

PAYING FOR THE CIVIL WAR AND MAKING IT PAY:
THE USE OF REVENUE STAMPS AS BRAND IDENTIFIERS

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ABSTRACT

Although patent medicines have not enjoyed a healthy reputation--for good reason--with marketing historians or social critics, they played an important role in the development of mass marketing. The proprietary products were the first mass produced, nationally branded, nationally distributed packaged goods. This paper describes the manufacturers' use of revenue stamps to foster the evolution of these products from commodities to branded goods.

Patent medicines have not enjoyed a healthy reputation with marketing historians (Presbrey 1929, chapter 33) or social critics (Young 1961, chapters 13-14)--and with good reason. Laced liberally with alcohol and sometimes even more serious controlled substances, promising more than they delivered, they attracted sufficient attention during the Progressive period to lead to the Food and Drug Act of 1906.

The products, which would have cured more ailments than were then known to mankind--at least their advertisements so claimed--dated from around the American Revolution; their heyday, however, occurred during and after the Civil War. During that struggle, proprietary medicine enlisted in the cause:

To cure Secession and its ills,
Take Dr. Scott's Cast Iron Pills;
Well mixed with Powder of Saltpetre,
Apply it to each "Fire Eater."
With Union Bitters, mix it clever,
And treason is warned off forever.

The jingle revealed more than a militant support for the stars and stripes; these medicines were big business, and their proprietors, major pioneers in the marketing of consumer goods. Distance and disregard have dimmed our memory of many of the proprietors who, in their own time, were as recognizable as the more renown Fisks, Bradys, Goulds, and Rockefellers. Some, such as Demas Barnes and Ray Vaughn Pierce, became congressmen (Griffenhagen 1969, p. 7), while others, such as Dr. Henry T. Helmbold, more closely resembled the flamboyant Robber Barons. Dr. Helmbold, who rode to fame and fortune via the Extract of Buchu, built a "Temple of Pharmacy" in New York City, which numbered as its guests the powerful and wealthy of the Gilded Age. Buchu made beaucoup bucks for Helmbold by promising to cure the "horrors of venereal diseases, caused by 'excesses in married life, early indiscretion, or self-abuse.'" By touting cures for literally unmentionable diseases, Helmbold was so well known in his own time that a woman reputedly asked whether the Doctor (self-styled) was present at the unveiling of a statue in 'his' honor--the statue was in fact of the German naturalist Alexander von Humboldt (Young 1961, pp. 114-116).

PROPRIETARY GOODS AND THE MASS MARKET

Despite the ridicule which the drugs attracted, they play an important role in the development of mass marketing, as Young (1961, chapter 11) notes. Unlike most other 19th century products, he suggests, the makers of patent medicines operated "in an economy of abundance. Both supply and demand were abundant." Thus, "[t]he medicine man's key task quickly became not production but sales, the job of persuading ailing citizens to buy his particular brand from among the hundreds offered" (Young 1961, p. 166). In other words, patent medicines--and the related proprietary products--were the first mass produced, nationally branded, nationally distributed packaged goods--even during Tedlow's (1990) first phase of marketing, which emphasizes the dominance of locally produced goods.

The Tax Act of 1862

One important dimension in the evolution of these products from commodities to branded goods--the use of revenue stamps in the development of brand recognition--was a byproduct of the federal government's need for revenue to pay for the Civil War. "The country is in peril," intoned Congressman Thaddeus Stevens. "We must have money." In 1862 Congress responded with a revenue act taxing many products, both goods and services, including proprietary goods. The definition of proprietary goods--which would tax the patience of the Internal Revenue Service Commissioners for a decade (Mahler 1988, pp. 227-8)--was "plain. It is to subject to stamp duty every kind of preparation made and sold as medicinal, and claimed by the maker or vendor to be proprietary, or recommended as possessing peculiar virtues imparted in the manufacture by the secret art or occult formula of the manufacturer. . . . [I]f it is claimed or pretended to be a compound of which the formula is secret, or which the right of making is the exclusive property of one or more persons," it is taxable. "It cannot be treated as medicine for the consumer, and bread and water only for the tax collector. The dealer must be taken for what he professes himself to be, and if he seeks profit by deluding the public, he must pay for his privilege like an honest man" (Mahler 1988, pp. 224-5). Congress authorized the internal revenue service to print revenue stamps so that "the dealer" could "pay for his privilege like an honest man."

Proprietary Stamps for Taxable Proprietary Goods

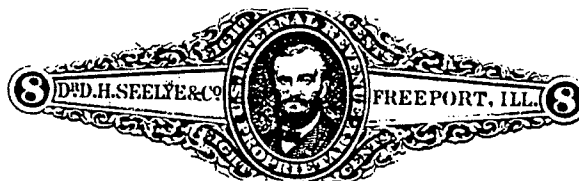
Although proprietary medicines were the best known of the taxable goods, other "proprietors" had the opportunity to pay for the Civil War taxes by supplying the government with a die, cut their own stamps, and get a discount. This was an unprecedented opportunity to use labels to identify products on shelves; almost 300 companies--including drug, perfume, match, canned food, and playing card manufacturers--elected to make their own stamps, rather than use the generic stamps the government issued. While only a minority of the companies opted for their own dies, they appear to have been dominant in the trade; for the 20 year period in which the stamps were required, 5.3 billion of the 8 billion stamps used were printed from the private dies (Griffenhagen 1969, p. 4). These stamps, known to philatelists as the "match and medicine" stamps, are the subjects of this paper. The use of philatelic material answers the clarion call Dr. Hollander et al. sound for the conversion of "'raw data that are 'out there' to reports of small scale studies that can provide a basis for broader theorizing" (Hollander et al. 1990).

STAMPS AS BRAND IDENTIFIERS

Given the opportunity to develop their own designs, over 120 medicine companies, around 110 match companies, 27 perfume companies, 11 playing card manufacturers, and one canned good company (West 1980, p. 2; Waggoner 1986) created "handsome steel engraved stamps, answering the purpose of labels. . ." The Internal Revenue Service felt it had provided a two-fold benefit for the proprietor: a discount and "comparatively speaking, free advertising, which was limited only by the amount of business which he did" (Toppan, Deats and Holland, n.d., p. 120). The first of the medicine companies to seek approval of a private design was Herrick Pills. Butler and Carpenter, the firm responsible for the printing, early pointed out the competitive advantage possible: "as the first private proprietary die printed . . . you will enjoy and advantage over your equally afflicted brethren in the trade" (Griffenhagen 1969, p. 4).

Proprietary Stamps: Usage

The stamps themselves served basically as brand identifiers on the shelf; stuck on bottles, they were "canceled" when the bottle was opened. Thus, their promotional value was as part of the packaging; with the possible exception of the match wrappers, there was little room on the stamps for copy. Instead, the stamps fall into two main categories. The first celebrates the bearded wonders, the founding fathers, whose staid appearance was meant to give credibility to the contents. The figures below demonstrate these stamps.



The second category reproduces a symbolic identifier, such as a star or a flag, such as those pictured below, that would literally stamp the product in the mind of the consumer.



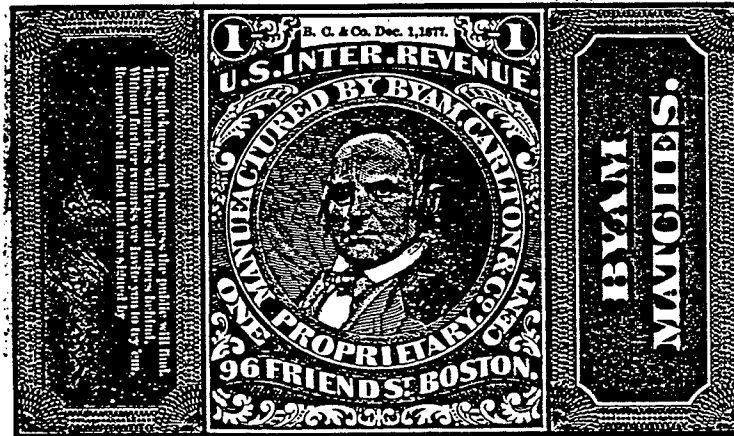
Here there was imaginative art. For example, the Warner Safe Cure Company selected a pun--a safe--which both represented its founder (who sold fireproof and burglar proof safes from the same building he peddled medicines) and conveyed the founder's comforting message to the customer (Ferry and Ferry 1988; Holcombe 1979, pp. 539-548). Parenthetically, muckraker Samuel Adams revealed the Safe Cure Company was the "medical" arm of a distillery,

"manufacturers of standard whiskeys which do not pretend to remedy anything but thirst" (Holcombe 1979, p. 548).

Although there was minimal opportunity for copy to reflect the facile pens and loose standards of an age marked by minimal government regulation of copy, and minimal conscience of manufacturers, the stamps bore some marks of the Gilded Age. For example, Brandreth's pills, which are still being manufactured, played its competitive advantage to the hilt; the stamps proclaimed a "United States Certificate of Genuiness," implying an approval not admitted by the government, but not denied for a decade. Brandreth touted his merchandise in print advertising: "See my private stamp upon each box, by permission of the Honorable Commissioner of Stamps. Observe B. Brandreth in white, which names the Genuine Pills." The Internal Revenue Service refused to reprint the stamps in 1874 with the original wording, or with Brandreth's compromise "Guaranteed Genuine." The company finally substituted Allcock's Porous Plasters in the vacated location on the stamp (Holcombe 1979, pp. 54-56; Griffenhagen, 1969, p. 4).

The Match Companies

Over 300 match companies produced their own private die stamps, some of them wrapper sized. This seems to be a testimony not only to the attractiveness of the idea of branding as it is to the literal volatility of the business; match companies disappeared in a flash, as it were.



The John J. Macklin Company started in New York city, but later moved to Philadelphia, Baltimore, Wheeling, Cincinnati, and Covington, Kentucky. "He was burned out at least once in each place and altogether suffered nineteen fires, all of which were total losses with no insurance" (West 1980a). The tax was disproportionately high (60% of the wholesale price) for the cost of goods sold, which may account for the decline in the number of match companies during the period; the larger discount for larger purchases "could hardly have been more favorable to the stronger match manufacturers or less favorable to their competitors among the weaker ones" (West 1980b, p. 6-8). By the end of the period, the Diamond Match Company used 90% of all the match stamps. Part of Diamond's strategy was to rebate the amount of the discount they received for the stamps to channel members who had not purchased matches from other manufacturers; the match trust was unwittingly born.

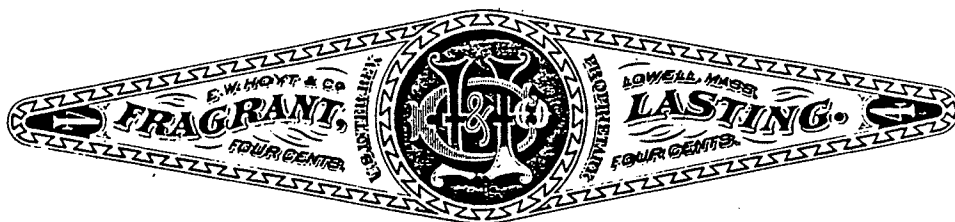
The Perfume Stamps: A Case Study

Most of the philatelic literature has emphasized the medicine companies (e.g., Griffenhagen 1969; Holcombe 1979) or the match companies (e.g., West 1980a). Except for Toppan, Deats and Holland (n.d.), who use the Butler and Carpenter records to catalog dates and amount of stamps issued, there is little information on the perfume stamps. This omission is unfortunate, because the promotional record, traced indelibly in philately by the E.W. Hoyt Company, of Lowell, Massachusetts, indicates that the usage of the perfume stamps follows the same general pattern as the other private die stamps--as part of the process of developing brand recognition.

E.W. Hoyt was one of the early pioneers in national magazine advertising (Presbrey 1929, p. 339). The company manufactured a German cologne in 3 sizes--trial, medium, and large, priced at 25 cents, 50 cents, and \$1 respectively. The product is still on the shelf, no longer (since 1917) bearing the adjective German, but boasting of its birth in 1868. However, judging from the stamps used, the company entered business after 1871 (Koref 1983), when the government issued a generic issue for exclusive use by the proprietary companies.



Hoyt used these stamps until 1877 (Toppan, Deats, and Holland n.d.), when the company had a die approved for one and four cent stamps, paying the duty on a 25 cent trial size and the \$1 large bottle.



E. W. Hoyt immediately trumpeted its stamp on the early trade cards, which were perfumed with the cologne, such as its 1881 message: "Ask for HOYT'S GERMAN COLOGNE, and before purchasing see that the name is blown in the bottle, the signature of the proprietors printed in red ink across the label, and as an additional guarantee of genuineness observe our PRIVATE United States Revenue Stamp over the cork." The 50 cent bottle was probably introduced in 1880, when the company asked Butler and Carpenter, printer of the stamps, for a 2 cent private die.



HOYT'S GERMAN COLOGNE.

The most Fragrant and Lasting of all Perfumes.

BEWARE OF COUNTERFEITS AND IMITATIONS.

We put up no article of Perfumery excepting HOYT'S GERMAN COLOGNE; any other preparation represented as coming from us is an IMPOSITION and a FRAUD. Ask for HOYT'S GERMAN COLOGNE, and before purchasing see that the name is blown in the bottle, the signature of the proprietors printed in red ink across the label, and as an additional guarantee of genuineness observe our PRIVATE United States Revenue Stamp over the cork.

*Trial Size, Price 25 Cents; Medium Size, 50 Cents;
Large Bottles, \$1.00.*

Sold by all Druggists and Fancy Goods Dealers.

E. W. HOYT & CO., Proprietors, LOWELL, MASS.

FOR SALE BY

DR. E. W. MUMMA,
Bendersville, - Adams Co., Pa.,

DEALER IN

Drugs, Patent Medicines, Chemicals, Fancy and
Toilet Articles, Brushes, Perfumery, &c.

The best seller, judged from the records of Butler and Carpenter, was the trial size, for which the government furnished 8 million stamps. The 50 cent bottle, in three years, required less than 160,000 stamps, and the \$1 bottle demanded 480,000 stamps (Toppan, Holland, and Deats n.d.)

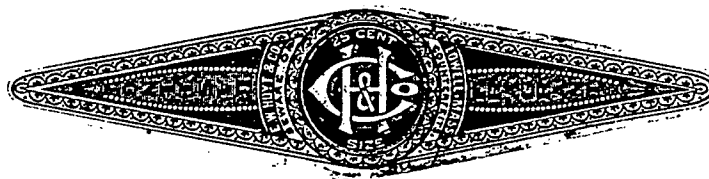
EPILOGUE: FACSIMILES

The importance of the stamps in the process of brand identification was especially apparent after the repeal of the tax in March, 1883. Reluctant to give up the private stamps, several manufacturers altered the dies to eliminate the required phrase Internal Revenue or the amount of the tax "so that the manufacturers would continue to seal their nostrums with the well known stamps or labels" (Griffenhagen 1969, pp. 70-77). Many of the manufacturers put a promissory note on their labels to discourage counterfeiting; counterfeiters could be prosecuted for forging the promissory note (Trettin 1981; Griffenhagen 1969, p. 70).

At least 26 companies issued facsimiles, including Weeks and Potter, whose Cuticura Soaps produced five different stamps (Springer 1974; Holcombe 1979, pp. 549-554).

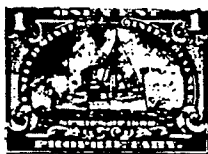


As part of its battle with the similarly named F. Hoyt & Company, which manufactured Egyptian cologne (Koref 1983), Hoyt initially used a facsimile to remind customers of its brand name.



Still others used the facsimiles as part of other promotional material, such as on trade cards (Riley 1987; Ferry 1987; Webster 1988; Ferry 1989a; Ferry 1989b; Strasser 1989, chapter 2). As late as the 1930s, Dr. Jayne was using a facsimile as part of its promotional mix, while Brandreth used one in 1939 (Holcombe 1979, p. 56; Webster 1988).

For a brief time surrounding the Spanish-American War, proprietary companies again shouldered arms for the nation by paying taxes on their products. Some, such as Hoyt, chose to use the new generic issues, especially the colorful "battleship stamps," while others, such as Castoria, used private dies.



However, the reign of the facsimile stamp and trade card ended by the turn of the century (Strasser 1989, p. 104), and advertising and promotion evolved away from point of purchase displays into mass media.

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