

RPSV

The Royal Philatelic Society of Victoria Inc

# TRAFFICKING IN STAMPS

(Or just another Victoria Post Office Scandal)

*Edited by  
Mark Diserio FRPSV*



# TRAFFICKING IN STAMPS

*This publication retells a story that was well-known among 19th and early 20th century philatelists, but which has diminished greatly with the passage of time. The story is told directly from contemporaneous publications and records. Where helpful to current readers, I have added some editorial notes or footnotes (i.e. [Ed]).*

## Prelude

In the last decade of the Nineteenth Century, the administration of the Colony of Victoria had been hit by several scandals. A somewhat colourful description of these was given by a Melbourne ‘scribe’ whose scribblings were published by the *Wellington Times and Agricultural and Mining Gazette* (Tasmania). On 21 July 1896 (at p3), ‘Scribe’ wrote:

We are suffering from an epidemic of Boards, and apparently the longer it continues the worse it gets. We have had within one twelve-month the Tariff Board, the Railway Inquiry, the Sangster Board<sup>1</sup>, the Lormer Board<sup>2</sup>, the Mildura Board, and now we have got a Post Office Inquiry Board<sup>3</sup> sitting, the disclosures before which point to an utterly rotten and disreputable state of things in connection with the working of the telegraphic, telephonic, and engineering branches of that department as ever disgraced official management. The gentleman at the head of this department is Mr Jas Smibert, Deputy Postmaster-General. Our 1d city postage has gone<sup>4</sup>, and if we want to send a letter from one street to another we must pay within ½d as much as if we sent it to England. Our letter card has gone, and our post card cannot be bought in the shops because retailers will not sell them at the miserable percentage allowed. You remember what a riot there was about advertising Soakem's whisky and Smokem's tobacco on the post cards<sup>5</sup>, and while the public have been harassed in this way because of the asserted necessity to improve the postal revenue, the postal revenue has been cut into all round by express messengers and the employment of errand boys. Now we discover that while we have been subjected to all these annoyances and inconveniences, the Department has virtually been left to run itself, which it has done in a most extravagant and disgraceful way. One gentle item has been £540 per annum for gas, chiefly used to make tea for the staff. Drunkenness, debauchery, and neglect of duty, are certain other of the delinquencies exposed, and we are only now beginning to realise what a really splendid postal administrator we have been grumbling about. A writer in the “Leader” makes the following comment:—The Inquiry into the workings of the electrical branch of the post and telegraph service has brought to light matters of deep and abiding interest. The public is not much given to poking its nose into its own business, a surprising circumstance, seeing that much entertainment and no little wisdom may be gathered by occasional “nosing around”. For instance, had it not been for this inquiry, how could we have arrived at our present knowledge of the life and works of certain species of the genus civil servant, who relieve the tedium of office hours by running select variety entertainments within the precincts, and following up various anatomical studies with the aid of living specimens judiciously selected from the

<sup>1</sup> This was an inquiry into alleged breaches of duty by the Marine Board in permitting unseaworthy ships to leave port.

<sup>2</sup> This was an inquiry into allegations that certain magistrates sitting in Courts of Petty Sessions had taken bribes in relation to liquor and gambling matters.

<sup>3</sup> Board of Inquiry into certain charges against the Engineering and Electrical Branch of the Post Office and Telegraph Department, and as to the management thereof, etc., see VPARL1896No55 and VPARL1897No10 and generally, see *Trove*.

<sup>4</sup> This is a reference to the reintroduction of 2d Inland postage on 12 September 1892.

<sup>5</sup> This was a reference to the ill-fated ‘Beer n Baccy’ postal card.

music halls and the best private bars. I hear that the investigation has had one regrettable effect though; it is said to have caused the wives of certain extremely civil servants to lose all confidence in the office, and to be desirous of following their lords to work every day and mounting guard on the door mat.

Earlier, in September 1894, *The Age* reported that a Cabinet sub-committee looking into the irregular sale of stamps in the Postal Department had recommended a Public Service Board Inquiry. And here begins our Story.

### **Register of Inwards Correspondence Government Printer – Vol 9<sup>6</sup>**

The Register records receipt by the Government Printing Office of the following correspondence<sup>7</sup>:

- Dated 15 September 1894 from the Acting Deputy Postmaster-General (DPMG) – To have 10 sheets of “eighteenpenny” [*Ed* 1/6d] Blue stamps printed as early as possible for use of Department
- Dated 3 December 1894 from DPMG – To supply as soon as possible 10 sheets of 1/- stamps similar to enclosed but surcharged “Stamp Duty” like original
- 10 January 1895 from DPMG – Instruction to print obsolete stamps, as follows –
  - 50 sheets ½d gray
  - 50 sheets 4d carmine – surcharged “Stamp Duty” in blue
  - 50 sheets 1/6. Blue

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**David Hill** records the following in his **1895 Notes**<sup>8</sup> under the heading “Reprinted obsolete stamps (see also 10/10/94)”:

Supplied to G. P. O. on 17<sup>th</sup> May 1895  
10 sheets 1/- (postage) blue on blue, overprinted “Stamp Duty” 1885 issue

Supplied to G. P. O. on 7<sup>th</sup> June 1895  
50 sheets 4d (postage) carmine, overprinted “Stamp Duty” 1885  
50 sheets ½d grey 1886  
50 sheets 1/6 blue 1888

Hill also records in his 1896 Notes<sup>9</sup> under the heading “Reprinted obsolete stamps” – “with the exception of one or two sheets of each value – destroyed 9<sup>th</sup> December 1896.”

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<sup>6</sup> PROV 785/P0000 00009.

<sup>7</sup> It will be noted that there is no reference to any postal stationery in this correspondence. The Rundell Notes (held by the Royal Philatelic Society of Victoria Library) provides a new theory about the production of the unauthorised 1d embossed envelope reprints. Rundell wrote: “19.9.92 *Embossed envelopes. Color of stamp changed from violet to Carmine value 2d about which time the Embossing Machines were transferred from the Govt Printing Office to the GPO.*” (Underlining added). The archival evidence for the transfer in 1892 is strong, as in addition to the Rundell Note (referred to above), is an earlier reference in the Register of Letters Inwards that: “*On 31 August 1892, Comptroller of Stamps – Forwards receipt for dies (23) received from this office.*” See PROV 785/P0000 0008. This practice is also documented in 1898 and is likely to have occurred in the intervening period as well, although no relevant records have yet been discovered.

<sup>8</sup> Royal Philatelic Society of Victoria Library.

<sup>9</sup> Royal Philatelic Society of Victoria Library.

## Some further background

Horace Chisholm in *Century of Happiness* (The Centennial History of the Royal Philatelic Society of Victoria) wrote of this Scandal in his Chapter 5 – “In Pursuit of Wickedness (1895 - 1900)” as follows:

The next five years, 1895 - 1900, saw the Society active in the pursuit of wrong-doing, whether it be the issue of speculative stamps, the reprinting of obsolete Victorian stamps by the Government, the issue of stamps costing more than their postal value, the proved wickedness of one member, or the suspected wickedness of another.

On 21 June, just before the 1895 Annual Meeting, a Special Committee Meeting was held to discuss some stamps bought in Adelaide, that had been regarded as suspect and sent to the Society for an opinion. It was found that the 1888 1/6d blue had been reprinted at the end of 1894 and that in June 1895 the following:

4d (postage) carmine, surcharged "Stamp Duty", 1885

1/- (postage) blue on blue surcharged "Stamp Duty", 1885

½d grey, 1886

1/6d blue, 1888

1d envelope, carmine, 1892

[something is missing from the original: perhaps, “had also been reprinted.”]

Only the 1/6d and the envelope had been issued by the Post Office, and so far as the Society could discover, these were all obtained by one person and were not available to the public. It was believed that these had been disposed of as "finds" or "remainders".

The Committee decided to announce that it had "come to the knowledge of several members of the Committee that certain obsolete stamps of Victoria had been reprinted by the Post Office and it was deemed advisable to prevent a recurrence, if possible, and to endeavour to have those on hand destroyed."

It was also decided to send a strong letter of protest to the Postmaster-General and to present it by deputation. The deputation, on 28 June was introduced by Mr. Godfrey and Mr. Hill and Mr. Derrick spoke. The Postmaster-General (Hon. J. Gavan Duffy) promised that no more obsolete stamps would be reprinted unless they had a different watermark or other distinguishing mark, and that none of those held would be sold without his consent. The Society regarded this as unsatisfactory and after trying to find out what reprint stocks were held, made the matter public.

Mr. Brettschneider, as Secretary, wrote a letter to the *Australian Philatelist* (October 1895, page 205), urging that other Philatelic Societies protest by every means in their power<sup>10</sup>.

The letter mentioned that an imperforate sheet of the current 2d somehow had been obtained from the Post Office and some of the stamps offered for sale at large prices. Philatelic Society of Victoria members did not think they had been bought in the ordinary way.

<sup>10</sup> *Ed* - This is somewhat ironic as by letter dated 25 July 1892, Mr Brettschneider had written to the Government Printer asking if the Printer has any 1d or 2d envelopes on blue paper and where he can obtain reprints of old issues of Victorian Stamps: Register of Inwards Correspondence Government Printer – Vol 8 (PROV 785/P0000 000008).

The sequel was a Public Service Board public inquiry. This disclosed more wide-ranging irregularities than the Society had suspected. In addition to these stamps, some of the 2/- light green sent to the "spoils" stock when the stamp was withdrawn had been wrongfully removed and 116 stamps from the U.P.U. Berne, that should have been in the official collection, were missing.

The Board found the Controller of Stamps guilty of negligence and reduced his salary from £730 to £700 a year; the Distributor of Stamps guilty of having improperly trafficked in stamps and having made untruthful and misleading statements, and his salary was cut from £485 to £375; a Geelong sorter and an Income Tax Department clerk, who was a member of the Society, guilty of having acted in concert with the Distributor of Stamps in disposing of stamps involved. Their salaries were cut also. The remainders were destroyed<sup>11</sup>.

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The *Australian Stamp Collector* in August 1896 (Vol 2, No 27, pp182-183) reported as follows:

For some considerable time past there have been whispers that things have not been so well managed in the Post-office Department of the colony of Victoria as they should be, and so many glaring cases have been pointed out that it was deemed advisable to constitute a Board of Inquiry to investigate certain charges of mis-management<sup>12</sup>. The vagaries of a number of officials in the Telephone branch occupied the attention of the Board for a while, and if half the evidence as published is true, the manner in which this branch of the service has been conducted is simply disgraceful.

This, of course, does not concern us, but an account of more recent developments will be read with interest by philatelists, and especially those who have made the stamps of Victoria their specialty.

A well-known Melbourne collector, who was the possessor of a very fine collection of the postal stationery of the colony, became very anxious to add to his treasures, and being a personal friend of a late Victorian Premier, this gentleman's aid was solicited to try and obtain a few sets of the obsolete stamps of the colony which were known to be lying in the safe of the Postmaster-General's Department. This wish being gratified, he no doubt considered that he could obtain further favors if he went about it systematically, and subsequent events showed that he wasn't far wrong.

In 1890 the large, rectangular 1/6 rose stamp was replaced by a neat design, of smaller size. These were printed in pale blue, of the same shade as the current 6d. After being in use a few months, the color was altered to orange, in which tint it has been issued ever since. The 1/6 stamp is not a value that is much used by the public, and the color being changed before dealers had a chance to lay in a stock of them, the blue variety soon went up in price. Within 12 months of their issue it is reported that an agent of Baron Rothchild paid £40 for a sheet of them which were only worth face value, £9.

We are deeply sorry for the poor Baron, and regret he did not put his good "monish" in

<sup>11</sup> *Ed* - The basis for this is not yet been confirmed. It is not consistent with Hill's Note of 1896 (referred to earlier) that "Reprinted obsolete stamps" – "with the exception of one or two sheets of each value – destroyed 9th December 1896."

<sup>12</sup> Board appointed by his Excellency the Governor-in-Council to Inquire into certain charges against the Engineering and Electrical Branch of the Post Office and Telegraph Department, and as to the management thereof, etc., see VPARL1897No10.

Panama Canal shares, or Buckley's Chance gold mines, instead of investing in wild-cat philately.

The collector before mentioned seems to have found no difficulty in getting about £60 worth of the 1/6 stamps re-printed in the obsolete color, and while working at the blue, the obliging officials are stated to have put through a few sheets of the carmine 4d., '81 issue, for the "Stamp Duty" surcharge. Had this lucky individual kept the matter quiet, probably nothing would have been heard of it, but he offered some of the stamps to Melbourne collectors, and made no secret of the manner in which he had obtained them. The Philatelic Society had the subject under discussion, and waited on the Deputy Postmaster-General to protest against the reprinting business, and a promise was given that it shouldn't happen again. We believe they also wrote to other societies at home and abroad, warning them against the stamps and the person who procured them, but this does not appear to have had much effect, as the person who got them appears to have found no difficulty in disposing of his stock at satisfactory prices, and he recently returned to Victoria again. His appearance seems to have caused quite a flutter in the Melbourne philatelic dove-cot, and the coincidental unearthing of sundry obsolete stamps in various quarters doubtless led some of the members of the Philatelic societies to conclude that the Post-office department was being worked for another supply. The matter was mentioned to the Premier and some of the Ministers, who considered it serious enough to have it thoroughly investigated.

Perhaps it was rather unfortunate that the whole postal service of the colony is in bad odour just now, through the recent disclosures before mentioned, as the daily papers seem to have made things appear blacker than the facts justified. Moreover, as is generally the case when the average newspaper man starts out on philatelic subjects, the Melbourne scribes got a bit mixed over 1/6 greens, 4d. roses, and other things that even the pumpkin head of the agricultural editor failed to straighten out. One paper states that the Victorian postal department is "rotten wherever touched, and there ought to be no trifling over these scandals." We can endorse this sentiment, but unfortunately it will happen that the real culprits are the ones that will escape, for these things are not contrived and carried out by the boys who sweep the office.

Some time ago a regulation was made prohibiting post-office employees in Victoria from stamp collecting<sup>13</sup>. The prohibition should also be extended to the heads of the departments, some of whom appear to have been in the habit of overhauling the Post-office safes whenever their sisters, cousins and aunts desired certain rare stamps of the colony for their collections.

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<sup>13</sup> *Ed* – This is not entirely correct. A notice as follows was inserted into the *Weekly Guide* of 25 August 1894: "*In consequence of the numerous complaints that have been made with regard to the removal of stamps from letters in transit through the Post Office and the fact that, in many cases, the offence has been traced to offices where employees were collecting stamps, it is hereby notified that all persons in this Department who deal directly with the correspondence of the public are strictly prohibited from soliciting used stamps from the public or acting in any way as stamp collectors. Postmasters are directed to have this notification read and initialed by all members of their staffs, and to report any instance that may come to their knowledge in which these instructions appear to be disregarded.*" No other instruction was at any time issued in Victoria prohibiting the collection of stamps by officers. This Notification appears to have been prompted by a query from the Secretary of the New Zealand Post Office dated 19 July 1894, who had asked whether Victoria had any regulation in force forbidding the collecting of postage stamps by postal officials. In 1908, in connection with a query raised by the DPMG Perth, the Secretary of the Department advised that the PMG did not consider it desirable to issue any general order prohibiting officers from collecting stamps. See NAA MP341/1, 1919/4483 Barcode 362264.

## Illustrations of the stamps that were ‘trafficked’

### *Reprinted Stamps*



*1/6 blue (courtesy of a UK Collector). Apparently, two reprints were made. One in November 1894 (10 sheets), the second in May 1895 (50 sheets). The reprints were printed from a single plate onto full sheets of Crown V 2 paper, so watermarks upright and inverted exist. The shades of the reprints are subtly different from the original printing, which only exists in upright watermarks.*



*1/2d grey (courtesy of a UK Collector). Printed onto full sheets of Crown V 2 paper, so watermarks to both ‘V’ and ‘A’ (Victoria) exist. The paper used is much thicker than the original paper used.*



*4d carmine surcharged STAMP DUTY (courtesy of a UK Collector) printed on paper watermarked Crown V 2 (as for the originals). Plate 2 was used with the print and turn technique, resulting in 50% with an inverted watermark. The shade of the reprint is distinctive from the original. A small number of reprints are known without the STAMP DUTY overprint.*

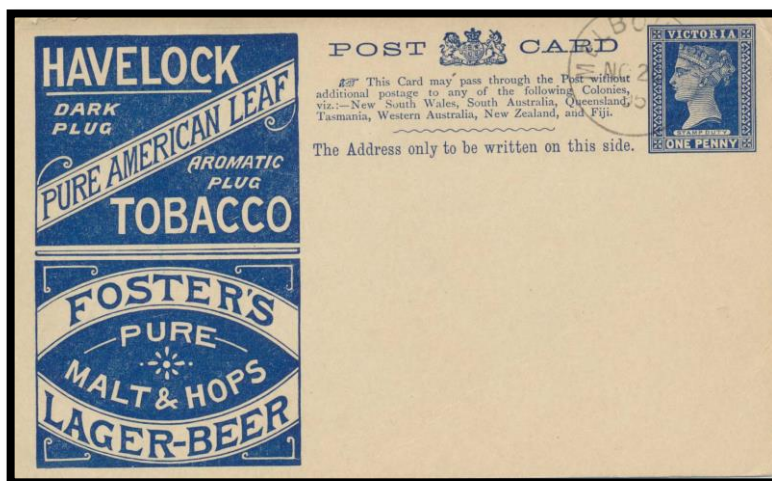


*1/- blue on blue surcharged stamp duty (courtesy of a UK Collector). Printed on blue paper watermarked Crown V2, whereas the originals are on Crown V 1 paper. Plate 1 was used, with the print and turn technique, resulting in 50% with inverted watermarks.*

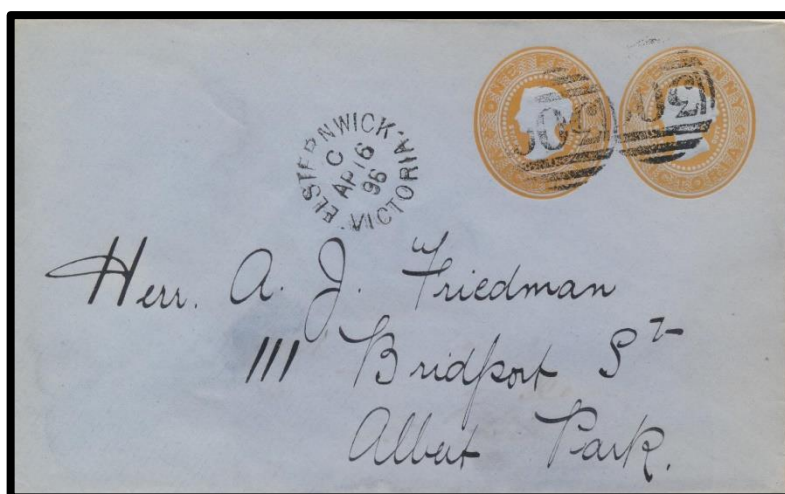
**Postal Stationery**



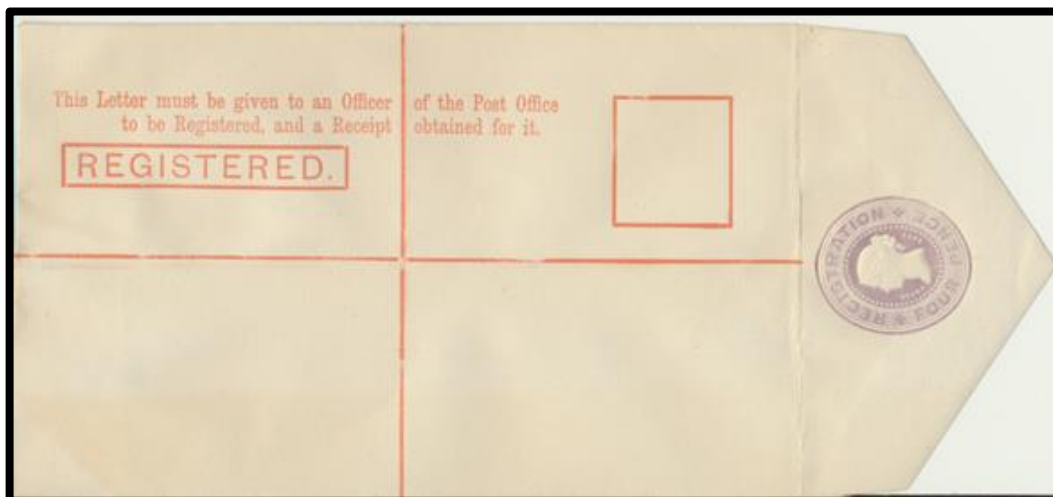
*1d “error of colour” that was reprinted and sold as part of the Scandal. H. C. Treyvaud (mail sorter at Geelong) gave evidence that he had sold to a Mr Thacker, “eight pink penny, which brought 5s”. It is not known how many Sinnott had Bond emboss of this value.*



*Withdrawn post card cancelled and sold at the GPO at 2d each.*



*1d + 1d STO envelope, thought to have been stamped at the request of Adolph Friedman (a member of the Philatelic Society of Victoria) to provide collectors with a double embossed envelope following reports in the philatelic publications of the day of such an envelope for Henry Box & Son to correct an error made by the printer in stamping an order for 2d envelopes initially with only the 1d die. For more information about this assertion see: Postal Stationery Collector, August 2022 pp75-77.*



*4d violet 'error of colour' registration envelope, thought by the editor to also have been made as part of the trafficking in stamps saga. For the philatelic evidence for this assertion see: Postal Stationery Collector, November 2021, pp112-116.*

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### **Cabinet Committee Investigation**

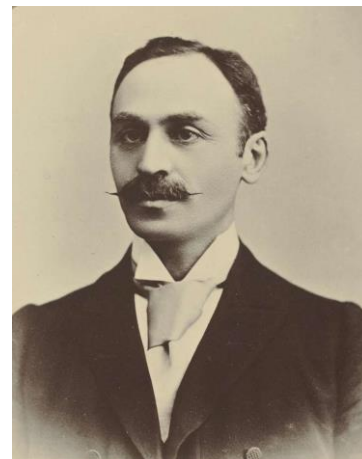
The charges and evidence given to the subsequent Public Service Board of Inquiry make it clear that a committee of Cabinet (possibly made up of the Premier, Postmaster-General and Attorney-General) questioned some or all of the accused at some time before matters escalated to a Board of Inquiry. Currently nothing is known of this Investigation.



*George Turner, Premier*



*John Gavan Duffy, Postmaster-General*



*Isaac Isaacs, Attorney-General*

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### **Involvement of *The Age***

Investigative journalism is not a modern invention and *The Age* journalists of the 1890s loved embarrassing a government as much as they do today. The following pages have been extracted from *Trove* and are set out as faithfully as can be done. Other newspapers carried reports of the affair<sup>14</sup> but *The Age* seems to be the only paper that followed the inquiry in considerable detail, although *The Herald* also carried detailed reports but only on some days (and where significant, these have been added to the text below).

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<sup>14</sup> These can be easily found on a search of *Trove*. For example, *The Argus* (Melbourne) of 23 and 28 Oct 1896).

THE POST OFFICE SCANDAL.

SUSPENSION OF THE ACCOUNTANT AND THREE OFFICERS.

A PUBLIC SERVICE BOARD INQUIRY

After careful investigation of the circumstances connected with the revelations recently made with regard to the irregular sale of stamps in the Postal department, the sub-committee of the Cabinet which inquired into the matter has decided that the four officers against whom allegations have been made should have their conduct inquired into by the Public Service Board. The officers charged are Messrs. W. Morkham, accountant and controller of stamps; W. H. Sinnott, clerk in the accountant's branch; Albert Coulson, clerk, now in the Income Tax department; and H. C. Treyvaud, letter sorter, Geelong. The charges made against the accused are trafficking in stamps, neglect of duties and giving untrue statements to the Postmaster-General. Owing to the gravity of the charges the officers named have been suspended from duty pending the inquiry.

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NEWS OF THE DAY

The officers of the Postal department who have been charged with trafficking in stamps and other misconduct have replied to the formal indictment of the Public Service Board denying the accusations made against them. No definite date has been fixed for the inquiry, as the Postmaster-General, who makes the charges, desires to be represented by counsel. The accused, it is stated, court the fullest publicity, and therefore the inquiry will be open to the press. Mr. Morkham, the accountant of the department, has retained Mr. Derham, solicitor, who will probably instruct counsel; Mr. T. Fink will represent Mr. Coulson<sup>15</sup>; and Mr. Joske will appear on behalf of Mr. Synnott [*Ed Sinnott*]. The Geelong letter sorter Trevaud [*Ed Treyvaud*], who is also implicated, is said to be dangerously ill.



*T.P. Derham*



*Theodore Fink*



*Ernest Oskar Joske*

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<sup>15</sup> Albert Coulson was a foundation member of the Philatelic Society of Victoria and was member 14.

***The Age - Tuesday 30 September 1896, page 4***

NEWS OF THE DAY

The inquiry by the Public Service Board into the conduct of certain officer in the Postal department who are charged with trafficking in stamps and other misconduct has been fixed for Wednesday.

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***The Age - Tuesday 6 October 1896, page 4***

NEWS OF THE DAY

The Public Service Board inquiry into the allegations against Mr. Morkham, accountant in the Postal department, of having trafficked in stamps and committed other irregularities, has been postponed for a week at the request of the Crown Solicitor, and also of the accused. The charges against Mr. Synnott [*Ed - Sinnott*], cashier and distributor of stamps, will be heard by the board on Friday next.

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***The Age - Monday 12 October 1896, page 4***

NEWS OF THE DAY

The Public Service Board inquiry into the charge against H. C. Treyvaud, a letter sorter at Geelong, of trafficking in stamps and other misconduct, will be commenced tomorrow, at the Treasury Buildings.

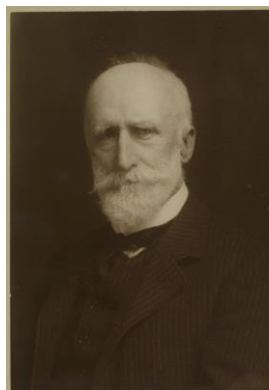
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***The Age - Saturday 17 October 1896, page 7***

TRAFFICKING IN STAMPS.

THE CHARGE AGAINST MR. SINNOTT.

The Public Service Board sat yesterday to resume the investigation into the charges of alleged trafficking in obsolete stamps with the Postal department, as revealed in *The Age* some time ago. The board consisted of Messrs. Fosbery (chairman), Howitt and Morrah. Mr. J. S. Wasley conducted the case for the Crown, and Mr. Joske appeared for Sinnott.



*A.W. Howitt*



*James Smibert*

The charge against William Henry Sinnott was that as chief distributor, and having control of certain stamps worth more than their face value, he improperly trafficked in such stamps, removing them from the department at various times, replacing them by other stamps of current issue of like face value, and arranging with Albert Coulson, of the Treasury department, and H. C. Treyvaud, of the Postal department, stationed at Geelong, whereby he was able to dispose of the stamps. Accused denied the charge. Wm. James Clements, clerk in the stamps branch of the Post Office, being sworn, said that all the stamps went into the custody of Mr. Sinnott as chief distributor of stamps. Withdrawn stamps would remain for some time in Sinnott's charge until they went to the "spoils" store. It was possible for Mr. Sinnott whilst they were in his charge to take out some and replace them by stamps of equal value. After the 2s. light green stamps were withdrawn Mr. Sinnott removed a number of sheets of various amounts, both before and after they were put into spoil. These stamps had been withdrawn after an eight days' issue by order of the comptroller of stamps. A board sat every three months to count the spoils, and destroy them. If Mr. Sinnott took out any obsolete stamps, and replaced them by like value stamps of current issue, there would be no entry in the books to show the transaction. To Mr. Joske: It was the practice in the department to exchange the old issue for stamps of new issue. The Government did not recognise the Philatelic Society. Some of the officials thought it was to the benefit of the department that the old issues should be sold instead of being burnt. Mr. Wasley put in a statement made by Mr. Sinnott before the Premier, Postmaster-General and Attorney-General, and also letters signed "C. W. Watkins," his wife's maiden name, with respect to the sale of certain of the stamps, and a quantity of correspondence with the Postmaster-General, acknowledging that he had disposed of certain stamps. One letter from Mr. Sinnott to the Postmaster-General, on 31st August, 1896, contained the following statement: — I humbly beg your pardon, and the pardon of the other gentlemen who were present on Saturday night, for having made a wrong statement in part of my examination. In reference to the letters shown me, I did not think a witness should give evidence against himself, and as it came on me suddenly I answered the questions "No," when I should I should said " Yes." I wrote those letters and signed my wife's maiden name in order to obtain information as to the real value of those stamps, but no quotation was given. In reference to the stamps reprinted, when they came down some of them were sent to the comptroller, and I took out four at 1s., four at 1s. 6d., six at 4d., and eight at 0½d. for myself, and kept them till early in June this year. I sent them to a dealer in England. As the department received full value, and I had paid for them, I thought it no harm to so dispose of them. I beg you will deal mercifully with me in this matter on account of length of service (34 years) and previous good record and large family. — Your humble servant, W. H. Sinnott. Henry C. Treyvaud, sorter in the Geelong post office said that he remembered a conversation with Mr. Sinnott about 12 months ago, with regard to the sale of obsolete stamps. As far as he could recollect, Mr. Sinnott said he had found some stamps in some books and papers returned from an old post office, and said it had been supposed that these stamps had been stolen. He said he had bought them off the defendant, and asked witness if he could dispose of any in Geelong. "Witness said he would try. Subsequently he disposed of some of these stamps to Mr. Thacker<sup>16</sup> for more than their face value. He sold stamps having a face value of 5s. 4d. for £1 3s. 6d. Included amongst them were six 4d. stamps, for which he got 10s., and eight pink penny, which brought 5s<sup>17</sup>. To Mr. Joske: "Witness did not think he was offending against the regulations of the department. He sold

<sup>16</sup> *Ed* - Henry Thacker was a Geelong stationer, bookseller and printer and a member of the Philatelic Society of Victoria and a possible candidate, although he is not mentioned in relevant philatelic publications.

<sup>17</sup> *Ed* - This must be a reference to the reprinted 1d "error of Colour" STO envelope as no 1d "pink" stamps were reprinted.

and sent these stamps as a friend of Mr. Sinnott. He had not sold any stamps that way before. The stamps had not been recalled, and when a new issue was made the Post Office would continue to sell them at the face value till they were all sold out. The post cards with the advertisements on were recalled and all returned to the General Post Office. He had never sold stamps on behalf of anyone except Mr. Sinnott. Mr. Wasley said that the 2s. light green stamps included in the collection were withdrawn from issue on 23rd August, 1895, and put into spoil in February, 1896. The Chairman: Surely a circular is sent round to recall all those stamps which have gone into spoil. Mr. Joske: I wish to show that these stamps are habitually sold to the public at the face value until the issue is exhausted. Angus Cumming, sub-accountant in the G.P.O., examined by Mr. Joske, said that in his opinion the stamps under discussion were not obsolete, as they had never been withdrawn from circulation. The 2s. light green were sent out to all the post offices in the ordinary course, and would be purchasable at the present time provided they were still in stock. In spite of being an officer of the department witness considered that the accused had as great a right to purchase these stamps as any member of the outside public. To Mr. Wasley: Within his knowledge no one other than Mr. Sinnott had ever replaced current issue for withdrawn stamps of the same face value. If any of the general public had asked for these re-issues which had been withdrawn, witness would not have given them out, but referred the inquirer to the comptroller. Mr. Joske said he has subpoenaed Mr. Morkham, but he was not in attendance. It might be necessary to insist on his appearing before the board hereafter, as he was a material witness. The Chairman: Did you register the letter containing the subpoena? Mr. Joske: No. But every precaution was taken to see that it reached the address. Mr. George [James] Smibert, Deputy Postmaster-General, said that in his opinion when Mr. Sinnott knew that these stamps had been withdrawn from circulation he should not have sent them into circulation. If he (witness) had been comptroller, he would have instructed Mr. Sinnott that it was wrong to make exchanges of stamps. The board adjourned till 10 a.m. on Monday.

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***The Age - Tuesday 20 October 1896, page 5***

**TRAFFICKING IN STAMPS.**

**THE PUBLIC SERVICE BOARD INQUIRY. A PROFIT SHARING TRANSACTION.**

The Public Service Board continued its investigation yesterday at the public offices into the charge brought against William Henry Sinnott, chief distributor of stamps in the General Post Office, of improperly trafficking with the outside public in "spoil" stamps, or those withdrawn from the current issue. The board consisted of Messrs. Fosbury (chairman), Howitt and Morruh. Mr. J. S. Wasley conducted the case for the Crown, and Mr. Joske appeared for Sinnott.

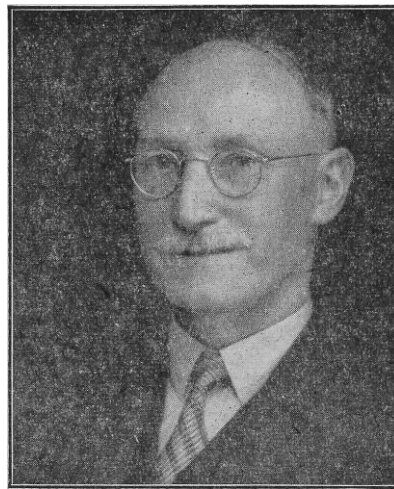
A blind man named Edward Robert Moulden, stationer and licensed vendor at Geelong, was tendered by Mr. Joske to give evidence as to how he became possessed of certain old stamps withdrawn from circulation. Mr. Wasley objected that as the witness was blind he could not give evidence that he saw the stamps. The Chairman to witness: Who bought the stamps? - My wife. Then Mr. Joske has got hold of the wrong witness. Charles M. Maplestone, formerly an inspector in the Postal department, but retired from the service two years ago, examined by Mr. Joske, said he knew the old eighteenpenny peacock blue stamp. They were issued to the country post offices, and anyone could buy them, as their issue was not stopped.

The fact that a certain issue of stamps were consigned to the spoil safe in the General Post Office did not prevent postmasters from selling out stocks of similar stamps held by them. Angus Cumming, sub-accountant in the G.P.O., produced the stamp stock book kept by Mr. Sinnott and explained the manner in which it was kept. It set out in three columns the high priced, low priced and other stamps kept in the departmental safes under Sinnott's charge. He (witness) checked the book with the face value of the stamps in the safes once a month, and always found everything correct. Mr. Wasley: But there is nothing in that book to show what sheets of stamps are new and current, and what are old, and therefore not available for circulation? — Certainly not.

Then if Mr. Sinnott bought eight sheets of 2s. current issue stamps, put them in the safe, took out eight sheets of the old and withdrawn issue, sold them at a profit and pocketed the proceeds, that book would be no check upon him? — That is so. Is Mr. Sinnott entitled to put a sheet of current stamps into the safe and take out a sheet of old ones whose value has increased by reason of their withdrawal from circulation? — He would not be justified in doing so, but there is nothing to prevent him doing so. Witness here put in an official document received by the Postal department from the International Postal Union at Berne. It dealt with the practice in force in Great Britain and the Continent in relation to the demonetisation of postage stamps, and showed that the withdrawal of a certain stamp from circulation did not interfere with those still held by the public. William Henry Sinnott, chief distributor of stamps in the G.P.O., examined by Mr. Joske, said he was promoted to that position in September, 1894. He took over the duties without receiving any instructions as to how the work was to be done. He kept his stamp book accurately. It was checked monthly, and audited yearly. It was his business to sell stamps to licensed vendors and postmasters, and to exchange stamps with the general public. You know the stamps you are accused of dealing in. Were they declared obsolete? — Not so far as I know. Did you receive instructions from the comptroller to withdraw the 2s. light green stamps from issue? — Yes, by telephone message. Two months afterwards the comptroller sent for some of the stamps, and I took that as countermanding the telephone order that there was to be no further dealings in those stamps. The comptroller also said there was no objection to the sale of the stamps, as the department would benefit by the public purchasing them at a higher price than their face value as novelties.

Were you informed that in 1895 the Philatelic Society objected to the sale of these old stamps? — No. The official correspondence never reached me. I wish I had seen it, for I would not be in the fix I am at present. When you wrote the letters signed "C. W. Watkins to certain persons with regard to the sale of certain old stamps, did you desire to deceive the department? — No; I simply did not wish my name to appear. I did not disguise my handwriting, and anyone in the department could recognise it at once. Cross-examined by Mr. Wasley: Did you sell any of the 2s. green stamps that were withdrawn from issue? — Yes, I sold £7 4s. worth to Mr. Charlton, a traveller for Andrew Jacks, the stationer, and also some to Albert Coulson. Was there not an arrangement between you and Coulson by which he gave you the face value for old stamps, sold them at an increased price, and divided the profit with you? — There was no arrangement to that effect. Did not Coulson give you half the profits? — He gave me half of what I believed to be the profits. Did Coulson ask you on one occasion to let him have some 2d. light green stamps, as he could get 3s. each for them? — Yes. Was there anything wrong about that? — No. Then why did you object to let him have the stamps? — Because he wanted a whole sheet. How many sheets of the 2s. green stamps, not the light green ones, did Coulson get from you? Nine. And in every case he shared the profits with you? — Yes, except in the case of 2½ sheets which he got as an

investment. Besides the 2s. green stamps did you take out of the safe any 1s. 6d. peacock blue stamps? — Yes. Did you sell any?—Yes, two to Mr. Charlton. To anyone else? — No. Now, did your son not sell some? — Yes, nine of the "tenpenny peacock blue" and £8 worth of the 2s. " light green." At what profit? — As far as I can remember, 6d. per stamp on the sheet. So you gave £12 for the sheet and got back £15? —Yes. Why did you adopt a false name when you wrote to Mr. Ackland about the price of old stamps? — Because I wanted to get information as to the real intrinsic value of them. Now, did you not write to Mr. Ackland, offering to sell him a 1s. stamp for 17s. 6d., and a 4d. surcharged stamp for 2d. 6d.? — Yes. Can you explain your previous statement to the Cabinet committee that the old stamps sold by you were found in the books of an old postmaster?— No, I cannot. Can you suggest there was any truth in the statement? — I do not know there is any truth in the statement. I bought the stamps at their full face value from the department, and considered them my own property to do with as I liked.



*William Ackland*

Did you get them as officer in charge, or as one of the public? — As officer in charge. Suppose I had offered you a sheet of 2s. stamps, and asked for a sheet of 2s. obsolete green stamps, would you have given them to me? — Well, I don't know. Such a thing never occurred. The Chairman: The question is, " If the public applied to you to change a sheet of 2s. current green stamps for a sheet of obsolete stamps of the same value, would you have made the exchange? — Probably, if only one or two stamps were wanted, but if a sheet were asked for I would send the request on to the comptroller of stamps. Witness added that when he was brought into the presence of the Premier, the Attorney-General and the Postmaster-General, and examined on the subject, he was so dumbfounded at the interpretation put upon the secrecy he had shown in writing the letters signed "C. W, Watkins " that he was terrified into saying that he never wrote the letters. He afterwards thought better of it, and wrote to the Postmaster-General, intimating that he made a wrong statement when he said he did not write the anonymous letters. The board having been addressed by Mr. Joske on behalf of Sinnott, the case closed. The board then adjourned to 10 a.m. on Thursday, when the case of Mr. W. Morkham, comptroller of stamps, will be taken.

TRAFFICKING IN STAMPS.

SERIOUS CHARGES AGAINST HIGH OFFICIALS. THE CASE AGAINST MR. W. MORKHAM'

The Public Service Board, Messrs. Fosbery (chairman), Howitt and Morrah, sat yesterday at the public offices, and took evidence respecting a charge laid by the Crown against Mr. William Morkham, accountant of the General Post Office and Controller of Stamps, that he improperly trafficked in old stamps; that he allowed 34 sheets of obsolete 2s. green stamps to be removed from a quantity condemned for destruction; that he improperly gave a man named Friedman undue facilities to purchase obsolete and reprinted stamps at their face value, knowing they were worth considerably more, and thus enabled Friedman to make large profits; that he sold stamps to Friedman after the Postmaster-General had given instructions forbidding the sale of such stamps to the public; and, finally, that he was guilty of making untruthful and misleading statements concerning these matters when questioned on the subject by the Postmaster-General. Mr. Wasley conducted the case on behalf of the Crown, and Mr. Leon appeared for Mr. W. Morkham. Mr. Wasley, in opening the case, said he would be unable to prove directly that Mr. Morkham sold withdrawn stamps at more than their face value, but he could show that he at different times bought obsolete stamps; also that his son, aged 16 years, sold certain of these obsolete stamps to one Joseph Davies, a stamp collector. Mr. Davies saw Mr. Morkham on the subject, and asked if it was all right. Mr. Morkham replied that it was. That officer made a statement subsequently that he told his son not to sell any more stamps; but that, finding he had done so, he (Mr. Morkham) had given him a thrashing. It would be proved, however, that he did not thrash his son, and that, as a matter of fact, the latter sold stamps from December, 1895, up to May this year. There would be no difficulty in proving that Mr. Morkham allowed stamps to be removed from "spoil," that he gave undue facilities to certain members of the public to get possession of old stamps, and that he allowed a Mr. Friedman to obtain some 1s. 6d. blue stamps after the Postmaster-General issued an order that they were not to be sold to the public. Mr. Morkham's explanation of that action was that he had previously promised Mr. Friedman that he would sell him some of the stamps, and that he merely redeemed his promise. James Smibert, Deputy Postmaster-General, said it was not the custom of the department to sell old stamps to the public. Had he known it was being done he would have reported the matter to the Postmaster-General. When stamps were once put into "spoil" they were not to be issued to the public again. To Mr. Leon: He was not aware that the officers considered it within their province to sell old stamps at their face value. Some of the stamps put into spoil and destroyed were replaced by a reprinted issue, which was used in exchange with foreign postal administrations, and sometimes in supplying distinguished visitors. The Postmaster-General determined who, as a "distinguished visitor," might receive some of these reprinted stamps. William Bond, officer in charge of the stamp printing department at the Government Printing Office, said the 2s. light green on white stamps were withdrawn in 1895, after being only eight days in circulation. They were withdrawn because of their close resemblance to the 9d. light green stamps causing the public to make mistakes. In March of this year he received an order from AC [Albert Coulson or Angus Cumming?] on behalf of the controller of stamps to reprint and supply to him 142 sheets of these withdrawn stamps, and he did so. Joseph Davies, stamp dealer, said that on 14th December, 1895, Mr. Morkham's son sold him five



*William Bond*



*C.B. Donne*



*Patrick M'Manamny*



*Alfred Pfaff*

1s. 6d. blue stamps for 12s. 6d., five 4d. stamps (duty), for 3s.; five 1s. stamps (duty), for 10s.; five 0½d lilac, for 1s. 3d.; five 2s. light green, for 12s. 6d.; five 9d. green, for 3s. 9d.; and five 8d. carmine, for 3s. 4d.; making altogether £2 6s. 4d for the lot. Young Morkham having said he was selling the stamps for his father, he (witness) saw Mr. Morkham, sen., and told him about the conversation. Mr. Wasley: Would it be true if Mr. Morkham, sen., said he told you he gave his son some colonial stamps, but told him not to sell them? — No, he never told me that. Did you know as a stamp dealer that you could get old stamps at the post office at their face value? — Most decidedly no, otherwise I would not have paid 25 percent advances on them. Mr. Leon: Did you believe young Morkham was selling the stamps for his father? — At first I believed young Morkham had authority to sell the stamps, as he said his father gave them to him as a present, in order that he might sell them and raise money to buy a bicycle; but on another occasion he said he was selling them for his father, and as I was doubtful I saw Mr. Morkham, sen., on the subject. William Ackland, a dealer in stamps, said he purchased from young Morkham 4d. carmine, 1s. blue, 1s. 6d. blue, and 2s. light green stamps, and paid more than their face value. He had transactions with young Morkham 20 or 30 times a year. He heard it about town that one could only get obsolete stamps from the controller as a matter of personal favor. Charles B. Don[ne], dealer in stamps, said he bought a number of colonial obsolete stamps from young Morkham. He gave different prices for the 1s. stamps, ranging from. 2s. 6d. to 3s. 3d. Their transactions extended over eight months. On being asked where he got the stamps young Morkham said, "I get them from my father in the post office." Detective M'Manamny said that after having a conversation with Davies, Ackland and Don[ne], he saw Mr. Morkham, sen., on 30th July this year. He told him he was making inquiries about the sale of certain stamps, and that his son had told him he received unused foreign and colonial stamps from his father, that he kept the money from the foreign stamps, and handed that received from the sale of the colonial stamps to his father. Mr. Morkham, sen., said that was untrue. The latter also said that anyone who came there and asked for old reprinted stamps could obtain them on paying the face value. Witness again saw young Morkham, and on re-turning to Mr. Morkham, sen., said to him — "Your son states emphatically that the money he got from the sale of the colonial stamps he gave to you," and Mr. Morkham replied — "The boy must have been in a funk, for that is un-true." Two statements made by Mr. Morkham, sen., before the Premier, Attorney-General and Postmaster-General when they inquired into the matter were put in by Mr. Wasley, together with some letters by the same officer explanatory of his actions in the matter; also stating that his son sold the Victorian stamps against his expressed wish, and that he had given him a thrashing for doing so. William Henry Sinnott, chief distributor of stamps at the General Post Office, examined by Mr. Wasley, said he never ordered reprints of old stamps without

submitting a memorandum to the controller of stamps. On several occasions he had supplied spoiled stamps to Mr. Morkham in exchange for others of the same face value. Ludwig Martin, clerk to Mr. Pfaff, Peruvian Consul; said that on one occasion he, on behalf of Mr. Pfaff, asked Mr. Morkham at the General Post Office to supply him with 600 9d. green stamps withdrawn from issue. He obtained them, and paid £22 10s. for the lot. Angus Cumming, sub-accountant in the General Post Office, said that as far as he recollected he told the Cabinet committee that he never knew the public was able to purchase obsolete or reprinted stamps at the G.P.O. When acting temporarily for Mr. Morkham he, according to the usage of the department, on five different occasions, sold obsolete stamps to applicants from various portions of the colony and New South, Wales. The transactions were conducted quite openly, and were known to several of the departmental officers. At the windows of the G.P.O. an obsolete 1d. advertising card was being sold at the present moment for 2d. each<sup>18</sup>. Mr. Wasley stated that was all the evidence he had to bring forward in regard to the present charges, but he had received a communication from the Postmaster-General intimating that in consequence of certain evidence that had been given it was intended to formulate a further charge against Mr. Morkham in reference to his dealings in foreign stamps. It was arranged that Mr. Wasley should furnish the board and Mr. Morkham on the following day with a copy of the additional charge. The case was then adjourned to 10a.m. next Monday morning, and the board adjourned to 10.30 a.m. the following (this day), when the case of Albert Coulson will be commenced.

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***The Age - Saturday 24 October 1896, page 7***

TRAFFICKING IN STAMPS.

CHARGE AGAINST AN INCOME TAX CLERK TAX DEPARTMENTAL CONTROL.

The Public Service Board, consisting of Messrs. Fosbery (chairman), Howitt and Morrah, took evidence yesterday in respect of a charge laid by the Crown against Albert Coulson, a clerk in the Income Tax office, of misconduct in having assisted W. H. Sinnott, chief distributor at stamps at the G.P.O., to traffic improperly in certain obsolete stamps belonging to the Postmaster-General, and sharing the profits with Sinnott. He was also charged with having made untruthful and misleading statements to the Treasurer when questioned on the subject. Mr. Wasley conducted the case for the Crown: and Mr. Theo. Fink appeared on behalf of Coulson. Albert Coulson, a private collector of stamps, said that to prove that it was possible to purchase obsolete stamps at the post offices he had visited several suburban offices within the last few days and bought old stamps. He got some from the post offices at Port Melbourne and South Melbourne. On Wednesday he got some at the Windsor and Fitzroy post offices. He also called upon the Collingwood postmaster on the previous day and asked if he had any obsolete stamps to sell. The postmaster replied that he had been in the habit of selling such stamps, but that pending the board's inquiry he did not care to issue any more. Mr. Fink: Have not thousands of pounds been made by philatelists out of the special information obtained from officers in the Postal department? — I think so. Rumor says it is so. William Edwards, a stamp collector, stated that he went to the G.P.O., saw Mr. Sinnott, asked for a set of reprint stamps, and was referred to the controller, who gave him a set for £1.

<sup>18</sup> *Ed* - This is a reference to the withdrawal of the Victorian 1d post card issued on 1 November 1894 featuring an advertisement for tobacco and beer that had been the winning tender to advertise on post cards as a government revenue raising measure. Following public outrage and pressure from religious and temperance lobbies, the cards were withdrawn from sale on 20 November. Later, remainders were cancelled and offered for sale at the GPO Melbourne for 2d!

It was a perfectly open transaction. Joseph Arundle, postmaster at Collingwood, said he had some 2s. obsolete green stamps in stock, as well as some older ones, and but for this inquiry would have continued to sell them. He never received instructions not to sell any of the old stamps. His stamp advance was about £400. If anyone had come to him with an obsolete 2s. green stamp and asked money for it, the applicant would receive the money less the discount. Only a few weeks ago he issued a sheet of old 2s. green stamps to one of his officers to sell to the public at the office window. Mr. Fink addressed the board on behalf of Coulson, contending that it had been conclusively proved that he was not guilty of improper trafficking, because it was shown by several witnesses that the stamps were being openly sold now at a number of the suburban post offices. It was clearly proved that the business of the Postal department was conducted in an exceedingly loose way. The irregularities were due to the subordinate officers not being instructed by the departmental head as to what their duties were respecting the treatment of "spoil", reprint and recalled stamps. The Deputy Postmaster-General, Mr. James Smibert, had shown himself to be absolutely unfit to control the department. Not only did he know nothing whatsoever about these improper practices in his own department, but through his failure to communicate the instructions of the Postmaster-General to the subordinate officers the latter had been placed in a false position, as they had acted contrary to orders, of which they were entirely ignorant. The only indiscretion of which Mr. Coulson was guilty was in telling a falsehood in order to try and shield a brother officer from trouble. That act would be sufficiently punished, by a severe reprimand. The board then adjourned to 10.30 a.m. next Tuesday, when the hearing of the charge against Mr. W. Morkham, controller of stamps, will be resumed.

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[Ed – The following report from the Melbourne Herald has been added before the following report of *The Age*, as it contains some additional information not in *The Age's* report. There is some unavoidable repetition as a result.]

***The Herald - Tuesday 27 October 1896, page 2***

STAMPS.

ALLEGED TRAFFICKING BY POSTAL OFFICIALS.

Mr Morkham's case resumed.



*William Reeve Rundell*

The Public Service Board, consisting of Messrs Fosbery- (Chairman), Howitt, and Morrah, sat at the Public Offices this morning to inquire into charges in connection with alleged trafficking in stamps preferred against William Morkham, comptroller of Stamps. Mr Wasley appeared to conduct the Inquiry on behalf of the Crown, and Mr Leon appeared for Mr Morkham. The charges briefly were:- Trafficking in stamps, making misleading and incorrect statements, and carelessness and negligence in allowing other officers to sell old stamps. The case had been partly heard at the last sitting of the Board. The chairman said that the board had received two other charges which were that Mr Morkham did not properly distribute or account for stamps, and did not, in accordance with the regulations, place defaced specimens of every stamp in the stamp album; and, secondly, that he was careless and negligent in the discharge of his duties. Mr Wasley explained. In reference to the fresh charges, that they both rested on the same circumstances. There was a Postal Convention between the various countries in the Postal Union, and one of the regulations was that every country in the union should send sets of all stamps to Berne, the headquarters, and in every case each country was

supplied through Berne with five sets of the stamps of all other countries. These five sets were in each case handed to Mr Morkham, whose duty it was to give three sets to three officers of the department, keep one himself, and place the fifth in a book known as the official album. It would be shown that the stamps were not placed in the album, and that some of them were sold by Mr Morkham's son to stamp agents. George Smibert, Deputy Postmaster-General said that Victoria was a member of the Postal Union, the headquarters of which were at Berne, and which is known as the International Bureau of the Universal Postal Union. Mr Wasley: Berne is in France; is it not? (Laughter.) Witness: No; In Switzerland. Mr Wasley: My French is better than my geography. That is my only excuse. Witness, continuing, said that it had been the practice for years for the authorities at Berne to send five specimens of the stamps of each country as they were issued. Those were sent on to Mr Morkham, as comptroller of stamps, and it was his duty to place one set in the official album and hand one set to the Postmaster-General, one to the Deputy Postmaster-General, and one to the assistant secretary, and keep one himself. Witness could not say of his own knowledge that five sets were always sent. His sets were placed in his private album. The official album was an official document, and belonged to the department. To Mr Leon: I regard my own album as my own private property, to do what I like with. The official album may be used in connection with the designing and coloring of stamps. Victoria joined the Postal Union five or six years ago, and the rule as to the official album has been in force during that time. If Mr Morkham was away I presume the album might be in charge of someone else. The official album has a money value if the department chose to sell it, but it does not do so. Mr Rundle placed the stamps in my album, he took it home with him, I believe, to do so. I thought Mr Morkham placed the stamps in the Official Album, but he might have got one of his clerks to do so. To Mr Wasley: In the event of there being any doubt as to the genuineness of a foreign stamp, the official album would be useful for reference. William Rankin Lemon, a clerk in the Postal Department, said that all the letters from Berne came to him in the first instance. Sometimes he opened the letters. He could not say whether the number of sets always corresponded with the number mentioned in the accompanying memoranda. When the letters contained stamps they were sent on to Mr Morkham, as comptroller of stamps. He was not aware that any letters from Berne went to Mr Morkham, excepting those containing stamps. Several boys in the office were employed during 1895 and 1896, to take letters with stamps to Mr Morkham. Sometimes the letters were sent open and sometimes unopened. Mr Wasley put in a bundle of letters from Berne, and said that he would show hereafter that the stamps to which they referred, were missing. William Reid [*Ed - Reeve*] Rundell, a clerk in the General Post Office, gave evidence as to placing stamps in the album of the Deputy Postmaster-General. Some-times there were duplicates, and, he did not place the duplicates in the album. He had compared the official album with the letters from Berne, and found that the stamps named on a list which he produced were missing. Specimens of nearly all the stamps which were missing from the official album were in the Deputy Postmaster-General's album. The stamps missing from the official album comprise stamps from thirty-five different countries. Some of the missing stamps were of £1 denomination or face value. In the same way there were specimens missing from the official album of postcards and stamped envelopes. There were 116 specimens in the Deputy Postmaster-General's post card and stamped envelope album which were not in the official album. To Mr Leon: I placed the stamps in Mr Smibert's albums at his request. I did not do it in my office hours, and did it as a favor to Mr Smibert. I am a stamp collector. Mr Smibert did not give me facilities in the office for collecting stamps. I have had charge of the albums sometimes since Mr Morkham was suspended a month ago. I was instructed by Mr Smibert to go through the letters from Berne and the official album, and see what stamps were missing. There was one loose stamp in the album

when I got it. I have known in one instance of stamps being received from Berne which were useless, owing to their having got damp in some way, and stuck together. To Mr Wasley: I have put into Mr Smibert's album every stamp he gave me to put there. Mr Morkham gave me a packet of loose stamps, and when I found in that packet a specimen that was missing from the official album, I made a memorandum of it. Angus Cumming, sub-accountant of the Postal Department, said that the albums and other documents had been in his charge since Mr Morkham's suspension, and none of them had been interfered with. Joseph Davies, a stamp dealer, said that he purchased foreign stamps from young Morkham. He produced a list he had made from memory of the stamps so purchased. The transactions extended from August to December, 1895. He produced some of the envelopes in which he received the stamps from young Morkham. The writing on them was in the handwriting of Morkham senior. William Ackland, another stamp dealer gave evidence of having bought foreign stamps from young Morkham between August, 1895, and May, 1896. He had exchanged some stamps with young Morkham. This was the case against the defendant. Mr Leon said that Mr Morkham was a high public official, who, under the Act, had an unfettered control of all connected with the manufacture and sale of stamps, and he was brought there to answer a charge of misconduct in having done his duty to the State by printing and selling stamps which returned thousands of pounds to the revenue. So far as that charge was concerned, he could not see that there was anything whatever to answer. On the charge that Mr Morkham had purchased, for his own use, from the department, certain obsolete stamps which were not available to the public, there was not the slightest evidence, and he should have thought that that charge would have been withdrawn. The evidence was that the stamps in question were always available to the public, at their face value, and could not be demonetised, even though a different colored stamp of a different design but of the same value was issued. Mr Morkham dealt with the matter in the most frank and open way, and his letters spoke for themselves. That part of the charge which rested on young Morkham having sold stamps which were not available to the public was persisted in, when it was found that young Morkham under the attitude he had taken in the matter, could not be examined on oath. It was a most painful matter for Mr Morkham, and he (Mr Leon) was not going to call the son to tell the board that he had stolen the stamps from his father. So far as he was concerned, the boy should not have it put upon him to have it said hereafter that on his oath he had to admit that he stole stamps from his father. It was vindictive on the part of the other side to compel Mr Morkham to say on oath what he had already put into writing, namely, that his son stole the stamps. In like manner there was no evidence whatever that Mr Morkham had made untruthful statements to the Postmaster-General when questioned. He had made statements to Mr Duffy which he would repeat on oath now. As to the charge of neglecting his duty by omitting to lick stamps and slick them in an album, that was absurd, for that was not the duty of a highly-paid State official such as the comptroller of stamps. The album was only kept as a curiosity, and was of no practical value to the department. It was absolutely worthless, excepting as a piece of show, and there were now so many of them that they were a perfect nuisance. In any case it was no part of Mr Morkham's duty to see that these stamps were licked into the albums, and he would tell the board that no doubt some of the stamps came short of the number said to be enclosed and others were damaged. The Board adjourned for lunch.

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TRAFFICKING IN STAMPS.

SERIOUS CHARGES AGAINST THE CONTROLLER.

The Public Service Board, consisting of Messrs. Fosbery (chairman), Howitt and Morrah, sat yesterday at the Public Works offices, and resumed the inquiry into the charge of trafficking in stamps laid by the Crown against Mr. William Morkham, Accountant of the General Post Office and Controller of Stamps. Mr. Wasley conducted the case for the Crown, and Mr. Leon, instructed by Messrs. Eggleston and Derham, watched the proceedings on behalf of Mr. Morkham. The Chairman said an additional charge was laid by the Crown against Mr. Morkham to the effect that he was guilty of misconduct in not properly distributing and accounting for all stamps and stamped envelopes received by him from the Postal Union Industrial [sic] Bureau of Berne, and all other foreign stamps, and that he had been negligent in his duty in not placing specimens of each foreign stamp in the official album. In answer to a question from the board, Mr. Morkham denied the truth of the charges. James Smibert, Deputy Postmaster-General, said the authorities of the postal bureau at Berne were in the habit of sending five sets of all new issues of stamps adopted by the Union. The first set was placed in the official album, the second went to the Postmaster-General, the third to the Deputy Postmaster-General, the fourth to the Controller of Stamps, and the fifth to the assistant secretary. He was totally ignorant of the fact that obsolete stamps were being sold in the department to the outside public.

William Reid [*Ed - Reeve*] Rundell, clerk in the Deputy Postmaster-General's office, said that all the foreign specimen stamps received by Mr. Smibert from Mr. Morkham were pasted by him (witness) in Mr. Smibert's official album. [Both the official album kept by Mr. Morkham and that kept by Mr. Smibert were submitted to the witness for examination, and he showed that whilst Mr. Smibert's album contained certain foreign stamps received from Berne, similar stamps were absent from Mr. Morkham's official album.] There were 116 stamped envelopes from the French colonies entered in Mr. Smibert's album, but were absent from Mr. Morkham's album. He had made out a list showing that stamps were received from 35 different countries, not one of which appeared in the official album, though some of them did not appear in the album of the Deputy-Postmaster-General. This closed the case for the Crown, and Mr. Leon proceeded to call rebutting testimony. William Morkham, accountant and controller of Stamps, said that for years he sold stamps to dealers and collectors in a perfectly open manner, and simply followed the practice of his predecessor. It was not true that he purchased obsolete and reprint stamps that were not available to the public; these stamps were available the public. He bought about £10 worth of obsolete stamps. He never sold them, or authorised his son Valentine<sup>19</sup> to do so. He had given stamps to his son from time to time for his own amusement, and was not until told of it, that his son sold them, his son told him he obtained the stamps from his (witness's) collection surreptitiously, and he had punished the boy for what he had done. He (witness) claimed that he acted quite within his powers when he ordered Mr. Sinnott to withdraw certain obsolete stamps from the "spoil"

<sup>19</sup> *The Australasian* of 28 November 1896 contained the following death notice "On the 24th November, at Christowell, Riversdale-road, Camberwell, Eustace Valentine, third son of William and Emily Sophia Morkham, aged 16 years." Valentine had suffered a gunshot wound to his thigh following his attempt to rifle butt a snake that he had trodden on while out rabbit shooting on the family's farm at Yarra Glen and did not recover from surgery in Melbourne. The unfortunate story is told in a number of newspaper articles in late November and early December 1896 (see *Trove*).

safe. He never gave exclusive facilities to particular persons to obtain obsolete stamps at the G.P.O. A man named Friedman bought a large quantity of obsolete stamps. The law required that the department must sell stamps only at their face value. As to the charge that he sold obsolete stamps to Friedman after the Postmaster-General had issued an order prohibiting any further sales, the explanation was that the stamps were practically sold or promised to Friedman before the Postmaster-General's order was issued. He never made untrue and misleading statements to the Postmaster-General when questioned on the subject. The official album containing the stamps received from the postal bureau at Berne served no practical purpose. It was regarded merely as a curiosity, and never once during his term of office was the album used to compare the stamps in it with the stamps on documents from foreign countries. As to the stamps not to be found in the official album, it was quite possible some may have become loose and dropped out, or been removed during his absence. He could not understand Mr. Smibert's statement that he was unaware that old stamps were sold by the department, because it was a notorious fact for years past. Mr. Wasley submitted the witness to a long cross-examination, during which the latter stated that his son must have secretly got possession of his (witness's) stamps and sold them to the dealers; and that there was no check in the department to prevent the chief distributor of stamps issuing obsolete stamps from the spoil safe and replacing them with current issue stamps. Mr. Leon, in addressing the board on behalf of Mr. Morkham, said he was astounded on hearing the Deputy Postmaster-General state he was entirely ignorant of the fact that obsolete stamps were sold by the department to the public. It showed that the departmental head of a great public institution was absolutely unacquainted with its practice and procedure. But his astonishment became still greater on finding that nearly two years ago the Deputy Postmaster-General actually received, in answer to a memo, penned by him in reference to the sale of some obsolete stamps, a letter from Mr. Morkham, stating that the usual practice of the department had not been departed from. Mr. Smibert's denial of any knowledge of the practice, in the face of the letter, showed that the circumstances under which the charges were laid against Mr. Morkham bore a very ugly aspect. He (Mr. Leon) need not go into the merits of the case, because he was certain the board would see that the charges recoiled on the head of the person who made them. At this stage the inquiry closed, and it now remains for the board to consider the evidence and submit its recommendation to the Governor in Council.

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***The Age - Wednesday 4 November 1896, page 4***

NEWS OF THE DAY.

The Public Service Board is engaged in reviewing the evidence given at the recent inquiry with respect to charges of trafficking in stamps made against certain officials of the postal department, and it is expected that the board will give its decision on Friday.

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***The Age - Monday 9 November 1896, page 4***

NEWS OF THE DAY.

The Public Service Board has completed its inquiry into the charges against four officials of being concerned in a traffic in certain obsolete postage stamp. All four have been found guilty in some degree of misconduct. According to the verdict and punishments awarded, the most serious case is that of W. H. Sinnott, the officer in charge of the distribution of stamps,

against whom all the specific charges of trafficking in these stamps are declared proved, and whose salary is permanently reduced from £485 to £375 as a punishment. The accountant and controller of stamps, W. Morkham, is held to have sold some reprint stamps at face value after their sale had been forbidden; and also to have been negligent in the discharge of his duties, and he will suffer a permanent reduction of salary from £730 to £700. The other two officers, H. C. Treyvaud, a sorter at Geelong, and A. Coulson, a clerk in the Income Tax office, are found to have made untruthful and misleading statements about the matter, but their share in the stamp traffic is declared not proved. They are dealt with by reduction of pay for one year.

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***The Age - Tuesday 10 November 1896, page 7***

#### TRAFFICKING IN STAMPS.

#### GOVERNMENT OFFICERS FOUND GUILTY OF MISCONDUCT REDUCTION OF THEIR SALARIES.

As the result of inquiries made recently by a committee of the Cabinet, charges of misconduct in connection with the sale of certain obsolete Victorian postage stamps were brought against four Government officials and investigated by the Public Service Board. It will be remembered that, as was stated in these columns at the time the circumstances became public, there were certain issues of Victorian postage stamps which, having been withdrawn from use, acquired a high value among stamp collectors as philatelic specimens, their premium reaching two or three times the nominal or face value, and sometimes considerably more. A quantity of these stamps was still in the possession of the Postal department, and it was alleged that the officers implicated were in one way or another concerned in getting these stamps and disposing of them. These officers were suspended from duty pending an investigation. The report of the Public Service Board, with the verdict and punishment in each case, has now been completed. The senior officer effected by the inquiry is Mr. W. Morkham, accountant of the Postal department and controller of stamps. He was charged with (1) improperly trafficking in stamps; (2) allowing to be removed from the "spoil" stamps 34 sheets of 2s. green; (3) improperly giving to certain persons, especially to one Friedman, undue facilities for the purchase of obsolete and reprint stamps; (4) selling at their face value to Friedman large quantities of obsolete and reprint stamps; (5) selling certain reprint stamps at their face value to Friedman after the sale of such stamps had been forbidden by the Postmaster-General; (6) making untruthful and misleading statements concerning the above matters when questioned by the Postmaster-General, and there was a general charge of negligence and carelessness in the discharge of his duties. The board finds the fifth charge and that of negligence to be proved; all the others not proved. It was further charged against Mr. Morkham that he was guilty of misconduct as an officer of the Post and Telegraph department inasmuch as being accountant and controller of stamps, and having superintendence of the stamps branch, and the care and custody of, and being responsible for the distribution of the stamps received from the Universal Postal Bureau, and of other foreign stamps he did not properly distribute or account for the said stamps, and that he was negligent and careless in the discharge of his duties, inasmuch as he did not place in the official album one specimen of such stamps. The board finds him guilty on both these charges, and as a penalty on the whole case reduces his salary from £730 to £700 a year from the date of him resuming duty. Mr. Morkham, who is about 46 years of age, has been 29 years in the service. The next officer in position appears by the verdict and punishment awarded to be regarded as the most serious offender. This is Mr. W. H. Sinnott, distributor of stamps. The charges

against him were: — (1) improperly trafficking in stamps; (2) removing certain stamps from the department at various times, replacing them with other stamps of current issues, and selling the former at prices above their face value for his own benefit; (3) from time to time arranging with Albert Coulson to sell certain of such stamps for him and share the profits; (4) that at various times he wrote to various persons letters signed "C. W. Watkins" negotiating for the sale for his own benefit of certain stamps; (5) arranging with H. C. Treyvaud to receive such letters and forward them to him; (6) arranging with H. C. Treyvaud for the sale of certain stamps at a price above their face value; (7) making untruthful and misleading statements to the Postmaster-General. The board finds the whole of these charges to be proved, and reduces his salary from £485 to £375 per annum from the date of his resuming duty. Mr. Sinnott is 48 years of age, and has been in the service 34 years. The officer mentioned above as having acted in co-operation with Sinnott is H. C. Treyvaud, a sorter in the Geelong post office. In his case the charges were (1), assisting Sinnott in improperly trafficking in obsolete stamps by taking charge of and delivering to Sinnott certain letters left at the Geelong post office addressed to "C. W. Watkins" (2) alone, or in conjunction with Sinnott, improperly trafficking in obsolete stamps, (3) making untruthful and misleading statements to the Postmaster-General. The board finds the last charge proved, the two others not proved; and reduces his salary from £174 to £160 for one year from the date of his resuming duty. Mr. Treyvaud, who is 37 years of age, has been 13 years in the service. A fourth officer implicated was Albert Coulson, a clerk in the Income Tax office. He was charged with (1) misconduct in assisting Sinnott to traffic improperly in certain obsolete stamps; (2) sharing the profits with Sinnott; (3) making untruthful and misleading statements to the Treasurer. The board finds him guilty on the latter charge, and the other charges not proved, and reduces his salary from £200 to £184 for one year from date of his resuming duty. Mr. Coulson is 31 years of age, and has been 13 years in the service.

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[*Ed* - The following letter to *The Age* probably best exposes the Board's treatment of the evidence and its failure to get to the real issue before it about the relevant officials who caused the **reprinting** of obsolete or withdrawn stamps and in one case - not even mentioned by the newspaper reports - an error.]

***The Age* - Tuesday 10 November 1896, page 7**

#### TRAFFICKING IN STAMPS

to the editor of *The Age*.

Sir, — The decision of the Public Service Board in the above case should be a warning to the Government never again to entrust an inquiry of such a nature to that body. A more barefaced and inequitable finding was never submitted, even by a board of Government officers, and this is saying a great deal indeed. The board finds Mr. Morkham guilty of "selling certain reprint stamps at their face value to Friedman after the sale of such stamps had been forbidden by the Postmaster-General; also, that "being accountant and controller of stamps, and having superintendence of the stamps branch that he was negligent and careless in the discharge of his duties." As a penalty in the whole case the board reduces his salary from £730 to £700 a year. Mr. Sinnott, distributor of stamps, is found guilty of "improperly trafficking in stamps", making arrangements with Messrs. Coulson and Treyvaud to assist him in disposing of certain obsolete stamps at a profit, and "making untruthful and misleading statements to the Postmaster-General." Thereupon the board reduces his salary from £485 to £375 — a penalty of £110 a year, or nearly four times the penalty inflicted on his superior officer. It is true Mr

Morkham was not found guilty of making "untruthful and misleading statements", and Mr. Sinnott was. But, on the other hand, and as a set off, Mr. Sinnott was not found guilty of a distinct act of disobedience to the Postmaster-General, and Mr. Morkham was. To arrive at a just conclusion it is necessary to consider the genesis of the whole affair, who procured the Government Printer to reproduce cancelled or obsolete stamps, and what purpose had the person so procuring their reproduction in view? Mr. Sinnott was not responsible for the printing of these stamps. Then who was? And what was the object in view? This aspect of the case has been, as is usual in similar inquiries, slurred over or covered up in order to let the real delinquent go free. Indeed, the finding of the board seems obviously designed to screen someone. The fines or penalties inflicted on the other two delinquents amount together to the penalty inflicted on Mr. Morkham, but their combined salaries amount to little more than half his. Is it possible the Executive will endorse the finding of the board? Or, if they do, surely Parliament will have something to say in the matter. Yours, &c.,  
9th November.

POSCA.

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***The Age - Wednesday 11 November 1896, page 4***

The serious attention of Parliament is called to the extraordinary findings and recommendations of the Public Service Board in connection with the charges brought against certain Post Office officials of trafficking in stamps for their private advantage. After the revelations lately made of the "go as you please" administration of the department presided over by Mr. Duffy, in which the officials were shown to pass from the grave, in the shape of preferential contracts, to the gay as represented by the cultivation of the art of high kicking, the public will find it difficult to experience the sensation of surprise at any new discovery. But the latest development must necessarily create astonishment. Any unprejudiced jury would have found the evidence in support of the accusations against certain persons charged with trafficking in obsolete stamps ample and complete. Evidently the Public Service Board felt that in face of that evidence it would be an outrage to acquit the accused. But the members of the Board have taken a strangely lenient view of the offence. Their sympathies were evidently enlisted on the side of the offenders, since we find them picking out the least grave of the charges and convicting on them, whilst they acquit on the more serious charges, the evidence being equally convincing upon all of them. Even as respects the verdicts of guilty, the Board proposes to inflict a punishment which is practically no punishment at all. Mr. Morkham, the accountant of the Postal department and controller of stamps, was found guilty of dealing in certain stamps after their sale had been prohibited by the Postmaster-General, of making untruthful and misleading statements concerning the matter, and of negligence and carelessness in the discharge of his official duties. Even when the Board had thus toned down the charges against Mr. Morkham, he stood convicted of very grave irregularities. Now, what is the punishment which the Board deems sufficient for the offences? The reduction of the salary of the offender from £730 to £700 a year from the date, of his resuming duty! In the case of W. H. Sinnott, distributor of stamps, all of the charges against him were held to be proved. He had improperly trafficked with stamps, removing those which had acquired a value above that on their face and replacing them with others of a new issue, entering into corrupt, collusion with other officers to dispose of the abstracted stamps, and making untruthful and misleading statements. Surely in this case the Board would recommend the infliction of condign punishment. Not at all. What they say is that his

salary should be reduced from £495 to £375 per annum. The two other officers implicated are to be sufficiently punished by fines of £10 and £16 respectively. What has to be considered is that those officers were paid salaries far in excess of their merits mainly because they occupied positions of trust and it was undesirable that they should be subject to temptation. But they violated that trust. They trafficked in property placed in their charge for the sake of a paltry personal advantage. Common sense people would have no difficulty in arriving at the conclusion that men who had violated the trust reposed in them should at all events cease to be officers of the State, even if not prosecuted criminally. There is not a public company or private firm which would not instantly dismiss officers in such circumstances. But evidently the Public Service Board thinks that there should be a wider latitude allowed to the civil servant than to the private citizen. It is this very same idea in accordance with which a German officer was recently allowed to commit a cold-blooded murder with practical impunity. That notion should be nipped in the bud here, and the most effectual means of doing so is to put an end to the practice of trying civil servants by a court composed of members of their own class. The Public Service Board has apparently set up the theory that the civil servant is a privileged individual whose hold on the State is never to be relaxed, and whose lapses are only to be visited with mild remonstrances or petty fines. The public will await with some curiosity the action of the Government in this case. What the friends of the Ministry will expect is that not only will the inculpated officers be cashiered, but that the political head of the department in which alone maladministration has been shown to exist will be relegated to that private life which he is so well calculated to adorn.

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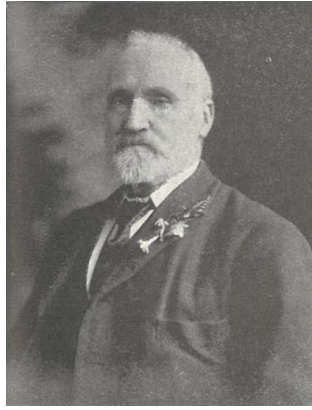
#### **The Age - Thursday 12 November 1896, page 4**

##### NEWS OF THE DAY

A short and inconclusive discussion took place yesterday in the Legislative Assembly upon the extraordinary finding of the Public Service Board in the case of trafficking in stamps by certain public servants. Mr. Graham, who called attention to the matter, remarked that while the scandal had become the talk of the whole country, the decision of the board had caused widespread dissatisfaction. To his mind it was perfectly clear that the Public Service Board observed one law for the poor and another for the rich. The board recently recommended the summary dismissal of a poor messenger boy who had copied a race telegram, but for serious and grave breaches of the law committed by highly paid officers, occupying positions of great trust and responsibility, the board had recommended wholly inadequate punishment in the shape of fines. The Premier frankly admitted that the board's decision was unsatisfactory, and said that if he had been the sole judge he would have taken a more serious view of the offences. But the Government had no power to revise the board's decisions, though the House might rest assured that the offending officers would not be allowed to remain in the offices which they occupied while the trafficking proceeded. All that the Premier conveyed, however, was that the principal offenders would be transferred to some other department. He said nothing about their dismissal from the service, and Sir John M'Intyre therefore asked for the production of the report of the evidence<sup>20</sup>, stating that the case could not be allowed to rest in its present unsatisfactory state.

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<sup>20</sup> It would be interesting to find out whether this still exists and whether it was tabled or produced to the Assembly. So far, no reference to it has been found.



*George Graham*



*John M'Intyre*

A more fulsome report of the discussion in the Legislative Assembly was contained in *The Ballarat Star* of Thursday, 12 November 1896, on page 2:

Mr Graham inquired in the Legislative Assembly yesterday whether in view of the extraordinary evidence given before the Public Service Board in connection with unauthorised sale of postage stamps by certain officials, the Government was prepared to endorse the finding of the board, and give effect to its recommendation. Mr Graham remarked that it would appear from the decision that there was one law for the rich and another for the poor. Mr Turner said that the accused officers had been tried by the tribunal constituted by law. As far as he was able to judge, from his reading of the Act, the decision of the board was final, and he did not see that the Government could interfere. Had it fallen to his lot to deal with the cases, he would have taken a more serious view of them. The Government did not intend that the officers concerned should remain in their present positions. Mr Sinnott would be transferred to other duties. Mr Morkham would, in all probability, have been appointed Deputy Postmaster-General on the retirement of the present permanent head<sup>21</sup>, but, of course, such an appointment was now impossible. Mr Coulson was in the Income Tax Office, and he would not be allowed to stay there, as officers were required whose secrecy could be depended on.

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***The Age - Saturday 14 November 1896, page 13***

THE STAMP TRAFFICKING CASES.

TO THE EDITOR OF THE AGE.

Sir, —The decision of the Government in the above cases having been given, I should like, with your permission, to draw attention to a circumstance that might escape attention. In the course of the evidence it came out that five sets of stamps are sent to our Postal department by the Postal Union and all places outside that body. Three of those sets are supposed to be placed in official albums. But has become of the other two sets? Have certain officials in the department been in the habit of looking on them as their private property, and by this means accumulating collections of great value? Perhaps the Premier might look into this, and if it turns out to be the case demand immediate restitution of this State property.— Yours. &c.,  
11th November. PHILATELIST.

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<sup>21</sup> James Smibert retired from the position of DPMG during 1897 and was succeeded by F L Outtrim on 1 March 1897.

Harsher criticism was meted out by *The Bendigo Independent* of Friday, 13 November 1896 which on page 2 published the following.

#### GOVERNMENT SERVICE AND PRIVATE SERVICE.

There are men—several men—in the service of the Postal Department, who if it were the service of a private firm would not be there for one hour longer if what has been proved against those persons were proved against them. They would be turned out without ceremony, and if they afterwards came around the place looking for pensions they would be ejected with a kick or handed over to the police for trespassing on premises. But because the Government pays, the culprits are let off with an exceedingly light sentence. If the business were the private concern of the Public Service Commissioners we very much question whether they would have dealt with those people in the milk and water fashion that they did. When Mark Twain's father went to St. Thomas with his pocket full of Government dollars to buy the island for the United States, the Danes set on him and robbed him of the money. Which as the sympathising son observes was quite right, as it was Government money. But those Danes also robbed Mark Twain's father of his own money. Which was quite wrong, because it was his father's money. This is the common way in which Government money and public interests are safe-guarded. We say this in no spirit of personal disrespect to public officers. They are quite as conscientious and trustworthy as the average run of citizens would be if placed in their positions and given their opportunities. They see themselves surrounded by a certain system. It is only the very best of them who can rise superior to the system, and at the end of 20 or 30 years be as good men in every respect as when they entered the service. There are too many opportunities for going astray thrown in the path of the average Government employee. But if the opportunities are many the punishment is remarkably lenient. So the careless, the indolent and the unscrupulous amongst them have cause to bless their opportunities. It is now very patent to the dullest taxpayer that for years past some of the "opportunities" provided by the Postal Department have been sedulously cultivated. Not content with drawing salaries which are probably twice as large as any of the parties in question could earn in outside employment, these individuals were working the post office for all it was worth. There were a band of traders within the Postal Department on the amiable craze which certain people have of collecting postage stamps. The stamp-dealers inside the post office were getting out-of-date and obsolete stamps reprinted at the Government Printing Office, and then they would sell them to stamp-dealers outside the office. In order to assist them in this fraud and in frauds of a similar character, two of these individuals used to make use of an assumed name. The Government were cheated by the stamps being sold at a high premium, and the public were cheated by stamps "rich and rare," the only ones in the market being palmed off on them, whereas the dealers only had to apply to Mr Morkham or to the pseudonymous "Mr. Watkins" and plenty more "obsolete" stamps would be forthcoming from the same place as the last lot. Like true Government officials the Public Service Board held that as it was alleged the Government always got the face value of the stamps, it was a matter of no importance whatever what the public paid to the traffickers. Other people, however, have a different opinion. Deceit, falsehood, conspiracy, and neglect of duty were proved against one or other of the defendants. Yet such men are considered worthy to remain in the public service, to be voted increases of salary anon, and on their attaining 60 years of age to be handsomely pensioned off for the remainder of their lives as the public's response for their self-sacrificing and supremely valuable services to the State. Such a thing as this could only occur in a Government department. Parliament is pretty case-hardened about these matters. The more's the pity. But the stamp trafficking frauds and the utterly inadequate

sentences recommended by the Public Service Board were a little too much for Parliament. Mr Graham asked the Premier if in view of the extraordinary evidence given before the Board, was the Government prepared to endorse the board's recommendations? The Premier somewhat weakly replied that he was afraid that they would have to do so. It was a confession, if ever there were one, that Victoria is a board-ridden country. We would like to know why the Public Service Board's report cannot be referred back to them with a recommendation to them that the punishment should be made to fit the evidence. Had it fallen to his lot to deal with the cases, said Mr Turner, he would have taken a more serious view of them. He also added that Messrs Morkham, Sinnott and Coulson, the three chief traffickers, would be removed to other departments. This is an old-fashioned way which Governments have of begging the crux of a question of this kind. Men who are false, dishonest or negligent in one place or position will probably continue false, dishonest or negligent to the end of the chapter wherever they are placed. They saw their "opportunity," and it was not in these men's natures to resist. They had not the temptation of poverty to plead, as two at least of them are in receipt of large salaries and will continue so, unless Sir John McIntyre was speaking for both the Ministerial and Opposition side when he intimated the probability of the matter being again brought before the House. This is but an instalment of the Post office Department scandals. In a few days more the report of the Hamilton Board should be ready, and then the Government should do some "high-kicking" in connection with the department. With such inferior and incompetent men at the head of this important department it is in the highest degree creditable to the general working staff of the post and telegraph office throughout the country, and gratifying and reassuring to the public as well, that their letters, newspapers and telegrams, money orders and banking business are dealt with so correctly, honestly and expeditiously. Though the senior British officers in the Crimea were not geniuses the subalterns and the privates were as good as they make them. For years past we think that this has been the case with the Postmaster's Department.

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### ***The Philatelic Record and Stamp News Vol 19 at page 56***

In December last (vol. 18, p. 330) we gave some particulars of some stamp dealing by certain postal officials in Melbourne, and we have now the very satisfactory sequel of the conviction and punishment of those officials. We quote from the Melbourne Argus of Nov. 9th, 1896 :— The Public Service Board has now communicated to the Government the result of the investigation of the circumstances connected with the irregular traffic in obsolete stamps by officers of the Postal Department. The officers concerned were Messrs. W. Morkham, accountant and controller of stamps; W. H. Sinnott, clerk in the accountant's branch; A. Coulson, clerk, now in the Income-tax Department; and H. C. Treyvaud, letter sorter, Geelong. They have been found guilty on some of the charges brought against them, and the Board recommends reductions in their salaries. The charges concerning Mr. Morkham were as follows:— (1) Improperly trafficking in stamps; (2) allowing to be removed from the "spoil" 34 sheets of 2s., light green, stamps, withdrawn from issue in August, 1895 (3) improperly giving to certain persons, especially one Friedman, undue facilities for the purchase of obsolete and reprinted stamps; (4) selling at their face value to Friedman large quantities of obsolete and reprinted stamps; (5) selling certain reprinted stamps at their face value to Friedman after the sale of such stamps had been forbidden by the Postmaster-General; (6) making untruthful and misleading statements concerning the above matters when questioned by the Postmaster-General; and (7) negligence and carelessness in the discharge of his duties. The Board finds that the fifth and seventh charges have been proved, but not the

others. Two additional charges were formulated, that Mr. Morkham did not properly distribute or account for stamps received from the Universal Postal Bureau, and that he was negligent in the discharge of his duties, in as much as he did not place in the official album specimens of these stamps. These charges are also considered proved, and the Board recommends that Mr. Morkham's gross salary of £750 (that is, without percentage reductions) be reduced to £700 per annum from the date of his resuming duty. Mr. Sinnott has been found guilty on all the charges brought against him, namely:— Improperly trafficking in stamps; removing certain stamps from the department at various times; replacing them with other stamps of current issues, and selling the same at a price above face value for his own benefit; arranging with Coulson to sell certain of such stamps for him, and to share the profits; writing to various persons letters signed "C. W. Watkins," and negotiating for the sale for his own benefit of certain stamps; arranging with Treyvaud to receive such letters at Geelong, and forward them to him; arranging with Treyvaud for the sale of certain stamps at a price above their face value; and making untruthful and misleading statements to the Postmaster-General. The Board recommends that his salary be reduced from £483 to £375 per annum from the date of his resuming duty. The charges against Mr. Treyvaud were :— (1) Assisting Sinnott in improperly trafficking in obsolete stamps by taking charge of and delivering to Sinnott certain letters which were left at the Post Office, Geelong, addressed to C. W. Watkins; (2) alone or in conjunction with Sinnott improperly trafficking in such obsolete stamps; and (3) making certain untruthful and misleading statements concerning the above matters to a person instructed by the Postmaster-General to inquire into the same. The Board finds the first and second charges not proven, and the third proved, and recommends a reduction of salary from £174 to £160 for twelve months. Mr. Coulson was also charged with acting in conjunction with Sinnott, but is only found guilty of making untruthful statements when under examination, and the Board recommends the reduction of his salary from £200 to £184 for twelve months.

It is understood that the Cabinet, following the usual course, will adopt the recommendations of the Board. Mr. Morkham has not been in good health for some time back, and is likely to apply to be retired from the service on that ground. [Ed - "Mr MORKHAM is applying to retire on the grounds of ill health" (from the *Sydney Morning Herald* of 10 March 1897. He received a pension of £345 per year, according to *The Enquirer & Commercial News (Perth)*, dated 12 March 1897?]

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## New Regulations

On 13 November 1896, James Smibert wrote a memorandum<sup>22</sup> to the Accountant and Comptroller of Stamps stating:

The PMG has framed the following Regulations in regard to stamps, and he directs me to request that they may be strictly observed in future, viz:-

1. Distributors of Stamps in future only to have custody and control of current issues of stamps actually in use.
2. When stamps of any denomination have been superseded they are to be withdrawn from all Post Offices.
3. Superseded stamps are to be placed in "spoil".
4. Except such specimens as it may be desirable to retain for exchange with other Administrations.

<sup>22</sup> D Letter Book 14.10.96 to 8.12.96 No 6.

5. Such last mentioned stamps to be under the immediate control and in the custody of the DPMG and not to be dealt with except under the written sanction of the PMG.
6. No stamps to be removed from "spoil" except on the written authority of the PMG on the recommendation of the DPMG.
7. "Spoil" Board to append to their report a certified list of stamps destroyed.
8. Sets of Stamps from other Administrations to be recorded in a book of receipts and properly accounted for. Book to be audited.
9. Chief Distributor not only to be checked at end of the month but to be checked at irregular intervals during the currency of the month.

The Minister has also decided that all obsolete issues and reprints be withdrawn at once from the Chief Distributor and entered in an Account Book Debtor side to correspond with the entries in the Chief Distributor's Book Credit side, such book and stamps to be brought to me [DPMG].

Letters enclosing stamps from Berne, and other Foreign Postal Administrations to be checked by the Chief Clerk with the entries in Book as per Regulation 8 and retained in the Correspondence Branch, the stamps to be accounted for by you [Distributor of Stamps].

### **Return of exhibits from Board of Inquiry**

14 January 1897 - To Govt Printer "I have the honor to return herewith the accompanying exhibits (A to G inclusive) in the recent Stamp Inquiry which have been forwarded to this office from the Public Service Board.<sup>23</sup>"

### **Further charges against Morkham**

On Friday, 22 January 1897 *The Argus* reported (page 5) that additional charges of improper conduct had been made against William Morkham. One of the charges arose from evidence taken by the Public Service Board. Morkham was further charged with misconduct whilst comptroller of stamps, in as much as he failed to produce or account for when suspended on 22 September 1896, the original stamps of South Australia and Tasmania, which stamps were entrusted to him by Postmaster-General for safe keeping, also in failing to account for two leaves which were extracted from the official stamp album whilst in his custody, the leaves being respectively indexed 312 (New South Wales) and 316 (New Zealand). Morkham was again suspended until the charges were disposed of.

In March 1897 the Public Service Board exonerated Morkham on a separate charge of permitting orders for supplies to be split up so as to avoid the necessity of obtaining Ministerial authority.

"Mr MORKHAM is applying to retire on the grounds of ill health" (from *The Sydney Morning Herald* of 10 March 1897, he received a pension of £345 per year). According to *The Enquirer & Commercial News* (Perth), dated 12 March, the Board also "declined to reopen the charge against Mr MORKHAM of having failed to account for certain stamps on the ground that the matter had been dealt with already. "It was elsewhere reported that they also considered that the charges were not proved."

<sup>23</sup> D Letter Book 8.12.96 to 3.2.97 No7.

## Epilogue

William Kenneth Morkham was born on February 9, 1850 in Geelong, Victoria Australia to Anne (Amery) Morkham and William Morkham. He married Emily Sophia (Goodrich) Morkham on October 5, 1872 at Goodrich Residence Heidelberg Road - North Fitzroy, in Melbourne, VIC and they later separated. They had children Reginald John Goodrich Morkham, Edith Ann Mary (Morkham) Swales, Percival Creswick Morkham, John Morkham, Eustace Valentine Morkham, Roland Amery Morkham, William Gordon Morkham, and Muriel Emily (Morkham) Britton. He married Diana Lenore (Dennis) Morkham, and they were married until Diana's death in September 1912. They had children Horace Franklin James Morkham, Diana Lenore (Morkham) Rhodes, and Cynthia Elaine (Morkham) Wilkinson. William Morkham died at age 63 years old on November 20, 1913 at Dover Road, in Brighton, East Sussex County, England United Kingdom.

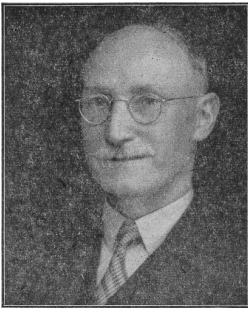
Source: <https://www.ancientfaces.com/person/william-kenneth-morkham-birth-1850-death-1913-unit/141634266>

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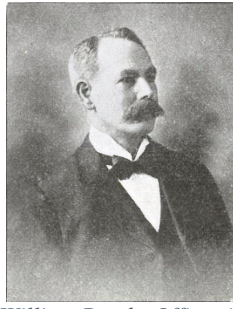
### *Dramatis personae*

Name	Position at time of Inquiry
<b>Ackland</b> , William	Stamp dealer
<b>Arundle</b> , Joseph	Postmaster, Collingwood post office
<b>Attorney-General</b>	See <b>Isaacs</b> , Isaac
<b>Bond</b> , William	Officer in charge of Stamp Printing Department at Victorian Government Printing Office
<b>Charlton</b> , Mr	Commercial traveler for Andrew Jack & Co printers
<b>Clements</b> , Wm James	Clerk in the stamps branch of the Post Office
<b>Coulson</b> , Albert	Clerk in Income Tax Branch of Treasury Department
<b>Cumming</b> , Angus	Sub-accountant in the GPO
<b>Davies</b> , Joseph	Stamp dealer
<b>Derham</b> , T P	Lawyer, Partner in Eggleston, Derham & Martin, Bank Place Melbourne, solicitors for William Morkham
<b>Donne</b> , Charles B	Stamp dealer and book and map seller
<b>Duffy</b> , John Gavan	Postmaster-General of Victoria
<b>Edwards</b> , William	Stamp collector
<b>Eggleston</b> , John Waterhouse	Partner in Eggleston, Derham & Martin, Bank Place Melbourne, solicitors for William Morkham
<b>Fink</b> , Theodore	Barrister representing Coulson
<b>Fosbery</b> , John W	Chairman of the Public Service Board of Inquiry and Commissioner of Audit
<b>Friedman</b> , A [Adolf] J	Stamp collector and employee of Fletcher Chester & Co
<b>Graham</b> , George	Member for Numurkah and Nathalia district in the Legislative Assembly (previously Minister for Water Supply in James Munro's Government 1890-93)

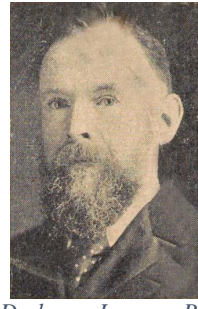
<b>Howitt, Alfred William</b>	Member of the Public Service Board of Inquiry and Secretary of Victorian Mines Department and former Police Magistrate and warden of the goldfields, Gippsland
<b>Isaacs, Isaac</b>	Attorney-General (later, High Court justice and Chief Justice and Governor-General)
<b>Joske, Ernest Oskar</b>	Barrister representing Sinnott (Joske & Levy, Barristers & Solicitors).
<b>Lemon, William Rankin</b>	Clerk in the Post and Telegraph Department.
<b>Leon, S</b>	Barrister representing William Morkham
<b>M'Intyre, Sir John</b>	Former president of the Board of Lands and Works and commissioner of crown lands and survey in the J B Patterson Ministry
<b>M'Manamny, Patrick</b>	Detective
<b>Maplestone, Charles M</b>	Retired but formerly an inspector in the Postal department
<b>Martin, Ludwig</b>	Clerk to Mr Pfaff
<b>Morkham, Eustace Valentine</b>	William Morkham's son (aged 16)
<b>Morkham, William Kenneth</b>	Accountant GPO and Controller of Stamps; Born 9 Feb 1850, Geelong; died 20 Nov 1913 Brighton UK
<b>Morrah, A</b>	Member of the Public Service Board of Inquiry
<b>Moulden, Edward Robert</b>	Stationer and licensed vendor at Geelong
<b>Pfaff, Alfred</b>	Peruvian Consul in Melbourne
<b>POSCA</b>	Unknown <i>nom de plume</i> used by a writer of letters to the editor
<b>Postmaster-General</b>	See <b>Duffy, John Gavan</b>
<b>Premier</b>	See <b>Turner, George</b>
<b>Rundell, William Reeve</b>	Clerk, DPMG's office
<b>Sinnot, Willian Henry</b>	Chief Cashier GPO and Chief Distributor of Stamps
<b>Smibert, James</b>	Victorian Deputy Postmaster-General and Head of the Posts & Telegraphs Department
<b>Thacker, Mr</b>	Bought stamps from Treyvaud. This is likely to be B C Thacker, who was listed in <i>Vindin's Philatelic Monthly</i> (Oct 1892, Vol6, no3, p34) as a member of The Philatelic Society of Victoria. A postal card addressed to 'B Thacker Esq Savings Bank Geelong' from the Geelong Wesleyan Preachers' Association is known
<b>Treyvaud, H C</b>	Postal sorter, Geelong
<b>Turner, George</b>	Premier of Victoria
<b>Wasley, Josiah Stephen</b>	Barrister representing PMG
<b>Watkins, C W</b>	Alias used by Sinnott (wife's maiden name)



*William Ackland - stamp dealer and witness*



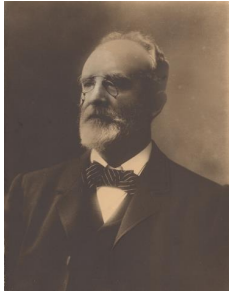
*William Bond - Officer in charge of Stamp Printing Department at Victorian Government Printing Office*



*T P Derham - Lawyer, Partner in Eggleston, Derham & Martin, Bank Place Melbourne, solicitors for William Morkham*



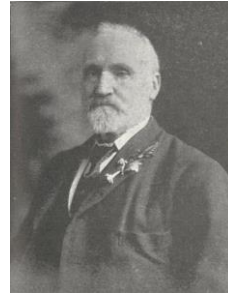
*C B Donne - Stamp dealer and book and map seller*



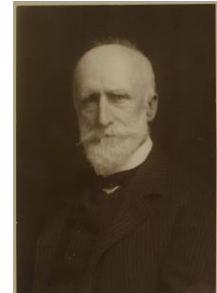
*John Gavan Duffy - Postmaster-General at the time of the Inquiry*



*Theodore Fink - counsel for Coulson*



*George Graham - Member of the Legislative Assembly who drew attention to the extraordinary finding of the Public Service Board in Parliament and accused it observing 'one law for the poor and another for the rich'*



*A W Howitt - member of the Board of Inquiry*



*Isaac Isaacs - the Attorney-General at the time of the Inquiry*



*Ernest Oskar Joske - counsel for Sinnott*



*Detective Patrick M'Mananny*



*John M'Intyre - asked for the production of the report of the evidence before the Public Service Board to the Legislative Assembly, stating that the case could not be allowed to rest in its present unsatisfactory state*



*Alfred Pfaff - Pfaff, Pinschof and Co., merchants and Peruvian Consul in Melbourne and mentioned in evidence as a buyer of some of the stamps bought through his clerk Mr Ludwig Martin*



*Willian Reeve Rundell - Clerk, DPMG's Office and a witness*



*James Smibert - then DPMG (pictured about 1910)*



*George Turner - Premier at the time of the Inquiry*

### *Image sources*

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- Bond, William** *The Cyclopedia of Victoria, Special Part* p. 71 [Vol 1 p. 202]
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- Donne, Charles B** *Philately from Australia*, March 2017, p. 8
- Duffy, John Gavan** State Library Victoria Collection: <http://handle.slv.vic.gov.au/10381/153676>
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- Graham, George** *The Cyclopedia of Victoria, Special Part* p. 45 [Vol 1 p. 158]
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- Smibert, James** From a family photograph provided by a Smibert descendant
- Turner, George** *The Cyclopedia of Victoria, Special Part* p. 65