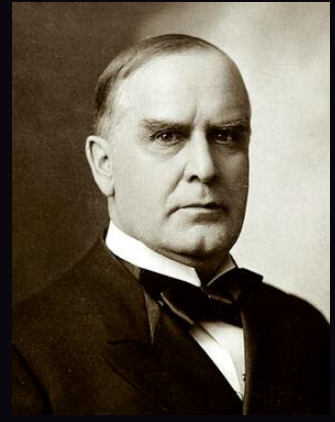


1901 PAN-AMERICAN ISSUE

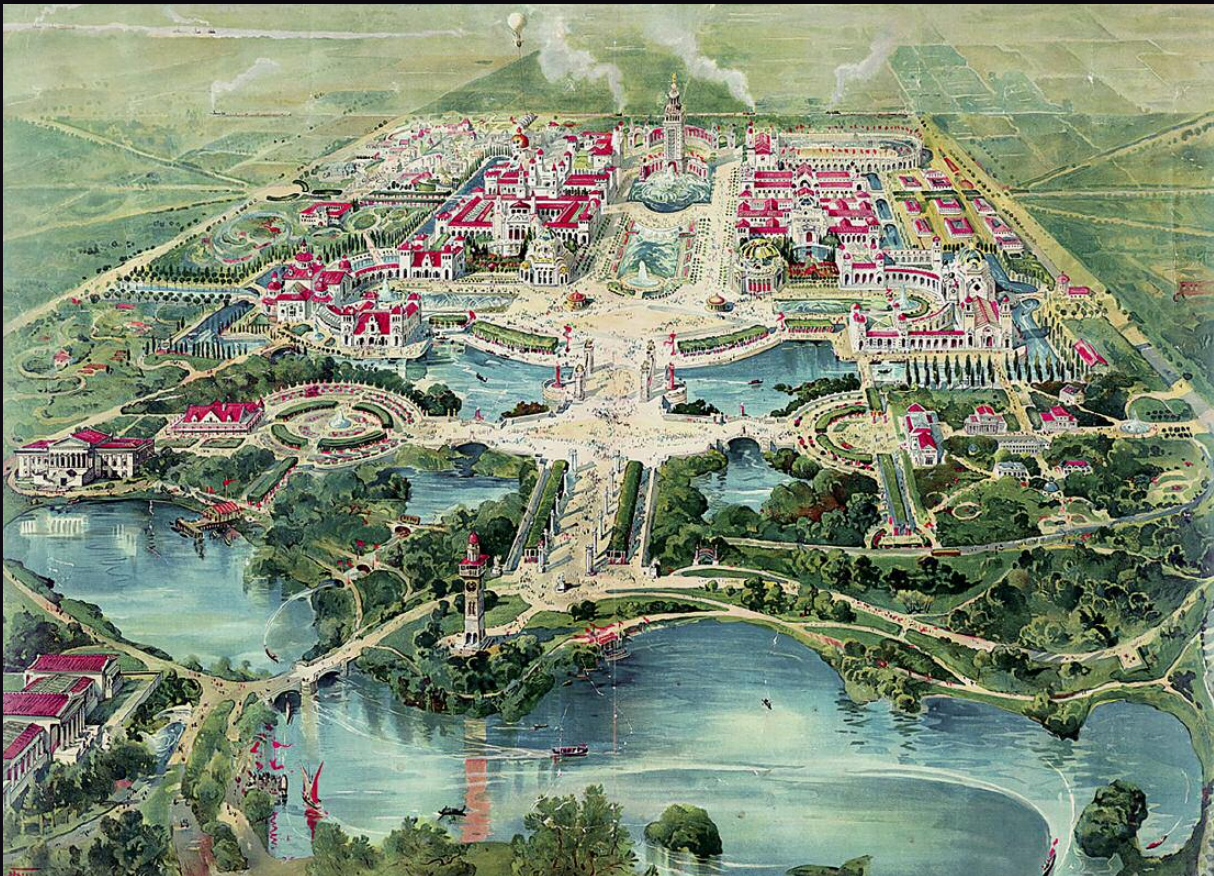
THE PAN-AMERICAN ISSUE WAS THE FIRST SET OF UNITED STATES STAMPS OF THE 20th century. The six-value commemorative issue was released for the Pan-American Exposition, held in Buffalo from May 1 to November 2, 1901.

The Pan-American Exposition—to promote “commercial well being and good understanding among the American Republics”—was conceived in 1897 and originally intended to be held in 1899 on Cayuga Island, just north of Niagara Falls. For logistical and other reasons the venue was changed to Buffalo, and due to the outbreak of the Spanish-American War the opening was delayed until May 1, 1901. From May to November, the 350-acre exposition grounds featured a wide variety of exhibits and attractions in more than a dozen faux marble buildings specially constructed for the event. The buildings and grounds were illuminated using Tesla’s recently invented alternating-current system for transferring electricity across long distances.

Toward the end of the exposition, on September 6, 1901, President William McKinley was shot while he greeted the public inside the Temple of Music. The assassin was Leon Czolgosz, an anarchist who was disgruntled over the loss of his job. For a week President McKinley seemed to be recovering, but the internal abdominal wound had turned gangrenous. On September 14 the President succumbed to the infection. Czolgosz was quickly tried and executed in the electric chair just six weeks later, on October 29.



President William McKinley



Contemporary birds-eye view of the Pan-American Exposition fairgrounds in 1901



President Theodore Roosevelt

Upon McKinley's death, Vice President Theodore Roosevelt was sworn into the President's office and served out the remainder of the term. Roosevelt, a Republican, was successfully elected to a second term in 1904.

Charles Emory Smith was postmaster general under McKinley and Roosevelt, from April 1898 until January 1902. While Postmaster General Smith did much to improve the postal system, including the expansion of free rural delivery service, his department was marred by a series of scandals involving influence peddling and

kickbacks for government contracts. Smith was succeeded by Postmaster General Henry C. Payne in January 1902.

In 1899 the Pan-American Exposition promoters petitioned the Post Office Department for a set of commemorative stamps to be issued in conjunction with the event. The philatelic community was wary of the idea, still feeling burned by the costly Columbian and Trans-Mississippi sets. There was also a problem with the inscription that was requested—"Pan-American Series-1901"—because it was deemed to be a commercial advertisement by Assistant Attorney General James N. Tyner and, therefore, prohibited by law from appearing on postage stamps (*New York Times*, July 14, 1900).

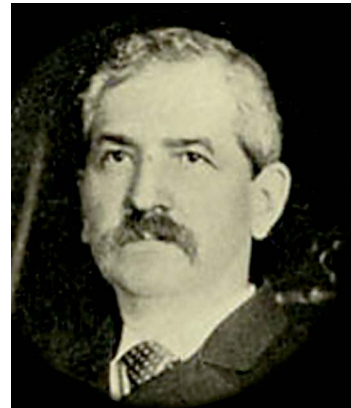
The protests of collectors against high face-value stamps in response to the earlier commemorative issues had been heard. The six Pan-American stamps were issued with denominations totaling 30 cents, versus \$3.80 for the Trans-Mississippi or \$16.34 for the Columbian Issue. They became immediately popular with the public, and shortly after the Pan-American set made its debut, the *New York Times* reported that 5 to 6 million stamps per day were being purchased.

The 1¢, 2¢ and 4¢ Pan-American Engravers and Designs

The Pan-American stamps depict images capturing new concepts and ideas for a new century—an automobile, train, fast steamships, and a man-made canal. To express this high-tech era with enthusiasm, each stamp was printed in two colors. The set was the Bureau of Engraving and Printing's (BEP) first attempt at bicolored postage stamps and the Post Office Department's first bicolored issue since the 1869 Pictorial Issue. The BEP had intended to print the Trans-Mississippi Issue in two colors, but the color scheme was changed to a single color for each stamp due to demands on the BEP for revenue stamp production resulting from the 1898 taxes enacted to finance the Spanish-American War.

The stamps were printed from frame and vignette plates of 200 subjects each, arranged in 20 horizontal rows of 10, with imprints at the top and bottom. Vignettes were printed first, followed by frames. Full printed sheets were cut horizontally into upper and lower panes of 100 stamps with straight edges at the top or bottom. The panes could be further divided vertically into two panes of 50.

The entire set was designed by Raymond Ostrander Smith (1873-1933). Smith started working at the American Bank Note Company in New York City at the age of 14. He later he joined the BEP and continued working there until the end of 1902, when he returned to employment with American. During his BEP years, Smith designed many of the most beautiful stamps ever produced by the United States, including the Trans-Mississippi commemorative issue.

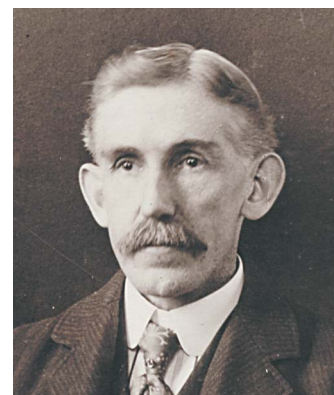


PMG Charles Emory Smith
McKinley-Roosevelt Administration
April 1898 – January 1902



Raymond Ostrander Smith,
Pan-American Issue designer

The vignettes used on the 2¢ through 10¢ were engraved by Marcus W. Baldwin (1853-1925), one of the most talented and accomplished security engravers of all time. Baldwin apprenticed at the American Bank Note Company under Alfred Jones and Luigi (Louis) Delnoce. In 1880 he formed his own engraving company, Baldwin, Gleason & Co., in New York City. Baldwin joined the BEP in 1897 and spent more than two decades there before returning to American. One of his earliest engravings for the BEP was the vignette for the \$1 Trans-Mississippi stamp, considered by many to be the most beautiful ever issued by the United States.



Marcus W. Baldwin, engraver of the 2¢-10¢ Pan-American vignettes



George F. C. Smillie, engraver of the 1¢ Pan-American vignette

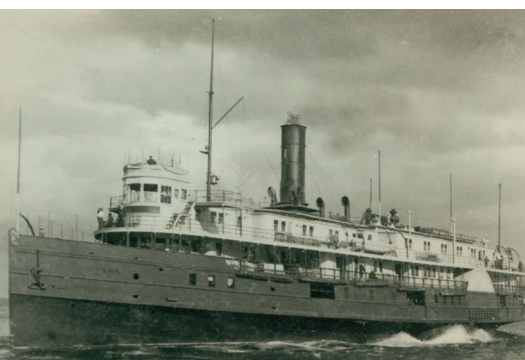
The 1¢ vignette was engraved by George F. C. “Fred” Smillie (1854-1924), who studied under his uncle, James, and Alfred Jones. After working for the American Bank Note Company from 1871 to 1887, and for various other bank note printers from 1887 to 1894, Fred Smillie joined the BEP in March 1894 as chief engraver. He worked for the BEP until 1911, when he left to join American. His diary of work records approximately 300 portraits and 135 vignettes.

Two other engravers worked on the Pan-American Issue: Lyman F. Ellis (b. 1870) and Robert Ponickau (1846-1920). Ellis worked for the BEP at different times between 1894 and 1923. Ponickau started working for the BEP in 1894. The Hessler and Johl books are in agreement that the lettering and numerals were executed by Ellis. However, the two sources have conflicting information about the frame engravings. Johl states that Ponickau engraved the frame of the 1¢ only, and Ellis engraved the letters and numerals (as well as the 2¢-10¢ frames). Hessler lists Ponickau as the frame engraver for all values, which is supported by the BEP records.



Lyman F. Ellis, who engraved the letters and numerals

The vignettes for the 1¢, 2¢ and 4¢ stamps were based on contemporary photographs and illustrations. Each was selected to represent technological advancement in transportation.



Photograph of *City of Alpena* used as the basis of 1¢ vignette engraving

The 1¢ vignette is captioned “Fast Lake Navigation,” and it depicts a steamship based on a contemporary photograph of the *City of Alpena*, a 1,282-ton sidewheel steamer that navigated the Great Lakes (the 10¢ Pan-American stamp depicts an ocean steamship). The vessel on the 1¢ stamp is sometimes confused with others with a similar name. This ship was launched in 1893 by the Detroit & Cleveland Line, which served ports throughout Lake Erie and Lake Huron. The *City of Alpena* could carry 400 passengers and commercial freight. She operated under different names until 1957.



A. P. Yates photograph of Locomotive 999, the Empire State Express, on the New York Central and Hudson River Railroad

The 2¢ “Fast Express” vignette was another Baldwin engraving, based on a photograph of “Locomotive 999” taken by A. P. Yates on May 10, 1893, in Syracuse. The 999 pulled the New York Central and Hudson River Railroad’s passenger train, the Empire State Express. On the run captured in Yates’ photograph, the 999 set the speed record for a land vehicle when it reached 112.5 miles per hour.

The 4¢ vignette was an unusual—and perhaps unethical—choice for a postage stamp. The electric automobile pictured in Baldwin’s engraving was operated by the Baltimore & Ohio Railroad to transport passengers throughout areas surrounding their stations. The service was first established in Washington D.C. on April 1, 1900. Over the next five months it was extended to B&O’s stations in Philadelphia (May), Chicago (July) and New York (September).

The electric-powered hansom cab on the stamp is depicted in front of a building. The building is, in fact, the U.S. Capitol,

and the engraving was based on a larger illustration from the B&O’s advertising brochures. The passenger in the car is Samuel Bittner Hege (1855-1929), B&O’s passenger agent who served on the committee for President Theodore Roosevelt’s inauguration in 1905.

When 4¢ Pan-American Invert “Specimen” stamps were given away by Third Assistant PMG Madden, the list of lucky recipients included one identified as “J. H. Hige... B&O Railroad... December 20, 1901.” The similarity in last names and absence of anyone named “Hige” in connection with B&O (or in city directories) suggests that Samuel B. Hege not only got an Invert, but his image was put on a stamp—contrary to law—and the B&O got some free advertising for their new electric-powered hansom cab service. This sort of influence peddling was soon to be the focus of public criticism and an attorney general’s investigation.



Illustration of Baltimore & Ohio Railroad’s electric-powered hansom cab



Enlargement of chauffeur (steering at right) and passenger as depicted on stamp and in B&O illustration

Discoveries of 1¢ and 2¢ Pan-American Inverts

In common with the 1869 Pictorial Issue, the Pan-American Issue resulted in three invert errors. The 1¢ and 2¢ were printed by mistake, overlooked by BEP inspectors and issued through post offices. The 4¢ Invert was printed “accidentally on purpose.” The story of the 4¢ Invert has been researched by James H. Bruns (1990 *Congress Book*) and is retold in the description of lot 5 (pages 47-51).

The Pan-American Invert errors occurred during the two-stage printing process—black vignette first, colored frame second—and resulted from the pressman’s mistake in turning the sheet 180° from the correct orientation before the frame impression. The printed sheets (200 stamps) were dried, gummed, perforated and cut into upper and lower panes of 100 for distribution to post offices.

More than 91 million 1¢ and 209 million 2¢ stamps were issued. The earliest purchases of Inverts from post offices occurred during the first week of sale. There are several accounts of these early discoveries of the 1¢ and 2¢ Inverts. Some stories have been retold by philatelic writers without the benefit of first-hand testimony or documentation. The following summarizes the various reports (accounts with minimal credibility are marked with a † symbol).

1¢ Invert Reports:

- A worker at the Summit Thread Co. in East Hampton, Conn., bought a 1¢ sheet. A company officer noticed they were errors and ordered another worker, William Smith, to exchange them for normal stamps. Instead, Smith returned 50 and paid for the other 50 for himself, then sold them to J. W. Scott for \$3 each. 42 of the returned stamps were bought by a local New Haven collector, Ralph Waite, who sold 34 to Frank P. Brown, a Boston stamp dealer.
- A sheet of 100 1¢ Inverts was found in Anderson, Indiana. 35 of those stamps were bought by a local postal clerk named Minot Cleveland. Another 65 were bought by a resident, A. A. Small. The stamps were sold through C. H. Mekeel, St. Louis dealer.
- A sheet of 100 1¢ Inverts was found in Bessemer, Ala., and used on mail from the Carrel Jewelry Co.
- † E. J. Rice, a coal dealer in Syracuse, N.Y., bought a sheet of 100 1¢ Inverts on the first day of issue and used one on a first day cover.
- † A sheet of 100 1¢ Inverts was found in Branford, Connecticut.

2¢ Invert Reports:

- Frederick W. Davis, employed by Mergenthaler Linotype Co. in Brooklyn, bought 50 2¢ Inverts from his letter carrier on May 4. He gave one to the letter carrier (and a second copy later) and sold five to a co-worker for face value, which he bought back shortly after for \$1 each. Keeping one for himself, Davis sold 47 stamps (including the five from his co-worker) to Walter S. Scott, Crawford Capen/U.S. Stamp Co., J. C. Morgenthau, Charles Gregory, and George R. Tuttle. Davis sold his own copy one year later. The story of Davis’ discovery was reported in the May 11 *New York Times* and his own account was published by Davis (*How I Made a Fortune on The Pan-American Stamps*).
- † A businessman became irate when he noticed his stamps showed poor “workmanship” and he complained to the Post Office Dept. After being assured they were valid, he used one to mail a letter to his daughter in Detroit.
- † Frederick Schoenberg bought a sheet of 100 in New York City, gave four to friends, and sold the rest for \$1,000 to a man who pretended to be a postal inspector.

FREAK PAN-AMERICAN STAMPS.

**Printed by Accident with the Engine
Upside Down—Commanding
Fancy Prices.**

Two-cent stamps, (Buffalo Exposition series,) worth considerably more than their face value, may be the sequel to a blunder said to have been made by the Bureau of Printing and Engraving at Washington. These stamps are in two colors, being the first of that kind issued since 1869, and, according to philatelists, anything odd about them immediately enhances their value. It is said that one sheet, containing 100 stamps, was reversed before being run off, thus causing the Empire State Express to be printed inverted within the red border. They are likely to become known as the “train upside down” stamps, and as there are but 100 of them in existence, collectors are already looking out for them.

The sheet was not noticed by the authorities at Washington, and the story goes that it was sent in the ordinary course of business to Brooklyn, where it was placed on sale. A manufacturing firm bought ten of the stamps, and instead of recognizing their value, wrote to the department at Washington complaining of them, using one of the very stamps in transmitting its letter of protest.

Thus the fact came out and an enterprising philatelist at the capital at once set about trying to secure as many of them as possible. He secured four by paying a Brooklyn man \$20 each for them. The Scott Stamp and Coin Company is also said to have secured two of the stamps. It is said that there are a few stamps in colors, in which the same blunder was made, of the issue of 1869, and that they now command fancy prices. They are of the twenty, twenty-four, and thirty-cent denominations.

New York Times, May 11, 1901, reporting
discovery of 2¢ Pan-American Invert

© The New York Times