

A Quick Example of Postage Currency

(Designated as PC 1-16 In *Scott's Specialized*)
Issued from

For PSLC Meeting of the 22nd July 2020 via Zoom

PC 16 (Front)



Owned by John M. Bray

And the back



First, some background

- The U.S. Civil War (War is always tough on economy)
- Hoarding of coinage for wartime intrinsic value
 - Further devalued paper (i.e. in 6/62 coin was +9% > paper) *(Recall FDR's executive order [#6102] making it a criminal offense for U.S. citizens to own or trade in gold anywhere in the world except for some jewelry & select collectible gold coins. The Gold Reserve Act followed in 1934.)*
- Some cities had their local specie (paper) for such, however this was illegal in several states.
- Coins not always available for small business transactions especially for giving change. Some vendors required a premium, for return change!
- One Solution-Use postage stamps!

The Birth of Encased Postage

- At first stamps were used in envelopes as if they were banknotes. In time these got damaged.
- **John Gault** to the rescue...
- Wrap stamp edges around cardboard
- Place in brass coin-shaped Jacket
- Cover with mica window for view
- Advertise on the back
- A micro-industry was born
- Used the eight denominations of 1861-2 issue
- Still, not enough encased items to meet the needs



Was there a better or easier way?

- **Francis Spinner**, U.S. Treasurer; The 17 July 1962 Postage Currency Bill; Substitutes for small currency.
- The beginning of **fractional currency** (i.e. paper specie with value <\$1.00)
- Five issue periods from 1862-1876 (never > 50¢)
- Started with **postage currency** in 1st and 2nd issue
 - Stamps affixed to banknote (treasury) paper...
 - Images of stamps then printed on treasury paper of values from 5¢, 10¢, 25¢, and 50¢. Perfected then non-perfected.
 - Size: All are 65.5 cm by 45 cm (A little bigger than a business card)
 - PC Duration: 21-8-62 to 27-5-63, about nine months
 - Listed in Scott's **PC1** to **PC16**

Scott's 2011 Specialized

POSTAGE CURRENCY

Small coins disappeared from circulation in 1861-62 as cash was hoarded. To ease business transactions, merchants issued notes of credit, promises to pay, tokens, store cards, etc. U.S. Treasurer Francis E. Spinner made a substitute for small currency by affixing postage stamps, singly and in multiples, to Treasury paper. He arranged with the Post office to replace worn stamps with new when necessary.

The next step was to print the stamps on Treasury paper. On July 17, 1862, Congress authorized the issue of such "Postage Currency." It remained in use until May 27, 1863. It was not money, but a means of making stamps negotiable.

On Oct. 10, 1863 a second issue was released. These, and the later three issues, did not show stamps and are called Fractional Currency. In 1876 Congress authorized the minting of silver coins to redeem the outstanding fractional currency.

Values quoted are for notes in crisp, new condition, not creased or worn.

Creased or worn notes sell for 25 percent to 75 percent less.

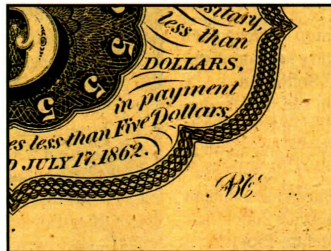
Items valued with a dash are believed to be unique.



Front Engraved and Printed by the National Bank Note Co.

Back Engraved and Printed in Black by the American Bank Note Co.

"A B Co." on Back



"ABCo." imprint, lower right corner of back (#1-8)

1862, Aug. 21

Perforated Edges-Perf. 12

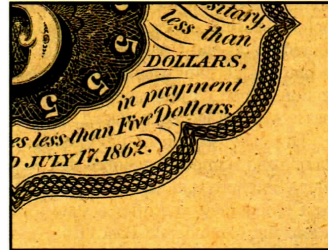
PC1	5c Bust of Jefferson on 5c stamp, brown	190.00
a.	Inverted back	950.00
PC2	10c Bust of Washington on 10c stamp, green	160.00
PC3	25c Five 5c stamps, brown	240.00
PC4	50c Five 10c stamps, green	325.00
a.	Inverted back	950.00

Imperforate Edges

PC5	5c Bust of Jefferson on 5c stamp	75.00
a.	Inverted back	525.00
PC6	10c Bust of Washington on 10c stamp	75.00
a.	Inverted back	675.00
PC7	25c Five 5c stamps	135.00
a.	Inverted back	600.00
PC8	50c Five 10c stamps	160.00
a.	Inverted back	750.00

No. PC8 exists perforated 14, privately produced.

Front and Back Engraved and Printed by the National Bank Note Co.



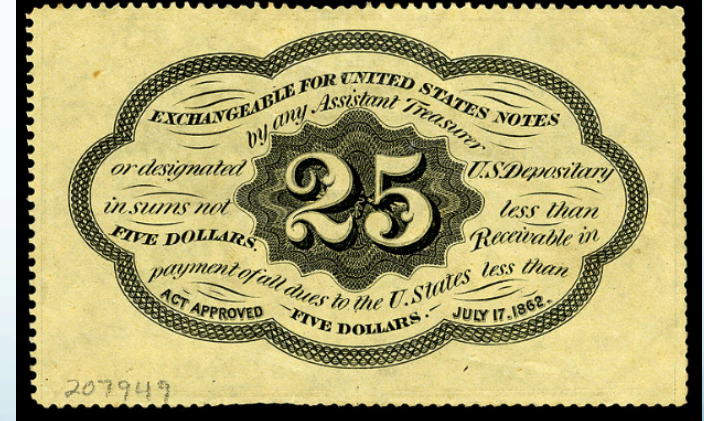
Without "A B Co." on Back

Perforated Edges-Perf. 12

PC9	5c Bust of Jefferson on 5c stamp	230.00
a.	Inverted back	—
PC10	10c Bust of Washington on 10c stamp	250.00
a.	Inverted back	—
PC11	25c Five 5c stamps	340.00
a.	Inverted back	1,100
PC12	50c Five 10c stamps	450.00
a.	Inverted back	—

Imperforate Edges

PC13	5c Bust of Jefferson on 5c stamp	210.00
a.	Inverted back	—
PC14	10c Bust of Washington on 10c stamp	320.00
a.	Inverted back	1,100
PC15	25c Five 5c stamps	425.00
PC16	50c Five 10c stamps	750.00
a.	Inverted back	—



From the National Numismatic Collection of the Museum of American History via Wikipedia

For what it's worth...

- The front sides were printed by the Nat'l Bank Note Company
- The back sides were printed by the American Bank Note Company
- Numbers PC 1-8 contained the engraved script initials of the ABC on the back.



Following the postage currency

- In review, there were five issue periods from 1862 to 1876.
- Postage currency was in use from 21-8-62 to 27-5-63
- After this stamp images were no longer used, and the new notes were referred to as fractional currency, though technically, postage currency was also fractional currency.



The new notes looked more like Federal, state, and local currency. There were about 20 varieties minted over the next 13 years. A favorite is to the left where Treasurer Skinner used his own engraved image on the note! There was some talk...

For future discussion

- How prevalent was fractional currency in the U.S. before the Civil War?
- What did the Confederacy do about their coin shortages?
- Are there any PSLC members and/or guests who collect fractional currency including postage currency and encased stamps?
- And now the question...