

# This Day in History... August 12, 1862

## Encased Postage

On August 12, 1862, John Gault received a patent for a design to encase postage stamps to use as currency.

By early 1862, the US was fully engulfed in the Civil War. Many people began conserving their resources as they didn't know how much longer the war might last. Among the most hoarded items of the day – coins.



1861 5¢ Jefferson

Back in 1861, the US began printing paper notes to finance the war. Known as greenbacks (because the back sides were printed in green), they were initially redeemable in coins, but as the war raged on, they became merely promises of the US government to pay. Since the notes had no metal money behind them as security, people began to hoard their gold and silver coins.

By 1862, greenbacks were being used more frequently, as coins disappeared from circulation. Eventually, small change vanished completely, and greenbacks were the only currency being used. Since much of what people needed cost less than a dollar, they found themselves faced with an unusual dilemma: how to pay for things without using their precious coins. Soon people were buying a dollar's worth of stamps and using them as change instead. But the resulting wear and tear made it difficult for postal clerks to tell unused stamps from those that had been washed for reuse.



1861 12¢ Washington

Eventually, the government officially acknowledged the use of postage stamps as payment. On July 17, 1862, they passed a law that would allow postage stamps to be used to pay off debts to the government under \$5. As stamps became an accepted form of currency, several new ideas developed.

Among those looking for a solution was businessman John Gault. On August 12, 1862, he received a patent for a "Design for Encasing Government Stamps" to be used as currency. His design would encase the stamps and protect them from wear.

The back portion of the quarter-sized encasement was made of brass. A layer of cardboard padding and the stamp were placed on the frame then covered with a thin sheet of clear mica. A frame of brass fit over the invention to secure it. This enabled stamps to be passed like coins, without destroying them. The stamps used in encased postage were the 1¢, 3¢, 5¢, 10¢, 12¢, 24¢, 30¢, and 90¢ stamps from the 1861 issue.



1861 30¢ Franklin

Soon, companies were imprinting messages on the back part of the frame. Stores and manufacturing companies such as Ayer's Pills, Burnett's Cooking Extracts, and Lord & Taylor began impressing their name and product on the back of the metal frame and began using them for advertising. At least 30 different companies took advantage of this new advertising tool.

Gault wasn't the only one looking for a solution, however. Not long after he patented his invention, the government issued postage currency on August 21, 1862. They also issued fractional currency and began producing more brass and copper-nickel coins in 1863, reducing the need for Gault's encased postage. In spite of this, encased postage was quite popular. According to *Scott Catalogue*, about \$50,000 in encased postage was sold during the war – about 750,000 pieces. They estimate only about 3,500 to 7,000 might still exist today.



An 1861 1¢ Franklin stamp that would have been encased



1861 10¢ Washington



1861 24¢ Washington



1861 90¢ Washington

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