# *Yesterday in Mekeel's, National Issue:*

# The U.S. Postage Stamp, 1870-1900, Part 3

**by Lowell S. Newman & Peter T. Rohrbach** *(From Mekeel's Weekly, Nov. 2, 1990 with images added)*

These stamps of the Issue of 1870 were the first of what has become known as the "Bank Note Issues"–the stamps of 1870- 1890, which were produced by three different printing companies. The 1870 designs were, with minor modifications, all printed by more than one of these companies, and many were printed by all three. However, there are some distinctive features of the 1870 National Banknote Company printings.

A supplemental issue: Despite dissatisfaction with the Issue of 1869, the Post Office in Washington sent a notice to all postmasters in April of 1870 that the new issue was not to be considered a replacement for the previous issue. In the past some new issues of stamps had completely replaced the previous, notably the Issue of 1851, and most notably that of l861 which replaced issues demonetized to prevent supplies of stamps in the rebellious South from being used in the North without payment to the department. The Post Office in 1870 said that all issues back to 1861 were still valid and should be used up before ordering this new issue. Furthermore, postmasters were not allowed to return previous issues. This produced some unusual combinations.


*A postage on this cover to Paris, France is paid for with a 10¢ 1869 Pictorial (Sc. 116), used with an 1868 National Bank Note 5¢ "F" Grill (Sc. 95) and 1870 National 2¢ without Grill (Sc. 146), The Post Office Department did not distinguish between the grilled and ungrilled stamps when they made distribution to post offices, but today's philatelists do make a differentiation, as the grilled stamps generally are much scarcer. This three issue combination is quite unusual.*

Nevertheless, the sale and use of these new and quite popular stamps were quite brisk, and almost five hundred million of them were sold during the first year of the Issue. The chart below, issued by the Postmaster General, shows the numbers of these new stamps that were initially distributed to deputy postmasters in the federal fiscal year, which at that time ran from July 1, 1870 to June 30, 1871.

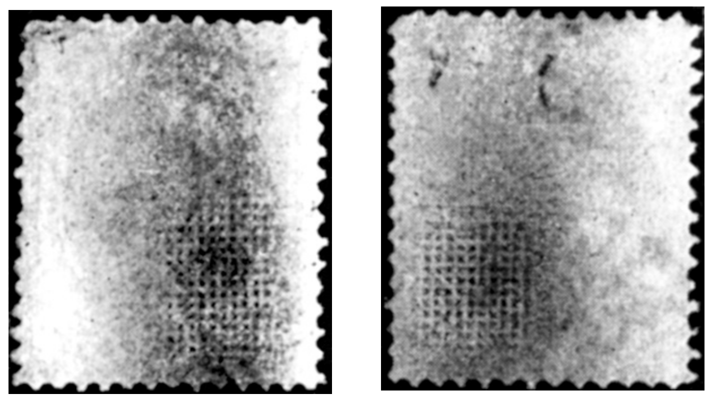
**Distribution of 1870 Bank Notes, July 1, 1870 to June 30, 1871, by Quarters Ending:**

| | 9/30/1870 | 12/31/1870 | 3/31/1871 | 6/30/1871 | Total |
|---|---|---|---|---|---|
| 1 cent | 3,684,800 | 5,163,000 | 5,699,100 | 5,605,900 | 21,152,800 |
| 2 cents | 17,222,300 | 22,756,850 | 24,571,100 | 21,174,300 | 85,724,550 |
| 3 cents | 86,944,500 | 97,146,100 | 99,791,100 | 93,719,500 | 377,601,200 |
| 6 cents | 1,414,100 | 1,723,500 | 2,109,900 | 2,038,150 | 7,285,650 |
| 7 cents | -- | -- | 166,400 | 427,600 | 594,000 |
| 10 cents | 803,880 | 886,260 | 963,030 | 926,430 | 3,579,600 |
| 12 cents | 231,500 | 246,350 | 303,725 | 232,675 | 1,014,250 |
| 15 cents | 326,480 | 346,640 | 503,320 | 463,620 | 1,640,060 |
| 24 cents | 30,300 | 78,075 | 57,725 | 71,925 | 238,025 |
| 30 cents | 28,920 | 67,320 | 69,110 | 70,150 | 235,500 |
| 90 cents | 5,070 | 9,910 | 14,770 | 30,790 | 60,540 |

**Whole number of stamps 498,126,175. Value $14,630,715.00.**

**Grilled Stamps.** The stamps of the Issue of 1870 were issued in both grilled and non-grilled versions; they were the same stamps, made from the same plates, but some of them bore an embossed section that was known as "grilling". Grills of this type were first applied to U.S. stamps in 1867, and they were designed to prevent any re-use of cancelled stamps. Attempts by some Americans to avoid postal fees had a long history, stretching back into the 18th century. A lot of those loopholes disappeared with the first issuance of postage stamps in the 1840's, but then two new problems began to bother postal inspectors: counterfeiting of stamps, and the eradication of canceling marks on already-used stamps.

It was suspected that people were cleaning or washing stamps with some form of ink eradicator, thus removing the cancellation, using them again, and cheating the Post Office of its just fees. Very few examples of "washed" stamps on covers are extant today, and there are serious doubts that it was ever a widespread practice at the time. Nevertheless, grilling was used in the late l 860's to prevent this, and it was a relatively simple process in which rollers with small raised sections on them were passed over a newly printed sheet of stamps. This was supposed to break the fibers of the paper so that canceling marks would penetrate it entirely making them virtually impossible to remove.



*Left, "H" Grill; right, "I" Grill, from the Brookman book, The United States Postage Stamps of the 19th Century.*

The 1870 grills never covered the entire face of the individual stamp. There were two different size grills: The larger grill, which has become known in philately as the "H" grill, was about 10mm. by l2mm., and was used on all stamps from the 1¢ to the 90¢. The smaller "I" grill, was 8-1/2 mm. by 10 mm and has only been found on the l¢, 2¢, 3¢, 6¢, and 7¢ stamps. [Since this was published in 1990, the 1870 12¢, 15¢, 30¢ and 90¢ with the "I" Grill have been added to the Scott Catalogue.] Since these stamps of 1870 were all of uniform size of 20mm. by 25mm., the embossed area of the grill never covered more than half the face of the stamp, and faintly impressed grills covered even smaller portions of the design.

Only a small percentage of stamps of this Issue were grilled. For instance, of the some 140 million 1¢ stamps, only about 5 million were grilled, and of the some 250 million 2¢ stamps only about 10 million were grilled.

It seems that the enthusiasm for grilling was wearing during this period. For one thing, the grill on many stamps was applied imperfectly so that only a very tiny portion of the stamp bore the embossed area, thus eliminating its effectiveness. This was due to the carelessness and rushing of the workers at the National Banknote Company. For another, machine canceling of stamps was coming into use in the mid 1870s, replacing the sometimes erratic hand stamping of postal workers. Also, postal authorities finally came to realize that the problem of "washing" stamps was more imagined than real and that grilling was an expensive way of dealing with imaginary woes.

At any rate, the Issue of 1870 was the last serious attempt at the grilling of stamps in this country and the process became obsolete during this decade. As an interesting footnote to this process, parts of these old grilling machines continued to be used in American industry. The American Bank Note Company, which would receive the stamp contract in 1879, used some of the grill rollers–the vital part of the machine–in a novel way. The company at that time also held the contract for printing tickets for the New York and Brooklyn bridges, and it was asked to provide a machine to destroy the used tickets to avoid the possibility of their being used again. The grill rollers were adapted into a device into which those tickets were inserted and shredded. Thus, the suspected reuse of the postage stamp had given rise to a machine that provided embossed "un-cleanable" stamps and which was then adapted into one of the first paper shredders (the forerunner of a device which would have an interesting history in the next century) in order to prevent the re-use of another type of fee collection device.

**The 7¢ stamp.** When the Issue of 1870 was being planned provision was made for a 7¢ stamp, which was necessitated by America signing a postal treaty with the North German Confederation. The rate of seven cents would prepay postage for direct mail steamship service from the U.S. to Prussia, Austria, and the German States. However, the Franco-Prussian War of 1870-71 halted direct steamship service to Germany, and the production of the 7¢ stamp was postponed. This stamp, bearing the portrait of Edwin M. Stanton, was finally issued in March of 1871, a year after the rest of the issue, but use for its originally intended purpose was short lived because a new treaty with Germany signed in May of that year reduced the direct rate from the U.S. to 6¢. Covers bearing 7¢ stamps paying the 7¢ rate during the March-May 1871 period are quite scarce.

However, in October of 1871 the rate for letters sent to Germany and Prussia via England was reduced from 10¢ to 7¢, and this stamp began to be used in that service. Furthermore, in January of 1872 the rate to Denmark was established at 7¢, and in 1873 the same rate was established for mail to Hungary and Luxembourg. The Stanton stamps were used almost exclusively to these destinations until July of 1875 when, as we shall see, the Universal Postal Union rates became effective, rendering them obsolete for those purposes. After that date they were warehoused by the government and none of them were supplied to post offices. Finally, in 1885 the Post Office, finding that it was holding some half million of those unused and unneeded 7¢ stamps–produced for both the 1870 and


*The 1870 7¢ tied by a New York Foreign Mail Geometric cancel on an 1875 cover to Leipzig, Germany, with red "New York Br. Transit Jul. 6" circular datestamp–sent six days after the start of the U.P.U. rates but franked to pay the old 7¢ rate.*

1873 Issues–destroyed all quantities on hand.

**High Usage.** Even though postmasters were instructed to use up all stocks of previous issues before ordering the new ones, this new National Bank Note Issue became a high-use one. Statistics from the National Bank Note Company give the number of stamps printed and delivered to the

**Total National Bank Notes Delivered to Stamp Agent, April 1870 to April 1873**

| | 4/-12/1870, inclusive | 1/-12/1871, inclusive | 1/-12/1872, inclusive | 1/-4/1873, inclusive | Total |
|---|---|---|---|---|---|
| 1 cent | 13,404,400 | 21,573,400 | 64,705,900 | 38,408,000 | 138,091,700 |
| 2 cents | 54,674,800 | 90,416,500 | 73,018,200 | 22,626,400 | 240,735,900 |
| 3 cents | 252,804,450 | 369,632,700 | 417,952,400 | 164,570,100 | 1,204,959,650 |
| 6 cents | 4,666,450 | 8,270,250 | 10,193,050 | 4,269,100 | 27,398,850 |
| 7 cents | -- | 1,486,700 | 1,066,100 | 394,100 | 2,946,900 |
| 10 cents | 2,619,180 | 3,395,870 | 3,443,270 | 1,187,240 | 10,645,560 |
| 12 cents | 665,995 | 1,104,600 | 1,075,525 | 484,325 | 3,330,445 |
| 15 cents | 1,026,840 | 1,856,680 | 1,871,420 | 826,860 | 5,581,800 |
| 24 cents | 122,000 | 229,450 | 299,625 | 135,975 | 787,050 |
| 30 cents | 131,580 | 258,620 | 366,573 | 106,770 | 863,543 |
| 90 cents | 23,100 | 119,240 | 57,580 | 13,530 | 213,450 |

U.S. Stamp Agent from April 1870 to April 1873.

It should be noted that these statistics do not convey the total number of stamps printed in this issue because the Continental Bank Note Company, which received the new stamp contract in 1873, did not begin to produce stamps until the summer of that year and in the intervening months the National Bank Note Company continued to supply additional stamps. Also, these figures represent only the amounts of stamps delivered to the U.S. Stamp Agent and not necessarily all of those that were actually delivered to individual post offices.

(The Stamp Agent was a government office created in 1855, mainly for the purpose of preventing the theft of new stamps while in transit: the new stamps were delivered directly to the Stamp Agent, and since 1869 the Stamp Agent had forwarded these new stamps to the local postmasters through the Registry Division of the New York Post Office.) The quantities used were somewhat smaller than the total printed, but the figures do give an indication of the immense quantities used. James Creswell's new issue

*To Be Continued*

# *Yesterday in Mekeel's, National Issue:*
# The U.S. Postage Stamp, 1870-1900, Part 4

**by Lowell S. Newman & Peter T. Rohrbach** *(From Mekeel's Weekly, Nov. 16, 1990 with images added)*

Ulysses Grant was definitely a president of the Reconstruction. Elected only three years after he accepted Lee's surrender at Appomattox, he presided over a nation that was trying to heal the savage wounds of a four-year Civil War and grow into a united republic. That healing decade of the 1870's was indeed a growing one for the United States–the census of 1870 reported over 38 million Americans, but ten years later in 1880, population had grown to over 50 million. The westward migration of those Americans was also increasing, symbolized dramatically by the completion of the first transcontinental railroad in 1869.

But the 1870's was still a pre-electronic age as far as communications were concerned. Alexander Graham Bell would not invent the telephone until 1876, and even then it would have limited use among the majority of Americans for the rest of the century. The magnetic telegraph was then in use, but the wireless telegraph would not be invented until 1896. For most Americans, the U.S. Mail with its evident postage stamps was still the basic implement that forwarded their communications, both personal and business.

The accompanying chart shows the annual number of miles of mail transportation in the 1864-1874 decade.

**A Decade of Growth: Annual Miles of Mail Transportation**

| Year | Modes not Specified* | Steamboat | Railroad | Total |
|---|---|---|---|---|
| 1864 | 30,901,281 | 2,112,134 | 23,301,942 | 56,315,357 |
| 1866 | 37,816,486 | 3,411,962 | 30,609,467 | 71,837,915 |
| 1868 | 45,540,587 | 3,797,560 | 34,886,178 | 84,224,325 |
| 1870 | 45,350,641 | 4,122,385 | 47,551,970 | 97,024,996 |
| 1872 | 48,184,137 | 4,308,436 | 62,491,749 | 114,984,322 |
| 1874 | 52,088,206 | 4,078,725 | 72,460,545 | 128,627,476 |

* *Includes stage coach routes.*

It should be noted that the number of miles for mail transportation more than doubled in this decade. Also, the venerable stage coach, a vital element in American life in the first half of the 19th Century, was still the main vehicle of mail at the end of the Civil War. In fact the number of miles on which the stage coach carried the mail would actually increase in the following decade, but this was the beginning of the end for many stage coach routes as more and more miles of railroad track were being laid each year. The railroad would become the main carrier of U.S. mail in the last quarter of the 19th Century, although the stage coach would still be used occasionally, particularly in more rural and mountainous routes where the railroad had not yet penetrated.


*Top, "Overland Via Placerville and Salt Lake" Chorpenning route designation in illustrated six-horse stagecoach design on orange cover to Third Assistant Postmaster General in Washington D.C., "Forbestown Cal. Mar. 8" circular datestamp and "Free" handstamp, manuscript "P.O.B." (Post Office Business); bottom, "Overland Mail, Via Los Angeles" Illustrated Railroad Propaganda Envelope on cover to Bremen, Germany, with red "San Francisco Cal. Paid Jun. 4, 1860" date stamp, red crayon "30" rate, red "N.York Am. Pkt. 7 Paid Jun. 30" 7¢ credit datestamp. This left San Francisco on the June 4, 1860, eastbound Butterfield stagecoach trip.*

James Creswell, the Postmaster General who presided over this rapid expansion of mail delivery during Grant's first term in office, did his job competently and honorably, which unfortunately could not be said of many other members of the administration. Despite the charges of corruption and profiteering that were being levied against so many members of the administration, Grant himself remained unsullied, both in fact and in the minds of the people.

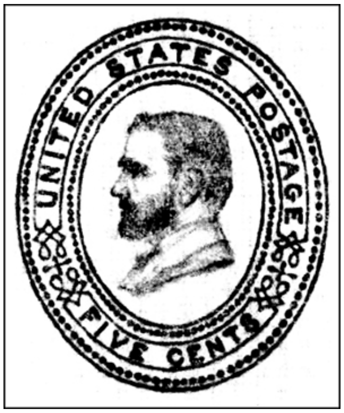
In 1872, just in time for the next national election, Grant endeared himself to the American public in the case of the *Alabama*. During the Civil War a number of ships had been built for the Confederacy in English shipyards, notably the *Alabama*, a Confederate raider that sank Union ships and shipping. Ever since the end of the War the U.S. had sought reparations from the British for their assistance to the Confederacy, but the negotiations dragged on for years. Finally, in 1871 Grant intervened directly. Using a "carrot and stick" approach, he assured the British that the annexation of some Canadian provinces into the Union, would not be part of America's policy. Relieved that the military hero of the Civil War had no designs on their Empire, the British capitulated in 1872, issuing an "expression of regret" for their "misdeeds," and paying the U.S. an indemnity of $15 million, an enormous sum at that time. For Grant, it was one final Civil War victory, and it also assured his victory on the electoral battlefield.

*CSS Alabama and an 1863 photo of Captain Stemmes and one of the 8" guns*

Grant's opponent for re-election was the Democratic nominee, Horace Greeley, editor of the *New York Tribune*, a poor selection to run against the still popular war hero. In the election of 1872 Grant won by an even greater majority than he received in 1868.


*1872 campaign cover with Horace Greeley and Vice President candidate B. Gratz Brown dual portrait design used in 1873, with Greeley's name mispelled, "Greely".*
*[I was unable to find a Grant 1872 campaign cover. JFD.]*

*President Grant, as seen on this proposed design, or "essay," for an 1880s stamped envelope. Handpainted and handdrawn, it is thought to be unique.*




When he began his second term in 1873 "Reconstruction" was still a prominent feature of American government. There were still federal forces of occupation in the South, but the nation seemed on a fairly even keel until it was hit with the "Panic of 1873."

## Chapter II
## Stamps of The Depression: 1873-1877

The great financial panic of 1873, which was to batter severely both manufacturers and farmers, began like so many other economic crises of the nation, with a single event, which was both symbolic and catalytic. On September 18,1873, the major New York investment firm of Jay Cooke & Company collapsed, due largely to its inability to cover investments for the Northern Pacific Railway. A financial brushfire ensued, and two days later the New York Stock Exchange suspended trading. Within a few weeks several important eastern banks failed. The consequent Depression is usually said to have lasted about six years, but according to some economists it actually lasted until the end of the century in its repercussions.

Between 1873 and 1876, the daily wages of city workers fell some 25 percent while the cost of food dropped only five percent; and even that small drop in food prices meant a sharp loss of income for farmers. Estimates vary on the precise number of unemployed during this depression but it was certainly in excess of one million people when the total population at the time was a little over 40 million people.

The actual causes of this Depression are both varied and problematic, and they include a number of circumstances of that post Civil War epoch–the city worker was becoming less an individual craftsman than an employed wage earner; the farmer was becoming more dependent on the economy of the cities; the amount of commercial "paper" was exceeding the real goods being produced; the Grant administration was rife with corruption and graft; and, as usual in these crises, there was an overextension of credit.

At first, the Grant administration tried to stem the crisis by increasing the money supply through the issuance of currency not backed by silver and gold specie. But this invention of new money was obviously the road to greater disaster, and the administration abandoned that policy, tightening its belt, issuing only specie-backed money.

However, it was the private citizen who suffered most in this Depression, both by unemployment and reduced wage levels. And it must be remembered that at this time there was no organized governmental welfare or unemployment system to assist. There were private organizations, like the overseers of the poor in Boston, who reported long lines at soup kitchens, and a continued doubling up in overcrowded city tenements. And many Americans, despairing of these atrocious urban conditions, took to the open roads in search of subsistence.

It was one of the most severe Depressions in American history.

*To Be Continued*