

California Blues: the Iconic 1857 "Gold Rush Revenues"

1. Blue \$10 Attorney at Law on license
 2. Blue Exchange issues on bills of exchange
 - 2.1 "Bank Bills"
 - 2.2 Earliest Use of California Revenues
 - 2.3 Rare Star Cuts
 - 2.4 Multiple Stamps
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 - 2.7 Unique \$3, \$6, \$8, \$14 Rates
 3. Blue \$1 Insurance on policies
 4. Blue \$6 Passenger
- Epilog: Color Change to Red

As outlined at left, this exhibit shows California's 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.

These were the first adhesive revenue stamps in the United States, predating by more than five years the federal Civil War issues of 1862.

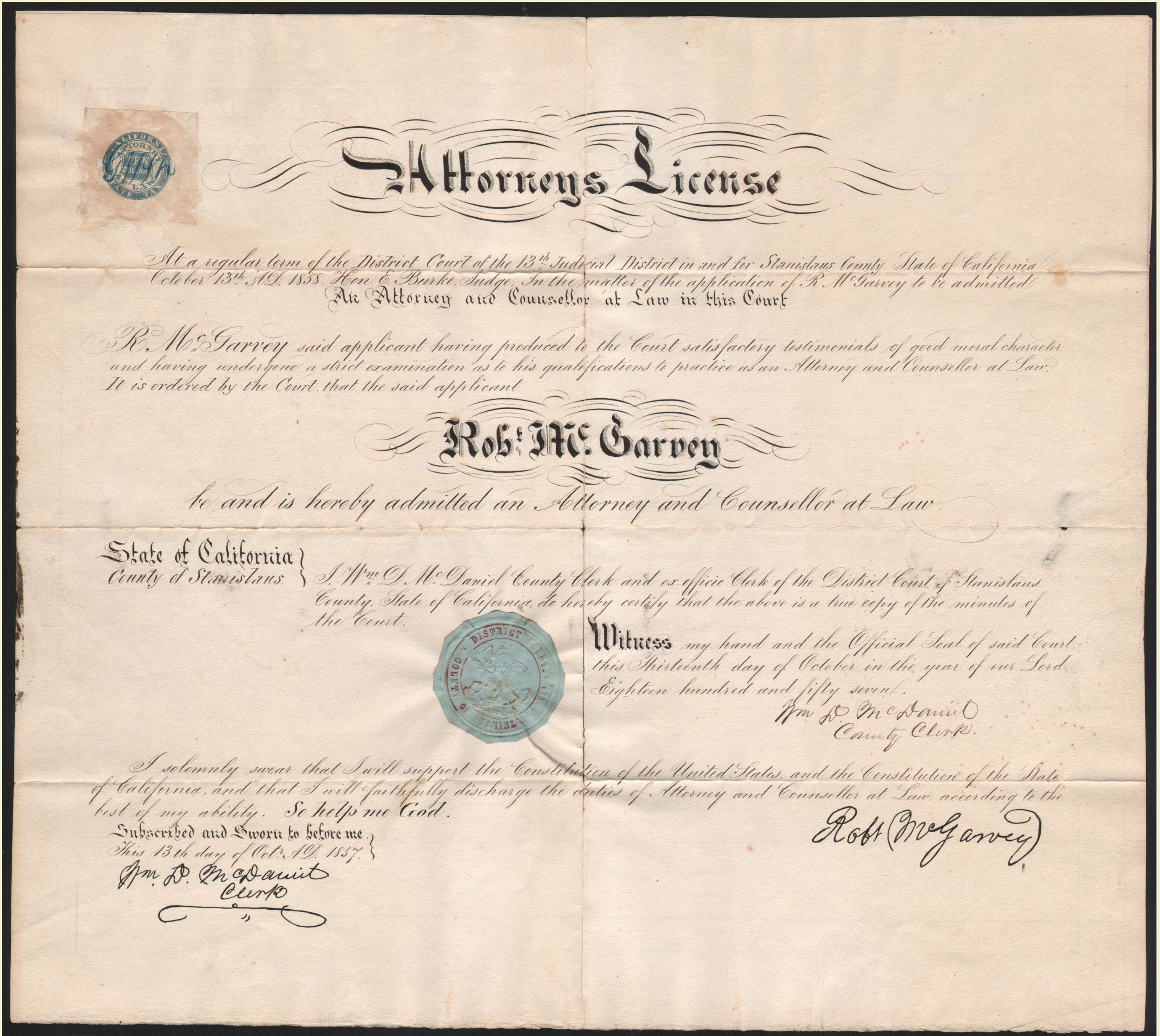
They were initially printed in blue, but only briefly; thereafter the color was changed to red.

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

This status 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 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.

The stamps were first delivered on white wove paper, then on blue laid paper in all denominations to \$1.40. Later the color of all denominations to \$4 was inexplicably changed to red.

The key aspects of their use are illustrated here.

2.1 "Bank Bills." The California Gold Rush Revolutionizes the Use of Bills of Exchange.

Before the Gold Rush, bills of exchange were used primarily by merchants and banks to transfer funds to faraway trading partners; partner B paid its local costs with bills of exchange drawn on partner A.

Now they became a vehicle for emigrants to send money home. A miner could convert gold dust into a bill of exchange from, say, a nearby office of Wells, Fargo & Co., payable at their head office in New York, and mail it home. It could be cashed almost anywhere in the U.S. The bills shown here, except the Moller & Co. merchant bills, are all "bank bills."

The state capitalized on this new, widespread use of bills of exchange by taxing them!

What Were Bills of Exchange?

Bills of exchange, the primary instrument for transfer of funds over long distances, were drafts drawn on distant funds, made in sets designated "First," "Second," "Third," or similar terms, to allow for loss of one or more in transit. By the late 1850s domestic bills were typically made in sets of only two, the First mailed, the Second held in reserve.

2.2 Earliest Use of California Revenues

Left, Second of Tallant & Wilde, July 15, 1857, amount \$200, blue Exchange 40¢ Second

Below, Duplicate of Parrott & Co., July 18, 1857, amount \$300, blue Exchange 60¢ Second, die cut

The taxes took effect July 1, 1857.

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



Above, Second of Wells, Fargo & Co., San Francisco, blue Exchange 84¢ Second on blue laid paper \$50 remittances were the most common; some 9,350 sets of 84¢ stamps were sold. Four examples of 84¢ rate recorded



2.3 Rare Star Cuts
Seconds of D.O. Mills & Co., Sacramento, Duplicate of Parrott & Co., San Francisco, amounts \$200, \$300, \$700, blue Exchange 40¢, 60¢, \$1.40 Seconds, all star-cut (To obviate scissors-cutting some users employed circular or star-shaped punches. Stamps so punched are known as "die cuts" and "star cuts.")

Mills & Co. used 24-point punches, Parrott & Co. 40-point
Five recorded bills bearing blue star-cuts, these the only 24-point cuts
Five examples of 40¢ rate recorded, six of 60¢, three of \$1.40



2.4 Multiple Stamps
Middle left, Second of Wells, Fargo & Co., Nevada (City), amount \$210, two blue Exchange 30¢ Seconds
Below, Second of Alsop & Co., San Francisco, amount \$1,000, 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
Six examples of 60¢ rate recorded, four of \$2

2.5 Spectacular \$1
Above, First of Moller & Co., San Francisco, amount \$500, 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, 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, blue Exchange \$3, \$6, \$8, \$14
 Sole recorded examples of these rates

Just 1,152 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

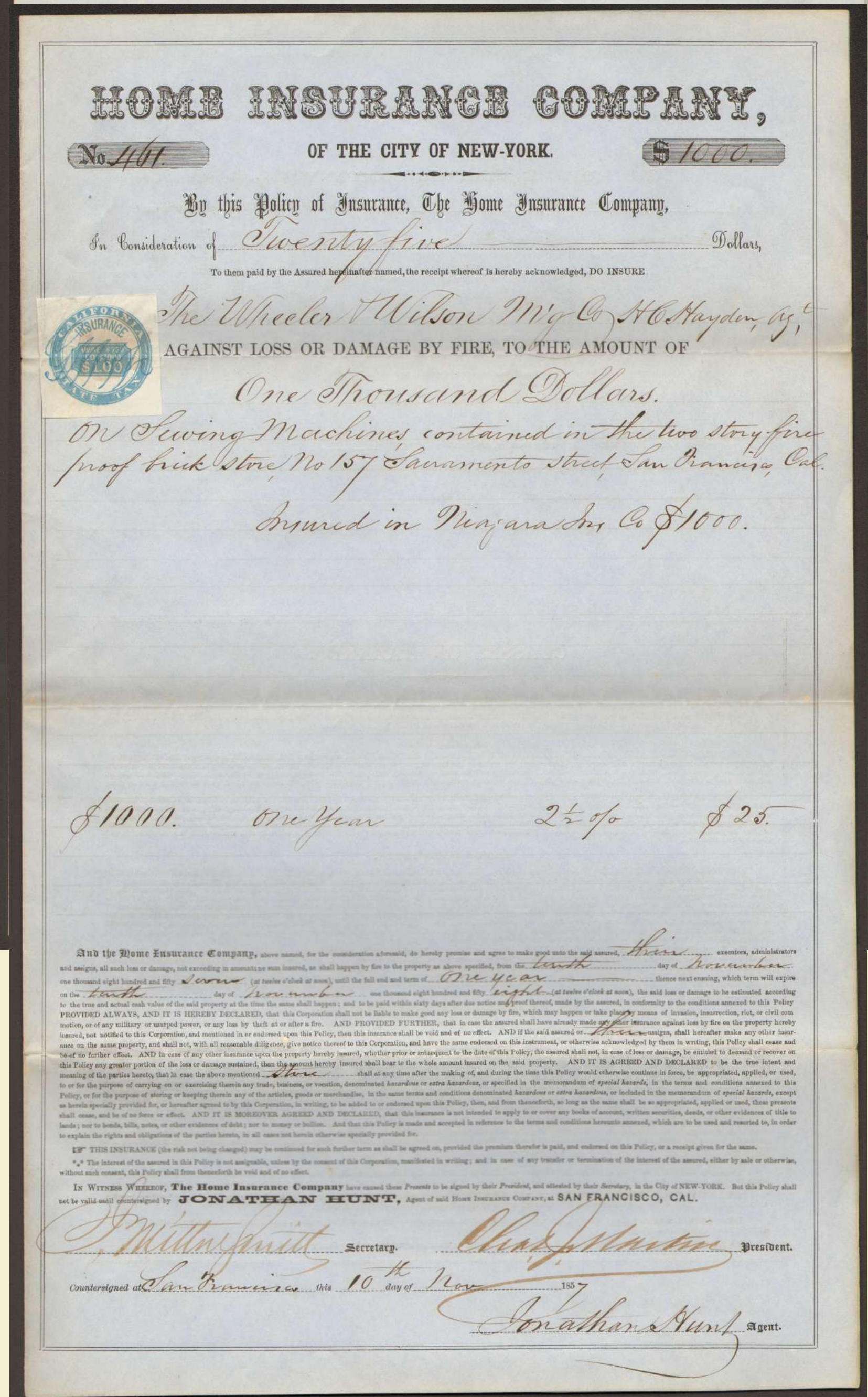
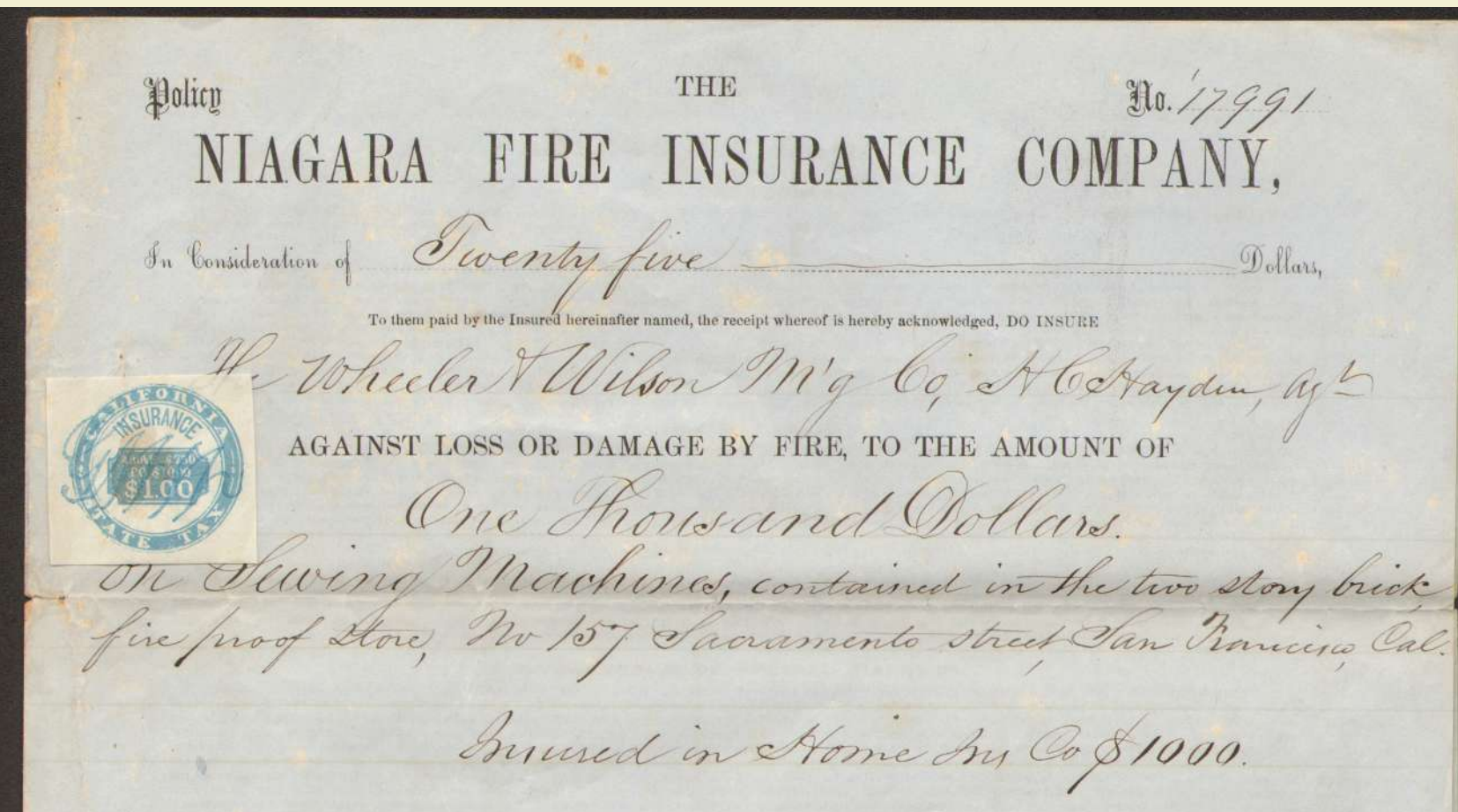
Blue Passenger \$6 1st Class on blue laid paper

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.

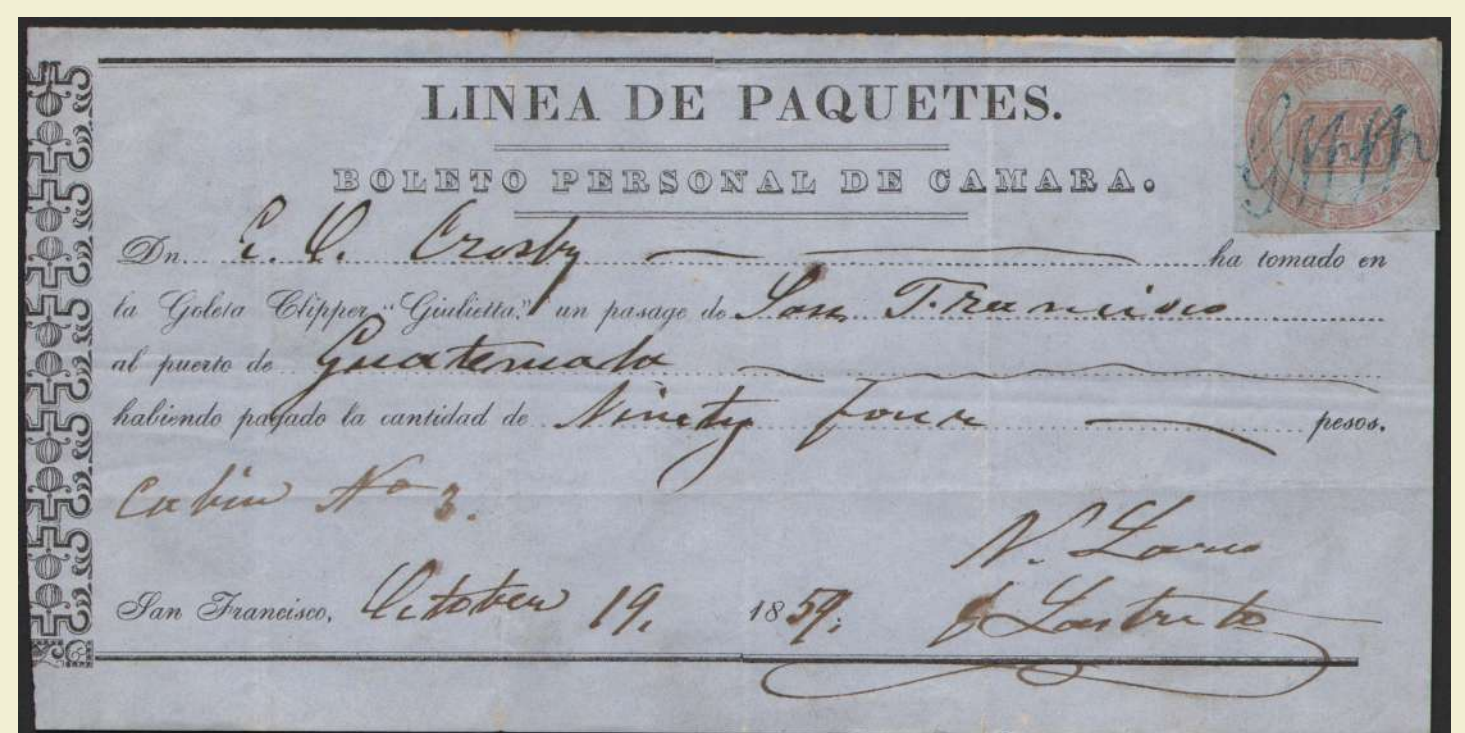
The **color change from blue to red** began as early as **December 1857** for the **most-used Exchange stamps**, barely five months after the taxes had taken effect. For the **Passenger stamps** the **first deliveries in red** may have occurred as early as **mid-1858**, and for the Attorney at Law it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