



THE P.N.B. AND M.O.B. RARITIES OF THE SMALL-TOWN U.S. POSTAL NOTE OFFICES



BY KENT HALLAND AND ROBERT LAUB

With barely 2,100 surviving examples reported, United States Postal Notes issued from 1883 to 1894 are quite scarce. Depending on the quantity known from an office or of a specific design type, some can be classified as extremely rare because they are either unique or nearly so.

This article will reveal the Postal Notes we believe are the scarcest of all—those issued by the small-town and rural post offices. Some bear clearly identifiable date stamps. Others are not so easily detected by the novice collector.

Authorized on March 3, 1883 and first issued on September 3, 1883, Postal Notes were in use for just under 11 years. The last notes were issued on June 30, 1894. A total of 70,824,173 were requested by the public.

This article will focus on the period from January 3, 1887 to June 30, 1894, but we'll provide a brief background for those unfamiliar with Postal Notes.

Of the 48,049 post offices in operation in 1883, Congress wisely stipulated the Postal Notes were to be issued only at the 6,243 existing Money Order Offices (and 73 stations of those offices) then in operation. This was decided because personnel at the Money Order Offices were already familiar with the procedures for issuing Money Orders, so learning how to issue the much simpler Postal Notes would require very little effort.

The goal of course, was to minimize the risk of errors when issuing and redeeming the new Postal Notes while maximizing the likelihood of widespread public acceptance.

An additional factor in the decision: most Money Order Offices had annual revenues in excess of \$250, ensuring ample funds available for redeeming Postal Notes. The other 41,733 (smaller) post offices did not generate that much revenue, and often lacked the necessary cash on-hand for redemptions.

One drawback in designating just the Money Order Offices to issue Postal Notes was sparsity of those offices in many areas. Smaller towns across the southern, central and western United States lacked Money Order Offices and had no access to the new Postal Note system. This created a problem: the rural and small-town populations had no safe means of sending money through the mail.

A Change in the Law

To alleviate this situation, Congress changed the law on January 3, 1887. It authorized the issuance, but not the redemption, of Postal Notes at selected smaller post offices--those with revenue less than \$250 per year.

These smaller offices were called *Postal Note Offices*. Postmasters at all post offices were encouraged to apply to be designated as a Postal Note Office. This is evident by the notice published in the January 7, 1887 edition of The Postal Bulletin. (See Figure 1).

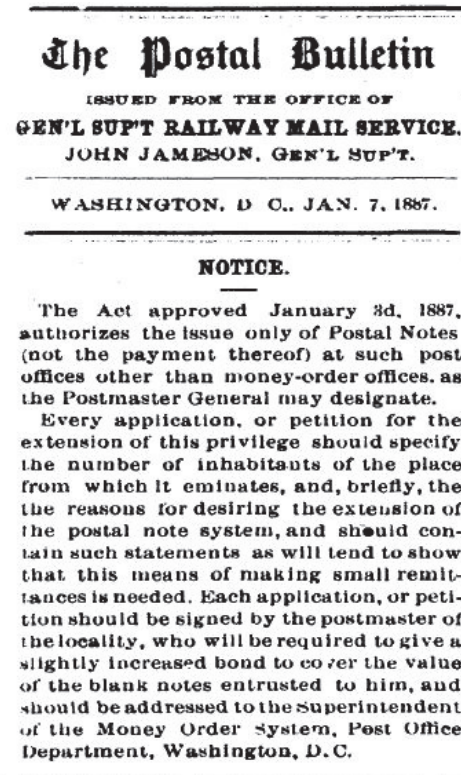
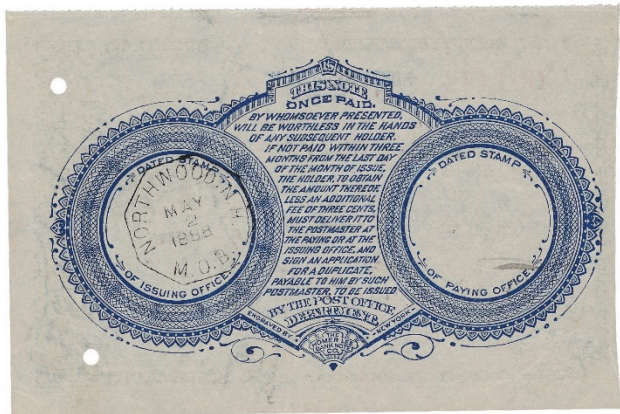


Figure 1: Notice in the January 7, 1887 edition of the United States Postal Bulletin explaining the requirements for applying for the privilege of being designated as a Postal Note Office.

The 1887 legislation also changed the law to allow Postal Notes to be redeemed at any Money Order Office instead of a specific office. This immediately created the scarce (71 known) Type II-A Postal Notes with the words "Any Money Order Office" hand-written or rubber-stamped on the line where the location of the redeeming office was previously hand-written. (See Figures 2 and 3.)



Figure 2: Obverse of a Type II-A Postal Note bearing serial number 001444 from Northwood, New Hampshire, issued May 2, 1888—over one year after the 1887 legislation. The reverse of the same note is shown below as figure 3.



Postmasters were instructed to enter those words during the issuance process so the outstanding supply of Type II Postal Notes could be depleted through use, rather than via an expensive and time-consuming recall.

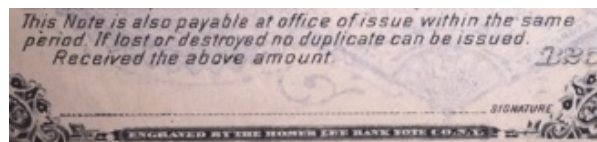
We estimate the nation's Money Order Offices had over two million unissued Type II Postal Note forms on-hand at the time. In addition to the unissued notes at the Money Order Offices, about 4,000 booklets of blank Type II notes (two million notes) were also held in reserve. These were stored in a vault at the office of the Postal Note Agent located inside the Homer Lee Bank Note Company printing facility in New York. These had to be depleted as well, explaining why the Type II-A Postal Notes were being issued by some offices well into 1888.

Astute Postal Note collectors know the 1887 legislation created problems with the wording on both the obverse and reverse of the Type II printing plates.

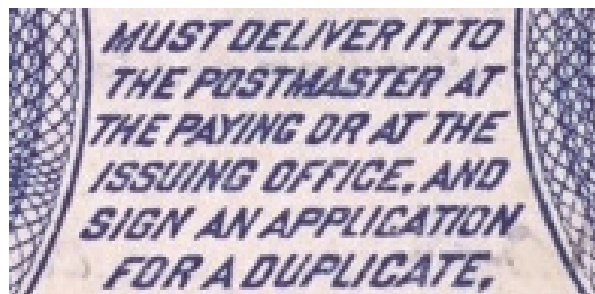
More specifically, the engraved wording on the notes was invalidated by the new law, requiring modifications of the printing plates.

These are the two issues requiring changes:

1) The sentence ***"This Note is also payable at office of issue within the same period."*** on the obverse was now incorrect because the Postal Note Offices were prohibited from redeeming Postal Notes—even their own. (See Figure 4 below.)

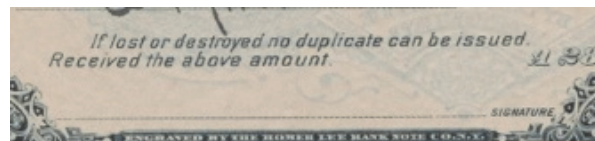


2) The words ***"MUST DELIVER IT TO THE POSTMASTER AT THE PAYING OR AT THE ISSUING OFFICE"*** on the reverse were also factually incorrect. A Postal Note could now be redeemed at any Money Order Office; however, it could not be redeemed at the issuing office if it was a Postal Note Office. (See Figure 5 below.)



To make the design comply with the legislation, Homer Lee's engravers made changes to seven Type II printing plates bearing numbers 26 through 32. Those changes included:

1) Removal of the entire first sentence on the obverse of the note. In doing this, they neglected to move the second sentence to the location previously occupied by the first sentence. (See Figure 6 below.)



2) Changing the wording on the reverse of the note to ***"MUST DELIVER IT TO THE POSTMASTER AT ANY MONEY ORDER OFFICE"***. (See Figure 7 below.)



- 3) In the most recognized change, they engraved the words “**ANY MONEY ORDER OFFICE**” in a straight line on the obverse in the space where the same words were being rubber-stamped or hand-written on the Type II-A notes. This is where the town name was written on the Type II notes. (See Figure 8 below.)



We believe the engraving changes were done in haste by the Homer Lee Bank Note Company between early February and August 14th, 1887, the last day of their contract. (American Bank Note Company's contract commenced on August 15th, 1887 when they introduced the next Postal Note design, the Type IV.)

In support of our belief, many of the Type III engraving changes are far less than perfect. Especially noticeable is the “hatchet job” where the text intersects the border of the circle to the right of the word “ORDER” on the reverse of some (but not all) of the Type III notes. (Visible at center right in Figure 7.)

Postal Note Types are defined by the engraving details of their plates. Type III Postal Notes are considered the rarest of the series with only 56 examples known to exist. (See Figures 9 & 10.)

The 1887 legislation also set the stage for Postal Notes that are much scarcer than the Type II-A and Type III.



Figure 9: Obverse of Type III Postal Note #018286, issued at Trenton, NJ on February 3, 1888.

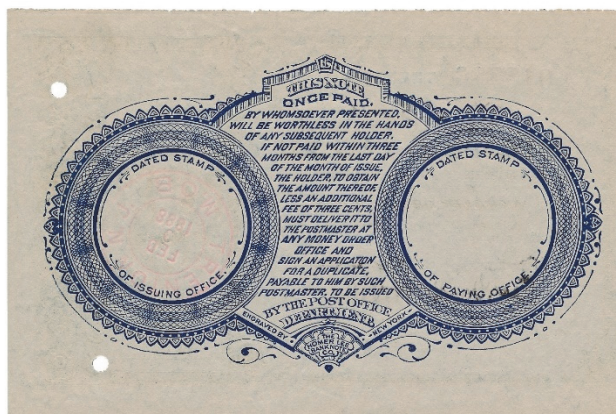


Figure 10: Reverse of a Type III postal note (this is the reverse of the note shown in figure 9).

The Smaller Offices

To facilitate the legislated change to allow smaller post offices to participate, the 1887 contract for Postal Notes was negotiated to include booklets containing 100, 200, 300, and 500 Postal Notes. Previously, all booklets contained 500 Postal Notes, requiring relatively high surety bonds. These smaller booklets allowed for a reduced size of the surety bond for any postmaster requesting their office to be approved as a Postal Note Office.

This was significant because it made the bonds much more affordable for the smaller post offices.

Prior to this, the minimum bond amount had been \$2,500 and could now be as low as \$500. The bond amount was based on the maximum value of the unissued Postal Notes in a booklet the office would receive. (I.e., a booklet of 100 Postal Notes required only a \$500 bond, nearly equal to the maximum \$499 value of unissued notes in the booklet.)

Government records suggest 186 Postal Note Offices commenced operations on July 5, 1887. That number grew to 728 by the last day of issue of Postal Notes, June 30, 1894. During that period, some Postal Note Offices became Money Order Offices while others were discontinued. In all, 1,373 Postal Note Offices operated at one time or another between July 5, 1887 and June 30, 1894.

Six States, Territories and Districts had no Postal Note Offices at all. By comparison, over 19,000 Money Order Offices operated during the same period throughout every State, Territory and District. (Postal Notes were not issued in Hawaii because it was not part of the United States until 1898.)

The smaller Postal Note Offices, by virtue of their locations in less-populated areas, issued Postal Notes less frequently than their larger counterparts. Additionally, there were far fewer Postal Note Offices than Money Order Offices. Considering those two

factors, it is easy to understand why the Postal Notes issued at the Postal Note Offices are extremely rare.

The Unique Date-Stamps

For reasons not fully understood today, the decision was made to issue a special date-stamp to the newly authorized Postal Note Offices that commenced operations on July 5, 1887.

Instead of the "M.O.B." (Money Order Business) date-stamp (Figure 11 at right) used by the larger offices to mark the appropriate circle on the reverse of the Postal Notes, Postal Note Offices received date-stamps with the "P.N.B." (Postal Note Business) designation (Figure 12 below.) There are two different shapes of P.N.B. date-stamps known, with most being observed



on 19th century covers (envelopes) rather than on Postal Notes. The earliest are octagonal, the later ones are round. The shapes are like the Money Order Office date-stamps of the same period, but the M.O.B. date-stamps are also seen in many other shapes and styles. Most date-stamps became standardized to the round shape by the 1890's.

Many collectors would not be aware of the P.N.B. cancellations had it not been for the efforts of the late Jim Noll, who maintained a census of known postal covers with P.N.B. date-stamp cancellations. He had no Postal Notes in his P.N.B. date-stamp census, nor were there any shown in his Postal Note census entitled "Index of U.S. Postal Notes in Collectors Hands", last published in 2004.

In support of Noll's findings, we see the P.N.B. date-stamps were described as "postal-note stamps" and included among the supplies issued to the Postal Note Offices per Section 1429 of the 1887 postal Laws and Regulations. (Notice item 5 in Figure 13 below.)

Sec. 1429. Supplies, Forms, &c.—The postmaster at every postal-note office will be furnished with—

1. A supply of the engraved postal-note forms.
2. A piler-punch for perforating postal notes.
3. Weekly statement sheets containing precise instructions as to the manner in which the entries therein are to be made.
4. Blank requisitions for postal notes.
5. A postal-note stamp containing the name of his office and State, and the letters "P. N. B.," with provision for changing dates.
6. A cash book for the entry of a daily cash account.
7. Forms of remittance letter to accompany remittances of postal-note funds to the post-office designated as the depository for such funds.
8. A list of money-order offices for the information of the public.

While the 1887 Postal Laws and Regulations officially became effective September 15, 1887, we believe the supplies listed in Section 1429 had already been provided to the inaugural Postal Note Offices established in July of 1887.

Noll's information about P.N.B. date-stamps was expanded upon and tabulated in Tom Koch's article entitled "*Cotton Gin puts Texas on scarce list of seen Postal Note Business cancels*", published in the *Texas Postal History Society Journal*, Vol. 35, No. 1 February 2010.

Koch's article mentions two Cotton Gin, Texas covers, each with the P.N.B. date-stamp cancellation. One of those is shown in Figure 14 at right.



Additionally, Koch's article contains a list of nineteen known covers with P.N.B. date-stamps from fourteen different small towns. Clearly, the P.N.B. date-stamps are scarce. Table 1 below shows an updated version of that list, now with a column for the date each Postal Note Office was authorized to issue the notes.

ID	State	Town	Date of Date-Stamp	Date Designated as a Postal Note Office
1	LA	Timothea	Dec 28, 1893	Oct 1, 1888
2a	AR	Elm Springs	Jul 24, 1889	Oct 1, 1888
2b	AR	Elm Springs	Sept 28, 1889	
3	KS	Jasper	May 26, 1890	Jul 30, 1889
4	MT	Champion	Oct 11, 1891	Apr 28, 1890
5	UT	Huntington	Feb ??, 18??	Jul 30, 1889
6a	WA	Gera	Jan 21, 1890	Oct 1, 1888
6b	WA	Gera	Jul ??, 1894	
7	LA	Oak Grove	Jan 21, 1889	Oct 3, 1887
8a	IN	Authur	Jul ??, 1888	Jan 28, 1888
8b	IN	Authur	Jun 17, 1890	
9a	LA	Gloster	Oct 22, 1894	Jan 28, 1888
9b	LA	Gloster	Nov 1, 1894	
10	WI	Big Springs	Jul 12 18??	Jul 5, 1887
11	AL	Yantley Creek	Jan 10, 1889	Oct 1, 1888
12	DK	Marvin	Sep 25, 1888	Oct 1, 1888
13a	TX	Cotton Gin	Nov 22, 1887	Jul 5, 1887
13b	TX	Cotton Gin	Nov 11, 1889	
14	MN	Dawson	Oct. 9, 1888	Oct 3, 1887

Surprisingly, no other P.N.B. covers have been reported since publication of the 2010 article; however, a few Postal Notes bearing the P.N.B. date-stamp of their issuing office have surfaced! (See Figure 15 at right.)

This is exciting because any Postal Note with a P.N.B. date-stamp cancellation is an extremely desirable rarity. Of the roughly 2,100 Postal Notes reported, only the three recent examples exhibit the P.N.B. cancellation.



Additionally, all three were issued by the same Postal Note Office, namely Mars Hill, North Carolina. The rarity of these three notes is amplified further by knowing that all were issued in amounts of \$.40 or more—and to top that, all have been redeemed! Their issue amounts or redemption status alone would qualify them as rare, so having the P.N.B. cancellation places these notes among the rarest of all—regardless of condition. See Table 2 below for more information about those three notes.

Serial Number	Issue Date	Postal Note Type	Issued Amount \$
#000096	November 20, 1891	IV-A	\$0.40
#000098	November 23, 1891	IV-A	\$3.40
#000100	November 26, 1891	IV-A	\$2.74

All three Mars Hill, NC notes are classified as Type IV-A, engraved and printed by the American Bank Note Company with date engraved as “189_”. (See Figures 16 to 21.)



Figures 16 & 17: Mars Hill, NC Postal Note #96, obverse above and reverse below

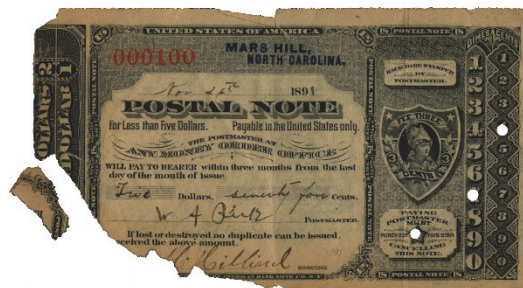


We have now identified the P.N.B. date-stamp as the obvious feature to look for when identifying this first major rarity of the Postal Notes issued at Postal Note Offices. But this applies only to roughly 955 Postal Note Offices that were issued P.N.B date-stamps from 1887 to 1891. Of the 955 offices designated through June 30, 1891, only 703 held the Postal Note Office designation on that date. As seen by the Mars Hill notes shown, the

P.N.B. date-stamp continued to be used by the offices that received them prior to 1891.



Figures 18 & 19: Mars Hill, NC Postal Note #98, obverse above & reverse below.



Figures 20 & 21: Mars Hill, NC Postal Note #100, obverse above & reverse below.



The Sleeper Notes

The other rarity issued by the Postal Note Offices is one not easily recognized—not even by the most experienced Postal Note enthusiasts.

Marshal Cushing, in his 1893 book entitled The Story of Our Post Office, stated the following:

"Before December 1891, it was the practice of the Department not to extend the postal money order system to any post office where the compensation of the postmaster was less than \$250 per annum, and not then, unless application was made for extension. But a year ago, Postmaster General Wanamaker issued an order for the extension of money order facilities to all post offices, though application might not be made for them, where the compensation of the postmaster is \$200 or more per annum; and it was not left optional with the postmaster whether or not his office should be made a money order office. There were about five thousand post offices yielding this amount of compensation, which rapidly became money order offices."

The late 1891 order by Postmaster-General John Wanamaker coincides with the timeframe in which the Post Office Department began issuing M.O.B. date-stamps to the Postal Note Offices *instead of* the P.N.B. date-stamps. This change was apparently an effort to standardize the supplies used for all Money Order Offices (and Postal Note Offices.) The change is confirmed in the 1893 Postal Laws and Regulations, Section 1330, which shows M.O.B. date-stamps were to be issued with other supplies to the offices designated as Postal Note Offices. (See item 5 in Figure 22 below.)

Sec. 1330. Supplies, Forms, &c.—The postmaster at every postal-note office is furnished with—

1. A supply of the engraved postal-note forms.
2. A plier-punch for perforating postal notes.
3. Monthly statement sheets containing precise instructions as to the manner in which entries therein are to be made.
4. Blank requisitions for postal notes.
5. A stamp containing the name of his office and State (or Territory), and the letters "M. O. B.," with provision for changing dates.
6. A cash book for the entry of a daily cash account.
7. Forms of remittance letter to accompany remittances of postal-note funds to the post-office designated as the depository for such funds.
8. A list of money order and postal-note offices.

This change in date-stamp types created the second rare variety of Postal Note for the period 1892 to 1894. We'll refer to this rarity a "sleeper" because it appears normal in all aspects. It is in fact, exceedingly rare, being issued by Postal Note Offices for less than three years.

These sleepers were issued by Postal Note Offices, yet they are indistinguishable from the Postal Notes issued by the larger and more numerous Money Order Offices. This is because they exhibit a M.O.B. date-stamp rather than the P.N.B. date-stamp.

The reader needs to be aware that the pre-existing Postal Note Offices (authorized from 1887 to 1891) continued to use their P.N.B. date-stamps during the same period the sleepers were being issued by the newer Postal Note Offices. This means Postal Note Offices,

depending on their establishment date, were issuing Postal Notes with either a P.N.B. or M.O.B. date-stamp cancellation from early 1892 to mid-1894.

The only way to identify a sleeper note is to know if the issuing office was operating as a Postal Note Office on the date shown on the M.O.B. date-stamp on the note's reverse.

There is only one sleeper Postal Note currently identified, making it unique. This Type V Postal Note was issued by postmaster Jules A. Sandoz of the town of Grayson in Sheridan County, Nebraska. There is a book, "Old Jules" written about this early Nebraska pioneer and postmaster. The author was his daughter, Mari Sandoz, a renowned Nebraska writer. (See Figure 23 below.)

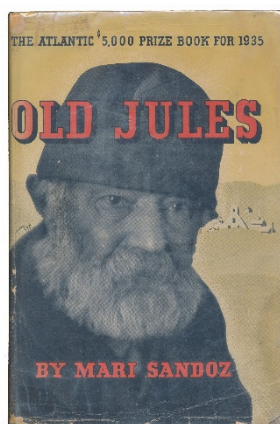
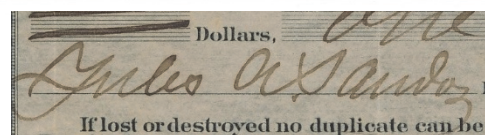
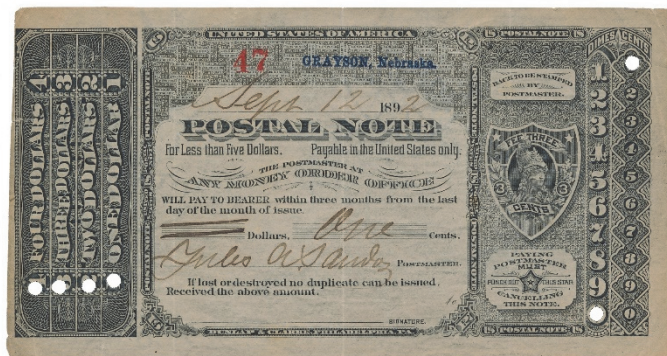


Figure 23. Cover of novel entitled "Old Jules" by Mari Sandoz, daughter of postmaster Jules Sandoz.

Likely, a souvenir, this sleeper note was issued for one cent on September 12, 1892. (See Figs 24 & 25 below.)



Amazingly, all dollar coupons remain attached—also a rare feature because all four of the dollar coupons were supposed to be removed from notes of less than a dollar.

The Grayson post office was designated a Postal Note Office on April 4, 1892 and remained one until the last day of issue, June 30, 1894. The next day, Grayson became what is known as a Limited Money Order Office. This means *all* Postal Notes issued at Grayson, Nebraska were issued while Grayson was a Postal Note Office, and therefore, were "sleepers" with the M.O.B. date-stamp in the circle of the issuing office.

Determining whether a Postal Note is a sleeper requires detailed information about the issuing office's status on the date of issue. Was it a Money Order Office or was it a Postal Note Office? This information is scattered about in various documents and publications, but a definitive list of all Postal Note Offices is not yet readily available. (A list is being compiled.)

We do know there were approximately 955 Postal Note Offices established in fiscal years 1887-1891 and 385 more Postal Note Offices were established in fiscal years 1892-1894. These estimates are derived from the Annual Reports of the Postmaster-General for those years. The quantities in these reports show 1,340 offices established. There are discrepancies however, because detailed lists in other documents suggest a total of 1,373 Postal Note Offices operated at one time or another during these periods. Additional research is warranted.

Table 3 below, lists the number of Postal Note Offices we believe were in operation in each State and Territory from 1887-1894. Some states and territories had no Postal Note Offices. (Hawaii did not yet exist as a State or Territory, so is omitted from the list.)

STATE	QTY		
Alabama	23	Missouri	112
Alaska	0	Montana	14
Arizona	0	Nebraska	47
Arkansas	56	Nevada	3
California	38	New Hampshire	3
Colorado	23	New Jersey	1
Connecticut	0	New Mexico	10
Dakota (Territory)	11	New York	19
Delaware	0	North Carolina	36
District of Columbia	0	North Dakota	8
Florida	31	Ohio	72
Georgia	26	Oklahoma	4
Idaho	4	Oregon	29
Illinois	76	Pennsylvania	40
Indiana	50	Rhode Island	0
Indian Territory	9	South Carolina	10
Iowa	81	South Dakota	25
Kansas	68	Tennessee	28
Kentucky	20	Texas	108
Louisiana	68	Utah	12
Maine	7	Vermont	4
Maryland	2	Virginia	12
Massachusetts	1	Washington	29
Michigan	50	West Virginia	11
Minnesota	30	Wisconsin	34
Mississippi	26	Wyoming	2
		TOTAL (Calculated)	1373

To understand the rarity of Postal Notes issued by the smaller Postal Note Offices, we will compare the number of

each type of office. More than 19,000 Money Order Offices were in operation at one time or another from 1887 to 1894, while only 1,373 Postal Note Offices were operating during the same period. So Postal Note Offices comprised barely seven percent of all offices issuing Postal Notes.

Postal Note offices established between 1887 and 1891 were issued the P.N.B. date-stamps. They used them from the date each office received their date stamps through June 30, 1894. Presumably all offices that continued operations were issued a new M.O.B. date-stamp for use beginning July 1, 1894. However, some P.N.B. examples are known on covers beyond that date. (See Table 1.)

The Postal Note offices established from 1892 to 1894 were issued M.O.B. date-stamps and used them through June 30, 1894 and likely beyond. Most Postal Note Offices became Limited Money Order Offices or regular Money Order Offices on July 1, 1894. In either case, they would continue using their M.O.B. date-stamp.

For anyone that is detail-oriented, you may have seen documents stating the number of inaugural Postal Note Offices was 187. In actuality, the published list of offices established on July 5, 1887 shows 188 offices. However, two of those offices failed to post their surety bond on time and did not receive authorization to operate as Postal Note Offices until October of 1887. Therefore, 186 is the correct number of inaugural Postal Note Offices.

We know hundreds of towns had Postal Note Offices, but examples of their Postal Notes are non-existent, except for the examples we are aware of from Mars Hill, North Carolina and Grayson, Nebraska.

Perhaps one day, a Postal Note will surface from another small town such as Sprinkle, Texas, which had a Postal Note Office from October 10, 1889 until it was converted to a Limited Money Order Office on July 1, 1894. (A Limited Money Order Office could issue Money Orders but could not redeem them.)

No Postal Notes are known from Sprinkle (now a ghost town), but it sure would be exciting to discover one to accompany the 1893 image of the Sprinkle post office and patrons shown in Figure 26 below.



If you believe you have one of the rarities we have described, we will be happy to hear from you!

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