

The 7 Cent Vermillion Stanton Envelopes

by Robert L. Markovits

In 1870, the United States Post Office Department ordered a seven-cent envelope as a companion piece to the proposed 7 cent Stanton adhesive stamp (Scott nos. 138, 149) to prepay the direct mail service rate to Germany. The G.H. Nesbitt firm, which had held the envelope contract from 1853 onward, ran into a political problem late in 1869 after Nesbitt's death and the contract was canceled effective March 31, 1870. The Post Office Department solicited sealed bids for a new contract and George H. Reay, a former Nesbitt employee, won the contract. He was to begin deliveries under the new contract on July 1, 1870. However, this was not to be.

W.H.H. Terrell, Third Assistant Postmaster General, sent out the original notice of a 7 cent envelope on April 9, 1870. It read in part:

NEW SERIES OF STAMPED ENVELOPES. About the 1st of July next, the Department will commence the issue of a new series of stamped envelopes and a new newspaper wrapper. The stamps will be of the same designs and colors as the new postage stamps of corresponding denominations. The shape of the stamps embossed on the envelope and wrapper will be oval. The new postage stamps are oblong.

As the new envelopes and wrappers will be issued under a new contract, it is expected that they can be furnished to the public of a superior quality, and at rates considerably cheaper than those now in use. It is therefore enjoined that you limit your orders from the Department for the current quarter to barely sufficient to last until its close; in the meantime using every effort in your power to dispose of your present stock.

A full description of the new envelopes and wrappers, with a schedule of prices, will be sent you upon completion of the arrangements now in progress for their issue....

The subject of the new 7 cent design was Edwin McMaster Stanton (1814-1869), the second Secretary of War in Abraham Lincoln's cabinet (1862-1865), who had recently died. He also had been Andrew Johnson's Secretary of War until his dismissal by Johnson, which was the cause of the attempt to impeach Johnson. When the impeachment failed on May 26, 1868, Stanton resigned and returned to the practice of law. In 1869 President Grant named him to the Supreme Court, but Stanton died within four days of his appointment, on December 24, 1869. The use of Stanton as a stamp subject was a calculated political move designed to repudiate the Johnsonian Republicans and any revision of the strictest Reconstruction policy in the South.

No source photograph has been identified for the design but all the other values were from marble busts and Postmaster General Jonathan A. J. Creswell stated in his Annual Report of November 15, 1870 that::

Upon the conclusion of the postal treaty with the North German Confederation fixing the single letter rate by direct steamers at seven cents, to take effect the 1st

of July last, a stamp of that denomination was adopted, and the profile bust of the late Edwin M. Stanton selected for the design. This has been completed in a satisfactory manner but, owing to the temporary discontinuance of the direct mailship service to North Germany, it has not been issued to postmasters.

The designer of the 7 cent Reay envelope was Rudolph Philipp Laubenheimer, a German-born engraver, die sinker, and *medailleur* who engraved the dies for all the Reay 1870-71 stamped envelopes as well as the 1873 Reay War Department issue. On August 12, 1870, Laubenheimer received a letter from Terrell commending him upon his beautiful dies.

George Henry Reay (1837-1876), the holder of the contract, was a master craftsman in his field. A native of Ireland, Reay was a former employee and assistant to George Nesbitt who had invented the machines used to manufacture envelopes with patents in 1862 (counting) and 1867 (embossing, printing, and folding). By 1876, 90 percent of all U.S. envelopes were manufactured with Reay machines. Nesbitt had a manufacturing plant in Brooklyn, NY, but operated from a building at 77 John Street in Manhattan, which, interestingly enough, contained a store of the George H. Nesbitt Company.

Reay employed 43 men, 7 boys, and 177 girls under Superintendent George Watkins in an area of 22,000 square feet to produce 550,000 envelopes in a ten hour day. Gumming was performed by hand and a girl could gum 25,000 envelopes a day.

The Seven Cent Rate

On June 21, 1870, Joseph H. Blackfan, Superintendent Foreign Mails, sent a notice stating that an additional postal convention had recently been concluded between the United States and the North German Union (NGU), to take effect on July 1st, which reduced the closed mail via England rate to 10 cents and the prepaid direct mail rate to Bremen and Hamburg to 7 cents. The new rates included the NGU, Austria, and Luxembourg.

It is obvious that at this time preparations for a 7 cent stamp and a similar envelope would have begun. However, there was a problem over the subject to be used for the design. Proposals for Baron Steuben and others were debated as evidenced by the essays reported by Brazer 149E-A (Steuben); 149E-B (Lafayette); 149E-C (Liberty), before a decision to use Stanton was reached. This decision was made at least by August 5th (Brazer 149E-D).

In envelope production, Reay began to get his dies approved so that he could meet the original July 1, 1870 deadline. However, a successful protest of the contract led to a reletting of it under new sealed bids. Reay lost the reletting that went to a non-envelope manufacturer, Dempsey O'Toole of Brooklyn on July 16, 1870. On August 30th, that company attempted to reassign its contract to Nesbitt; legally this was not permissible. What finally transpired was a Presidential cabinet meeting on October 4, 1870 that canceled this contract and an agreement on October 7th to accept Reay's willingness to resume the contract. A new agreement for a four-year contract to terminate October 1, 1874 was immediately signed, and

Reay made arrangements with the Nesbitt Co. to manufacture the envelopes using his die and machines.

In the meanwhile, Terrell had sent out a notice regarding the new proposed envelopes dated September 1, 1870 that stated:

The series has been increased by the addition of a seven-cent stamp to accommodate the reduced rate of postage on letters mailed to the North German Union direct....

This notice went out after the stamp design decision had been made but during the period after Reay had lost the contracts.

The dispute over the Reay contract postponed the entire Reay envelope production and the filling of orders. Fortunately there was a large stock of Nesbitt envelopes on hand at the Post Office Department to cover the situation. At the same time, it meant no Reay activity on the proposed 7 cent envelope was undertaken before this date.

Fate Steps In

As the 7 cent envelope was not part of the original Reay contract, no preliminary work would have begun until a new contract was negotiated in October 1870. Meanwhile, fate stepped in the person of Chancellor Bismarck of Prussia to end the need for the envelope.

On July 13, 1870, Bismarck arranged the publication of the Ems telegram and convinced the French prime minister that war was imminent, as the latter announced in Paris on the 15th. The actual declaration of war occurred July 19th and would have been transmitted immediately to Washington by transatlantic telegraph. It was obvious that direct mail steamship service would stop and, therefore, the need for a 7 cent stamp and envelope. Blackfan announced the suspension of direct mails on July 23rd and stated that all mail for the NGU would go "closed mail" via England at 10 cents the half ounce. Service was not expected to be resumed until hostilities ended so that the 7 cent rate was "in suspension."

The last North German Lloyd steamer left Bremen on July 16th, arriving at New York on the 29th, while the last Hapag steamer sailed from Hamburg on July 20th and arrived August 1st. The last sailing of either from New York was July 19, 1870. Consequently, there were only three weeks during which the new 7 cent rate would have applied. Because of this, design problems on the 7 cent value and the dispute over the envelope contract, there was neither a 7 cent stamp nor a 7 cent envelope.

War continued throughout the rest of the year with Napoleon III surrendering at Sedan on September 2nd, while Paris held out until January 28, 1871. Wilhelm I was declared Emperor of all the Germanies at Versailles on January 18th.

Anxious to preserve national integrity above all and now on the defensive, the French focused upon the land war and gave little priority to blockading actions. This left the Germans free to resume transatlantic steamer service. The North German Lloyd steamer Hermann resumed service, leaving New York on September 26th and arriving at Bremen on the 12th but not carrying mails. Blackfan announced the resumption of direct mail service to Bremen on October 29th and the Hansa departed New York with Bremen mails that day arriving at Bremen on November 14th.

The Hapag line's Westphalia left New York October 5th, reaching Hamburg on the 24th without mails. Blackfan announced resumption of direct mail service to Hamburg on the 12th with the Turingia sailing on the 15th with the first Hamburg direct mails arriving at Hamburg on the 28th. The armistice was agreed to on January 23, 1871, and a final peace treaty ratified at Versailles on May 10, 1871.

Although service direct to Bremen and Hamburg resumed during September/October 1870, there was no effort at the time to release either the 7 cent stamp or the envelope. Both had to await the end of hostilities. The 7 cent stamp was released to post offices during the quarter ending March 31, 1871, with 166,400 examples being issued." However, the earliest known usage yet reported was the day after the signing of the armistice (May 13, 1871). This would have been in time for the North German Lloyd's Bremen sailing on the 11th - the first sailing of this vessel with mails since July 1870. During the quarter ending June 30, 1871, an additional 427,000 7 cent stamps were issued.

In sum: There were seven prewar sailings that could have carried letters bearing a 7 cent rate but not a 7 cent stamp and 19 sailings after the resumption of mail service to the close of 1870. There were 18 sailings of the NGL steamers before the Bremen left on May 11th, of which 11 took place during the first quarter 1871. There were 13 Hapag sailings in that period of which 7 took place during the first quarter. This is a large number of sailings for which either the stamp or envelope would have been useful but for which no example is as yet recorded.

New Release Date for 7 Cent Envelope

While the formal announcement of the 7 cent envelope (which eventually was to be the 7 cent Reay, Scott no. U88) had been made September 1, 1870, there was no incentive to push the work forward until Reay officially had a contract and hostilities were over. Once mail service resumed - as it did in September 1870 - it was more important to push the release of the 7 cent stamp (Scott nos. 138, 149). As a result, the new announcement for the 7 cent envelope did not take place until May 1, 1871, at which time Terrell issued a circular offering the "Stamped Envelopes and Newspaper Wrappers of the issue of October 1, 1870," e.g., the new Reay contract, with a schedule to take effect on and after July 1, 1871. This announcement set the new issue dates for all of the new Reay envelopes. In the attached schedule the 7 cent Third Quality no. 3 amber envelope (3-3/8 x 5-1/2 inches) was made available to the public at a price of \$7.24 per 100. The most significant points in this circular are the following three paragraphs:

Owing to a change of contractors and of contract prices, it becomes necessary, under the law [*ed. - the 1853 law*] requiring that 'Stamped Envelopes shall be sold at the cost of procuring and furnishing the same, to change the schedule of rates at which Stamped Envelopes and Newspaper Wrappers of the issue of October 1, 1870 are now sold to the public.

The change will take effect on the 1st day of July, 1871, and all Stamped Envelopes and Newspaper Wrappers supplied by the Department on and after that date, must be sold at the prices specified by the now schedule a copy of which accompanies this circular.

Envelopes and wrappers furnished prior to the 1st July next, whether they be of the present or previous issue, must be sold at the rates at which they were obtained from the Post-office Department....

What this announcement amounts to is: 1) the first announcement of the availability of the Reay envelopes, which were apparently not ready until about May 1, 1871; 2) a notice that prices might be different for the Reay and Nesbitt envelopes; 3) that, while orders might be filled before July 1st with the new envelopes, it would be on a fill-in basis similar to the situation that had prevailed on the National Banknote stamps between January 1, 1870 and the April announcement of the issue. Hahn, previously cited, discusses the implications of this point in detail.

German Rate Changes

On March 31, 1871, an additional article to the NGU postal convention was signed at Washington, DC. It was signed at Berlin on May 14th, and set forth a new 6 cent direct rate to Germany via the Baltic Lloyd line as soon as that line began to operate. The new rate was announced on June 21, 1871 for the proposed sailing of the Humboldt on July 13th, but the vessel did not inaugurate service from New York until July 22nd. This was the beginning of the end of the 7 cent direct mail rate for which the 7 cent envelope had originally been intended.

On August 21, 1871, Mr. Blackfan announced that a new arrangement had been made with Germany to "take effect on the 1st of October" by which postage on prepaid letters via closed mail through England was reduced from 10 to 7 cents per half ounce. Unpaid letters were double-rated. This created a new use for the 7 cent stamp and letter. On August 30th, Blackfan announced that the direct mails via Bremen and Hamburg would be reduced from 7 to 6 cents per half ounce. This ended the 7 cent direct rate structure for which both the stamp and envelope had been initially proposed.

The sum of these announcements meant that prior to the new October 1, 1871 closed mail via England 7 cent rate, there were the following direct sailings that required either a 7 or 6 cent rate respectively:

1871	7 cent		6 cent
	NGL	Hapag	
1Q	11	7	-
2Q	19	13	-
3Q	24	13	3

After October 1, 1871, all direct mail was carried at the 6 cent rate, obviating the need for the 7 cent stamp and envelope as previously noted, but the new closed mail rate via England generated a new need for the two items.

This new rate structure continued until the introduction of the General Postal Union rate of 5 cents, effective July 1, 1875. Lurch argued that it was:

essential to realize that used 7c envelopes must be postmarked between October 1, 1871 and June 30, 1875.

I concur that any late uses do not belong in a used envelope collection as a showing of the proper use. Nevertheless, there is a group of 7 cent envelopes used considerably out-of-period. They can be described as "cute," "late uses," or "philatelic." However, while any 7 cent envelope used is a rarity, with only 36 reported, and another six to a dozen probable, these out-of-periods miss the pail.

Part II to follow.