

# New Rarities Class?

by John F. Dunn

“Purists will always have their rare types, but it will be interesting to see if the ‘Gem USD’ collectors emerge to create another class of philatelic rarity which challenges today’s Scott-based rarities.”

With those words, the lot describer concluded a lengthy description for the 1851 1¢ Blue (Scott 9) shown here as well as in full color on our front cover. Offered in the 2008 Siegel Auction Galleries Rarities of the World sale, this stamp, with a VF Scott Catalogue value of \$850, sold for \$80,000—\$92,000 if you add in the 15% Buyers’ Premium.

Is this the start of “another class of philatelic” rarity, as the auctioneers wondered in advance of the auction?

Before the “purists” shout “NO!” it should be noted that this June 7 Rarities Auction comes just over three years to the date after a C3a sold for the then-astounding sum of \$577,500 including Premium, in the June 3, 2005 Siegel Rarities Sale. The realization for that lightly hinged stamp—with a Professional Stamp Experts grade of XF-SUP 95 and a statement by the auctioneer that “perhaps one other might qualify for this coveted high grade”—was met with considerable skepticism by “purists,” but subsequent realizations for C3a singles have kept pushing up the price, with the latest record being \$977,500 for a stamp in very similar condition to the \$577,500 stamp.

Back to the Scott 9, there is considerable justification for the stamp’s earning a high realization based solely on its philatelic merits. Here’s the portion of the Siegel lot description that pertains:

“Extremely Fine Gem. This Magnificent Mint Never-Hinged example of the 1851 One-cent Type IV has been graded Gem 100 Jumbo by P.S.E., which is the highest grade attainable by any stamp in any period. It is by far the highest grade awarded to an unused imperforate or perforated classic issue, and, in fact, this is the only unused stamp prior to Scott 212 to reach the Zenith of the grading system.”

Even the most jaded “purists”—whether or not they agree with this realization—will have to acknowledge that this is a magnificent mint single.

But the philatelic aspect is only the start of this story. For the other, equally important, aspect, let’s go back to the lot description:

“Professional Stamp Experts recently introduced a new system for numbering basic United States stamp designs. The U.S. Design (USD) numbering system identifies the denomination and design at its most fundamental level...The USD system completely ignores production variations and traditional philatelic classification (printing method, shades, watermark, paper type, perforations gauge, coils, types, etc.) to create a simplified approach to collecting U.S. stamps, which P.S.E. hopes will encourage growth in the number of entry-level collectors. P.S.E. believes that once these new collectors build USD sets, some of them will develop an interest in the more traditional Scott Numbering System, yet others will still feel a sense of achievement in completing a basic USD-based collection.

“What does this have to do with the stamp offered here?...If the USD system has the desired effect of creating a new approach to collecting, then the demand for the most common 1¢ 1851—Type IV, Scott 9, the stamp offered here—will increase at a far greater rate than the demand for other types, which have characteristics outside the scope of the USD numbering system. Taking this one step further, if collectors want to assemble a set of 1851s according to USD number in the highest possible grade, then the significance of a Mint Never-Hinged Scott 9 in P.S.E. 100 Jumbo grade increases exponentially.



“We mention all of this in connection with this stamp, because the stamp market is changing. [In this Gem 100 Jumbo Scott 9]...you have what may become future philately’s ultimate classic stamp. Purists will always have their rare types, but it will be interesting to see if the “Gem USD” collectors emerge to create another class of philatelic rarity which challenges today’s Scott-based rarities.”

P.S.E. had previously issued their own announcement of their new USD numbering system (and the availability of a free copy of their Guide), as follows:

“To attract new stamp collectors and assist novices who may be confused by a huge number of complicated, nearly-identical, minor varieties, Professional Stamp Experts (PSE) of Newport Beach California has created a simplified system for building a basic collection of United States postage stamps by major design type.

“It is hoped this fresh approach to U.S. philately will open the door for thousands of new collectors to enjoy this fascinating and time-honored hobby,” said Michael Sherman, President of PSE, the philatelic authentication and grading service...

“Entitled, ‘A Guide to U.S. Design Numbers (USD),’ the new collection-building structure focuses on 435 regular-issue U.S. postage stamps that were issued from 1847 to 1947 and intended for use on letters or parcels.

“PSE has produced a full-color, 56-page booklet with photos of the stamps and a cross listing of the USD numbers and their corresponding numbers in the Scott Standard Postage Stamp Catalogue....

“Free copies of the booklet now are available to collectors, stamp clubs and dealers.

“Beginners and even intermediate collectors can sometimes get frustrated and confused when confronted by 5, 10 or even 30 different varieties of stamps that at first glance all look alike. Varieties are wonderful, and an important part of philately, but you don’t have to be an advanced specialist to enjoy stamps,” said Sherman. “The USD system is based on clarity and simplicity. It’s a 435-stamp ‘type set’ representing the major designs, denominations and the most commonly encountered colors of the first century of U.S. stamps. Acquiring one nice example of each type is a realistic, sufficient collecting goal for many beginning to even advanced collectors. It’s a fresh look at a classic hobby. We need more young collectors, and reducing the hobby’s overall complexity with a streamlined roadmap is an inviting and attractive way to do it.’...

“...In addition to the booklet, PSE plans to soon publish a USD system album printed on acid-free paper. ‘It’s the same successful way the coin collecting hobby has encouraged budding numismatists to find enjoyment building ‘type sets’ of 19th century or 20th century coins by date, denomination and major design. After collectors are attracted to the hobby by starting to assemble basic collections, they can always expand their collections if they are intrigued by special issues.... It certainly can work the same way to attract and encourage new stamp collectors...Assembling a ‘traditional’ collection of U.S. stamps, heretofore, required the acquisition of a substantial number of nearly identical issues where the differences between stamps were often subtle, such as confusing color shade variations, invisible-to-the-naked-eye watermarks or a tiny difference in the gauge of the perforations. A collection based on the simplified USD Number system will be truly interesting to assemble and colorful to view, yet still will be a challenging set to build, particularly in high grade.’

# From the Publisher's Desk

by John F. Dunn



## *That New Class of Rarity*

Starting on page 13 and concluding on page 39 we carry the story of another realization in a long line of astonishing realizations. This time it's a Scott 9 that sold for \$92,000.

But the most intriguing aspect of this realization is what it may portend. Before the auction, in the Scott 9 lot description, the auctioneers wondered if the "Gem USD" collectors will create another class of philatelic rarity which challenges today's Scott-based rarities.

First off, let's dispense with one aspect of this subject—the "challenge" condition rarities such as this Scott 9 pose to Scott-based rarities. ("Challenge" was a well chosen word, because it suggests "vying" for attention, not "replacing.")

If the desire for rare varieties "vies with" the desire for superlative condition, that may soften the values (or slow the value growth) of Scott-based varieties, but they are not going to suddenly go begging for buyers.

On the other hand, if you worry that condition rarities will "replace" Scott-based rarities, fear not, because for every person ready to pay large sums for condition rarities there are many more who study the varieties and will accept the better ones in any condition they can afford.

This brings us to the differences in the sort of person who will be attracted to the hobby by the new PSE USD numbering system

vs. those who grew up with the Scott system.

PSE's announcement, which you can read in our news article, makes the case for a simplified approach to the hobby. While they emphasize this as a way to attract new collectors, they also properly include intermediates in the group that might be drawn to an approach that does not force them to become experts on minor varieties across a wide spectrum of U.S. issues.

In fact, this simplified approach has been popular for a long, long time. There are simplified albums—and there are more comprehensive albums in which collectors just slapped down common stamps in the most valuable spaces instead of where they belonged—the most comical examples being the blue and orange cutouts from the 1947 souvenir sheet (Sc. 948) placed down in the spaces for the red brown and black 1847 issue.

But with PSE behind this USD numbering system, the simplified approach is going to reach a much wider audience than previous efforts.

What I see in this, however, is not just the natural appeal it will have to those who are coming into the hobby and are not ready for all the varieties that specialists love. To me, this approach also is made to order for people who want to invest in stamps, but are not about to accept the specialist's rationale that the completion or lack thereof of the ornaments on an 1851 1-cent—or in the Washington Franklin Heads, the number of dots on Washington's nose can turn a common looking stamp an expensive rarity.

Don't be too quick to sell the PSE approach short. More than most organizations, they are demonstrating that there is room in this hobby for a fresh approach. You may not want to follow their lead, but there are others who do.

### Different Strokes

If you are one of the "purists" or "traditionalists" referred to in the Siegel lot description, feel welcome NOT to buy these sort of stamps, or even the theories expounded in the PSE announcement and the Siegel lot description.

However, please do understand that there are other people who may know more about what they are doing than you do. You

may know more about the specialist varieties, but they may know more about what they like to buy.

Sure, we have seen many cases of people who knew how to make money in one field but learned how to lose it in stamp collecting. But if you are like me and questioned the prices being paid for wide margin stamps going as far back as Simmy's "Boardwalk margin" stamps in the 1970s, you are going to have to be honest enough to admit that those prices were cheap compared to what the buyers back then might have sold them for recently.

Going back to the Siegel lot description, if another class of philatelic rarity challenges today's Scott-based rarities, but if both have their following, isn't that one of the outstanding appeals of our hobby—that there is room for such a wide range of collecting approaches.

If you believe that, do not be too quick to criticize how someone else wants to collect, especially if their approach to paying high prices for high quality stamps has now stood the test of more than 30 years.

## *A Tip*

No matter how you may feel about a Scott 9 with a VF Scott value of \$850 selling for \$92,000 in Superb Gem 100 Jumbo condition, you just might want to look around for used or unused multiples from which you, too, can extract such "condition rarities." It won't apply to this issue, but there are other early imperfs that offer such opportunities.

I wouldn't go too far with this. For example, I don't recall what Washington-Franklin imperf it was that I wrote about a year or two ago, but it was a single with parts of the nine adjacent stamps (similar to the look of this Scott 9) and it sold for more than \$20,000, as I recall—even though you could buy a full sheet for less and make nine similar Gem 100s. That sort of speculation can only be described as philatelically foolish.

If I do have a concern about the prices being paid and the buyers who are paying them, it is that they actually may not know what they are doing. It is one thing when a long time collector who knows

what stamps are genuinely scarce in outstanding condition; it is far different when someone who wants to move money out of a declining stock market into a tangible asset such as stamps comes in and pays excessively high prices for stamps that are relatively common in outstanding condition.

As with the positive concept of third party grading, even the most positive advances can be turned into a negative by people who do not understand the concept and how it should be applied.

Third party grading was long overdue. Simplified collecting to introduce novices also may be a positive advance. If you want to criticize these innovations, do so based in their merits, but do not blame the innovations for the fact that some people pay higher prices than they should for a high grade stamp, or possibly in the future, a simplified USD number stamp.

## *2024: The Rest of The Story*

Since the 2008 auction, another example of Scott 9 has earned the PSE 100J grade. That has significantly affected the value of this stamp, not only because it is no longer unique, but also because there is always the chance that one or more additional examples might be discovered—unlikely, but the fact that one other has been discovered, buyers have to at least keep that in mind. The same would be true for other 'common stamps in uncommon condition'.

With that, after going through a series of auction results, the most recent realization was in a November 2019 Siegel auction, in which it sold for \$13,000, or \$15,340 with an 18% Buyer's Premium.

Despite that significant drop for this particular stamp, in general graded stamps have held up well—better than ungraded examples.

With that, submission of such 'grade-worthy' ungraded stamps has become the rule, and grading services have been introduced by The Philatelic Foundation, PSAG, and William Crowe—and we have a lasting new category of U.S. stamps.