

California Blues: the Iconic 1857 "Gold Rush Revenues"

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 2. Blue Exchange issues on bills of exchange
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California's 1857 documentary revenues — Attorney at Law, Exchange, Insurance and Passenger — were the first adhesive revenue stamps in the United States, predating by more than five years the federal Civil War issues of 1862.

They were initially printed in blue, but only briefly; thereafter the color was changed to red.

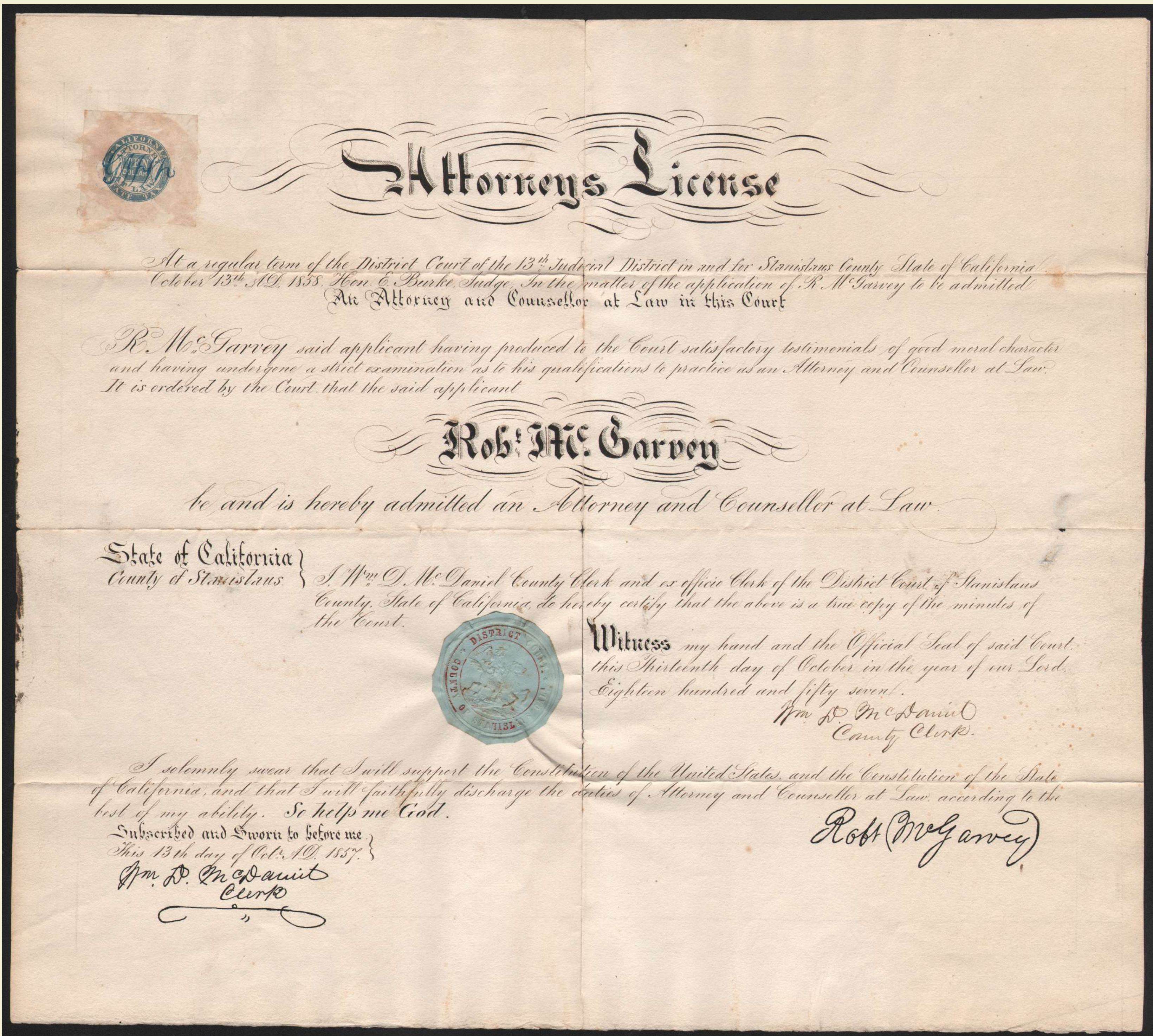
The historical significance of the "California blues," coupled with their extraordinary circular design and extreme rarity, have gradually elevated them to iconic status.

This exhibit shows blue Attorney at Law, Exchange and Insurance stamps on intact documents — all extremely rare and four unique — and a spectacular blue Passenger stamp, one of three known.

The status of these exotic "primitives" has been heightened by four remarkable discoveries in recent decades, all showcased here:

- An 1857 attorney's license bearing the blue Attorney at Law \$10, a stamp unknown to philatelists for 45 years, for which only eight examples are known today;
- The "Moller Find" of commercial bills of exchange including the sole recorded bills bearing the blue Exchange \$3, \$6, \$8, and \$14;
- Two 1857 policies bearing the blue Insurance \$1, the sole recorded documents bearing blue Insurance stamps;
- Two blue Passenger \$6 found misidentified in an old-time collection, the first recorded blue Passenger stamps.

Section headings and key comments regarding items of special significance are in red.



1. The Blue Attorney

October 1857 license of 13th Judicial District Court, Stanislaus County, stamped with **blue Attorney at Law \$10**

Presumably executed at LaGrange, the Stanislaus County seat, now a ghost town

Eight examples recorded of the blue Attorney, two on licenses

The "GWW" handstamp (of Controller George W. Whitman) was a security measure. Cancellation was **not required**.

Attorneys' licenses were taxed \$10. The **blue Attorney** was **unknown to philatelists for 45 years**, until the discovery copy was found in 1902 on a license among Wells, Fargo & Co.'s undeliverables. It remains one of the rarest American revenues. The second example on an intact document, shown here, surfaced in the early 1990s.

2. Blue Exchange Stamps

The Exchange tax was in effect only ten months; just 55 bills bearing blue Exchange stamps have been recorded.

Bills of exchange, then the primary instrument for **transfer of funds over long distances**, were **drafts** drawn on **distant funds**, in **sets** designated "**First**," "**Second**," "**Third**," or similar terms, to allow for the possibility that one or more might be lost in transit. By the late 1850s domestic bills were typically made in sets of two, the **First** mailed, the **Second** held in reserve. **Exchange stamps** were **first delivered on white wove paper**, in all denominations, then on **blue laid paper** in all denominations to \$1.40. Later the color of all denominations to \$4 was inexplicably changed to **red**.

2.1 "Bank Bills"

Left, Second of **Wells, Fargo & Co.**, San Francisco, bearing **blue Exchange 8¢ Second** on **blue laid paper**
\$50 remittances were the most common; some **9,350 sets of 8¢ stamps** were sold.

Four examples of 8¢ rate recorded

Before the **Gold Rush**, bills of exchange were used primarily by **merchants and banks** to transfer **funds** from the **established regions to the hinterlands**. Now they became a vehicle for **emigrants** to **send money home**. Banks like **Wells, Fargo & Co.** sold bills for a **fee**, typically **3%**, which underwrote the **complementary process** of **shipping the gold** the bills represented to correspondent banks in the East.



2.2 Earliest Use of California Revenues

Above, Second of **Tallant & Wilde**, July 15, 1857, amount \$200, bearing **blue Exchange 40¢ Second**
 Right, Duplicate of **Parrott & Co.**, July 18, 1857, amount \$300, with **blue Exchange 60¢ Second**, die cut

Four examples of 40¢ rate recorded, six of 60¢

The taxes **took effect July 1, 1857**. On **July 8** the Controller (in Sacramento) sold **Tallant & Wilde** stamps in all denominations from **8¢ to \$38** (exhibitor's research), leaving ample time for them to have reached their San Francisco office by the 15th. Both stamps here are in a distinctive **pale blue** shade characteristic of the **first printing**.



2.3 Rare Star Cuts

Seconds of **D.O. Mills & Co.**, Sacramento, Duplicate of **Parrott & Co.**, San Francisco, amounts \$200, \$300, \$700, stamped with **blue Exchange 40¢, 60¢, \$1.40 Seconds**, all **star-cut**

Mills & Co. used **24-point punches**, **Parrott & Co.** **40-point**
Five recorded bills bearing blue star-cut stamps,
these the only 24-point cuts

Five examples of 40¢ rate recorded, six of 60¢, three of \$1.40

Die Cuts, Star Cuts

To **obviate scissors-cutting** to shape, some users employed **circular punches** with diameter closely matching that of the stamp, or the **eye-catching star-shaped punches**. Stamps so punched are known as "**die cuts**" and "**star cuts**."

2.4 Multiple Stamps

Middle left, Second of **Wells, Fargo & Co.**, Nevada (City) amount \$210, bearing **two blue Exchange 30¢ Seconds**

Below, Second of **Alsop & Co.**, San Francisco, amount \$1,000, with **blue Exchange 60¢ & \$1.40 Seconds** on **white and blue papers**, respectively, both **die cut**

Sole recorded bills with multiple stamps

Sole recorded combination of white and blue papers

Stamps were issued for every rate, and users were usually well stocked with the appropriate denominations.

Six examples of 60¢ rate recorded, four of \$2



2.5 Spectacular \$1

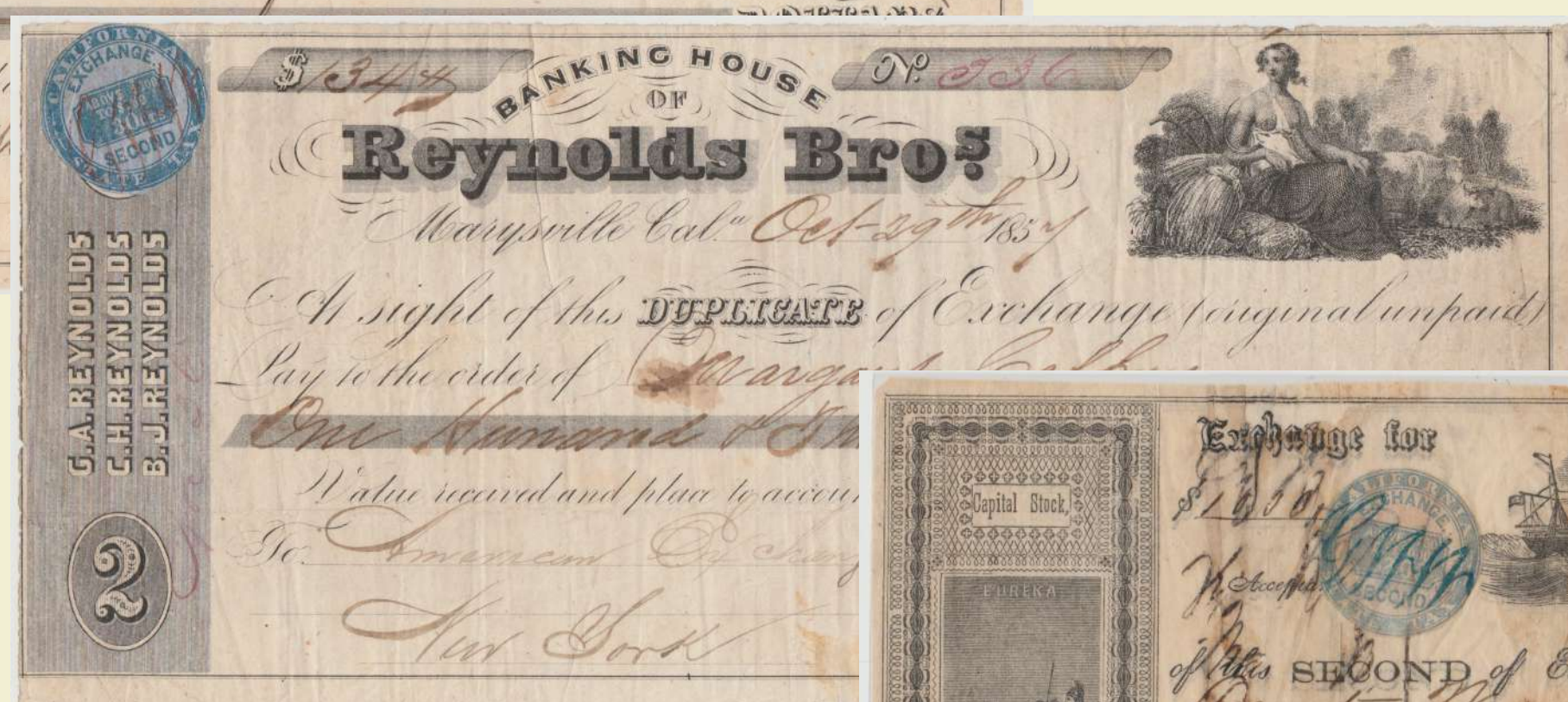
Above, First of **Moller & Co.**, San Francisco, amount \$500, with **blue Exchange \$1 First**, spectacularly illustrating the **blue laid paper**

No multiples of the blue Exchange stamps are recorded and **virtually nothing is known about the print layout**. This stamp suggests they were printed in **horizontal strips**.

Seven examples of \$1 rate recorded



2.6 Rare Upcountry Bills
 Duplicates of **Low Brothers & Co.** and **Reynolds Bros.**, Second of **Mark Brumagim & Co.**, pioneer bankers of Marysville, Yuba County amounts \$80, \$134, \$1,000, stamped with **blue Exchange 20¢, 30¢, \$2 Seconds**
Sole recorded bills of Low Brothers and Reynolds Bros.
 One of **two recorded Marysville bills of Brumagim & Co.**, the **only one in this striking format**
 Nine examples of 20¢ rate recorded, three of 30¢, four of \$2



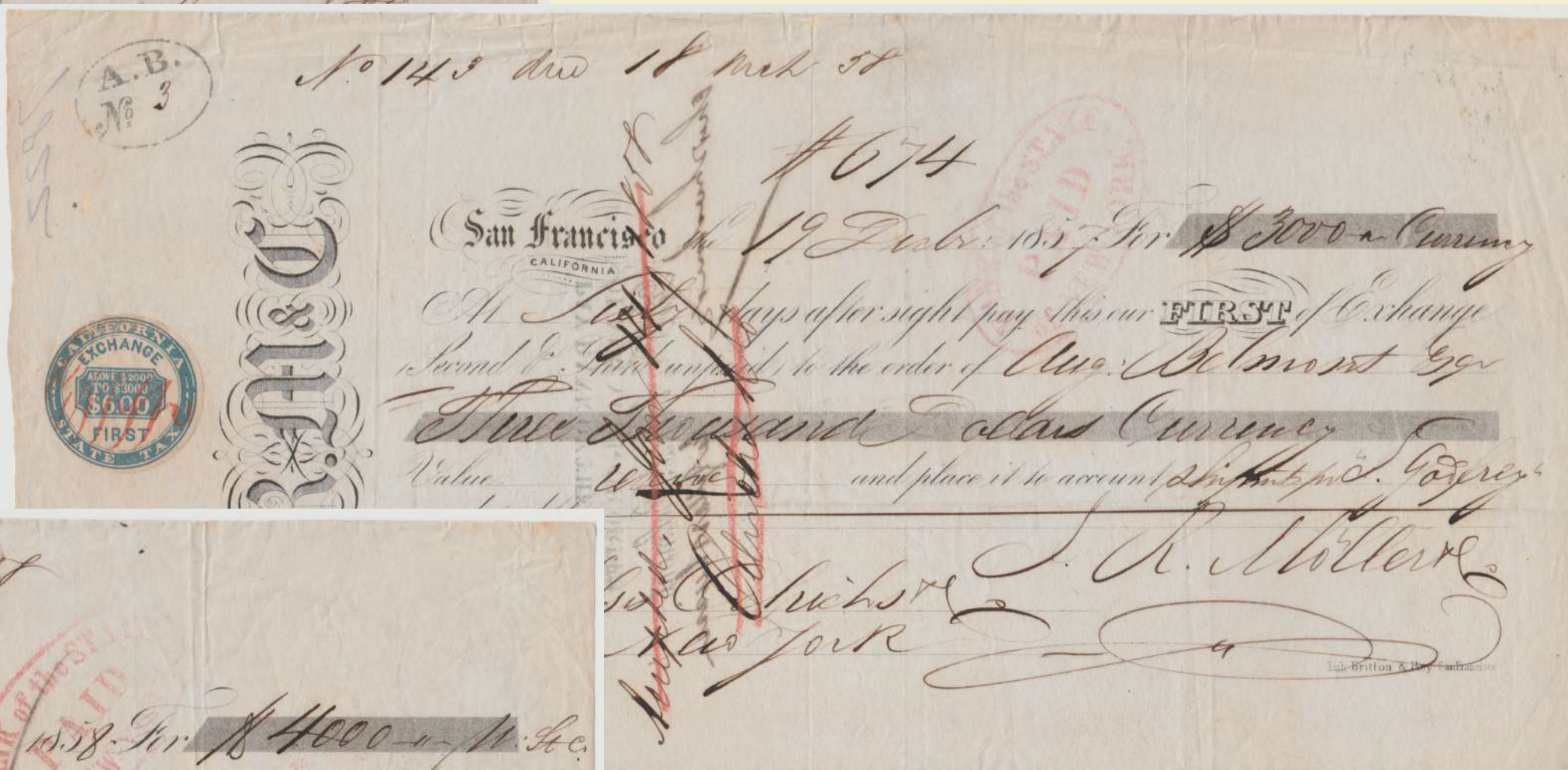
"GWW" control rarely seen in blue on the blue stamps.

Amount	Tax per Set
Above \$20 to \$50	8c
Above \$50 to \$100	20c
Above \$100 to \$150	30c
Above \$150 to \$200	40c
Above \$200 to \$300	60c
Above \$300 to \$400	80c
Above \$400 to \$500	\$1.00
Above \$500 to \$750	\$1.40
Above \$750 to \$1,000	\$2.00
Above \$1,000 to \$1,500	\$3.00
Above \$1,500 to \$2,000	\$4.00
Above \$2,000 to \$3,000	\$6.00
Above \$3,000 to \$4,000	\$8.00
Above \$4,000 to \$5,000	\$10.00
Above \$5,000 to \$7,000	\$14.00
Above \$7,000 to \$10,000	\$20.00
Above \$10,000 to \$15,000	\$30.00
Above \$15,000 to \$20,000	\$38.00
Above \$20,000 to \$30,000	\$56.00
Above \$30,000 to \$50,000	\$90.00
Above \$50,000 to \$100,000	\$175.00
Above \$100,000	\$200.00

User-Friendly Stamps; Control Handstamp
 E.g., "EXCHANGE/ABOVE \$100 TO \$150/30 CTS./SECOND"
 With such stamps there was little need for the rate table!
 The "GWW" handstamp (of Controller George W. Whitman) was a security measure. Cancellation was not required.



2.7 Unique \$3, \$6, \$8, \$14 Rates
 Firsts of **J. R. Moller & Co.**, San Francisco, amounts \$1,500, \$3,000, \$4,000, \$7,000 stamped with **blue Exchange \$3, \$6, \$8, \$14**
Sole recorded examples of these rates
 Just 1152 sets were sold of the \$3, 726 of the \$6, 316 of the \$8, 153 of the \$14
A Fortunate Find. Moller & Co. were commission merchants supplied by Oelrichs & Co. of New York, on whom their bills of exchange were drawn. These passed intact into collectors' hands from the archives of Oelrichs & Co. They comprised **only about 20 bills (0.03% of those generated in California)**, yet account for **20% of survivors!** Unlike the thousands of bills sold to the public in amounts like \$50 or \$100, happily these effected **substantial commercial payments**, hence their **high-denomination stamps**.



"Merchant Bills." Unlike "bank bills," these "horseblanket"-size bills of commission merchants **Moller & Co.**, drawn on **consignors Oelrichs & Co.** in **New York**, effected **commercial transactions**, involving goods shipped on clipper ships *Flying Dutchman*, *Flyaway* and *J. Godfrey*.
 Firsts were sent 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. **Firsts** are considerably scarcer. Those of **Moller & Co.** are the **only recorded Firsts bearing blue stamps**.

3. Blue Insurance \$1 on Matched Policies

The matched pair of November 1857 \$1,000 policies, San Francisco, each correctly stamped with **blue Insurance \$1**

Sole recorded documents bearing blue Insurance stamps

The **Insurance tax**, set at **half that on Exchange**, was in effect only **ten months**. Sales of the blue Insurance stamps totalled only 3,321 spread over 20 denominations, and any example is a first-class rarity. **Just 586 of the \$1 were sold.**

These policies insured **sewing machines of Wheeler and Wilson Manufacturing Co**, who by the mid-1860s would become the leading manufacturer of sewing machines in the U.S.

To spread the risk they **insured with two companies**; note that **each policy refers to the other.**

4. Blue Passenger \$6

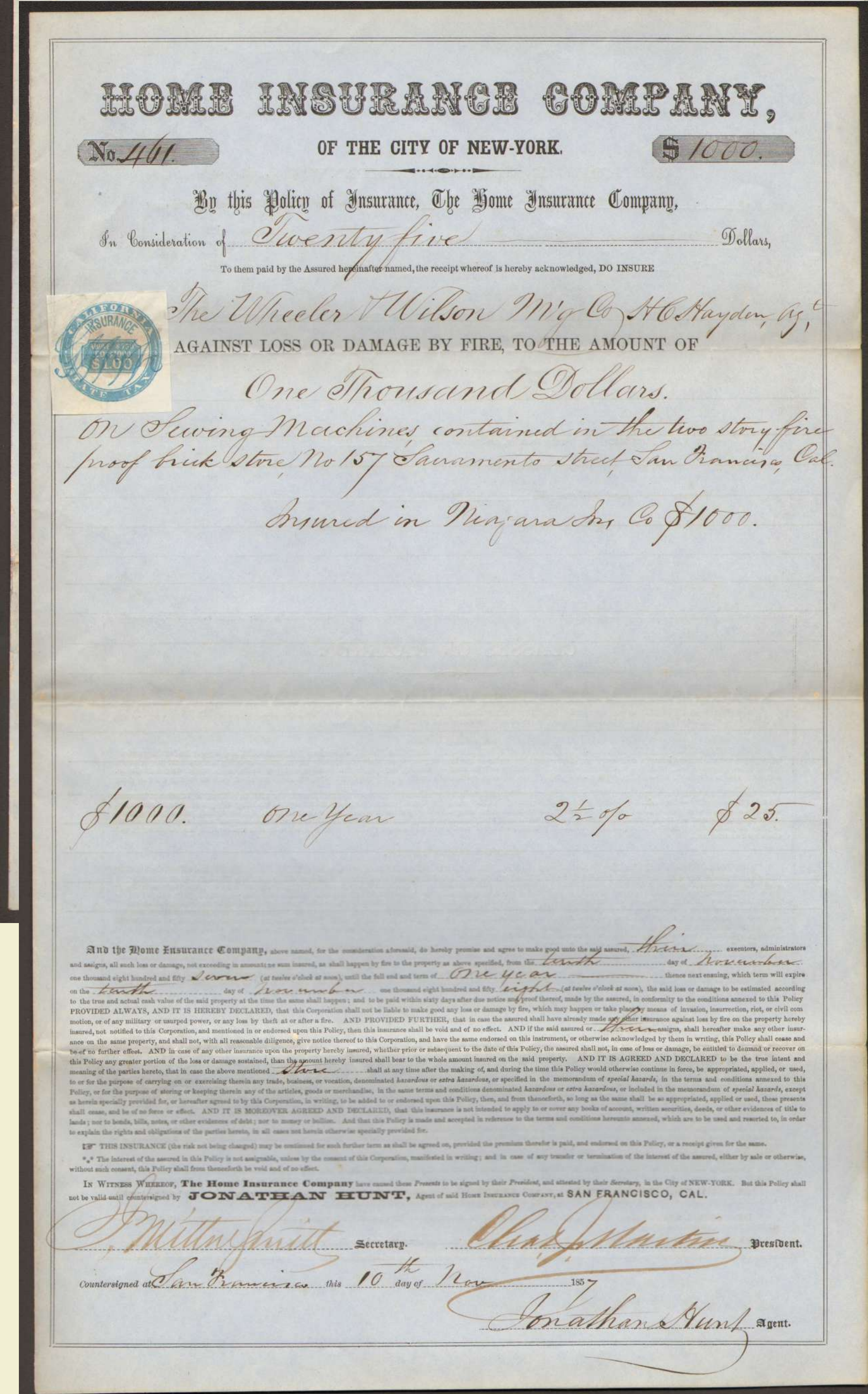
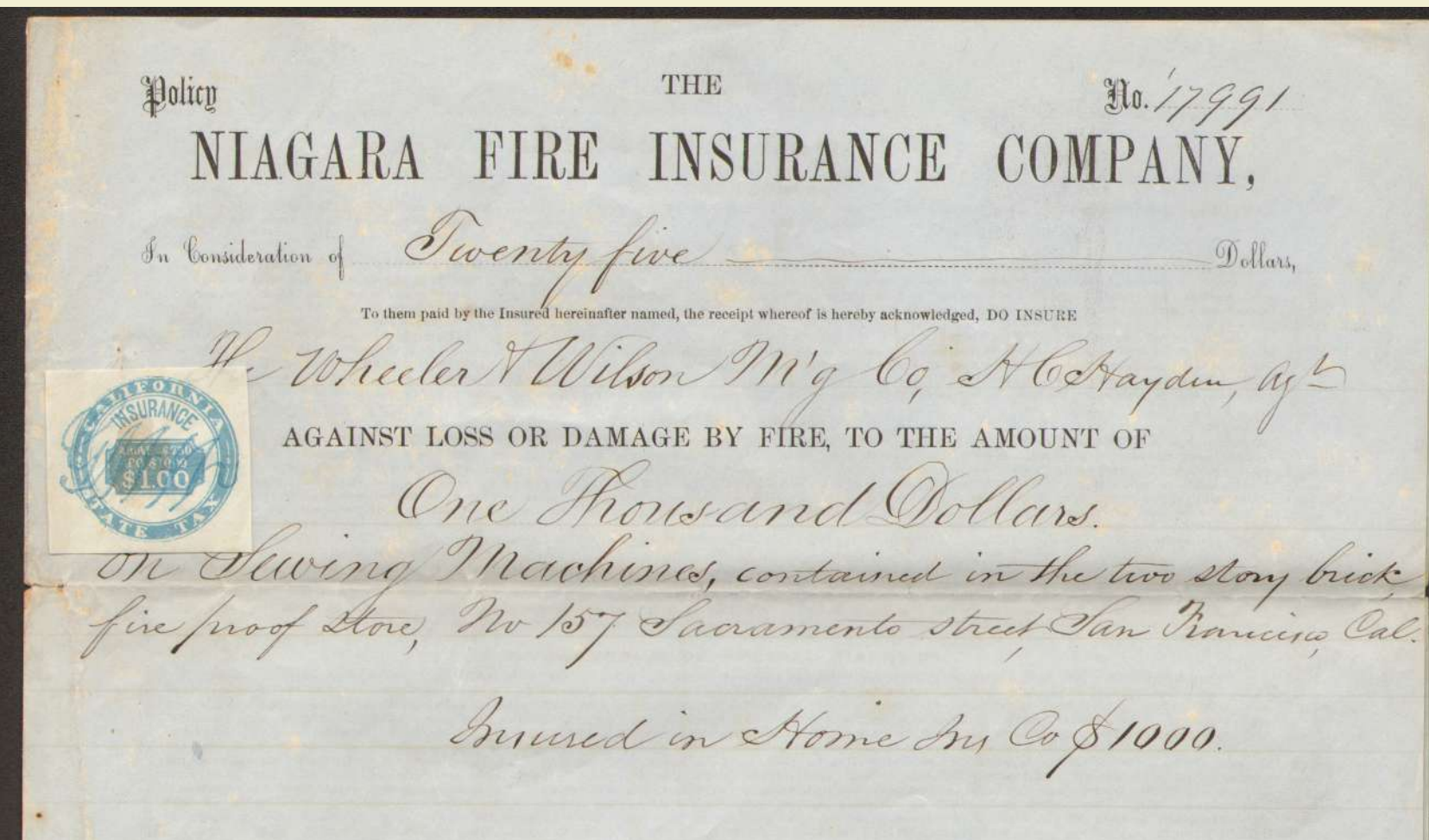
Blue Passenger \$6 1st Class on blue laid paper

Three blue Passenger stamps recorded

The **Passenger stamps**—\$2 Steerage, \$4 Second Class, \$6 First Class—were **used by the thousands** on passage tickets, chiefly of the Pacific Mail Steamship Co., but these were normally collected by the ships' pursers and **destroyed.**

The **blue laid paper** here is noteworthy. All blue stamps were **initially printed on white paper.** The **blue laid paper** had been **previously seen** only on subsequent printings of the **most-used Exchange denominations**, as shown above. Its **use for Passenger stamps** is consistent, in fact **predictable**, given the large numbers of these stamps sold, which exceeded the numbers in the initial delivery.

This and a similar stamp came to light with the 1991 auction of the Elbert Hubbard California revenues, **misidentified as "rare color errors"** (as catalogs listed them only in red!)



Epilog: Color Change to Red; Exchange, Insurance Taxes Rescinded

Apart from the usual factors mitigating against the survival of these or any revenue stamps and the documents on which they were used, two **specific factors underlie the rarity of the "California blues"**:

- the abrupt **rescinding of the Exchange and Insurance taxes** after **only ten months**
- and the **early color change** of all California stamps **from blue to red.**

The Act of **April 26, 1858**, effective immediately, **replaced the Exchange tax** with one on **bills of lading for shipment of gold or silver** out of the state. The **original Insurance tax**, which had been set at **half the Exchange tax**, was thus **simultaneously rescinded**, replaced by a new slate of taxes tied to the Bill of Lading rates, paid by new large Insurance stamps in red.

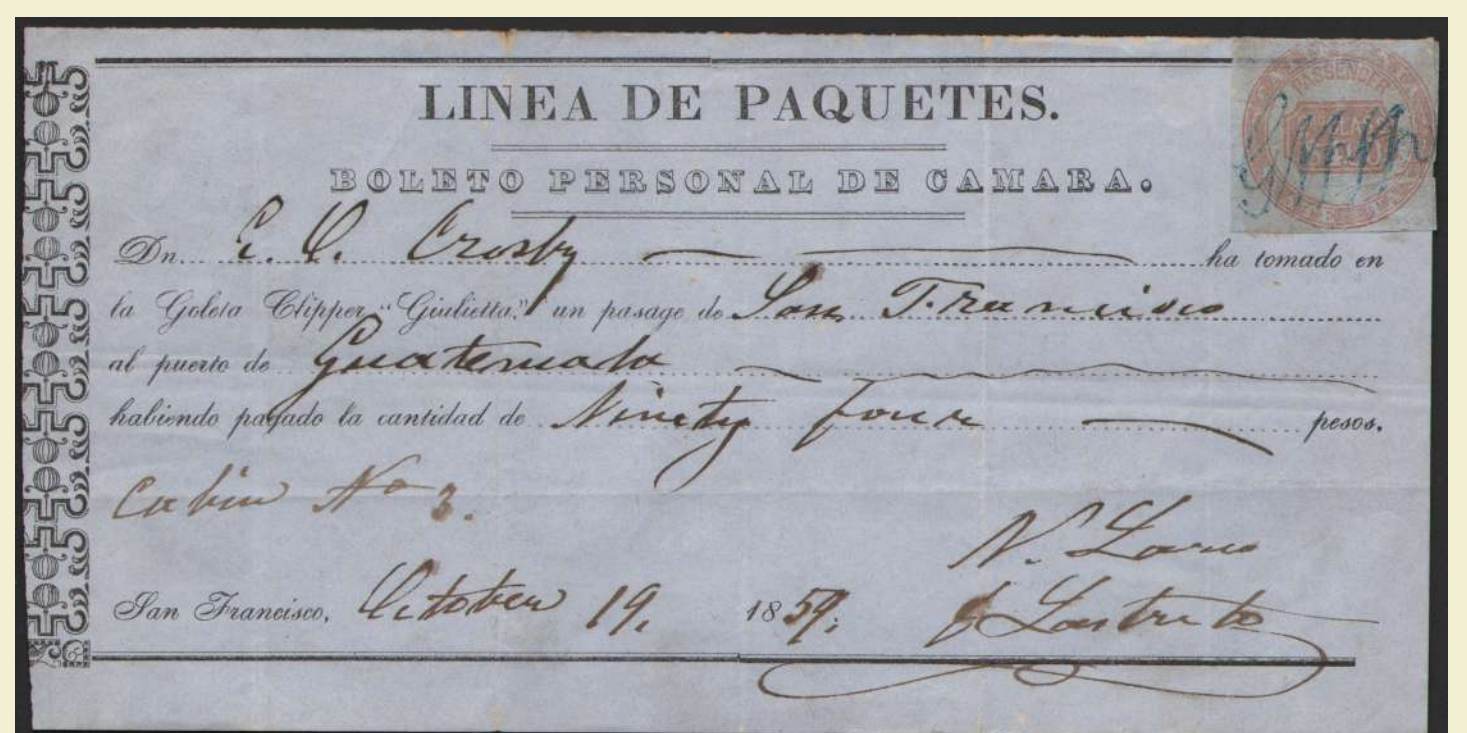
The **color change** from **blue to red** began as early as **December 1857** for the **most-used Exchange stamps**, barely five months after the taxes had taken effect. For the **Passenger stamps** the **first deliveries in red** may have occurred as early as **mid-1858**, and for the Attorney at Law it can be pinpointed to **August 1859.**



January 1858 Second of Exchange of **B. Davidson & Co.**, San Francisco, amount \$205.50, already bearing a **red Exchange 60¢**

Fewer than twenty 1857-8 bills bearing **red Exchange stamps** recorded; this the **sole example of the 60¢**

The **"N M DE R"** logo is that of the **renowned European banking house N. M. de Rothschilds**; Davidson & Co. were their San Francisco agents.



October 1859 Linea De Paquetes passage ticket for voyage from **San Francisco to Guatemala** on Goleta Clipper **Giulietta**, already bearing a **red Passenger \$4 2nd Class**

Two tickets bearing **red Passenger stamps** recorded