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Philippine Philatelic Journal

**TYPE VARIETIES OF THE
1st AND 2nd INTERNAL REVENUE ISSUES
U.S. PHILIPPINES 1899-1902**

by Donald Duston

Eleven star issue

One cent black (W-511):

- Type 1 - Larger "C"; long bowl on "P" of "PESO"; "ONE C. DE PESO" is 16 1/2mm long and close to the right frameline.
- Type 2 - Smaller "C" almost closed; long bowl on "P"; course inscription; "ONE C. DE. PESO" is 16mm long.
- Type 3 - Small "C" opens toward top; short bowl on "P"; sharp inscription; "ONE C. DE PESO" IS 16mm long.
- Type 4 - Small "C" with wide opening to right; short bowl on "P"; sharp indcipation; "ONE C. DE PESO" is 16mm long.

All four types were found on a block of eight. The occurence of each type appears to be equal.

2c rose with numerals in ovals and the 5c blue - Not enough copies available to determine types.

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Ten cent brown with value in oval (W-513) - hard thin paper

- Type 1 - "o" of "PESO" close to right frameline; "TEN C. DE PESO" is 16 1/2 mm long.
- Type 2 - "O" of "PESO" away from right frameline; "TEN" is 3 1/2 mm wide; "TEN C. DE PESO" is 16 mm long.
- Type 3 - "O" of "PESO" away from right frameline; "TEN" is 4 mm wide; "TEN C. DE PESO" IS 16 mm long.

As above - soft, thick paper

- Type 1 - Small "C" with short top loop.
- Type 2 - Normal "C" with flat top; "E" of "TEN" tilts left.
- Type 3 - Normal "C", round with top and bottom loops even, gap; in "C" nearly closed.
- Type 4 - Almost identical to Type 3. "C" is not as round and the lower loop not as high. "C" is close to the "N" of "TEN".

The following two stamps are either fakes or unissued. 2c red and 10c brown. Eleven stars above shield; numerals in round circles instead of ovals; background of vertical lines instead of cross hatched; "PHILIPPINE ISLANDS: on the vertical lined background instead of on a white band.

Two cent red

- Type 1 - Large "O" in "PESO" somewhat squared; oval "O" in "TWO"; "D" is narrow; arms of "W" are thick and balanced; "TWO C. DE PESO" is 15 1/2 mm long.
- Type 2 - "O" of "PESO" flat on the right side; bowl of "P" thin and deformed; "TWO C. DE PESO" is 16 mm long.
- Type 3 - Oval "O" in "PESO"; round "O" in "TWO"; "D" is wide; "W" is irregular and the arms are thin; "TWO C. DE PESO" is 16 mm long.
- Type 4 - Round "O" in "PESO" and in "TWO"; "D" is wide; arms of "W" are thick and balanced; "TWO C. DE PESO" is 15 1/2 mm long.

Ten cent brown

- Type 1 - Large round "O" in "PESO" close to right frameline; "TEN C. DE PESO" is 16 mm long.
- Type 2 - Small "O" in "PESO"; wide "N" in "TEN" (1 1/2:2/2)

- Type 3 4mm); "TEN C. DE PESO" is 15 1/2mm long.
- Small "O" in "PESO"; narrow "N" in "TEN"
(1mm); "TEN C. DE PESO" is 15 1/4mm long.

Nine star issue

One cent black (W-516)

- Type 1 - "O" of "ONE" is round; center arm of "E" of
"DE" is shorter than the top and bottom bars and
spaced closer to the top bar; bottom loop of the
"S" of "PESO" is open; "ONE C. DE PESO" is
17mm long.
- Type 2 - "O" of "ONE" is oval and tilted right; center arm
of "E" in "DE" is longer than the top and bottom
bars; bottom loop of the "S" in "PESO" is more
closed; "ONE C. DE PESO" is 16 1/2mm long.

(The longer arm on the "E" is caused by a white spot at the right end and is sometimes missing due to over inking. The open or closed loop in the "S" is the most consistent verifier).

Two cent red (W-517)

Too few copies available for accurate determination of types, other than those below.

- Type 1 - "S" of "PESO" is normal with even top and
bottom loops; bottom of both numeral "2's" is
thin and extends straight out to the right; "C" is
open with top loop only slightly turned down;
"TWO C. DE PESO" is 16 3/4mm long.
- Type 2 - "S" of "PESO" is deformed with top loop long
and bottom loop short; base of both "2's" more
curvy, and extend straight out; "C"; is thin and
more closed; "TWO C. DE PESO" is 16mm
long..
- Type 3 - "S" of "PESO" is much wider with long loops;
"C" is as type 2; bottom of left "2" curves up to
a point at the left end; "TWO C. DE PESO" is 16
1/2mm.
- Type 4 - Similar to type 3; lettering is thicker; "PE" of
"PESO" are closer together; "C" is thick and
round and very precise; base of right "2" is thin
and angles up; "TWO C. DE PESO" is 16mm
long.

Five cent blue (W-518)

- Type 1 - Small, square bowl on the "P" of "PESO", very distinctive.
- Type 2 - Oval "O" in "PESO"; right numeral "5" is tall and thin; bottom edge of both "5's" is flat.
- Type 3 - "O" of "PESO" is round; The bowl of the right "5" is round and both "5's" have curved flags; The left "5" has a distinctive, deformed bowl with thick right side pointing upward; the "I" of "FIVE" is thin and angles to the right at top.
- Type 4 - "FIVE C. DE PESO" is similar to type 3 except the "I" of "FIVE" is thicker and square; the vertical of the "P" in "PESO" is thicker below the bowl; both "5's" are round and appear normal.

Ten cent brown and Ten cent green (w-519 & 520)

- Type 1 - Round "O" in "PESO" with the side of the "O" thicker than at top and bottom; the "O" is located directly under the "O" of the right numeral "10"; the "N" of "TEN" is thick at the bottom right angle; the "S" of "PESO" is wide with open bottom loop; the "C" is almost closed; "TEN C. DE PESO" is 16 1/2 mm long.
- Type 2 - Similar to type 1 except the line forming the "O" of "PESO" is evenly thin; the right bottom angle of "N" is pointed; "TEN C. DE PESO" is 16 1/2 mm long.
- Type 3 - Oval "O" in "PESO" located to the right of the centerline of the "O" in the right numeral "10"; "E" of "PESO" is irregular with a short center bar; "TEN C. DE PESO" is 16 1/2mm long.
- Type 4 - Round "O" in "PESO" slightly to the left of the centerline of the "O" in the right numeral "10"; "S" is smaller; top of "C" barely curves down; "TEN C. DE PESO" is 16mm long. ■

HISTORY OF MAJOR BUSINESS FIRMS AND THEIR MAIL FROM THE SPANISH PHILIPPINES

by Don Peterson

This is the second of a four-part series on the history of four major business firms in the Spanish Philippines (see Peterson, *PPJ*, First Quarter, 1992, on the American firm, Peele, Hubbell and Company). This article, on Russell, Sturgis and Company (1828-1876), addresses the other major American business firm in the Spanish Philippines. Future articles will address the two major British business firms of Ker and Company (1827-20th Century) and Smith, Bell and Company (1846 - 20th Century).

Russell, Sturgis and Company (American) 1828-1876

American business activity achieved its greatest importance in the 19th Century Philippines between the 1820s and 1880s. During that period, two major American business houses were operating out of Manila and other Philippine cities — Peele, Hubbell and Company and Russell, Sturgis and Company.

The establishment of what eventually would become Russell, Sturgis and Company began with John Perkins Cushing. In the early 1820s, as a clerk at age 16, Cushing had assumed charge of Thomas H. Perkins and Company in Canton upon the death of its manager. The firm, headquartered in Boston, was managed there by Thomas H. Perkins. In Manila, the Spanish-Filipino firm of B.A. Barretto and Company was the designated agent for the Canton branch. The Manila agent, through the Canton branch, traded principally with Boston merchants.

In the mid-1820s, the firm desired a more permanent business house in Manila than provided by their agent B.A. Barretto. As a result, Thomas H. Perkins of Boston dispatched two ships to Manila. The two ships arrived in Manila, via Canton, early in 1825, along with Thomas T. Forbes, also of Canton. During the next year, Forbes worked with B.A. Barretto and Company to expand the trade. Forbes returned to Canton, and then to Boston in 1826. When he returned to the Orient in 1827, he assumed control of Perkins and Company in Canton from Cushing, who was retiring.

On February 23, 1827, a George R. Russell, in writing to his uncle, indicated he had been hired by Perkins and Company as supercargo

(officer on-board ship in charge of the sale and purchase of cargo) of a brig whose cargo was to be disposed of in Manila and Batavia. On July 19, 1827, Perkins and Company of Boston announced that Russell would represent the firm in Manila. Russell probably began his duties in Manila as an agent for Perkins and Company in August 1827, replacing B.A. Barretto and Company.

George R. Russell was born in Providence, Rhode Island, on May 5, 1800; graduated from Brown University in 1821; and then studied law in Philadelphia. He began practicing law in 1824. Russell then joined his uncle's firm (name of that firm not known) in Canton in 1824 or 1825. Then, as previously indicated, he joined Perkins and Company in 1827.

Between October and December 1827, Henry P. Sturgis joined Russell as a partner in Manila. Sturgis became very popular with visiting dignitaries and local officials, undoubtedly enhanced by his marriage to a Filipino woman. It is reported that Cushing, of Canton, had much to do with bringing these two men together in Manila.

In the late 1820s, Perkins and Company began to decline. Although the records are not clear, it appears that Russell and Sturgis separated from Perkins and Company and formed **Russell, Sturgis and Company** in Manila in 1828 as a general commission merchant. Russell's training in law was a great asset in the establishment of the firm. Between 1828 and the mid-1830s, the firm was occasionally referred to as Russell and Company. Likewise, between the 1840s and until its collapse in 1876, the firm was occasionally referred to as Sturgis and Company. These names, however, are believed to be shortened versions of its full name, Russell, Sturgis and Company.

In 1831, at the age of 14, George Sturgis, a brother to Henry P. Sturgis, came to Manila and became a clerk for the firm. It is likely he later became a partner in the firm. In 1832, Russell returned to Boston, and then back to Manila in late 1833 or early 1834. In June 1835, Russell again returned to Boston to continue his business there, never to return to the Philippines.

The earliest known letter from this firm, which also shows the earliest known use of its forwarding agent handstamp, is dated 1834. **FIGURE 1** is an 1839 (June) ship letter, actually a wrapper, from this firm from Manila to London, via the Cape of Good Hope. It shows early use of the British 1 pence "printed prices current" rate. That rate, established by the British in March 1839, was for "printed prices

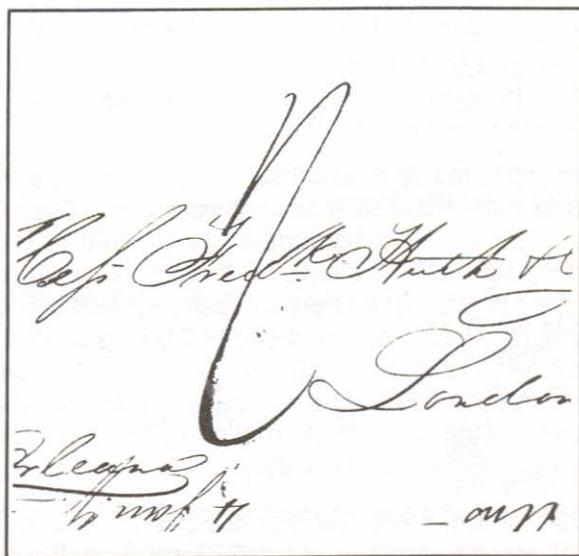


FIGURE 1. 1839 (June) Manila to London ship letter, from Russell, Sturgis and Company, via the Cape of Good Hope. "India Letter Dover" handstamp on reverse. Shows early use of the British 1 pence "printed prices current" rate. Letter carried outside the Spanish Philippine mail system.

current and commercial lists" when forwarded to any part of the United Kingdom by private or packet ship. At this time, most Manila business mail to Great Britain was carried "outside" the Manila Post Office by private British or American ships to British ports in the Far East for transshipment to Europe. Once it entered the British mail system, it was subject to British postal procedures; and in this case, the 1 pence "printed prices current" rate.

Between 1834 and 1872, Russell, Sturgis and Company acted as a forwarding agent and forwarded mail to and from Europe and the United States for other Manila and Far East firms (Rowe, 1984). **FIGURE 2** illustrates the type of forwarding agent handstamp used, which occurred in either red or black. This handstamp occurs in several sizes.



FIGURE 2. Russell, Sturgis and Company forwarding agent handstamp. Used between 1834 and 1872. Occurs in red or black and in several sizes.

In 1846, George R. Russell's half-brother, Jonathan P. Russell, joined the firm in Manila and eventually became a senior partner. In mid-1847, Henry P. Sturgis left the Manila firm and permanently returned to the United States due to poor health.

It is interesting to note that the Perkins, Cushing, Forbes, Russell, and Sturgis families were more than just business associates and partners, they were also related. The bonding of these families is amply (and confusingly) illustrated in the case of the Perkins' and their kin, the Forbes' and the Sturgis'. John Perkins Cushing and the Forbes' of the Canton trade in the 1820s were nephews of Thomas H. Perkins and the Sturgis' of Manila (James, Russell, and George). All can trace their ancestry to Elizabeth Peck Perkins, daughter of the 18th Century Boston merchant, Thomas H. Peck; mother of Thomas H. Perkins; and mother-in-law of a Russell Sturgis, the grandfather of Henry P. Sturgis.

Grit your teeth; there is more. George R. Russell was distantly related to the Sturgis', since a daughter of his ancestor, John Russell, married Thomas Sturgis, the great, great grandfather of Henry P. Sturgis. If that is not confusing enough, there are at least two Sturgis' actually named Russell Sturgis (not to be confused with Russell and Sturgis). In other words, they are all related to each other.

In Manila, Russell, Sturgis and Company was involved in banking, insurance, and the shipping business, and was a commission merchant, investor, and landowner. They were very prominent in the sugar business, particularly on the Islands of Negros and Panay.

In the 1830s and 1840s, this firm and Peele, Hubbell and Company were the only two American firms in Manila. Both firms were primarily involved in trading sugar, tobacco, rice, hemp, and indigo. In 1842, these two firms monopolized the export of hemp from the Islands, which was primarily sent to the United States where it was manufactured in factories in or near Boston. Most of the sugar was shipped to England to the British broker merchant, Frederick Huth and Company of London.

Most of the surviving mail of this firm is dated in the 1840s and was addressed to Frederick Huth and Company in London. The next most common destination was to various firms in Boston. These letters discuss the shipment and price of agricultural commodities. Most of the letters were signed "Russell and Sturgis," regardless of which partner actually signed the letter, as was the custom at that time. However, between 1844 and 1853, the signature of Rupert Russell was occasionally applied.

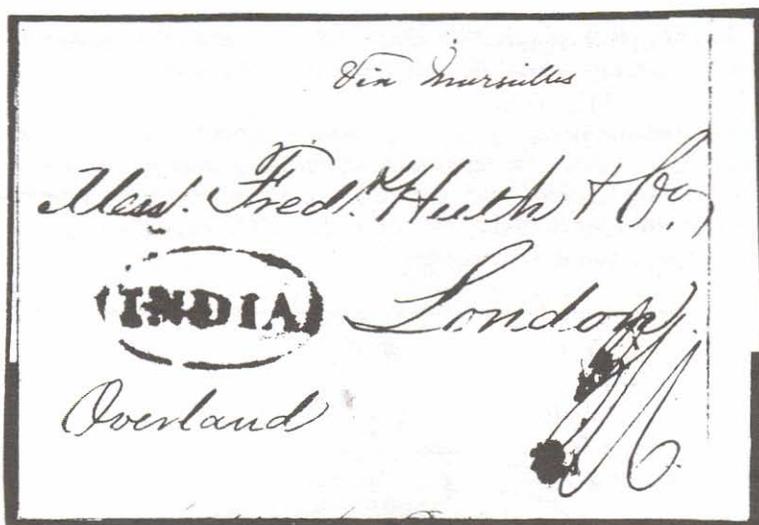


FIGURE 3. 1841 (August) Manila to London double-weight packet letter, from Russell, Sturgis and Company, via overland Suez and Marseilles. Rate 3s/6p. Earliest letter known to have passed through the Hong Kong Post Office. Letter carried outside the Spanish Philippine mail system.

FIGURE 3 is an 1841 Manila to London packet letter from this firm that also has the distinction of being the earliest known letter to have passed through the Hong Kong Post Office (Scamp, 1986). The “3/6” (3 shillings/6 pence) packet rate was for a double weight letter (greater than 1/4 ounce but not more than 1/2 ounce in weight). It was carried aboard several different British Peninsular and Oriental Steam Navigation Company (P&O) ships enroute from Hong Kong to London, via Singapore, Bombay, overland Suez, and Marseilles. The letter discusses payment of shipping bills for agricultural commodities.

FIGURE 4 is an 1842 ship letter from Manila to Boston from this firm carried by the private U.S. ship MONTGOMERY, via the Cape of Good Hope. The “SHIP 6” rate is the U.S. rate for a ship letter, regardless of weight, addressed to a U.S. port of entry city. The letter discusses the price of sugar, hemp, and indigo.

Beginning in the 1850s, Russell, Sturgis and Company and Peele, Hubbell and Company began a policy of extending loans to planters and farmers in the provinces to be paid back after the harvest. This practice was very influential in encouraging the development of agricultural export products during that period, particularly sugar and

hemp. In 1863, Russell, Sturgis and Company opened a branch office in Iloilo to accommodate increased exports of sugar.

Numerous partners were associated with the firm. For example, in 1861, E.S. Green and Charles Griswold (both American) were known to be partners with Jonathan Russell. In 1869, Augusto Zeisz was manager of the firm's office in Cebu. In 1875, Frederick G. Heron (also an American) was a partner.

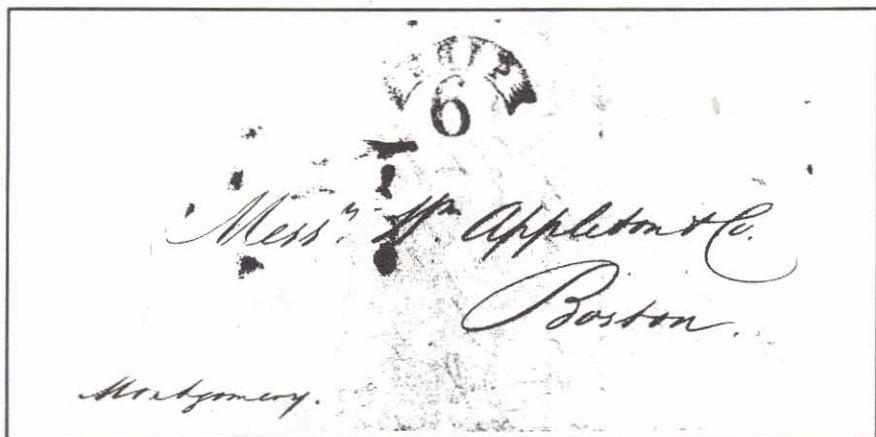
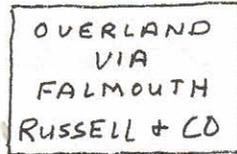


FIGURE 4. 1842 Manila to Boston ship letter, from Russell, Sturgis and Company. Carried by the private U.S. ship MONTGOMERY, via the Cape of Good Hope. The "SHIP 6" rate is for a ship letter, regardless of weight, to a U.S. port of entry destination. Letter carried outside the Spanish Philippine mail system.

Russell, Sturgis and Company served as an agent for many banking, insurance, and marine firms. They represented the great English banking house of Baring Brothers and Company in the Orient. In the 1870s, they represented American Lloyds, China Fire Insurance Company, China Traders Insurance Company of Hong Kong, London Assurance Company, Batavia Sea and Fire Insurance Company, Compania Mensageries Maritimes of Singapore and Marseilles, Malas de Pacifica y Mensageries Maritimes, Colonial Sea and Fire Insurance Company, Noth British and Mercantile Insurance Company, and many others.

Russell, Sturgis and Company also applied business handstamps on its mail. At least three types of business handstamps have been identified and were in use between 1837 and 1868 (Peterson, 1993). These handstamps were applied as a return address, for advertising purposes, or as a "control" to prevent the theft of stamps (first issued

in the Philippines in 1854). **FIGURE 5** describes the three known types of business handstamps used by this firm. **FIGURE 6** is an 1860 packet letter from Manila to Boston from this firm carried aboard several British P&O packet ships. It shows the use of a Russell and Sturgis and Company business handstamp. The letter discusses the shipment of hemp.



TYPE 1
Not to scale.
Used in 1843.
Occurs in black. Rare.



TYPE 2
Used between 1837-1868. Occurs in red.
Pointed inner circle. No period after Manila.



TYPE 3
Used between 1859-1860. Occurs in red.
Rounded inner circle. Period after Manila.

FIGURE 5. Three types of business handstamps applied by Russell, Sturgis and Company, in Manila, between 1837 and 1868.

There are few surviving "stamped" letters (after 1854) from this firm. That was due, in part, to the increased use of pre-folded envelopes for enclosing the message, rather than folded letters. As a result, there was little reason to keep the envelopes and they were usually discarded.

In addition to being a key promoter of foreign commerce in the Islands for over five decades, the partners of Russell, Sturgis and Company also played a key role in representing the United States Government on the Islands (Cassidy, 1973). Henry P. Sturgis was U.S. Consul in Manila in 1836 and from 1838 until 1847. Augusto Zeisz was Consular Agent in Cebu between 1869 and 1873. Jonathan Russell

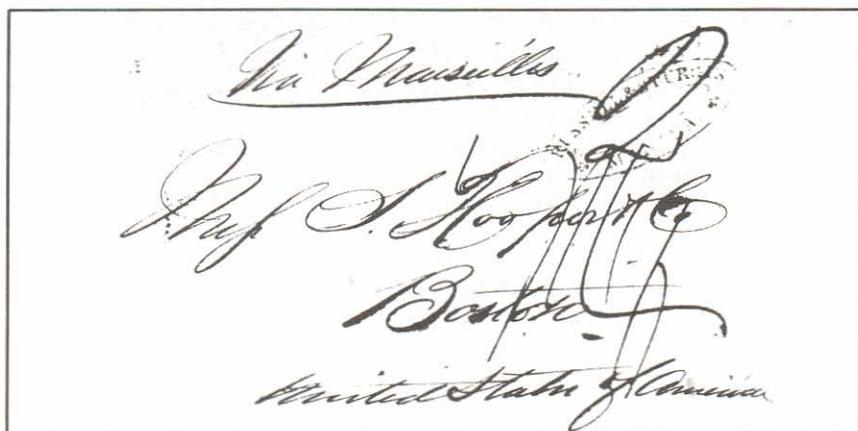


FIGURE 6. 1860 Manila to Boston packet letter, from Russell, Sturgis and Company, showing the use of the Type 3 business handstamp. Letter carried outside of the Spanish Philippine mail system.

was U.S. Vice-Consul in Manila in 1871-1873 and U.S. Consul in Manila from 1873 until his death in 1875. Frederick G. Heron eventually became U.S. Consul in Manila from 1877 to 1879.

Beginning in the early 1870s, the success of this firm began to wane as a result of a number of factors. First, in the 1870s, the price of agricultural products, particularly sugar, was declining worldwide. Creditors began to demand their funds. Lenders were reluctant to invest money due to market conditions and lack of confidence in the Philippine business community. Second, with the death of its managing partner, Jonathan Russell in San Francisco, on September 26, 1875, the business was left in the hands of inexperienced junior partners during a period of financial instability. Finally, competition increased from British and other foreign business firms in Manila and from two British Banks in Manila (Chartered Bank of India, Australia, and China; and Hong Kong and Shanghai Banking Corporation), which provided low interest loans to British (but not American) business firms there. These banks first opened in the Islands in 1872 and 1875, respectively. The final collapse of the firm came in 1876; and its office building eventually became the hotel, "La Fonda Francesca."

When Russell, Sturgis and Company collapsed in 1876, it had an adverse effect on a number of other businesses. For instance, the Manila firm of J.M. Tuason and Company, a Spanish-Filipino firm in banking and foreign exchange in the 1870s and 1880s, was one of their

biggest depositors and suffered losses as a result (Peterson, 1993). Other businesses benefited, however, such as the expanding British firms of Ker and Company and Smith, Bell and Company (both to be addressed in future articles).

(Editor's Note: All letters shown are from Don Peterson's personal collection.)

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REVERSE USE OF SPANISH PHILIPPINES STAMPS

by Douglas K. Lehmann and Donald J. Peterson

Doug Lehmann collects Spanish Philippine **revenue** stamps. Don Peterson collects Spanish Philippine **postage** stamps. Sometimes, our research coincides and we can solve a common problem. For example, we have determined what are official cancels versus remainder markings. For most of the time, however, there is little connection between covers showing postal history and documents showing tax use.

Despite this common collecting divergence, there is one type of postal cover and one type of revenue document we **both** strive to add to our collections. Arnold H. Warren describes both types well¹. Warren first describes a classic example when the Governor-General of the Philippines authorized the "use of postage stamps as revenue stamps." Don collects these revenue documents because of the postage stamp. Doug collects these postage stamps since it shows a tax payment. Warren's second description is when the Governor-General authorized the "use of revenue stamps as postage stamps." Doug collects these postal covers because of the revenue stamp. Don collects these revenue stamps since it shows postal history. The following are examples of each type of reverse use.

Figure 1 is an example of "using postage stamps as revenue stamps." It is a court document with a pair of 10-centavos postage stamps, Scott number 85. The government issued this stamp in 1882. The document date is December 1, 1886. Across each stamp is this handwritten date plus "Procurador Reyes" or King's attorney. Warren states that a new rate schedule for *Papel Sellado* (documentary stamped paper) went into effect July 1, 1886. However, the stamped paper did not become available until January 1, 1888. The Governor-General authorized the use of postage stamps for *Papel Sellado* from July 10, 1886 to December 31, 1887.

Officials could add postage to older *Papel Sellado* or (as in this case) to ordinary blank paper. This use produces a provisional stamped paper document. The instructions did not require overprinting the stamps. However, the date and words in manuscript on the postage stamps show its revenue use. This type of document originally used *Derecho Judicial* (legal fee) stamps. However, the government stopped printing these in 1882. Between the time *Derecho Judicial* stamps ran out and new *Sello* (class) stamps and *Papel Sellado* became available, the government used older *Papel Sellado*. The

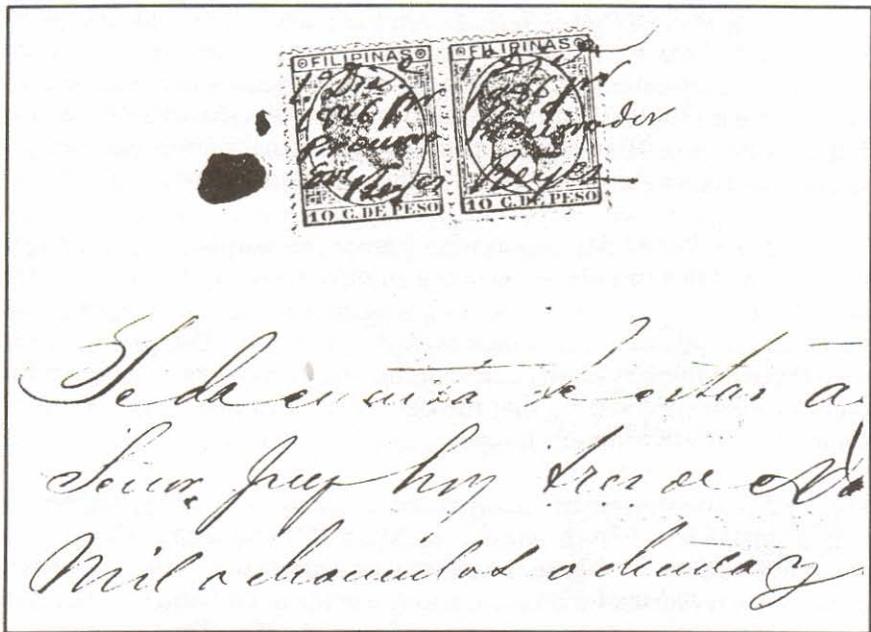


Figure 1 (cropped)

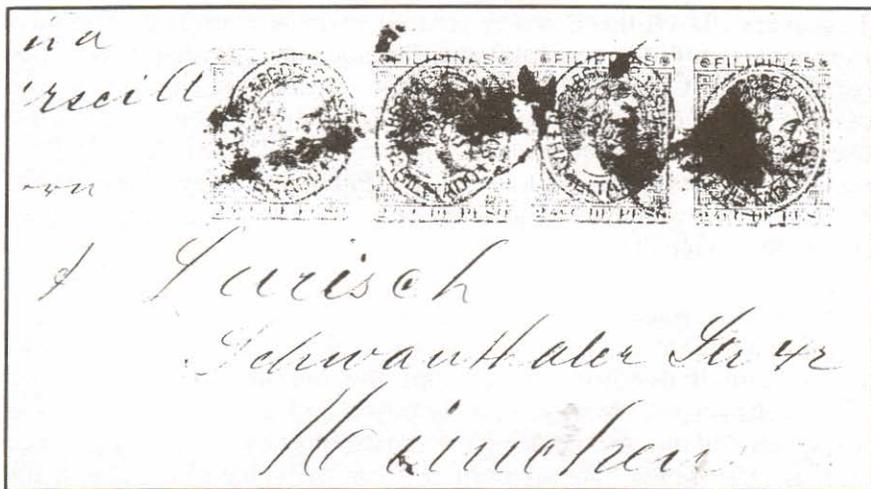


Figure 2 (cropped)

government issued *Papel Sellado* with the new rates and adhesive *Sello* stamps January 1, 1888. The government issued the new *Sello* stamps to complement *Papel Sellado*. Businesses needed adhesive stamps since they used more printed commercial documents rather than the time consuming handwritten kinds. Both the adhesive stamps and documentary stamped paper had the same range or class of values.

Figure 1 is a folded document with four pages numbered from page 115 to 118. Officials placed postage stamps, showing revenue use in manuscript, on pages 115 and 117 (figure 1). Payment from both pages equals 40 centavos, which is the Class 9 rate. The government used this rate to pay various commercial and legal taxes. Staple holes show on pages indicating that the document was one of many from some official government ledger.

Figure 2 is an example of "using revenue stamps as postage stamps." It is a postal letter from Manila to Munchen (Munich), Germany, dated May 1889. The letter has a strip of four of the 2-4/8c *Recargo de Consumos* (surtax for consumption) surcharge on Scott number 80. Warren lists this stamp as a revenue stamp—W-298. The government issued the postage stamp, without the surcharge, in 1886.

Warren states that during the first part of 1888 officials overprinted various stamps, including Scott number 80, with *Recargo de Consumos*. Taxpayers placed these newly created revenue stamps on *Cedulas Personales* (poll tax receipts) and *Patentes de Captacion* (poll tax certificates of Chinese). These revenue stamps paid a surtax of five percent on the consumption of tobacco. The government ended the use of these stamps for revenue purposes on July 1, 1888. On this date, the government issued new *Cedulas Personales* and *Patentes de Captacion* forms that included the five percent surtax printed directly on the first page.

For unknown reasons, the government kept the leftover surcharged stamps. On January 29, 1889, as a result of a shortage of postage stamps, the Governor-General put the overprinted *Recargo de Consumos* stamps back on sale for postal and telegraphic use. This action was temporary, pending the arrival of a new supply of postage stamps from Spain. He also ordered that the value of the stamp for postal purposes was to be the original value on the stamp, and not the value of the surcharge. In **Figure 2**, it happens that the value of each stamp and the surcharge is the same 2-4/8 centavos. The four stamps on **Figure 2** total 10 centavos, an excess of 2 centavos over the required 8 centavos single-weight U.P.U. rate to Europe.

The government dropped the use of stamps surcharged *Recargo de Consumos* for postage or telegraph use on August 1, 1889. This curtailment resulted from a royal decree issued in Madrid on March 22, 1889. This decree directed that no one could use surcharged stamps for any purpose after August 1, 1889. On January 1, 1890, Manila issued a new set of stamps with the "babyhead" design. Based on our records, mailers used *Recargo de Consumos* issues for postal use between January 29 and August, 1889.

Doug Lehmann owns **Figure 1** and Don Peterson **Figure 2**. We each covet the other person's find, but unfortunately do not want to trade. As expected, documents showing either usage are difficult to find. However, our joint wish is to locate two more examples to complete our respective postal and revenue collections.

1. Arnold H. Warren, *Fiscal Stamps of the Philippines: Handbook-Catalogue, 1856 to date*, The American Philatelist, October 1967, pages 57-8; and December 1967, page 224. ■

THREE KINDS OF DOCUMENTARY STAMPS AND METERS ON INSURANCE POLICIES

By Douglas K. Lehmann

Starting in 1915, the Philippine government taxed insurance policies for property using Documentary stamps. Before this time, officials used Internal Revenue stamps for this purpose (1904-1914). The August 1, 1904 law required insurance companies to pay this tax yearly. The Internal Revenue tax was 1 percent of all premiums plus 1/2 percent of all yearly renewals (on July 1, 1909, the government dropped the renewal tax rate).

The 1915 law required a 2 centavos tax for each 4 pesos or fraction of the premium. The tax was the same for the initial policy and each yearly renewal. Except the fractional round-up, this rate equaled a tax of 1/2 percent. Insurance companies placed small documentary stamps directly on each policy to pay this tax. **Figure 1** shows a March 23, 1933 example of this tax. This document reinsures several motor cars for 7,000 pesos. The premium for this is 70 pesos. The tax on the 70 pesos is 36 centavos. The tax computations include 17 increments of 4 pesos plus an 18th increment of 2 pesos. The 18 increments times the 2 centavos rate equals the 36 centavos tax. Four documentary stamps (20c, 10c, 4c, & 2c) pay this tax, all of the perforated 10 x 10



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Total - - - P ~~120.00~~ ^{121.20}

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Dirección *Florida 37, Ermita, Manila.*

10/17/23 - Ermita

Figure 2

The unusual nature of the attachments is that meter stamps pay the Documentary tax rate. **Figure 3** shows one of four 1940 meter stamps. There is another 10 centavos meter and two 50 centavos meters adding up to the required P1.20 tax. To my knowledge, this is the first article to list and show a Documentary meter stamp. The only other reference to meters I could find is in an unpublished document by Arnold H. Warren dated December 28, 1941. On pages 18 and 19 Warren states "The use of **TAX METERS** as a substitute for adhesive Documentary stamps was begun, the author is informed, in 1939. These tax meters are similar to the Postage Meters which have been in use for a number of years. The label printed upon the document by the Tax Meter indicates the amount of the stamp tax and the registered number of the Tax Meter. The key to the Tax Meter is held by an official of the Bureau of Internal Revenue, who opens the tax meter periodically and collects from the user the amount of the documentary stamp taxes recorded therein. In August 1941, four banks and two insurance companies were using these Tax Meters."¹

Commonwealth Act Number 466, which established the 1 percent rate, also allowed for these meters. The act states "In appropriate cases....documentary stamps may be imprinted on certain documents upon payment of the face value of such stamps, in which case the imprinted stamps need not be cancelled as indicated in the preceding paragraph." We previously knew the latter provision applied to stamps imprinted on checks and sweepstakes tickets. Now we also know that the "imprinting" also applied to meters as no cancelled copies are known. **Figure 4** shows a 10 centavos 1941 meter, also inside the policy. The ink used for both the 1940 and 1941 meters is blue. In 1941, the insured lowered the value from P16,000 to P10,000 (see **Figure 2**). This lowering resulted in a total tax of 76 centavos. This tax payment consists of three meters—50, 16, and 10 centavos each. Apparently, the meter worked productively by using 2-digit slugs; 10, 16, and 50 were available. The meters include the inscription of "P.B. METER/C-406." The 406 identifies a specific machine while the P.B. stands for the well known manufacturer, Pitney Bowes.

The reverse of the last in this trio of insurance documents (**Figure 5**) shows the stamps used all punched and cancelled with a handwritten "Dec 11, 1944." The front shows a premium of P572 with a 1 percent tax equaling P5.72.² Pre-war large documentary stamps pay the 72 centavos. These large stamps had replaced the smaller ones and saw widespread use for about one year before the Japanese invasion. The showcase of this document is the 5 peso stamp, W-756 issued late

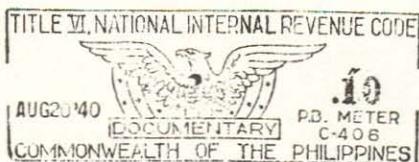


Figure 3



Figure 4

1944. This is the only reported use on document for this stamp (although a few more should exist). Mint examples retail at \$5.00 and are not hard to find. However, used copies are rare.

I don't know of any other three tax documents that can show such a diverse history of tax usage for a single tax rate.

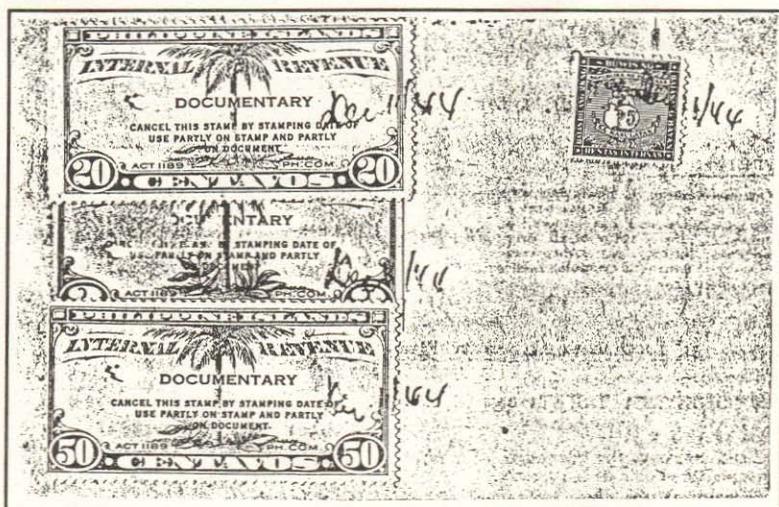


Figure 5

ENDNOTES

1. The author has no information of the names of the two banks and the remaining three insurance companies. Members who have copies are kindly requested to notify me or the editor. A photocopy clearly showing the "P.B. Meter" number and color of ink used is desired and would be greatly appreciated.

2. At the time of this renewal, the American invasion was 50 days old, and the value of the peso had depreciated drastically. So exactly why the insurance coverage was not raised higher is unknown to me. If the building was destroyed, the 80,000 pesos formerly needed to replace it would likely only be enough to clear the rubble off the lot. Perhaps, the owner saw a quick economic recovery and wished to continue the good will he had established with this insurance company. It is unlikely he foresaw the 75 percent destruction of Manila during its recapture in February 1945. ■

International Philippine Philatelic Society

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