

Title Page

USE OF \$5 STAMPS FOR REGISTRY FEES ON SECURITY & BANKNOTE TRANSFERS: 1933-48

Background: On July 1 1932 the USPO began a supplemental fee system that required surcharges on registered mail with declared value above \$1000. Such fees could be substantial and were usually paid with postage stamps. Demand and production for \$5 stamps thus rose sharply in 1933 and beyond.

Supplementary Surcharge: Cents per \$1000 Excess Value

POSTAL ZONES	7/1/32-to-3/26/44	3/26/44-to-1/1/52
1: < 50 miles	8	11
2: 50-to-150	9	12
3: 150-to-300	10	14
4: 300-to-600	11	15
5/6: 600-to-1400	12	16
7/8: >1400	13	18

Treasuries and financial institutions were major users of the Supplementary System. Bulky valuables like gold or cash bundles were shipped in parcels with attached tags bearing the required stamps. Negotiable bearer bonds or hi-value banknotes, however, could be mailed in envelopes (covers). Such covers are rarer than tags and are the subject of this exhibit. Their contents were valued up to \$3 million in depression-era currency, equivalent to around \$45 million today. Senders self-insured or carried private insurance.

Organization: The exhibit is organized chronologically. It begins with a cover bearing \$2 stamps to pay the surcharge during the 1932 hiatus in the production of \$5 stamps. Subsequent covers show the use of \$5 stamps to pay the surcharge from 1933 until 1948, by which time metered mail and ebbing bearer-bond issuance had combined to stanch the flow of surcharged covers bearing \$5 stamps. This time-frame spans the 1944 fee increase and illustrates the transition from Fourth-Bureau stamps to the 1938 "Prexie" series.

Material: Covers bearing \$5 stamps paying the registry surcharge are scarce. Despite the issuance of several million \$5 stamps in 1933-48, only 31 such covers are known to have survived: nineteen of these covers bear Fourth-Bureau \$5 stamps; and twelve bear \$5 Prexies. This exhibit includes six of the known \$5 Fourth-Bureau covers and five of the Prexie covers, the largest such grouping ever shown. These eleven covers illustrate the full range of security transfers among banks, insurance companies, brokerage houses, a corporation, U.S. and state Treasury Departments, and even a private individual. Examples of mailings to postal zones 1-through-8 are included. The twenty known covers that are not exhibited are similar to those shown and would add little to the exhibit.

Importance: Implementation of the Supplementary Registry Service transformed the means by which high-value negotiable financial assets were transported. For nearly two decades this service was instrumental to the sale and delivery of debt securities, both private and governmental.

Condition: Most Supplemental Registry covers are oversized and were opened roughly. Wrinkles, tears, and overlapping stamps are the norm. Though rare, several pristine examples are shown.

Noteworthy items: Earliest \$5 surcharge cover- March 22 1933; Earliest \$5 Prexie surcharge cover-Oct 5 1939; Most (72) \$5 Prexie stamps on any cover-May 17 1946; Only zone 8 surcharge cover-June 26 1946; Latest Prexie surcharge cover and only airmail surcharge cover-Jan 12 1948.

REFERENCE: Beecher, H. & A. Wawrukiewicz; *U.S. Domestic Postal Rates, 1872-1993*; Traditions Press, Shawnee-Mission Kansas 66207