

U.S. Demonetized Stamps

by Stan Cronwall

There have been only two occasions in U. S. history when the Federal Government demonetized our postage stamps.



First, it was in 1851 when the five and ten cents stamps from 1847 (stamps to the left) were demonetized as of July 1, that year. This resulted from the Act of March 3, 1851 which reduce the normal letter rate from 5 cents to 3 cents.

NSSS members check your older U.S. covers because there are a few that carry 1847 stamps after the demonetized date. Stamps from 1847 were still optional until the mandatory date in 1855.

The second and more serious came as a result of the start of the Civil War in 1861. At that time, Post Offices in the Confederacy held substantial assets of the United States in the form of their stamp inventories. In theory, the CSA could generate income to be used in the war by selling these stamps to private individuals in the North.

In April 1861, the CSA Postmaster John H. Reagan ordered the post offices in the Confederacy to return their U.S. Stamp inventories to Washington, D.C. Few seemed to have followed his order.

Then, in June 1861, the U.S. Postmaster General Montgomery Blair ordered that postal ties with the Confederacy be severed, and that new stamps be produced for use in the North.



The August 1861 issues (illustrated here) were distributed throughout the Union. Postmasters were ordered to offer to exchange old stamps for the new ones for a period of six days after giving "the public notice through newspapers and otherwise".

After the six day period, Union post offices were not to recognize the old stamps as paying postage. However, Postmasters were to accept letters with old stamps from other post offices until set dates which ranged from September 10 in the East to November 1 for letters coming from the Far West. (Later the dates were extended for an additional two weeks.)

Confusion reigned. Large cities in the East were exchanging new stamps for old in the third week of August, and some remote post offices did not even start exchanging until November. In addition, some post offices ran out of the new stamps which led to acceptance of letters with old stamps after the demonetization date.

Again, NSSS club members check your older U.S. covers because usage of the old stamp beyond the demonetization date are rare.

