with the \$1.30 — is a fortunate exception to this pattern; its \$4 tax was paid, not by two \$2, or \$3 plus \$1, but by \$2.50, \$1.30 and 20c, arguably the highlight of the "Knowlton Find."



These bills by Augustin Ariosa & Co. of Caibarien afford another glimpse of this elegant stamping: amounts \$3,500 and \$3,557.14, taxes \$1.75 and \$1.80, paid by;

- \$1.60 Foreign Exchange plus 15c (five recorded)
- and by \$1.60 plus 20c (two recorded).

Only about 20 examples of the perforated \$1.60 Foreign Exchange have been recorded on document, of which the "Knowlton Find" accounts for the lion's share, thirteen.



6. Contract 1866 Rate, 1c per \$100
This applied to licensed brokers' memos for sale of securities.



Memo of gold brokers Trevor & Colgate, Wall St., N.Y., for sale of \$150,000 gold at 134%, total \$202,312.50, tax \$20.24, paid by \$3 Manifest (x6), \$1.90 Foreign Exchange, 10c, 20c, 4c
The \$1.90 is the Boston Book's "deep mauve"

September 25, 1869, was the day after "Black Friday," on which Jay Gould and Jim Fisk tried and failed to corner the market on gold. Feverish bidding had driven the price to 162%, after which it plunged within minutes to about 135% when the government committed to selling some of its stores.

The profusion of stamps here begs for explanation. The most straightforward is that brokers' stocks of stamps were not suited to sales of this magnitude. Among surviving stamped memos, the great majority are for sales less than \$20,000, requiring no denomination even as high as \$2. At the same time, as the tax could be any multiple of 1c, it made sense for them to stock stamps in a wide variety of denominations in order to efficiently stamp these small slips.

Even so, this is the sole recorded use of the \$1.30, \$1.60 or \$1.90 on a broker's memo.



7. Mortgage 1863 rate, 10¢ per \$200

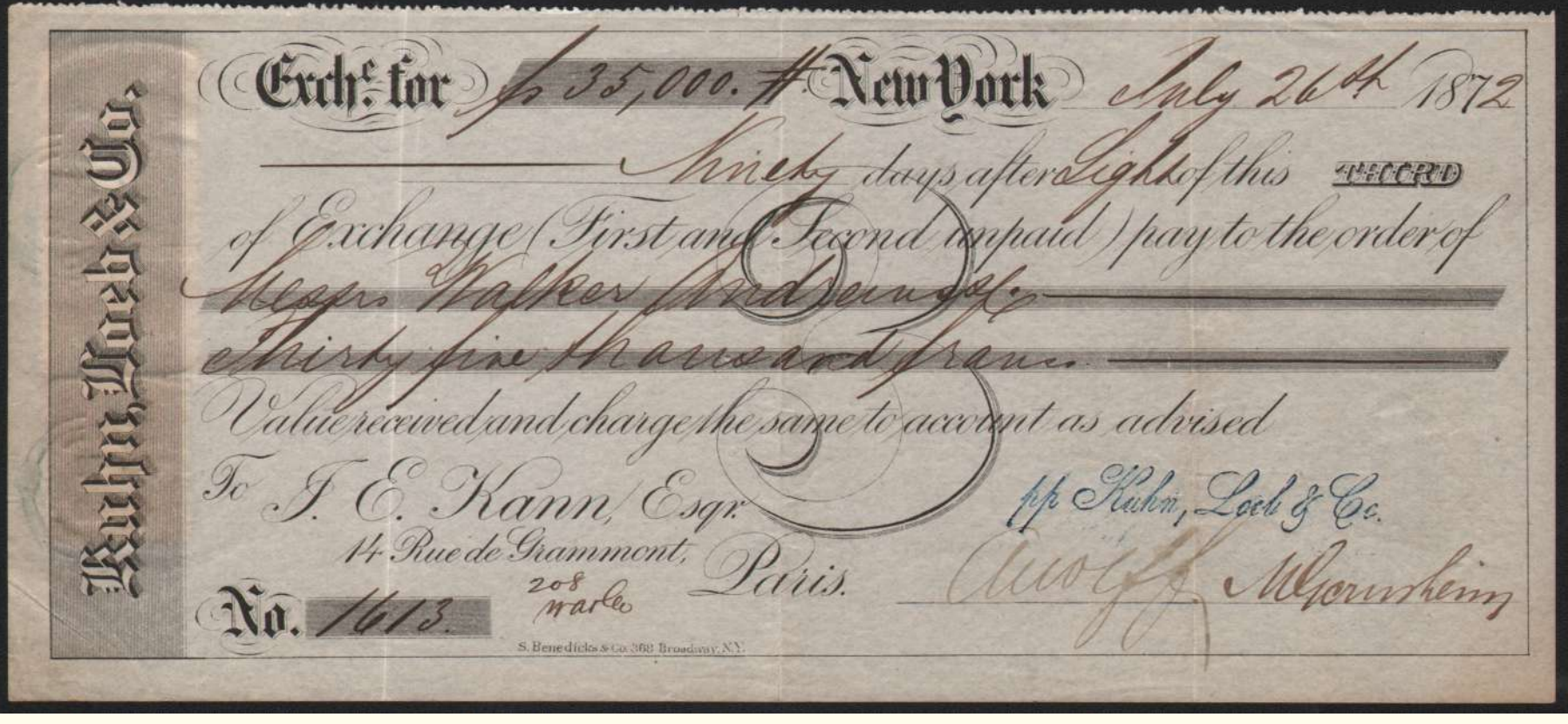
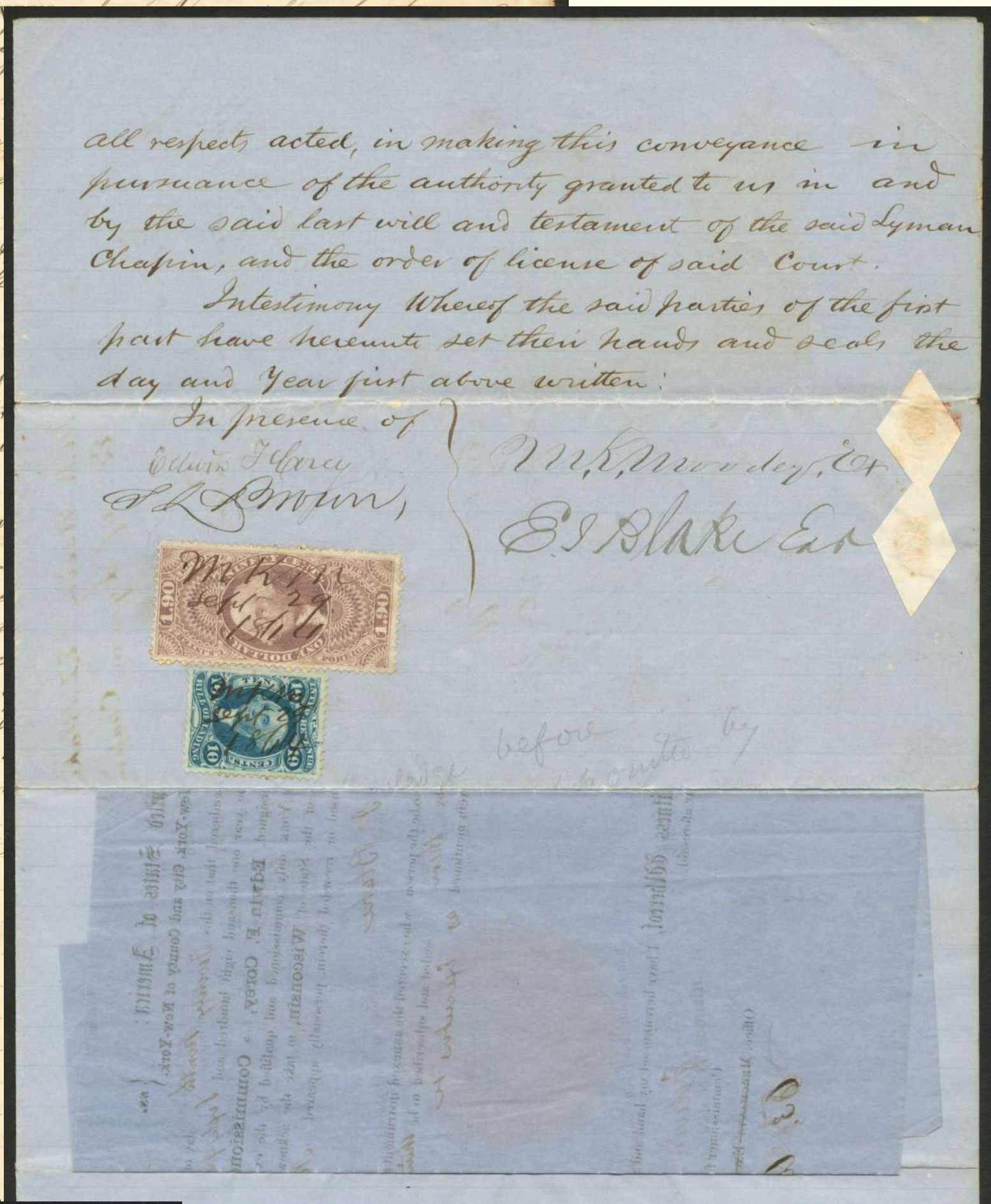
January 1864 chattel mortgage, \$2,500, tax \$1.30, **\$1.30 Foreign Exchange** solo use
 The early date argues that this is the **\$1.30 imperforate**, cut close. The perforated stamp has not been recorded used this early, nor would it be likely to have its perforations trimmed.
 For entire stock of "Pork Packing Establishment," in Cranston, R.I., also three horses, four wagons, one "stuffed seat Portland Sleigh," and "one Piano of the Steinway manufacture numbered 4666," to secure payment of a promissory note.

8. Mortgage 1864 rate, 50¢ per \$500

August 1865, amount \$1,541.57, tax \$2, **\$1.60 Foreign Exchange imperforate**, 25c, 5c (x3)
This stamp recorded on just four documents
 Assignment of 1848 mortgage of St. Saviours Church, Newtown, N.Y., by Trustees of Jones Fund for the Support of the Poor, to Rector, Wardens and Vestrymen of Trinity Church, N.Y. City

9. Conveyance 1864 rate 50¢ per \$500

April 1865 and September 1864, amounts \$1,900 and \$2,000, tax \$2:
 • **\$1.30 Foreign Exchange** plus 70c
 • **\$1.90 Foreign Exchange** plus 10c
 Sole recorded examples at this rate



10. Second Issue \$1.30 and \$1.90
 Given the limited demand for the First Issue \$1.30, \$1.60 and \$1.90, the inclusion of these denominations among the Second Issues is baffling. Happily, though, it resulted in fiscal history rarities of the highest order, as shown here.
 The stamps were delivered by the printer September 2, 1871, and by the time the broad documentary taxes were rescinded effective October 1, 1872, predictably very few had been sold, as tabulated at left.
Just two examples on document have been recorded for both the **\$1.30 and \$1.90**, and none for the **\$1.60**.

Above, July 1872 Third of exchange, New York, amount 35,000 francs (approx. \$6,600), tax \$1.32, **Second Issue \$1.30 and Third Issue 2c**
Two examples of Second Issue \$1.30 recorded on document
 Right, May 1872 promissory note, New York, \$3,782.76, tax \$1.90, **Second Issue \$1.90**
Two examples of Second Issue \$1.90 recorded on document

