

The U.S. \$15 Mortgage Stamp, 1862-1872: A Fiscal History "Perfect Storm"

Purpose. This exhibit illustrates and explains the range of on-document usages of the U.S. \$15 Mortgage revenue stamp.

Apart from the bicolored \$200, the large size and color variations of the \$15 Mortgage make it the most distinctive of the U.S. First Issues, whose use contributed significantly to the Union Civil War effort. At the same time it was one of the least used. Only 18,358 were sold over the decade of broad Civil War era stamp taxes, 1862-1872, and \$15 was the only First Issue denomination not included in the Second Issues. Today only about twenty have been recorded on document.

Remarkably, these few exhibit a diversity unique among the high-denomination First Issues, as detailed below and in the Epilog:

Exhibit Plan

- | | | | |
|-----------------------------|---------------------------------|---------------------------------|----------------------------|
| 1. Imperforate | 2. Perforated, Dark Blue | 3. \$15 Milky Blue | 4. \$15 Ultramarine |
| 1.1 1862 Mortgage \$15 rate | 2.1 \$15 Plate Number | 3.1 Combination with Dark Blue! | 4.1 Philippines deed |
| 1.2 With Nevada \$5 | 2.2 Alabama solo use | 3.2 Milky Blue subshade | 4.2 \$400,000 note |
| 1.3 Oregon use | 2.3 With Nevada \$10, \$20 | | 4.3 Ultramarine pair |

Red borders or print signify items or attributes of special significance.

1.1 Unique \$15 EMU

1859 mortgage for \$17,006, recorded February 1863, when it was stamped with matching \$15 Mortgage imperforate

Sole recorded EMU (Early Matching Usage) for 1862 Mortgage \$15 rate (amounts above \$10,000 to \$20,000)

The 1862 Mortgage taxes were rescinded March 3, 1863, just ten weeks after the \$15 Mortgage stamp was delivered!

Imperforates Sent West: 1863 Shipment to San Francisco and Portland

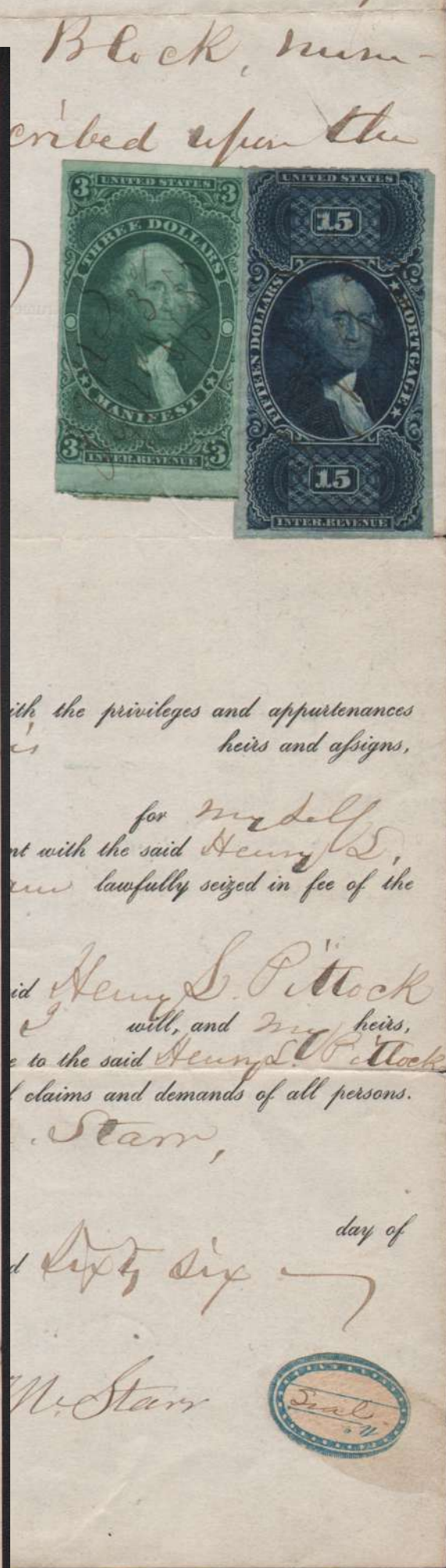
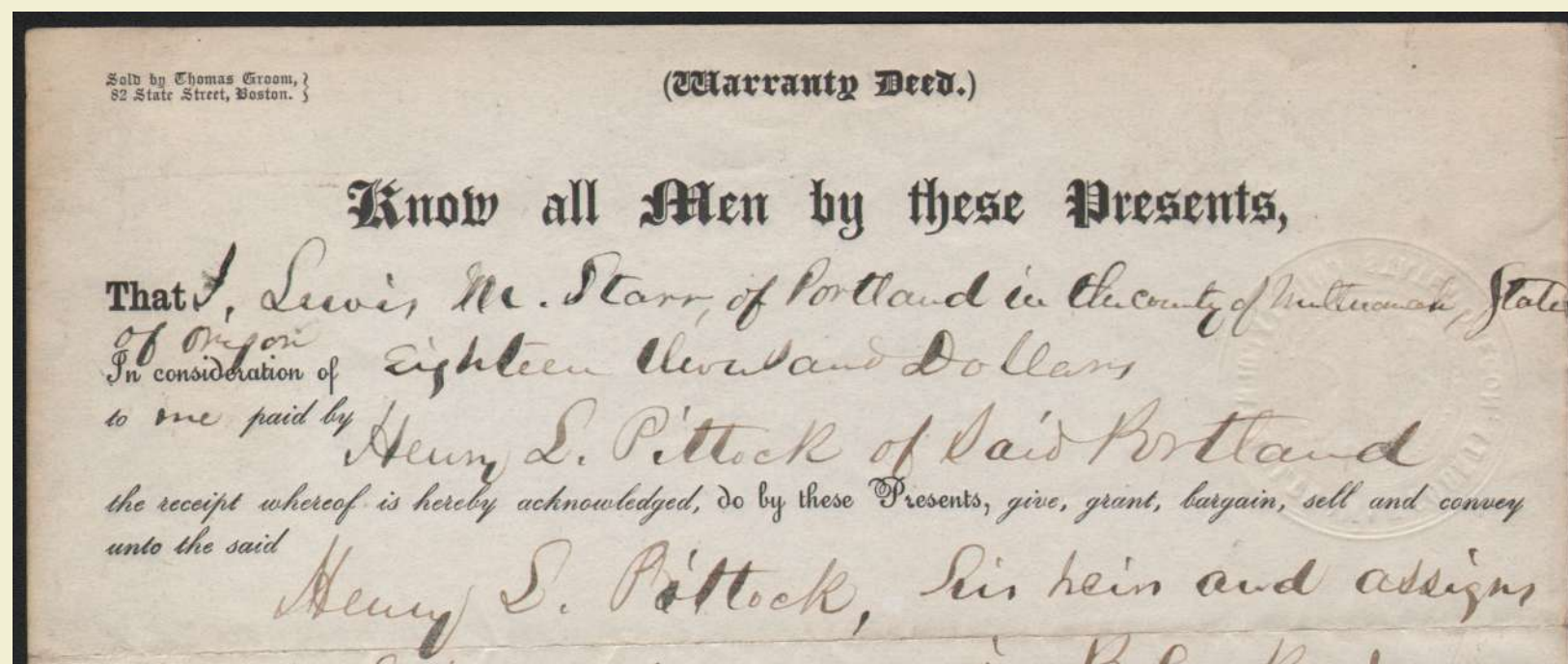
In January 1863 the Treasury Dept. made its first shipment of revenue stamps to the West, sending \$750,000 in stamps to San Francisco, of which \$250,000 were transhipped to Portland, Oregon.

Just a month earlier, on December 25, 1862, the government had rescinded the requirement for mandatory matching usage of revenue stamps — Agreement stamps on agreements, Bank Check stamps on checks, and so on. Delays in stamp production had caused the system to collapse under its own weight. As an emergency measure stamps had been delivered with perforation "unfinished," but to no avail.

Now the detritus of that failed experiment was sent West, a treasure trove of imperforates and part perforates in a dazzling variety and quantity. Dollar-value imperforates were used on Western deeds well into the mid-1860s.

Shown below are \$15 Mortgage imperforates from both San Francisco and Portland branches of this shipment.

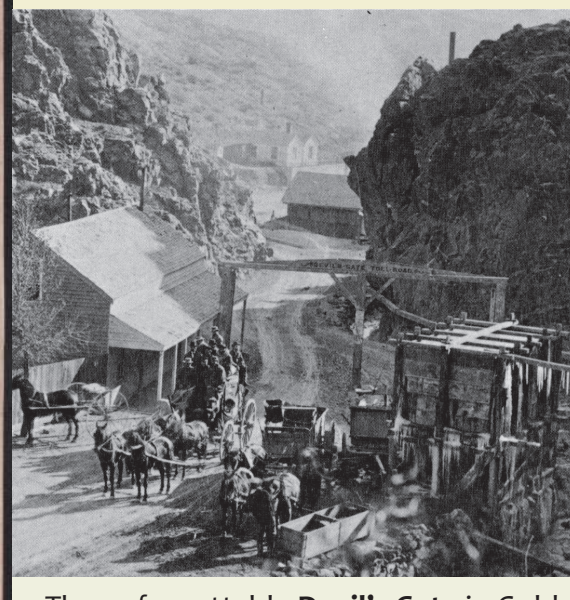
\$750K
\$500K S.F.
\$250K Portland



1.2 \$15 Imperforate plus Nevada \$5
Right, 1868 deed to Pioneer Quartz Mill, Devil's Gate Toll Road, Silver City, Nevada amount \$15,000, taxed by both U.S. and Nevada at \$15 (50¢ per \$500) paid by \$15 Mortgage imperforate plus Nevada \$5 (x3)
\$15 Mortgage imperforate recorded on only five documents
Nevada \$5 recorded on twelve documents
Seven Silver City documents recorded bearing Nevada stamps
The \$15 was from the huge initial shipment sent to San Francisco in 1863

The buyer, John P. Jones, became five-time U.S. Senator from Nevada, prominent authority on mining in the Senate; instrumental in development of Panamint mining region in Southern California, which spurred growth of Los Angeles; founded city of Santa Monica. Ex-"Newlands Find."

1.3 \$15 Imperforate, Oregon Use
Above, 1866 deed to property in Portland, Oregon, amount \$18,000, tax \$18 (at 50¢ per \$500), paid by \$15 Mortgage and \$3 Manifest imperforates
Each recorded on only five documents
Both stamps from the huge initial shipment sent to Portland in 1863



The unforgettable Devil's Gate in Gold Canyon enroute to Virginia City, with strategically placed toll gate

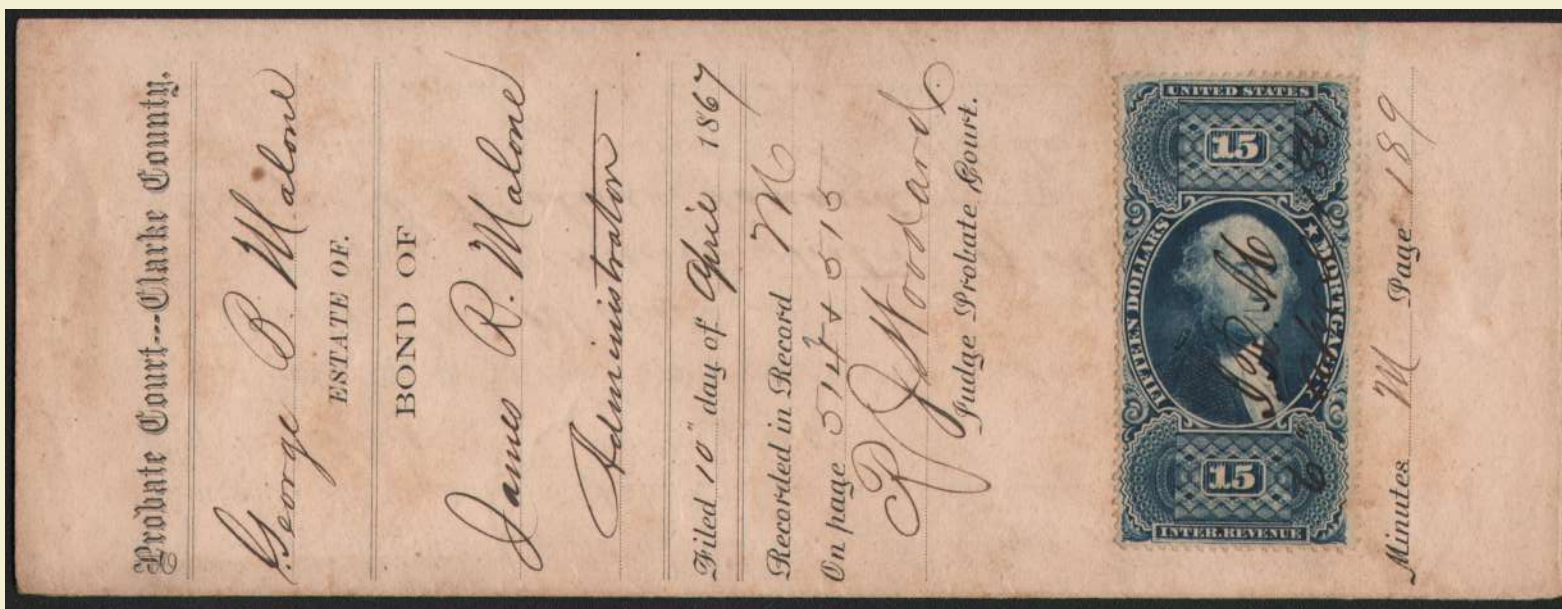
Taxes Simplified. Those on the 1859 mortgage and Alabama probate document are explained in their captions. The **eight deeds** are taxed at the **Conveyance 1864 rate, 50¢ per \$500** (with Nevada 1865 rate mimicking the U.S. rate); and the **\$400,000 promissory note**, at the **Inland Exchange 1864 rate, 5¢ per \$100.**

2. Perforated \$15 Mortgage, Dark Blue

2.1 The \$15 Plate Number

Below, 1867 deed to property in New York City, amount \$20,000, tax \$20, paid by **\$15 Mortgage** & \$5 Conveyance \$15 with selva showing partial imprint of printers **Butler and Carpenter of Philadelphia** plus "Plate No. 150[o]"

Only a handful of First Issue plate numbers have been recorded on document, the others all small denominations, making this a spectacular exception.



2.2 Used in Alabama

1867 estate administrator's bond, Clarke County, Alabama, amount \$30,000, Probate of Will \$15 tax (50¢ per \$1,000), paid by solo \$15 Mortgage

One of three First Issues of denomination above \$10 recorded on any Southern document

In the ravaged postwar South, revenue stamp users could not afford the expense of stocking high values. Denominations above \$1 are seldom seen, and of \$5 or higher only rarely. Multiple or "wallpaper" use of lower values is typical.



2.3 \$15 plus Nevada \$10 & \$20

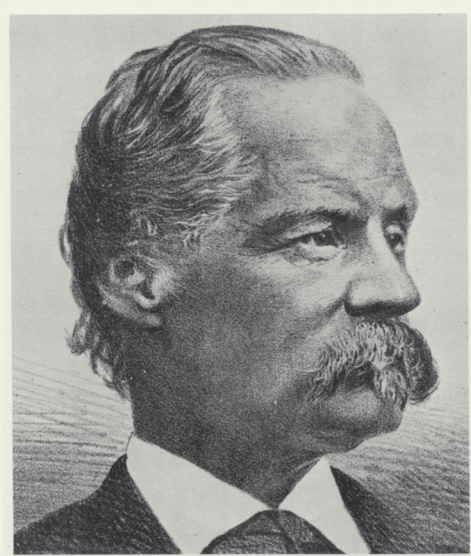
Right, 1871 deed to Mexican Mill, Carson River, Nevada, amount \$130,000 bearing \$50 USIR (x2), \$15 Mortgage (x2), plus Nevada \$20 (x6) & \$10

Six documents recorded with the Nevada \$20, six with the \$10; no other bears more than two of the \$20.

From the **Union Mill and Mining Co.**, notorious holding company of the **Bank of California**, to financial titan **Alvinza Hayward** (namesake of Hayward, California). From the mid-1860s to the early 1870s the "Bank Ring," masterminded by **William Sharon**, its Agent in Virginia City, had maintained a virtual **stranglehold** on mining, milling, and shipping of the fabled **Comstock Lode**.

This deed illustrates the first relaxation of that stranglehold. John P. Jones, trusted superintendent of the **Bank-controlled Crown Point mine**, discerned that it was verging on bonanza, and enlisted Hayward to finance a **quiet, treacherous takeover**. When the Crown Point produced some \$30 million, the Jones-Hayward combine, the **Nevada Mill and Mining Co.**, became a Comstock power. With this deed, the Bank sold them the Mexican Mill to crush Crown Point ore, albeit at a whopping price.

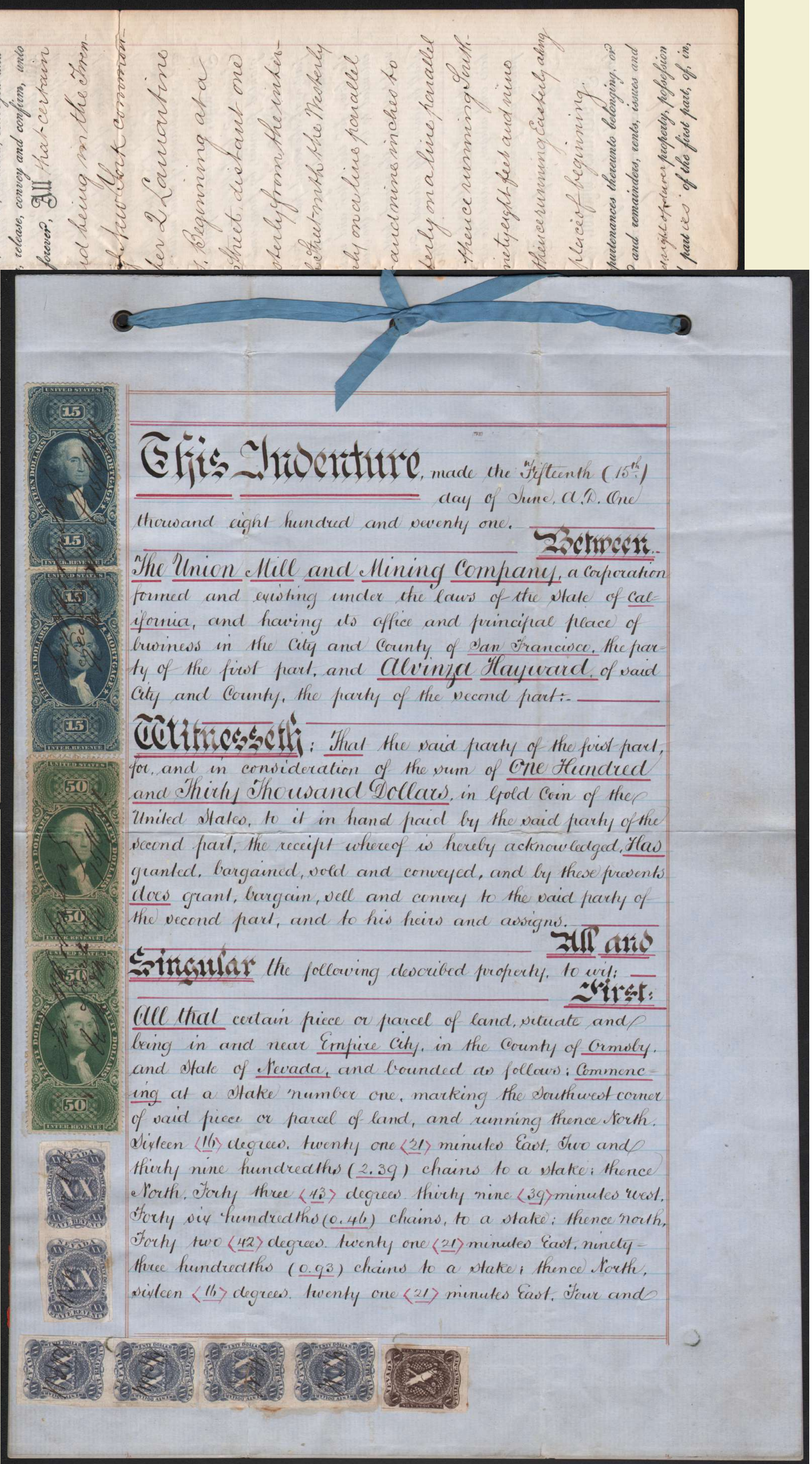
The "heart piece" of the "Newlands find," the personal archive of Nevada senator Francis Newlands, which reached philatelic hands in the 1980s. Newlands had been **Sharon's son in law and estate executor**. Sharon's papers included numerous insider transactions involving important Comstock mills, of which this is the most historically and philatelicly important, and visually spectacular.



William Sharon



Alvinza Hayward



This Indenture, made the fifteenth (15th) day of June, A.D. One thousand eight hundred and seventy one.

Between

The Union Mill and Mining Company, a Corporation formed and existing under the laws of the State of California, and having its office and principal place of business in the City and County of San Francisco, the party of the first part, and Alvinza Hayward, of said City and County, the party of the second part:

Witnesseth: That the said party of the first part, for, and in consideration of the sum of One Hundred and Thirty Thousand Dollars, in Gold Coin of the United States, to it in hand paid by the said party of the second part, the receipt whereof is hereby acknowledged, Has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey to the said party of the second part, and to his heirs and assigns.

All and

Singular the following described property, to wit:

First:

All that certain piece or parcel of land, situate and being in and near Empire City, in the County of Ormsby, and State of Nevada, and bounded as follows: Commencing at a Stake number one, marking the Southwest corner of said piece or parcel of land, and running thence North, fifteen (15) degrees, twenty one (21) minutes East, Two and thirty nine hundredths (2.39) chains to a stake; thence North, forty three (43) degrees thirty nine (39) minutes west, forty six hundredths (0.46) chains, to a stake; thence north, forty two (42) degrees, twenty one (21) minutes East, ninety-three hundredths (0.93) chains to a stake; thence North, sixteen (16) degrees, twenty one (21) minutes East, Four and

4. The "Ultramarine Experiment"

For a brief period in late 1869 and early 1870 the printer of U.S. revenue stamps, Joseph Carpenter of Philadelphia, changed the color of six First Issue stamps including the \$15 Mortgage, from blue to ultramarine. The underlying rationale is clear. The Commissioner of Internal Revenue, in his Annual Reports and elsewhere, had expressed concerns about loss of revenue through washing and reuse of stamps. Not only were cancels much more visible on ultramarine stamps than on blue, but the new ink was fugitive; according to Carpenter "it cannot be washed without defacing the stamp."

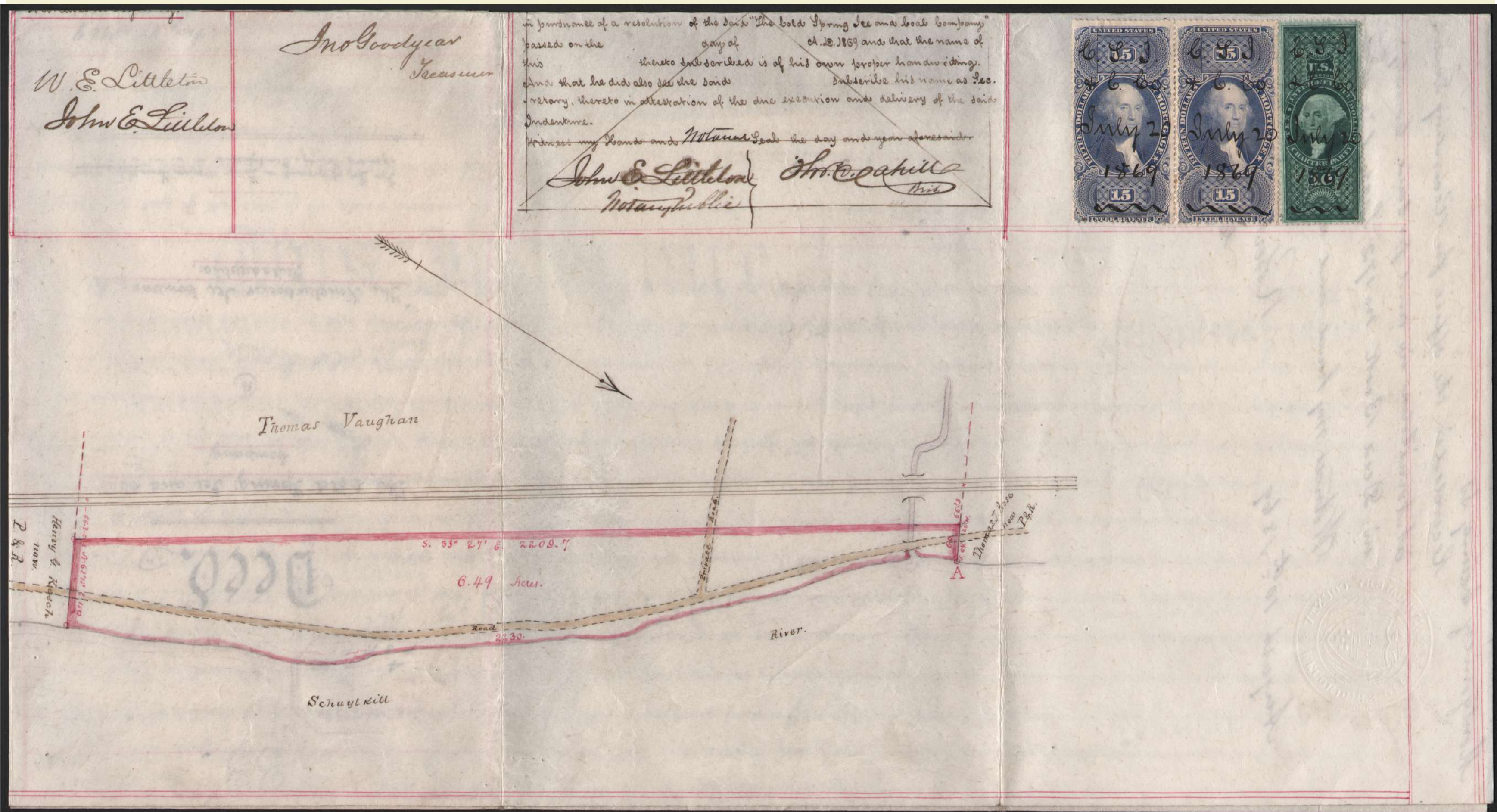
Astonishingly, Carpenter made this change of his own accord. On October 30, 1869, he wrote new Commissioner Columbus Delano, "Some months ago we commenced the use of inks of a more fugitive nature than those formerly used, desiring to aid the Bureau in the attempts to arrest the re-washing of stamps. ... I am aware the new colors did not produce as full and clear an impression; but as they could not be readily washed, I directed their use. ... if you direct a return to the more indelible tint, I will of course follow your instructions." The observed disappearance of the ultramarines after mid-1870 tells us that such a directive must have been received, bringing the brief "ultramarine experiment" to an end.

4.2 \$15 Ultramarine; \$200 tax

Chicago, Burlington & Quincy Railroad Co., \$400,000 promissory note, tax \$200 paid by all four \$15 through \$50 First Issue denominations: \$15, \$20 (x3), \$25 & \$50 (x2); highlighted by the \$15 Mortgage ultramarine

\$15 Mortgage ultramarine recorded on five documents

Notes or drafts with even a single stamp of \$5 or higher are very seldom seen.



4.3 \$15 Ultramarine Pair

Deed from Cold Spring Ice and Coal Co. to Knickerbocker Ice Co., Philadelphia, amount \$40,000, \$40 tax paid by \$15 Mortgage ultramarine pair & \$10 Charter Party

Only five multiples of this stamp are known, this the only one on document.

(The Curtis census lists one block of four and four pairs.) Illustrated deeds are very seldom seen. The companies were evidently cutting ice from the Schuylkill River.

Summary: a Fiscal History "Perfect Storm"

The diverse range of usages of the \$15 Mortgage shown here could not be duplicated for any of the other spectacular large format First Issues.

The material shown here — documents showing unique early matching usage; imperforates used East and West; perforated stamps used East, West and South; the plate number; the unique Scott-listed shade; and one of the unauthorized printings in ultramarine — constitute a "perfect storm" of fiscal history.

Of the six high-denomination large format \$15 through \$200 First Issue revenues — \$15 Mortgage, \$20 Conveyance, \$20 Probate of Will, \$25 Mortgage, \$50 USIR and \$200 USIR — only for the \$15 Mortgage have the stars aligned to allow the survival of documents in all of these desirable fiscal history categories.