

Stamps For Money

by [Michael E. Marotta](#)

On July 17, 1862, the economy was teetering on the brink of collapse. Hard currency was rare and the paper money of the federal government was heavily discounted. Congress authorized the use of postage stamps as money.

The Civil War was an uphill struggle for the North. Most of West Point's best graduates were Southerners. Fighting on their home soil, the Confederate soldiers were grimly determined. The South scored a smashing victory a year earlier at Bull Run, on July 20, 1861. In the North, commerce faced tough times. Gold and silver became ever more valuable.

Copper coinage disappeared into hoards for two reasons. First of all, like gold and silver, the intrinsic value of copper rose as the fortunes of war fell. However, cannons and cartridge cases also consumed tons of copper. Merchants and store owners filled the gap with a wide array of personalized 1-cent tokens, often with patriotic themes. However, on the street, people began passing postage stamps for small change.

But postage stamps were not meant to be passed hand-to-hand and they wore out quickly. Some people used glassine envelopes. Some merchants made postage stamp holders. In 1862, a brass case for holding a postage stamp was patented by a man name John Gault.

America recovered from most of the effects of the Civil War and postage stamps found their best use carrying the mail. However, after World War I, desperate people in Germany and Russia again passed postage stamps as money.