

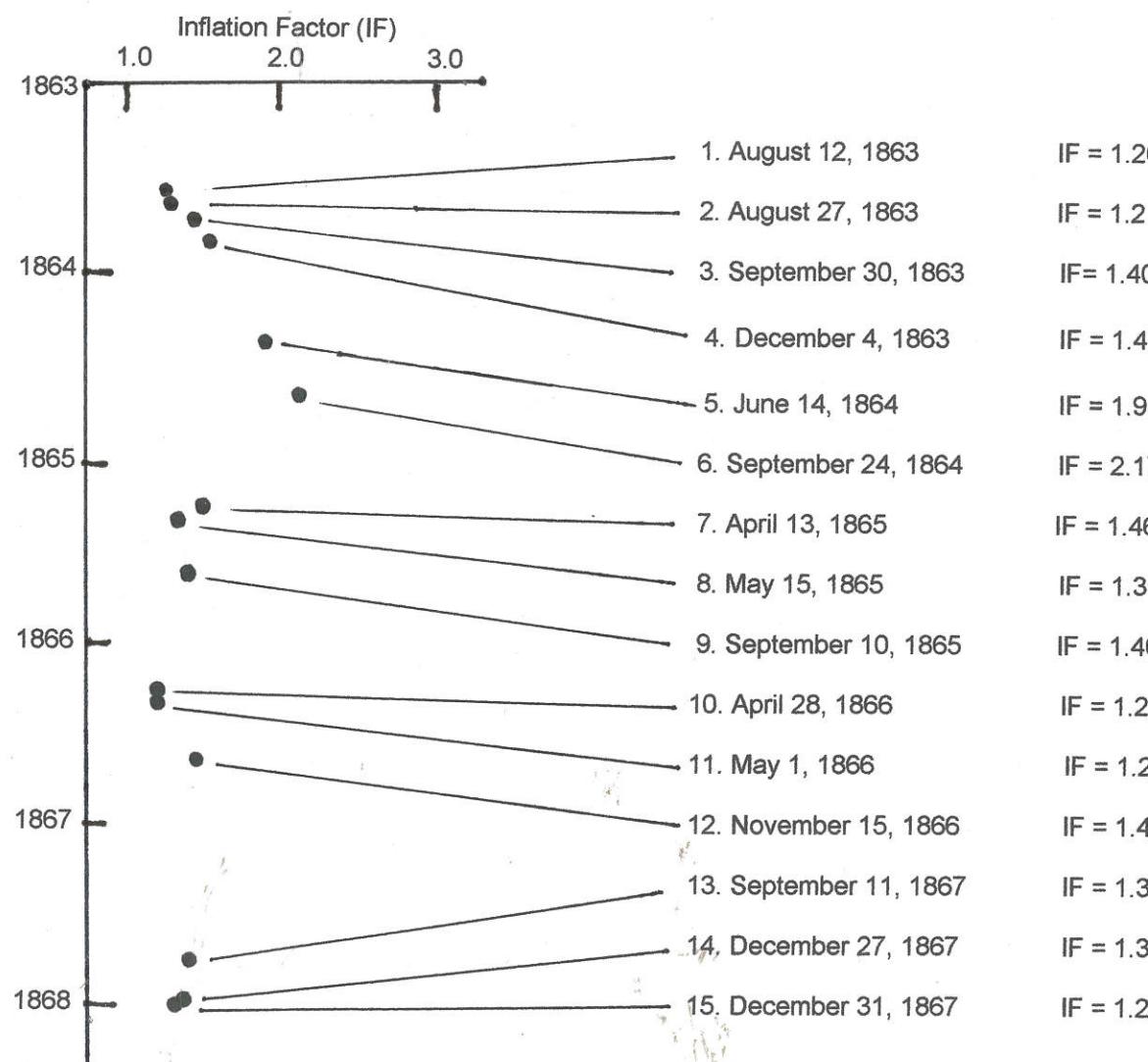
## Inflation During U.S. Civil War 1863-1867

During the Civil War, inflation increased at a rapid rate. This was caused partly by the issue of unbacked notes by the Treasury Dept. and by the ban on payments in gold or silver by the Federal Government and all banks. By 1863, there were almost no coins in circulation and the value of the unbacked notes decreased relative to gold and silver.

Under U.S. postal treaties with foreign countries, balancing payments for postage collected on unpaid letters were to be paid in gold. Since almost all postage collected in the U.S. for unpaid foreign letters was in the form of the lower value U.S. notes, losses were being incurred on each letter. By 1863, it was estimated that \$50,000 per year was being lost through balancing payments.

To minimize the loss in balancing payments because of the difference in value between gold and U.S. notes, the Post Office Dept., in July, 1863, furnished the U.S. exchange offices for foreign mail with postmarks containing the treaty rate and the equivalent rate in depreciated U.S. notes. The U.S. note value was calculated every day and the postmark was changed. These dual currency postmark were in use until 1868, when new postal treaties eliminated the necessity for this practice.

For this study, the inflation factor(IF) is calculated by dividing the rate in U.S. notes by the treaty rate. The highest rate of inflation occurred in mid-1864, when Confederate forces were menacing Washington, D.C.



## Inflation During the U.S. Civil War 1863 – 1866

### Calculated from U.S. Depreciated Currency Markings on Unpaid Incoming Foreign Mail

War costs money. The north paid for the war by across the board taxes and by printing large quantities of unbacked notes. By mid 1863 \$450 million of these notes were in circulation. This increased inflation and reduced the value of the U.S. notes. By mid 1864 the survival of the Union was in doubt since the Confederate forces had Washington D.C. in their gun sights. The rebel successes and the circulation of the U.S. unbacked notes combined to cause inflation which reduced the value of \$1 in U.S. notes to about 35 cents.

Under existing U.S. postal treaties with foreign countries, balancing payments for postage collected on incoming unpaid foreign letters, were paid in gold. Because of the inflation, coins had almost completely disappeared from commerce. Since almost all of the postage on the unpaid foreign letters was paid in lower value U.S. notes, the P.O. in 1863 estimated that it was losing \$50,000 per year. In 1863 the value of a \$1 U.S. note was about 75 cents in gold.

To minimize this loss in balancing payments because of the difference in value between gold and U.S. notes, in mid 1863 unpaid incoming foreign mail was marked with two rates, the treaty rate and the equivalent rate in depreciated U.S. notes. The value of U.S. notes was calculated daily from the relative value of silver and gold to U.S. notes. Exchange offices were furnished with postal markings for each rate.

Incoming unpaid mail entering through the New York exchange office usually has two sets of manuscript initials, those of the rater and the collector. In addition a mark signifying the type of payment, coins or U.S. notes is found. This marking signifies payment in U.S. notes almost 100% of the time since coins were not generally in circulation after 1862.

For this study, an Inflation Factor (IF) is calculated by dividing the rate in U.S. notes by the treaty rate. The value of the U.S. notes relative to gold is the reciprocal of the IF. The covers in this exhibit are arranged chronologically to show the progression of inflation. In most cases the steamship carrying the cover is identified and specific treaty rates are discussed.

This exhibit shows the development of inflation as calculated from depreciated rate postal markings from their inception in mid 1863 through the end of the Civil War in April, 1865 and for a year and a half after the end of the conflict. This covers the period of maximum inflation.

July 9, 1863 – IF = 1.27

France to U.S. at Single French Treaty Rate



July 23, 1863 – IF = 1.20

France to U.S. at Double French Treaty Rate



Havre (7/8/63) to New York via Boston. Carried by Cunard steamship Africa arriving at Boston 7/22/63. Sent to N.Y. exchange office where rated 30 cents in coin or 36 cents in U.S. notes on 7/23/63. 24 cents due to France for inland and sea postage. U.S. retained 6 cents for inland postage.

July 2, 1863 – IF = 1.42

England to U.S. at Double British Treaty Rate



London (6/20/63) to Boston (7/2/63) via Queenstown and N.Y. Carried by Cunard steamship China arriving in N.Y. (7/1/63). Mail for New England sent to Boston Exchange Office where it was rated 48 cents in coin or 68 cents in U.S. notes. Boston did not have a dual rate postmark this early in the depreciated currency period. The amount due in U.S. notes was indicated with a straight line marking.

Double British Treaty Rate 2X24 = 48 cents

Credit to England for sea and inland postage 2x19 = 38 cents  
Retained by U.S. for inland postage 2x5 = 10 cents

## U.S. Civil War Inflation

1863

August 27, 1863 – IF = 1.21

England to Boston at Single British Treaty Rate



London (8/15/63) to Boston (8/27/63) via N.Y. Carried by Cunard steamship Persia to N.Y. Transferred to Boston E. O. where rated 24 cents in coin or 29 cents in U.S. notes with dual rate postmark containing year date. 19 cents credited to England for sea and inland postage. U.S. retained 5 cents.

September 3, 1863 – IF = 1.23

France to Boston at Double French Treaty Rate



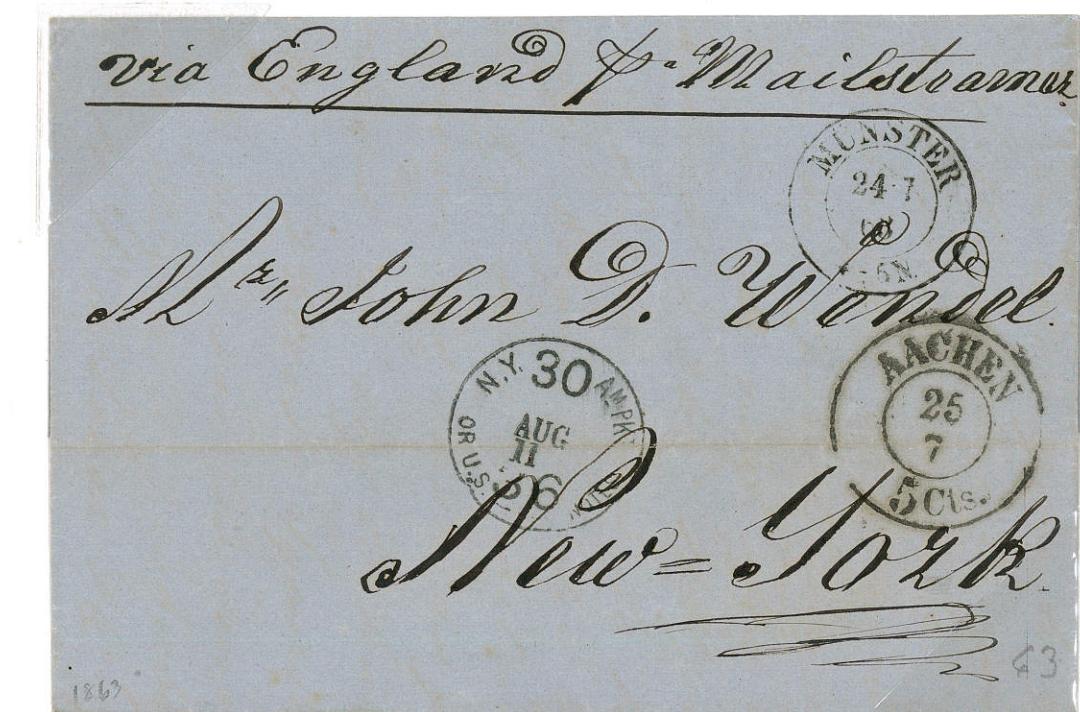
France to Boston via Queenstown by Cunard steamship Africa. Rated 30 cents in coin or 37 cents in U. S. notes. 24 cents credit to France.

## U.S. Civil War Inflation

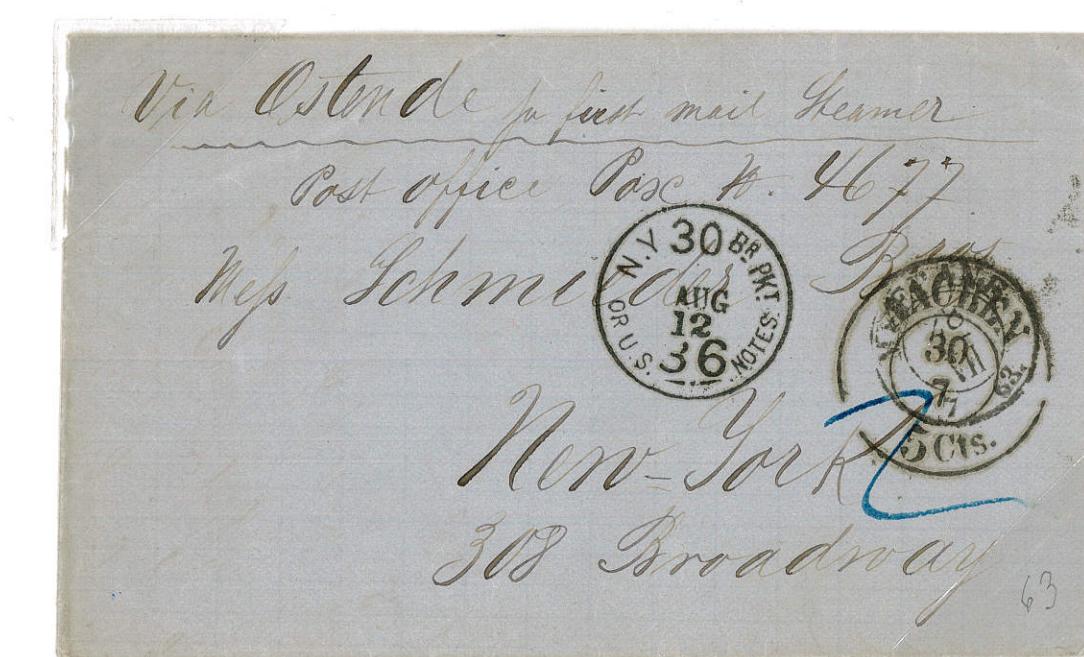
1863

August 11 &amp; 12, 1863 – IF = 1.20

Germany to New York by Prussian Closed Mail



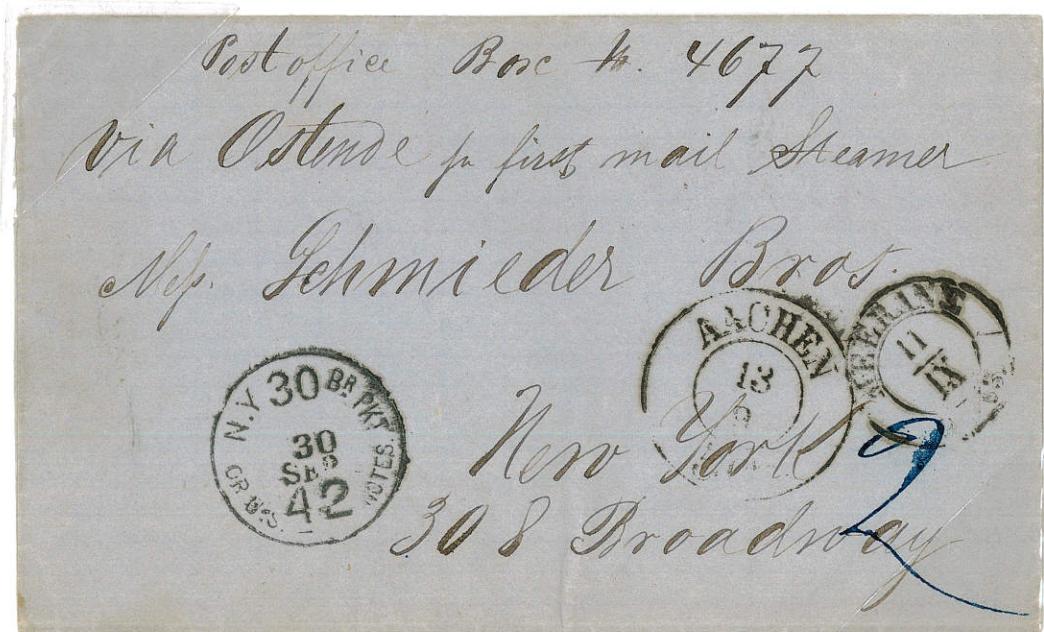
Carried from England to N.Y. by Hamburg-American steamship Saxonia as U.S. packet. Rated 30 cents in coin or 36 cents in U.S. notes at N.Y. 5 cents credited to Prussia



Carried from England to N.Y. by Cunard steamship China. Rated 30 cents in coin or 36 cents in U.S. notes at New York exchange office on Aug. 12 5 cents credited to Prussia

September 30, 1863 – IF = 1.40

Germany to New York by Prussian Closed Mail



Berlin, Germany (9/11/63) to N.Y. (9/30/63) via Aachen (9/13/63) and England. Rated at 30 cents in coin or 42 cents in notes. Marking also indicates transport by British packet, however no British steamships called at New York within 3 days of Sept. 30. Should have been marked American packet since probably delivered by Inman steamship City of Washington under contract to U.S. post office.

Prussian Closed Mail Rate = 30 cents  
Credit to Prussia = 5 cents

On unpaid letters received in the U.S. by Prussian Closed Mail, the U.S. was responsible for paying sea postage and transit fees through Belgium and England.

September 24, 1863 – IF = 1.30

France to Boston at Double French Treaty Rate



Paris (9/11/63) to Boston (9/24/63) via Queenstown and N.Y. (9/23/63) by Cunard steamship China. Sent to Boston E. O. where rated 30 cents in coin or 39 cents in U.S. notes. 24 cents credit to France.

October 7, 1863 – IF = 1.40

France to New York at Single French Treaty Rate



La Rochelle (9/24/63) to N.Y. (10/7/63) via Queenstown carried by Cunard steamship Persia. Rated at N.Y. 15 cents in coin or 21 cents in U.S. notes. 12 cents credit to France.

U.S. Civil War Inflation

1863

November 19, 1863 – IF = 1.43

France to U.S. at Double French Treaty Rate



Marseille, France (11/5/63) to N.Y. (11/19/63) via Queenstown. Carried by Cunard steamship Persia. Rated at N.Y. 30 cents in coin or 43 cents in U.S. notes. 24 cents credit to France. 6 cents retained by U.S.

December 4, 1863 – IF = 1.47

France to U.S. at Single French Treaty Rate



Marseille (11/18/63) to N.Y. (12/4/63) via Liverpool. Carried to N.Y. by Cunard steamship Scotia. Rated at 15 cents in coin or 22 cents in U.S. notes. 12 cents credit to France.

U.S. Civil War Inflation

1863

October 8, 1863 – IF = 1.37

Uruguay to New York via France at French Treaty Rate



Montevideo, Uruguay (8/15/63) to New York (10/8/63) via Rio de Janeiro and Bordeaux, France. Entered French mail on board steamship S.S. Saintonge (8/15/63) at Montevideo for transport to Rio where transferred to Messageries Maritimes steamship for Bordeaux. Carried to New York by Cunard steamship Persia. Rated at 30 cents in coin or 41 cents in U.S. notes.

Single French Treaty Rate from South America via France = 30 cents

Credit to France for North and South Atlantic and inland transit = 27 cents  
French payment to England for North Atlantic sea postage = 6 cents

Retained by U.S. for inland postage = 3 cents

While the British Inman Line was the primary carrier of U.S. mail to and from Europe during the Civil War, the Hamburg America Line and North German Lloyd were also used and classified as American packets.

February 3, 1864 – IF = 1.53

Rio de Janeiro, Brazil to U.S. via France at Double French Treaty Rate



Double rate ( $\frac{1}{4}$  to  $\frac{1}{2}$  oz) from Rio de Janeiro(12/23/63) to N.Y.(2/3/64) via Bordeaux, France(1/18/64). Carried by steamship Estramadure of Messageries

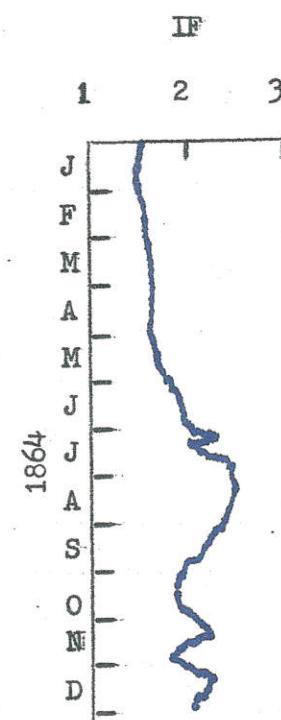
Maritimes from Rio to Bordeaux, and by the North German Lloyd steamship America to the U.S. Rated 60 cents in coin or 92 cents in notes by American packet. Small red 2 denotes double rate.

Double French Treaty Rate from South America via France  $2 \times 30 = 60$  cents

Credit to France for South Atlantic and inland transit  $2 \times 21 = 42$  cents

Retained by U.S. for North Atlantic and inland transit  $2 \times 9 = 18$  cents

The slow steady increase in the inflation rate that was seen in 1863 began to sharply increase in 1864. The rate of increase was greater but steady until June when a sharp increase occurred. The maximum inflation was during July and August with a secondary peak occurring in October and November. The inflation factor was greater than 2.0 for much of the latter half of 1864.



January 27, 1864 – IF = 1.53

France to U.S. at Double French Treaty Rate



Double rate ( $\frac{1}{4}$  to  $\frac{1}{2}$  oz.) from Marseille, France(1/14/64) to New York (1/27/64) via Lyon – Paris T.P.O. and Queenstown where it was placed aboard the Cunard steamship Scotia which arrived at N.Y. on Jan. 27. Rated 30 cents in coin or 46 cents in paper notes.

Double French Treaty Rate  $2 \times 15 = 30$  cents

Credit to France  $2 \times 12 = 24$  cents

Retained by U.S.  $2 \times 3 = 6$  cents

February 7, 1864 – IF = 1.53

Germany to New York at Double Prussian Closed Mail Rate



Dresden, Germany (1/20/64) to New York (2/7/64) via Aachen (1/24/64)  
 Carried from England by Cunard steamship Arabia which arrived at Boston (2/6/64). Mail sent to N.Y. exchange office for processing where rated at 60 cents in coin or 92 cents in U.S. notes.

Double rate because contains samples of chamomile flowers. Contents is price list for herbs and spices. Even though originating in Germany, prices are quoted in L sterling.

February 3, 1864 – IF = 1.53

South America to U.S. via France at Double French Treaty Rate



Originated at Montevideo, Uruguay and entered French mail system on board shuttle steamship Saintonge on December 15, 1863.

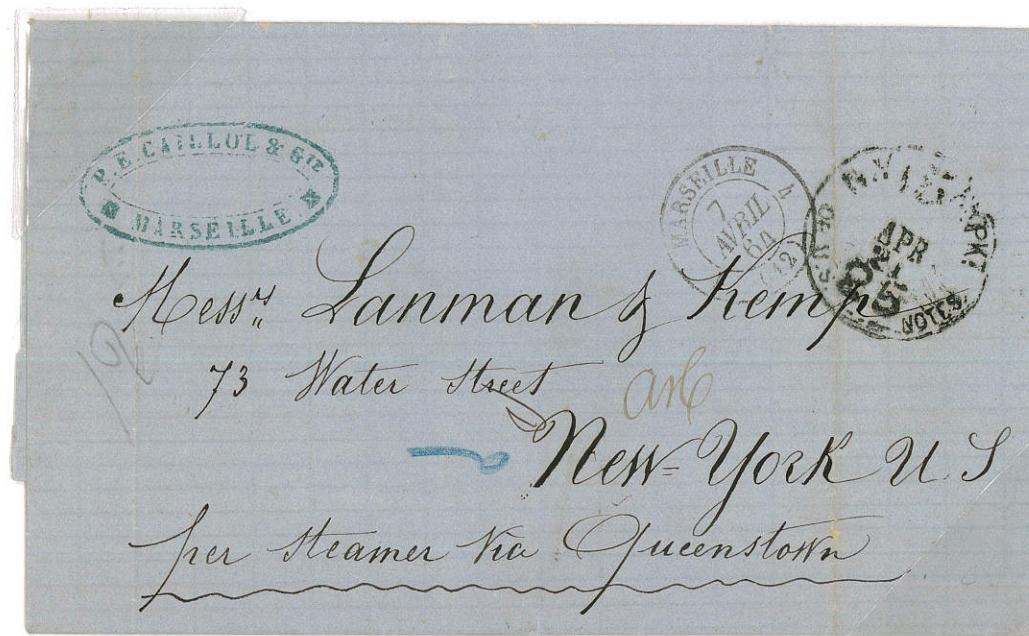
Both covers were carried to Rio de Janeiro on board the Saintonge. At Rio they were transferred to the Messageries Maritimes steamship Estramadure which arrived at Bordeaux, France on January 18, 1864. The covers were carried to the U.S. by the North German Lloyd steamship America under contract to the U.S.P.O.D. They arrived at N.Y. on Feb, 3, 1864 by American packet and were rated 60 cents in coin or 92 cents in notes. French manuscript 2 indicates double rate.

Double French Treaty Rate from South America via France  $2 \times 30 = 60$  cents

Credit to France for South Atlantic and inland transit  $2 \times 21 = 42$  cents  
 Retained by U.S. for North Atlantic and inland transit  $2 \times 9 = 18$  cents

April 21, 1864 – IF = 1.67

France to U.S. at French Treaty Rate



Marseille (4/7/64) to N.Y. (4/21/64) via Lyon to Paris T.P.O. (4/8/64), Paris (4/9/64), and Queenstown where placed aboard Cunard steamship Australasian. Rated 15 cents in coin or 25 cents in U.S. notes at New York exchange office.

French Treaty Rate France to U.S. 15 cents

12 cents debited by France for sea and inland postage  
3 cents retained by U.S. for inland postage

February 12, 1864 – IF = 1.60

Smyrna, Turkey to New York at French Treaty Rate  
Rated at New York Exchange Office as Originating in France, not Turkey

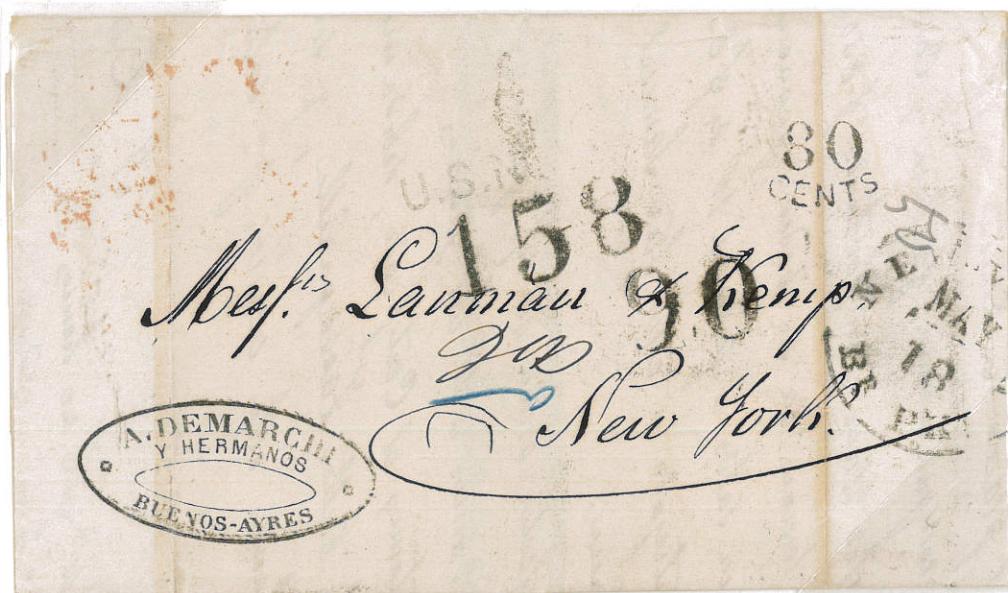


French P.O. in Smyrna (1/19/64) to New York (2/12/64) by French steamship to Marseille. Overland to England where sent by Cunard steamship China to N.Y. where rated 15 cents in coin or 24 cents in U.S. notes which was the rate for mail originating in France. Should have been rated 30 cents in coin or 48 cents in U.S. notes. France correctly debited the U.S. 27 cents in coin for their services, a net loss of 12 cents in coin for the U.S.

Letter confirms shipment of 13 cases of opium by the steamship British Queen

May 18, 1864 – IF = 1.76

Buenos Aires, Argentina to New York via England at Double British Treaty Rate



British postal agency in Buenos Aires (3/26/64) to N.Y. (5/18/64) via London (5/5/64). Rated 90 cents in coin or \$1.58 in U.S. notes for letter weighing between  $\frac{1}{2}$  and 1 oz. Carried from England to N.Y. by Cunard steamship Persia. England debited U.S. 80 cents.

Double British Treaty Rate from S. A. to U.S.  $2 \times 45 = 90$  cents

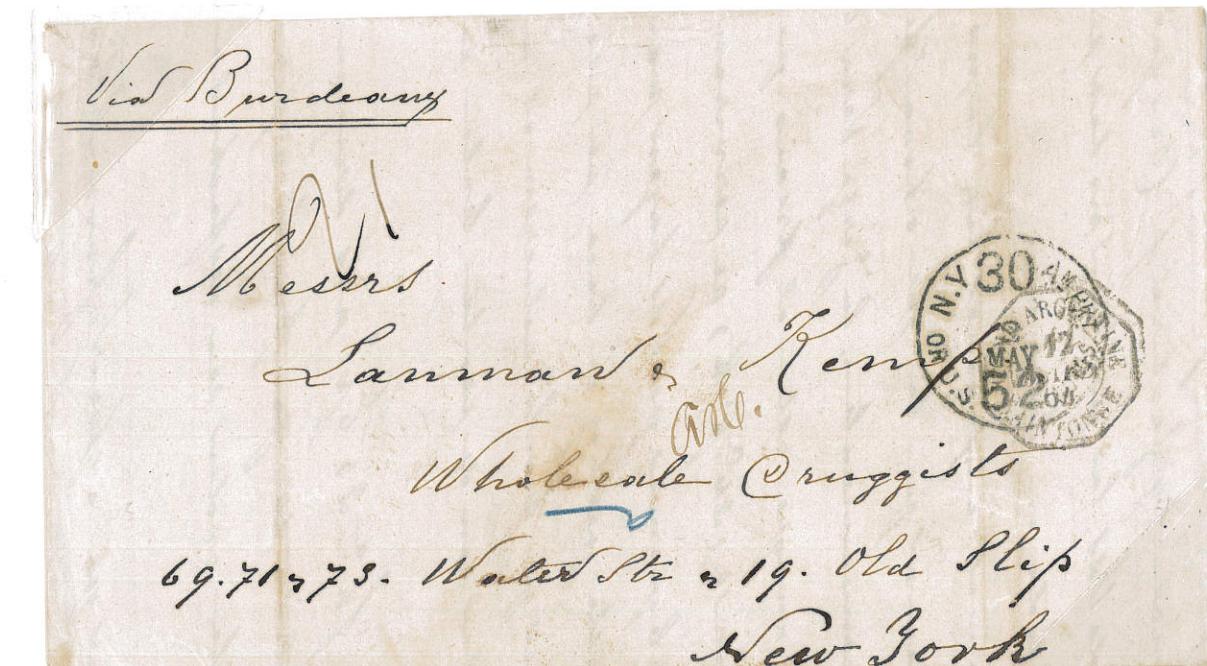
British debit for ocean and transit postage  $2 \times 40 = 80$  cents  
Retained by U.S. for inland postage  $2 \times 5 = 10$  cents



back of folded letter

May 3, 1864 – IF = 1.73

Argentina to New York via France at French Treaty Rate



Posted on board French steamship Saintonge (3/12/64) at Buenos Aires for trip to Rio de Janeiro where transferred to Messageries Maritimes steamship for transport to Bordeaux, France. Carried from England by Inman Line steamship Edinburgh which arrived at N.Y. (5/3/64). Rated at 30 cents in coin or 52 cents in U.S. notes. France debited U.S. 21 cents.

French Treaty Rate from South America via France = 30 cents

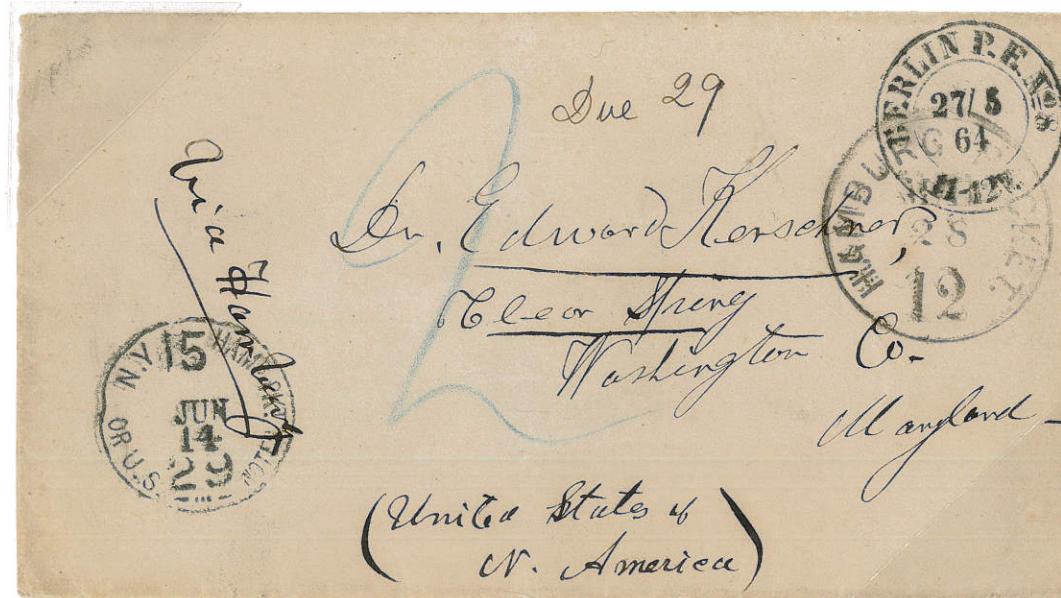
French debit for South Atlantic and inland postage = 21 cents  
Retained by U.S. for North Atlantic and inland postage = 9 cents

## U.S. Civil War Inflation

1864

June 14, 1864 – IF = 1.93

Berlin, Prussia to Maryland via Hamburg at Hamburg Treaty Rate



Berlin (5/27/64) to Clear Spring, Md. Via Hamburg (5/28/64) and New York (6/14/64). Rated 15 cents in coin or 29 cents in U.S. notes. Hamburg debited U.S. 12 cents. Carried by HAPAG steamship Saxonia from Hamburg to New York.

In the original U.S.-Hamburg postal treaty of 1857, the U.S. received 5 cents for inland postage. In 1863 the U.S. reduced their claim for inland postage to 3 cents. The total international rate remained the same but the credit for sea postage increased by 2 cents.

Rate from GAPU member through Hamburg Treaty = 15 cents

Hamburg postage	1 cent
Sea postage	6 cents
Berlin-Hamburg postage	5 cents
Debit by Hamburg	12 cents
Retained by U.S.	3 cents

## U.S. Civil War Inflation

1864

June 1, 1864 – IF = 1.87

Marseille, France to New York via England at French Treaty Rate



Marseille (5/19/64) to N.Y. (6/1/64) via Queenstown where placed on Cunard steamship Australasian for delivery to N.Y. Rated at 15 cents in coin or 28 cents in U.S. notes. France debited U.S. 12 cents.

June 15, 1864 – IF = 1.90

Le Havre, France to New York via England at Double French Treaty Rate

Le Havre (6/1/64) to N.Y. (6/15/64) via England where placed on Cunard steamship Scotia for N.Y. Rated at double rate of 30 cents in coin or 57 cents in U.S. notes. France debited U.S. 24 cents.



## U.S. Civil War Inflation

1864

July 5, 1864 – IF = 2.00

Montevideo, Uruguay to New York via Rio de Janeiro and France at French Treaty Rate



Posted at Montevideo 4/28/64. Entered French mail on board French steamship Saintonge 5/15/64 for transport to Rio de Janeiro where placed aboard Messageries Maritimes steamship for trip to Bordeaux, France. Sent to England where placed on Inman steamship City of Baltimore which arrived in New York 7/5/64. Rated 30 cents in coin or 60 cents in U.S. notes. France debited U.S. 21 cents.

French treaty rate for East Coast of South America to U.S. 30 cents

France debited U.S. for South Atlantic and transit postage 21 cents  
Retained by U.S. for North Atlantic and inland postage 9 cents

## U.S. Civil War Inflation

June 24, 1864 – IF = 2.00

France to New Orleans at French Treaty Rate



June 24, 1864 – IF = 1.72 (probably in error)

Switzerland to Wisconsin at Double French Treaty Rate



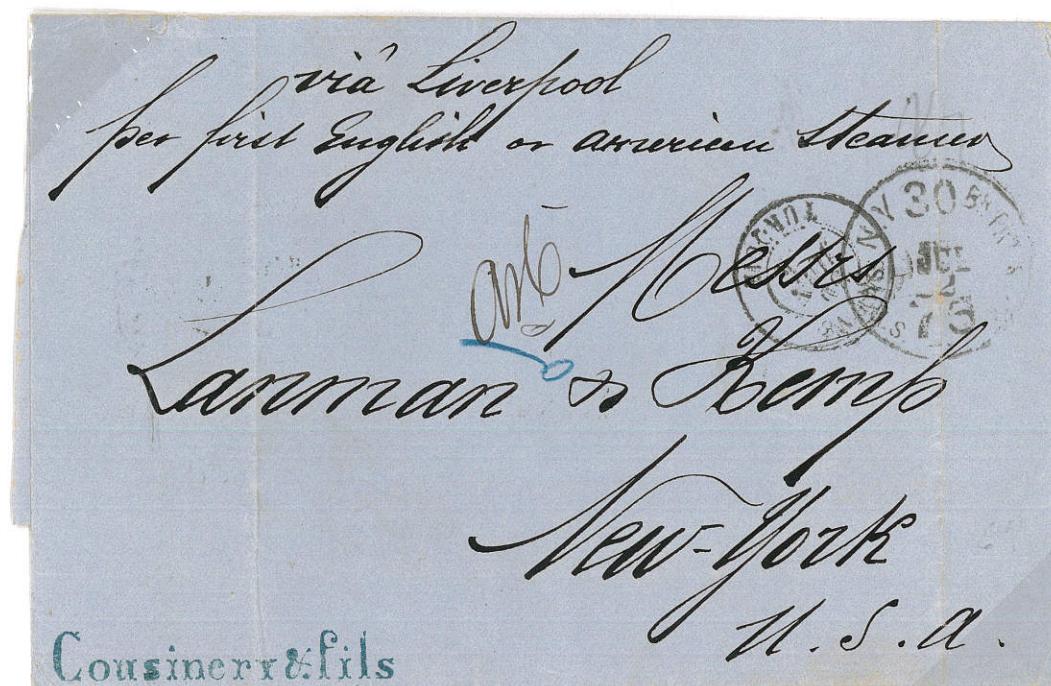
The 72 cents in U.S. notes appears to be an error. It should have been 84 cents

1864

Richtersweil (6/8/64) to Baraboo, Wisc. via Boston (6/24/64). Rated 42 cents in coin or 72 cents in U.S. notes. France debited U.S. 36 cents. Carried by Cunard steamship Africa.

July 22, 1864 – IF = 2.43

Smyrna, Turkey to New York at French Treaty Rate



French P.O. at Smyrna (6/30/64) to New York (7/22/64) via Marseille to Lyon T.P.O. (7/7/64), Paris (7/8/64), and England. Rated 30 cents in coin or 73 cents in U.S. notes. France debited U.S. 27 cents for sea and transit postage. U.S. retained 3 cents for inland postage. Carried from England to New York by Cunard steamship Arabia.

From the last few weeks in July, 1864 through most of August, the inflation rate was 2.5 or higher. That indicates that the value of a dollar in U.S. notes decreased to about 40 cents in silver coins.

July 9, 1864 – IF = 2.00

Paris, France to Winthrop, Maine at French Treaty Rate



Paris, France (6/21/64) to Winthrop, Maine via England, River du Loup, P.Q., and Portland, Maine exchange office (7/9/64). Rated at 15 cents in coin or 30 cents in U.S. notes. Carried from England to River du Loup by Allan Line steamship Nova Scotian. By rail from River du Loup to Portland. France debited U.S. 12 cents for sea and transit postage.

APRES  
LE  
DEPART

Black boxed handstamp applied at Paris to show letter delayed because it was placed in a mail box after the last pickup of the evening

Forwarded from Winthrop to Augusta, Maine with 3 cent stamp of 1861 issue

## U.S. Civil War Inflation

1864

August 5, 1864 – IF = 2.50

Buenos Aires, Argentina to Salem. Mass. via France at Double French Treaty Rate



Written at Buenos Aires (6/9/64) and entered French mail system on board S.S. Saintonge (6/12/64). Carried via Rio de Janeiro, Bordeaux, Paris, Paris to Calais T.P.O. (7/18/64) and England where placed on board Inman Line steamship City of Manchester which arrived in New York (8/5/64). Rated 60 cents in coin or \$1.50 in U.S. notes for double rate. France debited U.S. 42 cents. U.S. retained 18 cents.

Double French Treaty rate from East Coast of S.A. to U.S.  $2 \times 30 = 60$  cents

French debit for double South Atlantic sea and transit postage  $2 \times 21 = 42$  cents  
Double U.S. North Atlantic sea and inland postage  $2 \times 9 = 18$  cents

The dual currency exchange office postmarks could only accommodate rates up to 99 cents. For greater amounts, particularly from multiple rates, the straight line handstamp was used.

## U.S. Civil War Inflation

July 27, 1864 – IF = 2.50

Marseille, France to New York at Double French Treaty Rate



August 5, 1864 – IF = 2.50

Montevideo, Uruguay to New York via France at French Treaty Rate



From Montevideo, Uruguay (6/15/64) and entered French mail on board steamship Saintonge, Traveled to Rio de Janeiro, Bordeaux, and England where placed aboard Inman steamship City of Manchester. Arrived in N.Y. (8/5/64). Rated 30 cents in coin or 75 cents in U.S. notes. France debited U.S. 21 cents. U.S. retained 9 cents for N.A. sea and inland postage.

## U.S. Civil War Inflation

1864

October 2, 1864 – IF = 1.87

Smyrna, Turkey to New York at French Treaty Rate



French P.O. at Smyrna (9/8/64) to New York (10/2/64) via Marseille to Lyon T.P.O. (9/15/64), and Liverpool where placed on board Cunard steamship Asia. Rated 30 cents in coin or 56 cents in U.S. notes. France debited U.S. 27 cents for sea and transit postage. The U.S. retained 3 cents for inland postage.

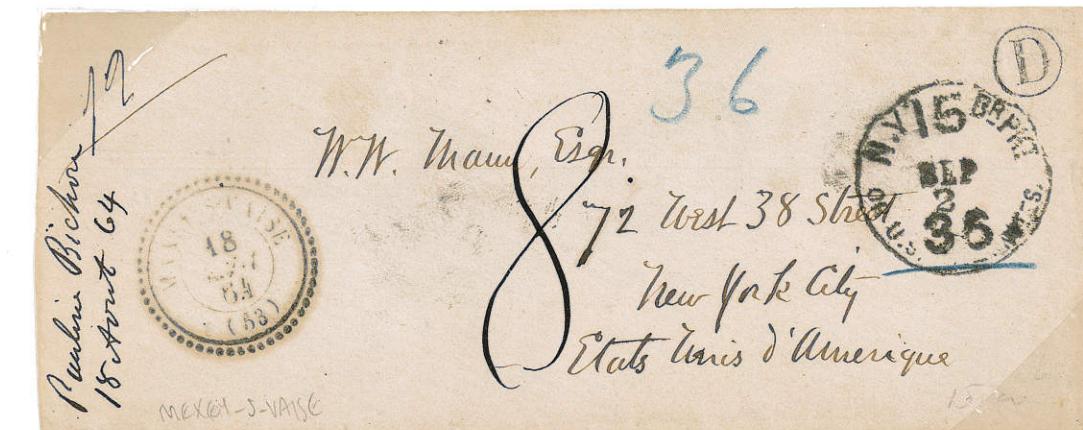
In October 1864, the inflation factor dropped below 2.0 for the first time since mid June. However, it increased to over 2.0 for the months of November and December.

## U.S. Civil War Inflation

1864

September 2, 1864 – IF = 2.40

France to U.S. at French Treaty Rate



Mexey-S-Vaise, France (8/18/64) to New York (9/2/64) via Paris to Calais T.P.O. (8/19/64), and England where placed on board Cunard steamship Europa. Rated 15 cents in coin or 36 cents in U.S. notes. France debited U.S. 12 cents. Large 8 restates treaty rate, 8 decimes equivalent to 15 cents.

September 21, 1864 – IF = 2.17

England to U.S. at British Treaty Rate



London (9/10/64) to New York 9/21/64 via Queenstown where placed on board Cunard steamship Persia. Rated 24 cents in coin or 52 cents in U.S. notes. England debited U.S. 19 cents for sea and inland postage.

October 12, 1864 – IF = 1.95

Messina, Sicily to New York at French Treaty Rate



Messina (9/24/64) via Marseille (9/27/64) and England to N.Y. (10/12/64). England to N.Y. by Allan Line steamship Jura via Canada. Rated 21 cents in coin or 41 cents in U.S. notes. France debited U.S. 18 cents.

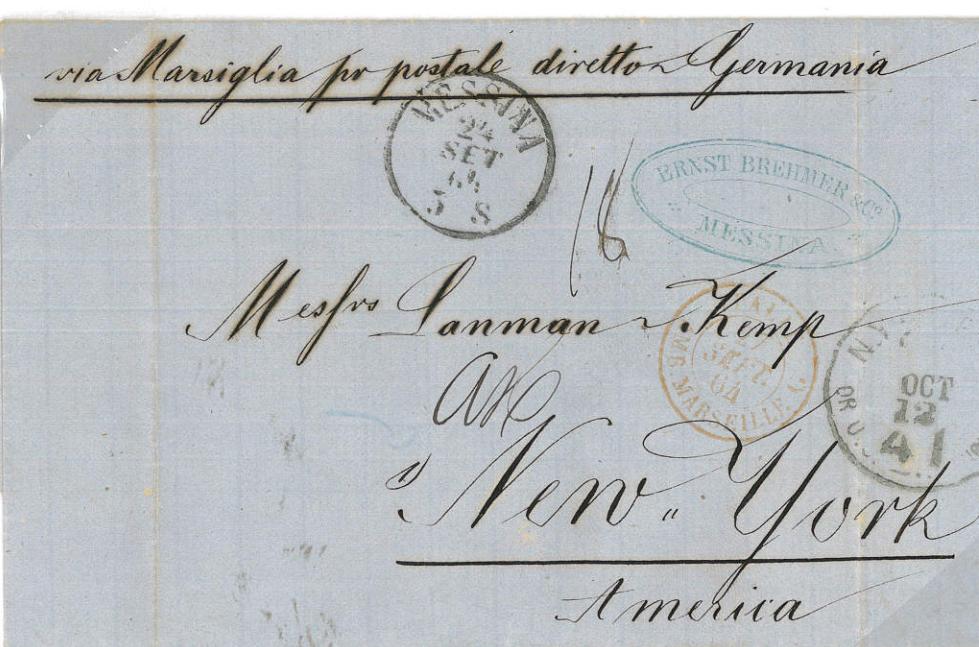
This was the last westbound trip of the S.S. Jura. She was sunk Nov. 2 in the Mersey River at Liverpool.

October 5, 1864 – IF = 1.87

Montevideo, Uruguay to New York via France at French Treaty Rate



Posted at Montevideo (8/12/64). Entered French mail on board S.S. Saintonge which called at Montevideo 8/15/64. Carried to Rio de Janeiro where transferred to a Messageries Maritimes steamship for transport to Bordeaux. Carried to N.Y. (10/5/64) by the French Line steamship Washington. N.Y. exchange office postmark for French Packet rated at 30 cents in coin or 56 cents in U.S. notes. France debited U.S. 27 cents for North and South Atlantic sea and inland postage. U.S. retained 3 cents for inland postage.



Marseille (9/29/64) to New York (10/15/64) via Marseille to Paris T.P.O. (9/30/64) and England. Carried to N.Y. by Cunard steamship Europa. Rated 30 cents in coin or 63 cents in U.S. notes. France debited U.S. 24 cents.

On all three ocean legs, Montevideo to Rio, Rio to Bordeaux, and Havre to New York, this cover was carried by French steamships. This is unusual because during 1864 and 1865, the French Line made only 10 or 12 trips a year between Havre and New York. This fact also accounts for the scarcity of the N.Y. French Packet exchange office postmark.

November 25, 1864 – IF = 2.17

Beyrouth, Syria to Argyle, N.Y. at French Treaty Rate



French P.O. in Beyrouth (10/30/64) to Argyle, N.Y. via Marseille, Paris, Liverpool, and N.Y. exchange office (11/25/64). Carried from Liverpool to New York by Inman Line steamship Etna under contract to U.S. P.O. Rated at 30 cents in coin or 65 cents in U.S. notes. France debited U.S. 21 cents and U.S. retained 9 cents.

French Treaty rate Syria to U.S. 30cents

Syria to Marseille	15 cents
French inland	4 cents
British transit	<u>2 cents</u>
Debited by France	21 cents

North Atlantic sea postage	6 cents
U.S. inland postage	<u>3 cents</u>
Retained by U.S.	9 cents

The 1861 stamp was probably added in the U.S. for possible forwarding

November 15, 1864 – IF = 2.33

Paris to San Francisco at French Treaty Rate



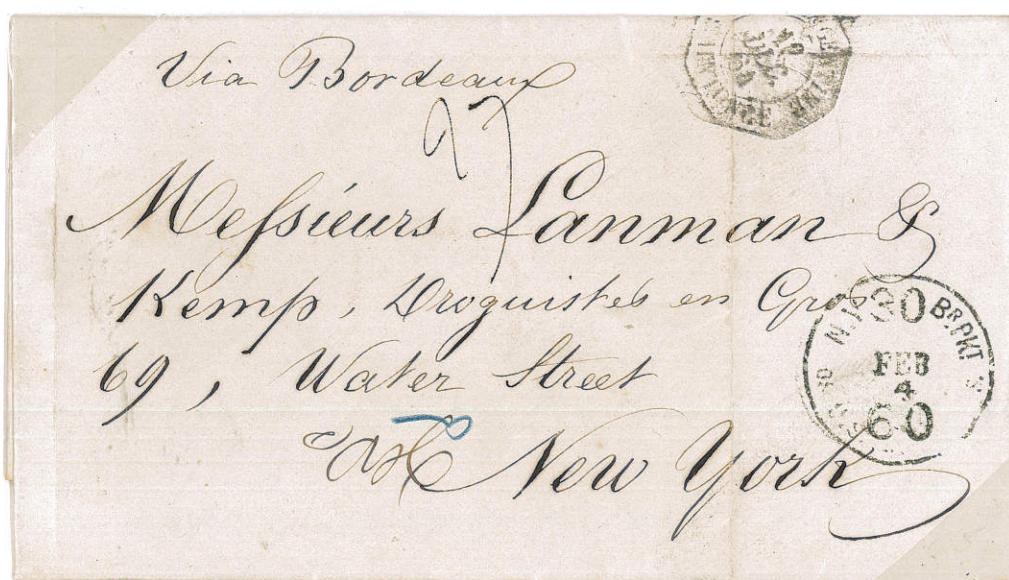
Paris, France (10/28/64) to San Francisco via Liverpool, New York, and Boston (11/15/64). Carried from Liverpool to New York by Inman Line steamship City of London under contract to the U.S.P.O. Rated 15 cents in coin or 35 cents in U.S. notes. France debited U.S. 12 cents, which was in error. The debit should have been 6 cents for French inland postage and British transit fee.

The Boston exchange office originally rated this folded letter at the 21 cent treaty rate for mail originating beyond France. This rate would agree with the French debit of 12 cents when the letter was carried by an American packet. Since the letter originated in France, Boston rerated it correctly at 15 cents and obliterated the original postmark with a lozenge handstamp

The original incorrect postmark with the 21 cent rate is also dated Nov. 15. The rate of 21 cents in coin or 40 cents in U.S. notes gives an inflation ratio of 1.90 instead of 2.33, which was calculated from the correct rate postmark. The difference in inflation rate calculated from two postmarks from the same exchange office on the same day, raises questions as to the accuracy of the inflation calculations and translation to the exchange office postmarks.

February 4, 1865 – IF = 2.0

Buenos Ayres, Argentina to U.S. at French Treaty Rate



Entered the French mail system on board the steamship Saintonge at Buenos Ayres 12/12/64. Carried to Bordeaux by French steamship and then to New York via England where placed on Cunard steamship Africa. Arrived in N.Y 2/4/65 where rated 30 cents in coin or 60 cents in U.S. notes. France debited U.S. 27 cents for North and South Atlantic sea postage and transit fees. U.S. retained 3 cents for inland postage.

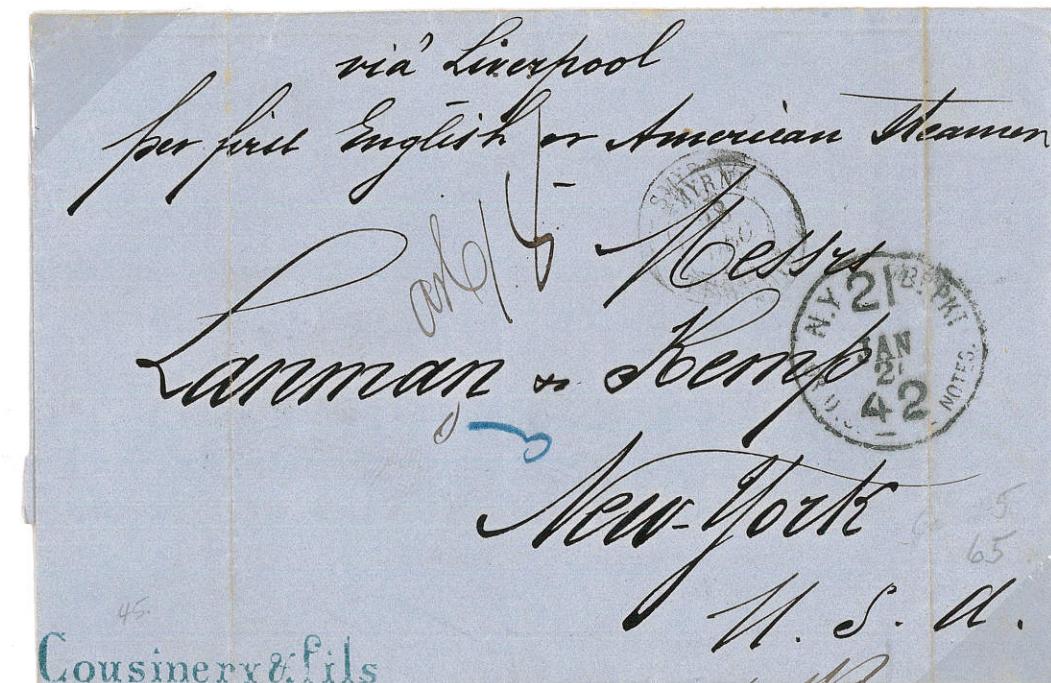
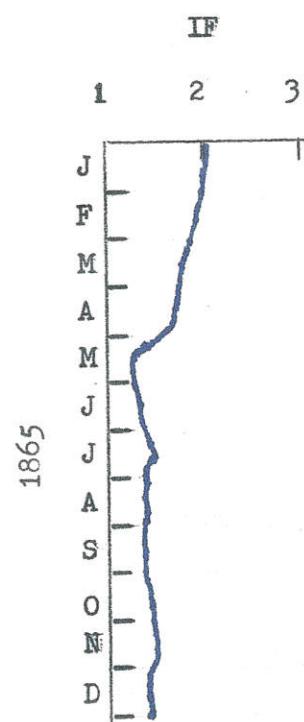
Postage Rate to U.S. from South America via France 30 cents

North Atlantic sea postage	6 cents
French transit postage	2 cents
French inland postage	4 cents
South Atlantic postage	15 cents
Debited by France	27 cents
Retained by U.S.	3 cents

At the start of 1865 the Inflation Factor was 2.0 meaning the value of a \$1 U.S. note was 50 cents on the international market. It decreased slowly to about 1.45 at the end of April. During May there was a sharp drop to under 1.3 for a short period. For the remainder of 1865 the IF remained at the 1.3 to 1.4 level. It is possible that the IF decrease in April was partly influenced by the end of the war on April 10. The assassination of President Lincoln on April 14 may have influenced the small increase in the IF during June and July.

January 2, 1865 – IF = 2.0

Smyrna, Turkey to U.S. at French Treaty Rate



Cousinery&amp;files

French P.O. in Smyrna(12/18/64) to N.Y.(1/25/65) via Marseille(1/5/65) Misrated in France as originating in a European country rather than in Turkey. The U. S. then rated the cover at 21 cents rather than the proper 30 cents. Carried to U.S. by Cunard steamship Cuba.

The French exchange office caused the problem by including this cover in a pouch with mail from Europe and debiting the U.S. 18 cents for sea and transit postage. The N.Y. exchange office did not check the origin and rated the cover at 21 cents in coin or 42 cents in U.S. notes. It should have been rated at 30 cents in coin or 60 cents in U.S. notes. France should have debited the U.S. 27 cents instead of 18 cents

## U.S. Civil War Inflation

1865

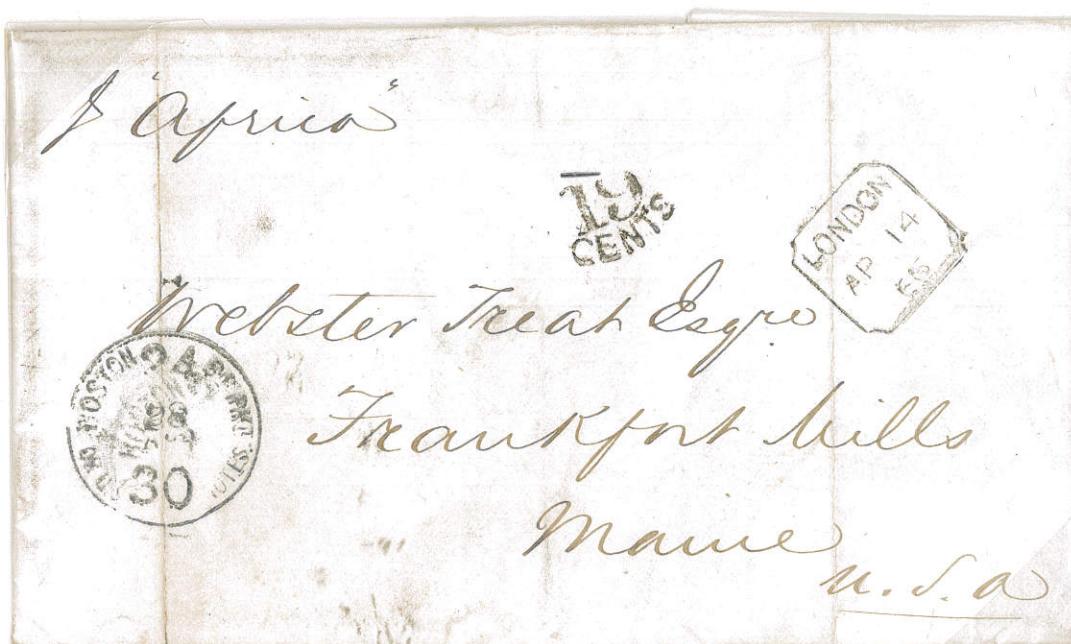
April 13, 1865 – IF = 1.46

London, England to U.S. at British Treaty Rate



April 28, 1865 – IF = 1.25

London, England to U.S. at British Treaty Rate



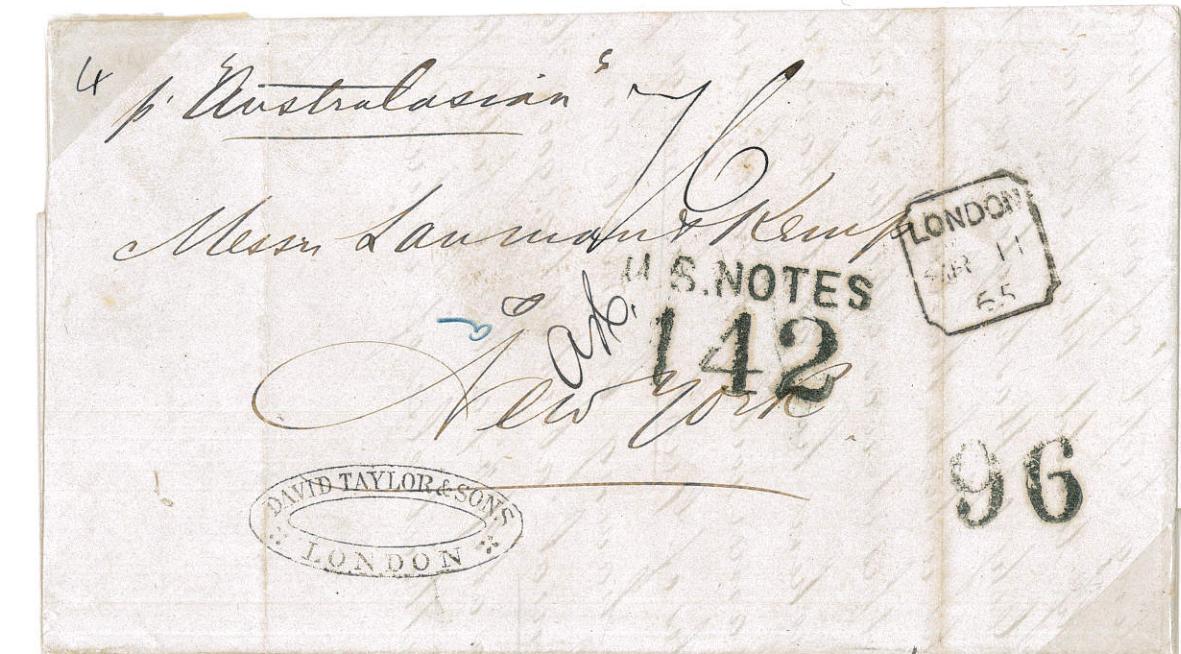
London(4/14/65) to Maine via Boston where rated 24 cents in coin or 30 cents in U.S. notes. Carried by Cunard steamship Africa. England debited U.S. 19 cents for sea and inland postage.

## U.S. Civil War Inflation

1865

March 24, 1865 – IF = 1.48

London, England to U.S. at British Treaty Rate



4X rate folded letter from London(3/11/65) to New York(3/24/65) where it arrived on March 24, 1865 on board the Cunard steamship Australasia. Rated at 96 cents in coin or \$1.42 in U.S. notes for 4X British Treaty rate. England debited U.S. 76 cents for sea and inland postage. U.S. retained 20 cents for 4X inland postage.

The dual rate postmarks with both the coin and U.S. notes rates, would only accommodate a rate up to 99 cents. For rates over 99 cents it was necessary to use a straight line rate handstamp. Unfortunately these handstamps did not contain the date of arrival or the flag of the ship carrying the cover. Fortunately, most business letters were docketed on the back with the arrival date.

May 15, 1865 – IF = 1.30

Hamburg, Germany to U.S. at Hamburg Treaty Rate



Hamburg(4/29/65) to New York(5/15/65) by Hamburg American Line steamship Saxonia. Rated at New York 10 cents in coin or 13 cents in U.S. notes. U.S. debited 7 cents by Hamburg for sea and inland postage.

U.S.-Hamburg Treaty Rate 10 cents

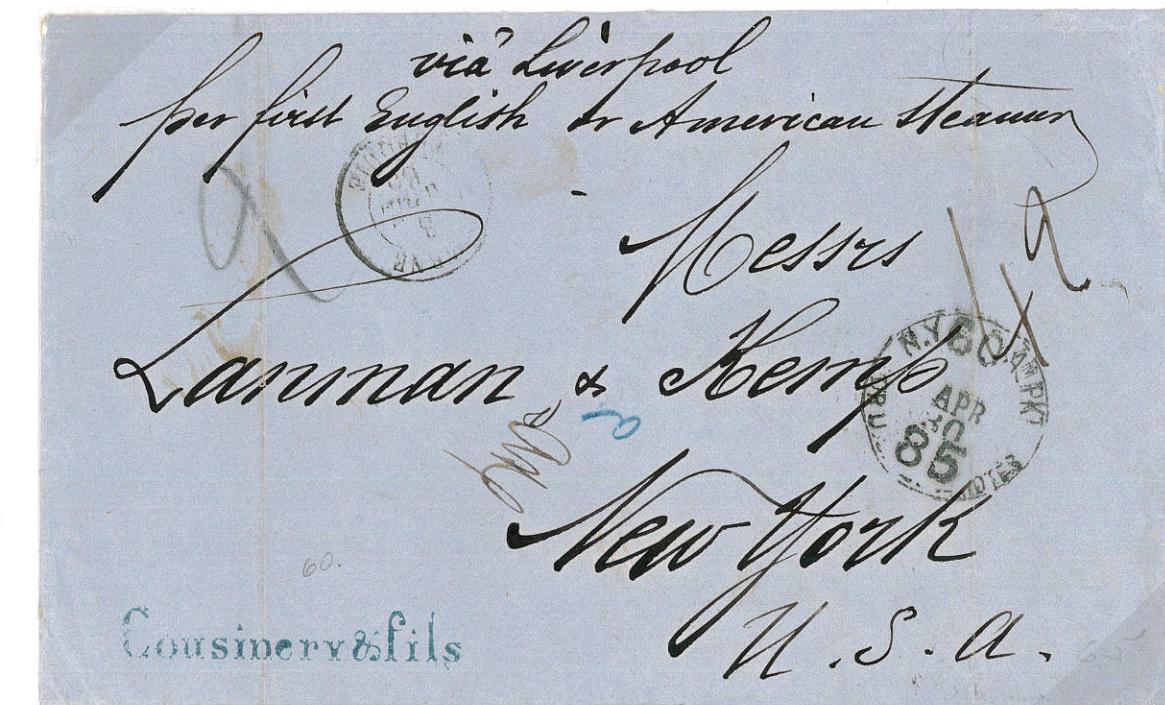
Packet postage 6 cents  
Hamburg local postage 1 cent  
Debit by Hamburg 7 cents

Retained by U.S. 3 cents

In the treaty of 1857, the U.S. received 5 cents credit for inland postage. In 1863 the U.S. inland postage credit was reduced to 3 cents. Because the 10 cent treaty rate remained the same, the packet postage was essentially increased to 6 cents from the previous 4 cents.

April 30, 1865 – IF = 1.42

Smyrna, Turkey to U.S. at Double French Treaty Rate



French P.O. at Smyrna, Turkey(4/8/65) to New York((4/30/65) via Marseille, France(4/15/65) and England. At New York rated at 60 cents in coin or 85 cents in U.S. notes for double French Treaty rate. Carried from England by Inman steamship City of London under contract to U.S.P.O.D. France debited U.S. 42 cents for Mediterranean sea, transit, and inland postage.

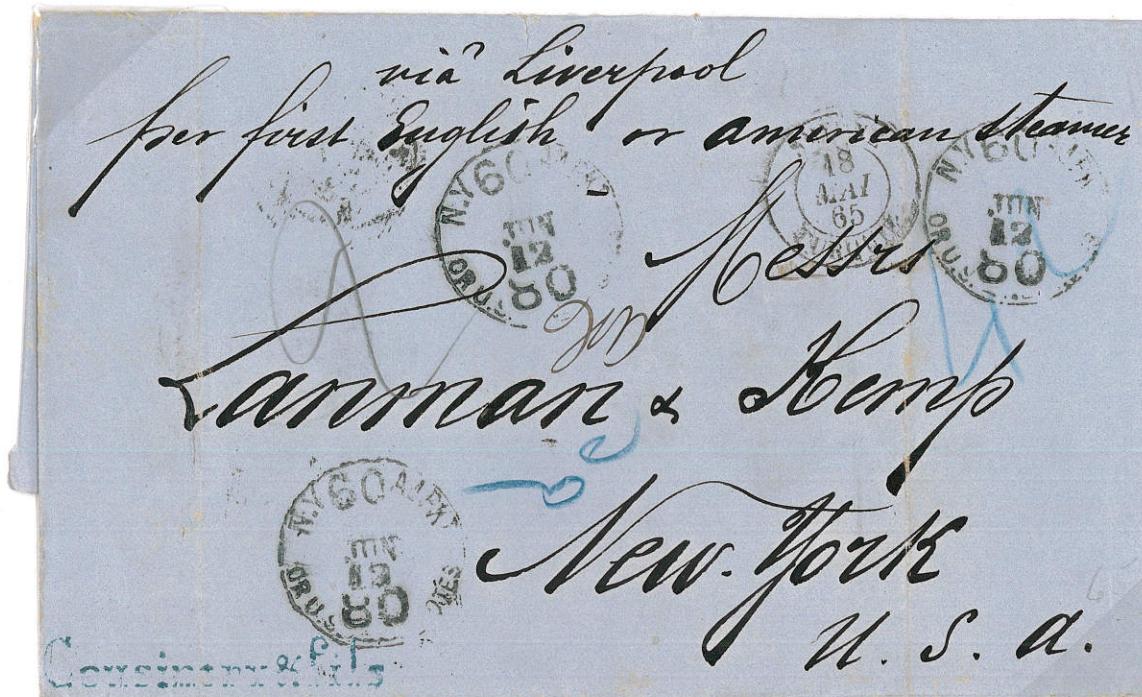
Double Postage Rate from Turkey via France to U.S. 60 cents

Double French transit postage	4 cents
Double French inland postage	8 cents
Double Mediterranean sea postage	30 cents
Debited by France	42 cents

Double Atlantic sea postage	12 cents
Double U.S. inland	6 cents
Retained by U.S.	18 cents

June 12, 1865 – IF = 1.33

Smyrna, Turkey to New York at Double French Treaty Rate



French P.O. in Smyrna(5/18/65) to New York(6/12/65) via Marseille to Lyon T.P.O.(5/26/65), Paris(5/27/65), and Liverpool. Carried to New York on board Inman steamship City of London under U.S.P.O.D. contract. At New York rated 60 cents in coin or 80 cents in U.S. notes. France debited U.S. 42 cents.

Double French Treaty postage, Turkey to U.S. 60 cents

Double French transit postage 4 cents  
Double French inland postage 8 cents  
Double Mediterranean packet postage 30 cents  
Debited by France 42 cents

Double North Atlantic postage 12 cents  
Double U.S. inland postage 6 cents  
Retained by U.S. 18 cents

June 6, 1865 – IF = 1.30

Pernambuco, Brazil to New York at French Treaty Rate



Pernambuco, Brazil(4/29/65) to New York(6/6/65) via France and England. Carried from Pernambuco to Brest, France by the French-Brazil Line steamship Estramadure(4/30/65). Sent to Liverpool and placed on board the Inman steamship City of Washington. At New York rated 30 cents in coin or 39 cents in U.S. notes. France debited U.S. 21 cents.

French Treaty Rate for South America to U.S. 30 cents

French transit postage	2 cents
French inland postage	4 cents
South Atlantic packet postage	<u>15 cents</u>
Debited by France	21 cents
North Atlantic packet postage	6 cents
U.S. inland postage	<u>3 cents</u>
Retained by U.S.	9 cents

June 27, 1865 – IF = 1.37

Montevideo, Uruguay to New York via France at French Treaty Rate



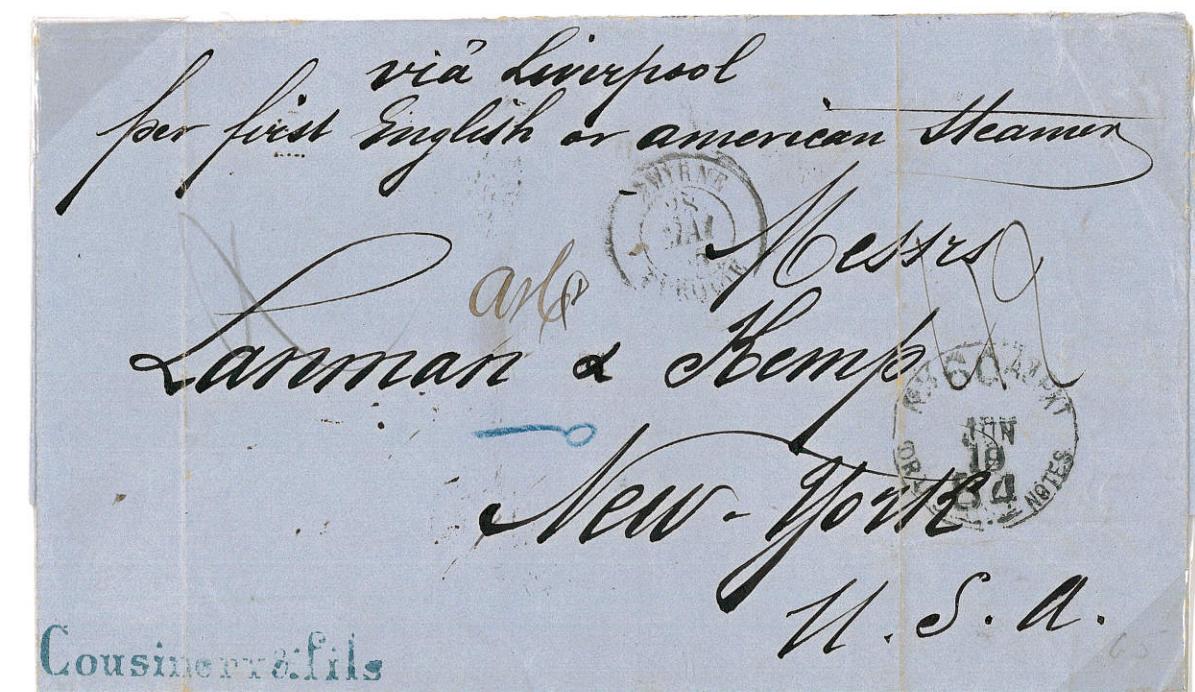
Montevideo(5/14/65) to New York(6/27/65). Entered the French mail on board the French steamship Saintonge(5/16/65) at Montevideo Carried to Rio de Janeiro, Bordeaux, France, and England. Sent to New York aboard Cunard steamship Cuba. Rated at N.Y. 30 cents in coin or 41 cents in U.S. notes. France debited U.S. 27 cents.

June 27, 1865 is the earliest recorded use of the 28 mm. New York exchange office dual rate depreciated currency postmark used on this cover and June 27 was the only day it was used in 1865.

June 19, 1865 – IF = 1.4

Smyrna, Turkey to New York via France at Double French Treaty Rate

Carried Liverpool to New York on Maiden Voyage of Inman Steamship City of New York (II)



French P.O. in Smyrna(5/28/65) to New York(6/19/65) via Marseille to Paris T.P.O.(6/5/65) and Liverpool. Carried from Liverpool on maiden voyage of Inman steamship City of New York (II). Rated at New York 60 cents in coin or 84 cents in U.S. notes. France debited U.S. 42 cents.

The Inman steamship City of New York (II), the second Inman steamship to bear the name, left Liverpool on her maiden voyage on June 7, 1865. She was 321 ft. long and 2,642 gross tons. She had a very long career, being in transatlantic passenger service for various lines until 1903.

August 3, 1865 – IF = 1.40

France to U.S. at French Treaty Rate



Mexey-S-Vaise(7/19/65) to New York(8/3/65) via Strasbourg to Paris T.P.O.(7/19/65), Paris(7/20/65), and England. Carried to New York by Cunard steamship Asia. Rated 15 cents in coin or 21 cents in U.S. notes. France debited U.S. 12 cents for sea and inland postage. Large 8 restates treaty rate in decimes.

July 22, 1865 – IF = 1.47

France to Boston at Double French Treaty Rate



Brest, France(7/12/65) to Boston(7/22/65) via Brest to Paris T.P.O.(7/13/65) and England. Carried from England to New York by Cunard steamship Africa. Rated at New York 30 cents in coin or 44 cents in U.S. notes for double 15 cent French treaty rate. France debited U.S. 24 cents for inland, transit, and sea postage.

August 9, 1865 – IF = 1.40

France to U.S. at French Treaty Rate



Marseille(7/27/65) to N.Y.(8/9/65) via Marseille to Paris T.P.O.(7/28/65) Paris to Calais T.P.O.(7/28/65) and England. Carried to N.Y. by Cunard steamship Cuba. At N.Y. rated 15 cents in coin or 21 cents in U.S. notes. France debited U.S. 12 cents.

July 26, 1865 – IF = 1.40

France to New York at French Treaty Rate



Marseille, France(7/12/65) to New York(7/26/65) via Marseille to Paris T.P.O.(7/13/65), Paris to Calais T.P.O.(7/13/65), and England. Carried to N.Y. by Cunard steamship Scotia. Rated at N.Y. 15 cents in coin or 21 cents in U.S. notes. France debited U.S. 12 cents.

August 15, 1865 – IF = 1.33

France to U.S. at French Treaty Rate



Paris(8/2/65) to New Orleans via England, Canada, and Portland(8/15/65)  
 Carried from England to Riviere du Loup, P.Q. by Allan Line steamship  
 Moravian then by train to Portland, Maine exchange office where rated 15  
 cents in coin or 20 cents in U.S. notes. France debit to U.S. of 12 cents for  
 ocean and inland postage.

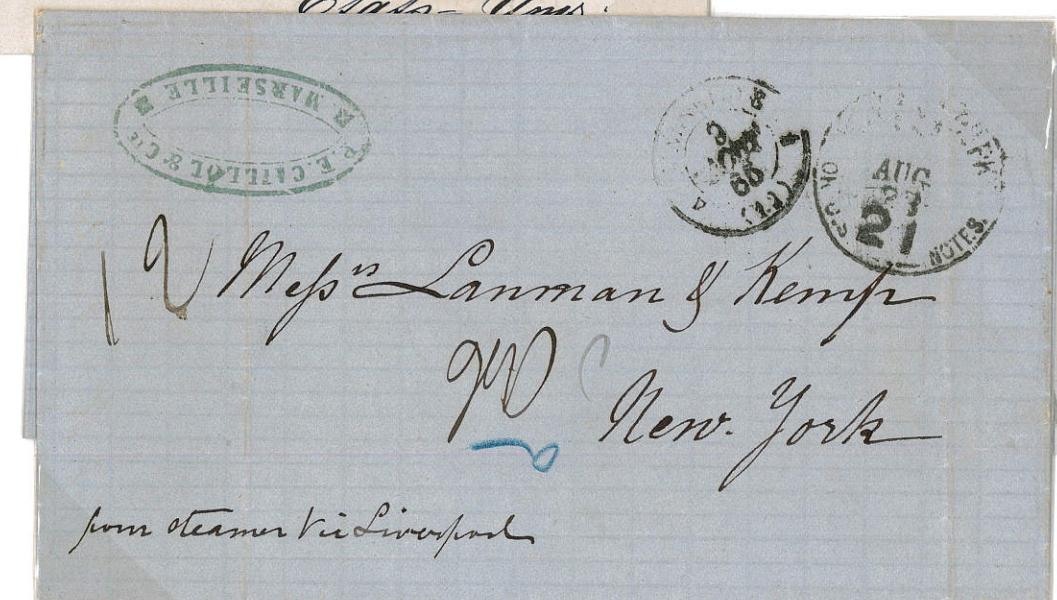
In the summer months, usually May through mid November, the Allan Line service to North America ended at Quebec. Mail for the U.S. was off loaded at Riviere du Loup and carried to Portland, Maine by rail. In the winter, the Allan Line used Portland as their western terminal.

August 10 and 23, 1865 – IF = 1.40

France to U.S. at Single French Treaty Rate



Carried England to N.Y. by  
 Cunard steamship Cuba.



Both covers from Marseille, France to New York via England. At New York rated 15 cents in coin or 21  
 cents in U.S. notes. 12 cent French debit to U.S. for inland and ocean postage.

October 2, 1865 – IF = 1.38

Uruguay to U.S. via France at Double French Treaty Rate

Treaty Rate in Exchange Office Postmark Single(30) Instead of Double(60)



Montevideo, Uruguay(8/14/65) to New York(10/2/65) via French packet S.S. Carmel(8/15/65), Bordeaux, and England. Carried to New York by Inman Line steamship Edinburgh. Rated at New York 30 cents in coin or 83 cents in U.S. notes. The 30 cent treaty rate is in error. It should have been 60 cents for a double rate letter. The 83 cents inflation rate is correct as is the French debit of 42 cents for double inland, transit, and South Atlantic packet postage. The U.S. retained 18 cents for double inland and North Atlantic packet postage.

The error in the treaty rate indicated in the N.Y. exchange office postmark, single(30) instead of double(60), did not affect the compensation of either the U.S. or France. The correct amount of postage due was collected in U.S. notes and the French debit was correct.

September 5 and 21, 1865 – IF = 1.40

France to U.S. at Single French Treaty Rate



Both covers from Marseille, France to New York via England. At New York rated 15 cents in coin or 21 cents in U.S. notes. 12 cent French debit to U.S. for inland and ocean postage.

## U.S. Civil War Inflation

1865

December 5, 1865 – IF = 1.47

Uruguay to U.S. via France at French Treaty Rate



Montevideo, Uruguay(10/14/65) to New York(12/5/65) via Bordeaux. Rated at New York 30 cents in coin or 44 cents in U.S. notes. The N.Y. exchange office postmark indicates arrival by British ship but that is probably wrong. French debit of 27 cents for sea and inland.

The N.Y. exchange office postmark indicating arrival by British packet is probably in error since no British steamship arrived at New York between November 29 and December 13, 1865. On December 5 the Inman steamship City of New York II and the French Line Lafayette arrived. The French debit of 27 cents indicates that the cover was carried on the Lafayette. If it were carried by the City of New York II under U.S. contract, the French debit would have been 21 cents.

## U.S. Civil War Inflation

1865

November 22 and 29, 1865 – IF = 1.47

France to U.S. at Single French Treaty Rate



Both covers from Marseille, France to New York via England. At New York rated 15 cents in coin or 22 cents in U.S. notes. 12 cent French debit to U.S. for inland and ocean postage. U.S. retained 3 cents.

Carried England to N.Y. by Cunard Steamship Scotia.

## U.S. Civil War Inflation

England to U.S. at 4X British Treaty Rate

December 21, 1865 – IF = 1.42



1865

## U.S. Civil War Inflation

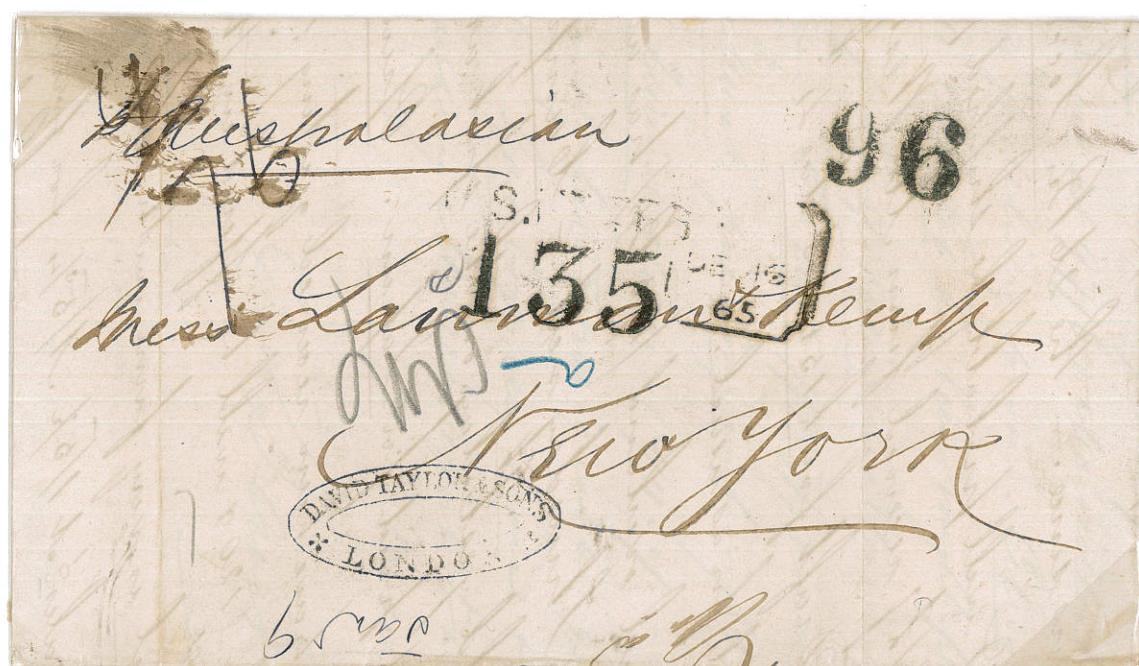
December 15, 1864 – IF = 2.33

Marseille, France to New York at French Treaty Rate



1864

December 30, 1865 – IF = 1.41



December 27, 1864 – IF = 2.17

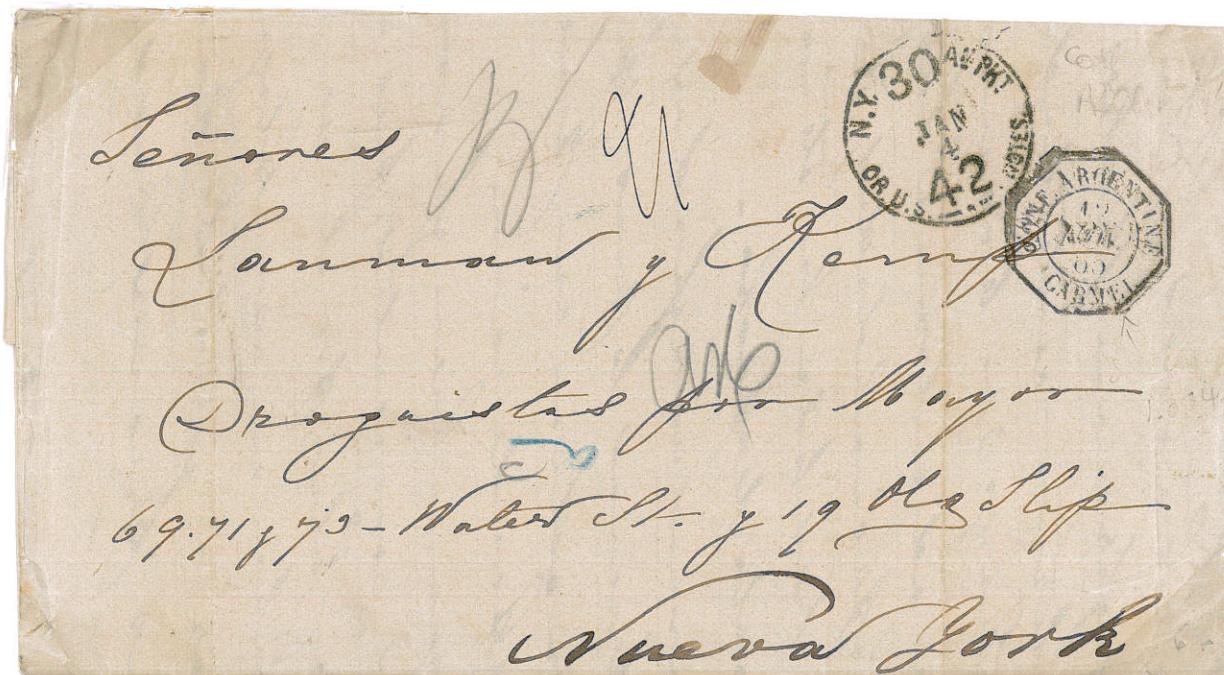
Smyrna, Turkey to New York at French Treaty Rate



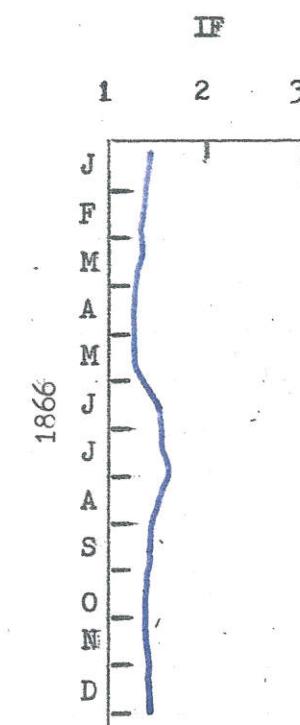
January 4, 1866 – IF = 1.40

By 1866 the inflation caused by the fiscal moves to finance the Civil War was beginning to stabilize. The Inflation Factor started at 1.4 in January, slowly decreased to about 1.25 during May and June, increased to about 1.5 during July and August, and then finished the year at 1.4. The total variation in the value of a U.S. \$1 note was from 67 to 80 cents over the entire year.

Buenos Aires, Argentina to New York via France at French Treaty Rate



Buenos Aires(11/11/65) to New York(1/4/66) via France and England. Entered the French mail on board the French steamship Carmel(11/12/65) at Buenos Aires. Carried to Rio de Janeiro where transferred to French Brazil Line packet for transport to France. Sent to England where placed on board North German Lloyd steamship Hermann for delivery in N.Y. At N.Y. rated 30 cents in coin or 42 cents in U.S. notes. French debit of 21 cents. U.S. retained 9 cents.



January 4, 1866 – IF = 1.40

Porto Alegre, Brazil to New York at Double French Treaty Rate



Porto Alegre(11/23/65) to New York(1/4/66) via Bordeaux, France(12/19/66) and England. Carried by French packet from Brazil to France and by North German Lloyd steamship Hermann from England to U.S. Rated at New York 60 cents in coin or 84 cents in U.S. notes. French debit of 42 cents for double South Atlantic sea postage, inland, and transit postage.

Since the North German Lloyd steamship Hermann was under contract to the U.S.P.O.D., it was considered an American ship and therefore the U.S. retained 18 cents for double inland and North Atlantic ocean postage.

## U.S. Civil War Inflation

1866

March 8, 1866 – IF = 1.30

Bahia, Brazil to New York via France at Double French Treaty Rate



Bahia, Brazil(1/28/66) to New York(3/8/66) via Bordeaux, France(2/18/66) and England. Rated 60 cents in coin or 78 cents in U.S. notes at New York for double French treaty rate. Arrived at New York aboard the Inman Line steamship City of New York II. French debit of 42 cents for inland, transit, and South Atlantic packet postage. U.S. retained 18 cents for double inland and North Atlantic packet postage.

## U.S. Civil War Inflation

February 22, 1866 – IF = 1.40

1866

Hamburg, Germany to New York at Prussian Closed Mail Rate



Hamburg(2/7/66) to New York(2/22/66) via Aachen(2/8/66) and England. Rated at N.Y. 30 cents in coin or 40 cents in U.S. notes. Carried from England to N.Y. by North German Lloyd steamship Hermann. 5 cent Prussian debit for inland postage. U.S. retained 25 cents for inland, sea, English and Belgian transit.

Marseille, France to New York at French Treaty Rate



Marseille(2/7/66) to N.Y.(2/22/66) via England. Rated 15 cents in coin or 20 cents in U.S. notes. Carried by Inman S.S. City of Boston. French debit 12 cents.

## U.S. Civil War Inflation

1866

Two covers arriving at New York on May 1, 1866 rated with different inflation factor

England to New York at British Treaty Rate, IF = 1.21



London(4/18/66) to New York(5/1/66) by American packet, Inman Line steamship City of London. Rated 24 cents in coin or 29 cents in U.S. notes. English debit of 3 cents for inland postage. U.S. retained 21 cents for packet and inland postage.

France to New York at French Treaty Rate, IF = 1.27



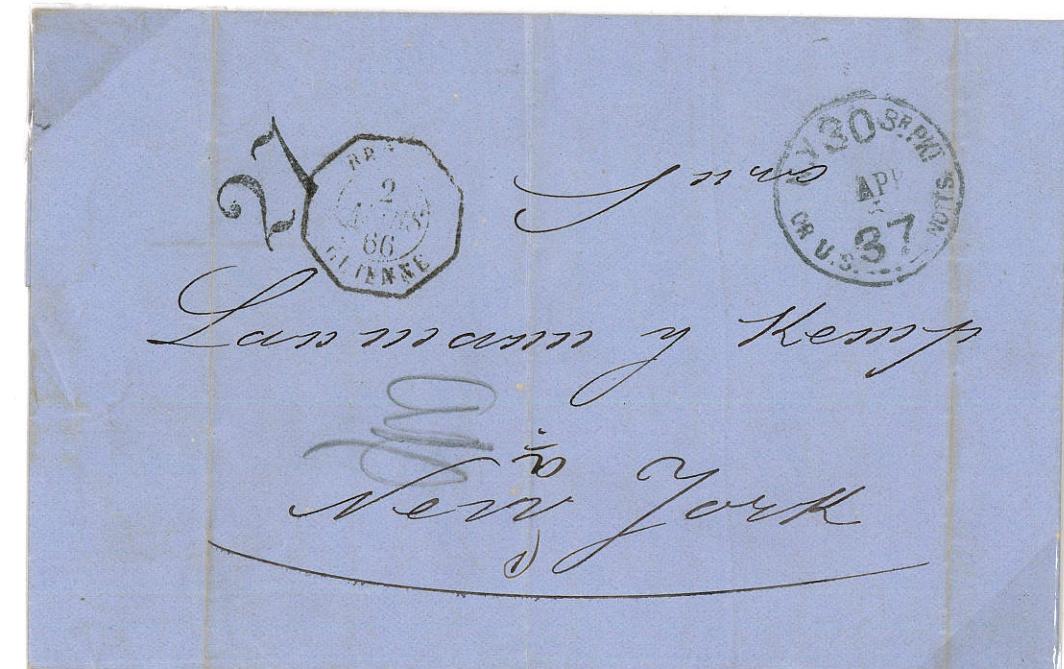
Marseille(4/19/66) to N.Y.(5/1/66) by British packet, Cunard Scotia. Rated 15 cents in coin or 19 cents in U.S. notes. French debit of 12 cents for inland and sea postage. U.S. retained 3 cents.

## U.S. Civil War Inflation

1866

April 6, 1866 – IF = 1.23

Pernambuco, Brazil to New York via France at French Treaty Rate



Written at Penambuco(3/1/66). Entered French mail system on board Messageries Maritimes steamship Guienne(3/2/66), which carried the cover to France. Carried to New York from England by British packet, Cunard Line steamship Cuba. Rated at N.Y. 30 cents in coin or 37 cents in U.S. notes. France showed a debit of 27 cents for all transportation costs to New York. U.S. retained 3 cents for inland postage.

The steamship Guienne was a 1,945 ton, paddle wheel vessel launched in 1853 and operated by Messageries Maritimes in service between France and South America. She was converted from paddle wheel to screw propulsion in 1872. She was lost at Bahia, Brazil in 1873.

May 27, 1866 – IF = 1.25

London, England to Bangor, Maine via Boston at British Treaty Rate



London(5/12/66) to Bangor, Maine via Boston(5/27/66) carried by British packet, Cunard steamship Cuba. Rated at Boston 24 cents in coin or 30 cents in U.S. notes. British debit of 19 cents for inland and packet postage. U.S. retained 5 cents for inland postage.

While the Boston exchange office for British mail did serve New England, mail addressed to Maine from England was usually carried by the Allan Line and handled by the Portland, Maine exchange office.

May 3, 1866 – IF = 1.23

Pernambuco, Brazil to New York via France at French Treaty Rate



Pernambuco(3/30/66) to New York(5/3/66) via Bordeaux, France(4/18/66) and England. Rated at N.Y. 30 cents in coin or 37 cents in U.S. notes. From England to N.Y. by British packet, Cunard steamship Scotia. France debit of 27 cents for all transportation fees from Pernambuco to New York. U.S. retained 3 cents for inland postage.

U.S. Civil War Inflation

1866

Marseille, France to New York via England at French Treaty Rate

June 22, 1866 – IF = 1.47



Carried by Cunard steamship China

Marseille(6/7/66) to N.Y.(6/22/66) via Marseille to Paris T.P.O.(6/8/66) and England  
Rated 15 cents in coin or 22 cents in U.S. notes. French debit of 12 cents.

June 28, 1866 – IF = 1.53



Carried by Cunard steamship Java

Marseille(6/14/66) to N.Y.(6/28/66) via Marseille to Paris T.P.O.(6/15/66) and England  
Rated 15 cents in coin or 23 cents in U.S. notes. French debit of 12 cents.

U.S. Civil War Inflation

1866

Marseille, France to New York via England at French Treaty Rate

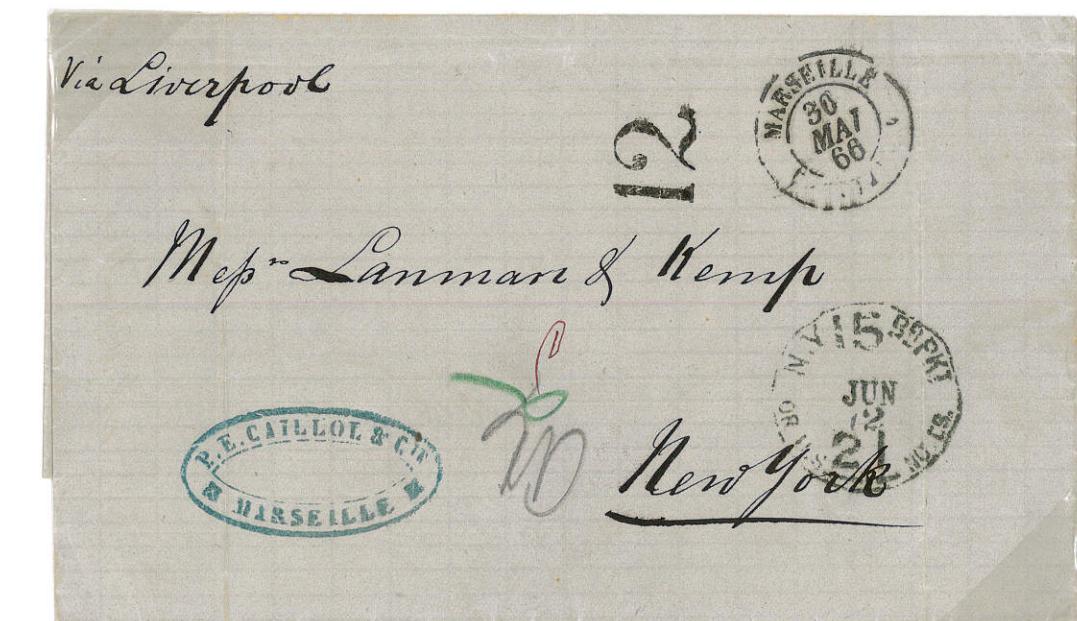
May 30, 1866 – IF = 1.33



Carried by Cunard steamship Persia

Marseille(5/16/66) to N.Y.(5/30/66) via Marseille to Paris T.P.O.(5/17/66) and England  
Rated 15 cents in coin or 20 cents in U.S. notes. French debit of 12 cents.

June 12, 1866 – IF = 1.40



Marseille(5/30/66) to N.Y.(5/12/66) via Marseille to Paris T.P.O.(5/31/66) and England  
Rated 15 cents in coin or 21 cents in U.S. notes. French debit of 12 cents.

## U.S. Civil War Inflation

July 23, 1866 – IF = 1.47

Messina, Italy to New York via France and England at French Treaty Rate



Messina(7/7/66) to N.Y.(7/23/66) via Marseille(7/11/66) and England. Rated 21 cents in coin or 31 cents in U.S. notes. From England by Cunard S.S. Scotia. France debit of 18 cents, U.S. retained 3 cents.

Marseille, France to New York via England at Double French Treaty Rate



Marseille(7/12/66) to N.Y.(7/23/66) via Queenstown where placed on Cunard S.S. Scotia. Rated 30 cents in coin or 44 cents in U.S. notes for double rate. French debit of 24 cents.

1866

## U.S. Civil War Inflation

July 21, 1866 – IF = 1.47

Smyrna, Turkey to New York via France and England at French Treaty Rate



Smyrna, Turkey(6/28/66) to New York(7/21/66) via Marseille(7/5/66) and England. Sent to New York from Liverpool on board British packet, Cunard steamship Scotia. Rated at New York 30 cents in coin or 44 cents in U.S. notes. French debit of 27 cents for inland, transit, and packet postage. U.S. retained 3 cents for inland postage.

Lanman and Kemp obtained almost all of the opium used to make many of their drugs from the southern area of Turkey. It was shipped through the port of Smyrna.

1866

September 10, 1866 – IF = 1.40

Weiden, Bavaria to Trumbel, Ohio via Bremen at Bremen Treaty Rate



Weiden, Bavaria(8/19/66) to Ohio via Bremen(8/21/66) and New York(9/10/66)  
 Marked 5/10 at Bremen indicating cover originated in a GAPU country and the  
 postage was 5 cents over the 10 cent rate to Bremen. Rated at New York 15  
 cents in coin or 21 cents in U.S. notes. Carried from Bremen to New York by  
 North German Lloyd steamship Hermann.

Retained by U.S.	3 cents
Bremen packet postage	6 cents
GAPU transit postage	5 cents
Bremen inland postage	1 cent
Credit to Bremen	12 cents

July 30, 1866 – IF = 1.47

Stuttgart, Germany to New York by Prussian Closed Mail



Stuttgart, Germany(7/14/66) to New York(7/30/66) via Hamburg(7/15/66),  
 Aachen(7/16/66), and England. Carried to N.Y. from England by  
 North German Lloyd steamship Hansa. Rated 30 cents in coin or  
 44 cents in U.S. notes. Aachen postmark shows Prussian 5 cent debit  
 for internal postage. U.S. retained 25 cents for transit, packet, and  
 inland postage.

The Hansa was under contract to the U.S.P.O.D. so the New York exchange office postmark indicated arrival in New York by American packet even though the ship's registry was German.

October 5, 1866 – IF = 1.43

Porto Alegre, Brazil to New York via France at Double French Treaty Rate



Porto Alegre, Brazil(7/30/66) to New York(10/5/66) via Rio de Janeiro(8/18/66) Bordeaux, France(9/20/66), and England where placed on board the North German Lloyd steamship Saxonia for transport to N.Y. Rated 60 cents in coin or 86 cents in U.S. notes for double rate. French debit of 42 cents for South Atlantic, transit, and inland postage. U.S. retained 18 cents for double North Atlantic packet and inland postage.

The steamship Saxonia of the North German Lloyd Line was of German registry. Since she was under contract to the U.S.P.O.D., the New York exchange office postmark indicates arrival by American packet.

September 29, 1866 – IF = 1.40

Marseille, France to New York via England at French Treaty Double Rate



Marseille(9/12/66) to New York(9/29/66) via Marseille to Paris T.P.O.(9/13/66) and England. Carried from England to N.Y. by British packet, Cunard steamship Cuba. Rated 30 cents in coin or 42 cents in U.S. notes for double rate. French debit 24 cents. U.S. retained 6 cents.

## U.S. Civil War Inflation

1866

November 1, 1866 – IF = 1.40

Montevideo, Uruguay to New York via France at French Treaty Rate



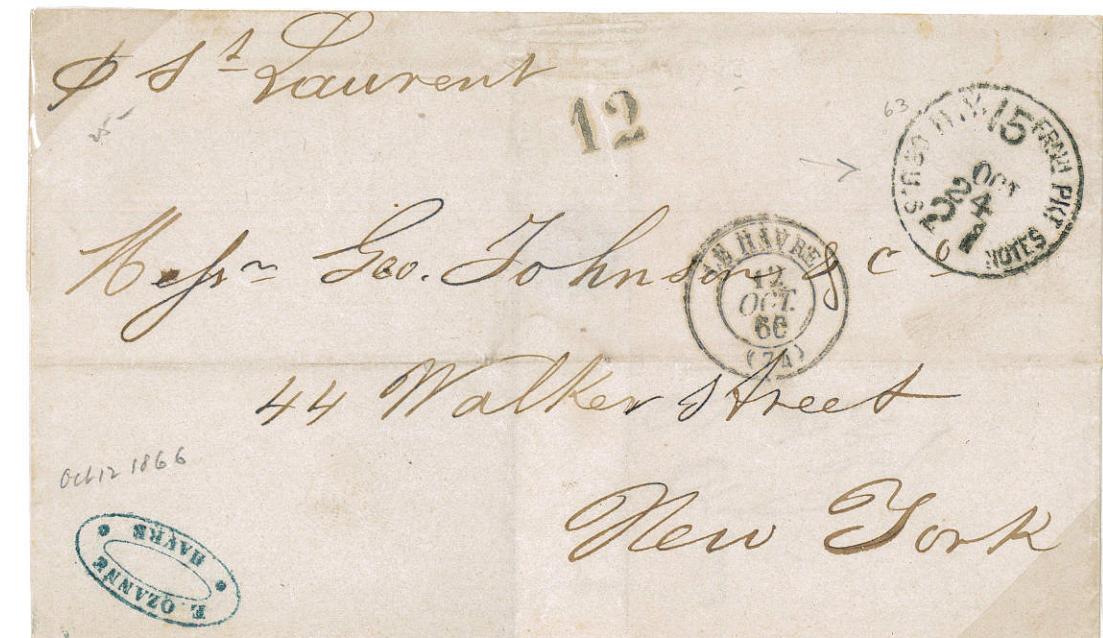
Montevideo(9/14/66) to New York(11/1/66). Entered the French mail system at Montevideo on board the French packet No.1 of the K line on 9/15/66. Carried to Bordeaux and sent on to England where placed on board the Cunard steamer Australasian. Rated 30 cents in coin or 42 cents in U.S. notes. French debit of 27 cents for inland, transit, and S.A. packet postage. U.S. retained 3 cents.

The French Line K was a shuttle service between Buenos Aires, Montevideo and Rio de Janeiro operated by Messageries Maritimes. At Rio the mail was transferred to Messageries Maritimes ships of Line J which ran between Rio and Bordeaux.

## U.S. Civil War Inflation

October 24, 1866 – IF = 1.40

Le Havre, France to New York at French Treaty Rate



Le Havre(10/12/66) to New York(10/24/66) by French Line steamship Saint Laurent. Rated 15 cents in coin or 21 cents in U.S. notes. French debit of 12 cents. U.S. retained 3 cents.

November, 15, 1866 – IF = 1.42

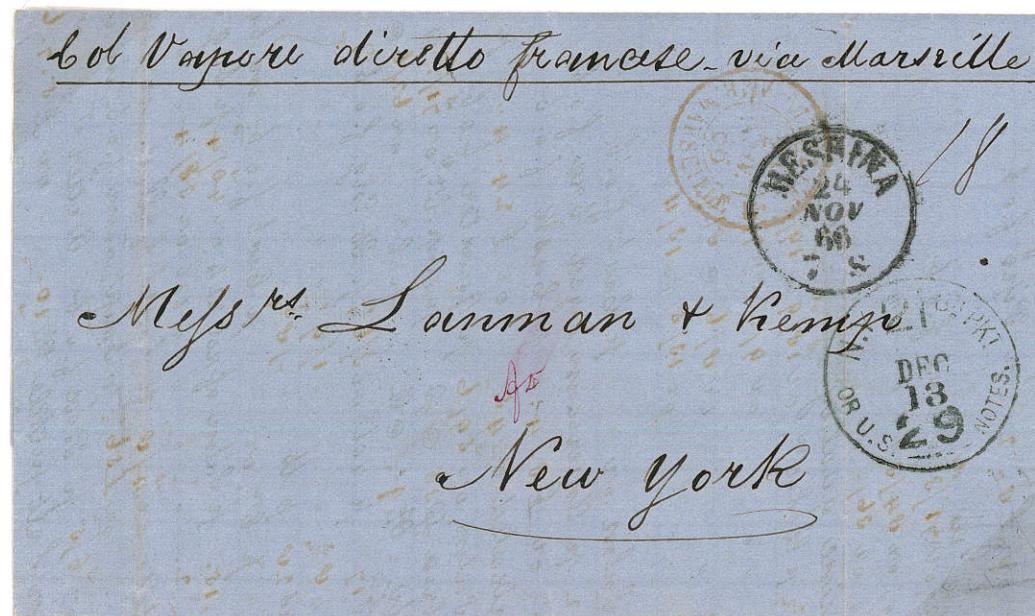
London, England to New York at British Treaty Rate



London(10/31/66) to N.Y.(11/15/66) by Inman Line S.S. City of London. Rated 24 cents in coin or 34 cents in U.S. notes. British debit of 3 cents U.S. retained 21 cents.

December 13, 1866 – IF = 1.38

Messina, Italy to New York via France at French Treaty Rate

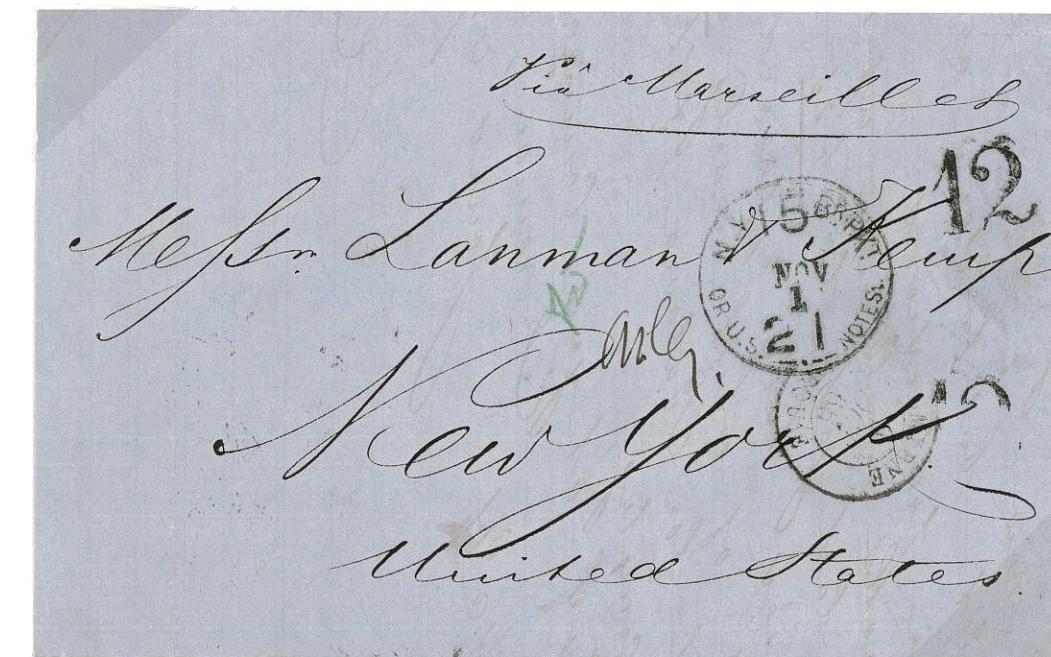


Messina(11/24/66) to New York(12/13/66) via Marseille(11/30/66), Paris(12/1/66) and England. Carried to N.Y. by Cunard steamship Cuba. Rated 21 cents in coin or 29 cents in U.S. notes. French debit of 18 cents for inland, transit, and packet postage. U.S. retained 3 cents.

As 1866 closed, \$1 in U.S. notes would purchase about 72 cents in specie. This level of inflation would be fairly steady for the next several years.

November 1, 1866 – IF = 1.40

Smyrna, Turkey to New York via France at French Treaty Rate – Miss Rated



Smyrna(10/9/66) to New York(11/1/66) via Marseille, Paris, and England. Carried to N.Y. by Cunard steamship Australasian. Rated 15 cents in coin or 21 cents in U.S. notes. French debit of 12 cents.

This cover was rated as mail originating in France rather than in Turkey. It should have been rated 30 cents in coin or 42 cents in U.S. notes. The problem started in Paris where the French applied the 12 cent debit instead of 27 cents and then enclosed the letter in a pouch with mail originating in France. At New York all mail in that pouch was rated as originating in France. Because of the error, France lost 15 cents. The U.S. did not lose or gain.

## U.S. Civil War Inflation

1867

## U.S. Civil War Inflation

1867

The value of U.S. notes remained fairly stable during 1867. The Inflation Factor was 1.3 in January, increased to 1.38 during the summer, and decreased to 1.3 at the end of 1867. During 1867 the value of a \$1 U.S. note varied between 72 and 77 cents.

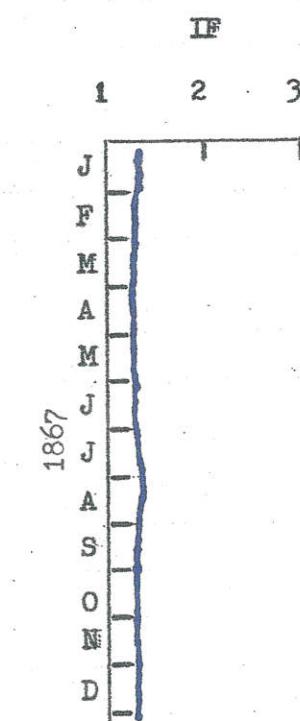
February 12, 1867 – IF = 1.29

England to U.S. at Double British Treaty Rate



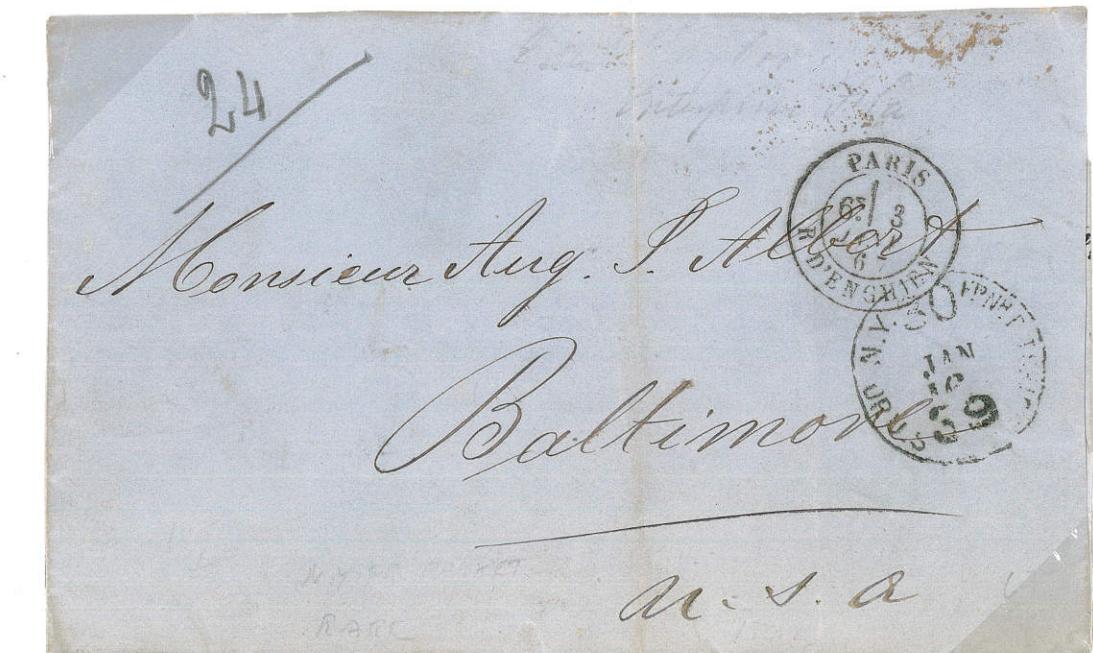
London, England(1/26/67) to Boston(2/12/67) carried by Cunard steamship Australasian. Rated at Boston 48 cents in coin or 62 cents in U.S. notes. English debit of 38 cents for double ocean and inland postage. U.S. retained 10 cents for double inland postage.

The circular "in U.S. notes" rate mark was very infrequently used.



January 16, 1867 – IF = 1.30

France to U.S. at Double French Treaty Rate



Double rate from Paris(1/3/67) to New York(1/16/67) direct from Brest by French Line packet Ville de Paris. Rated in New York at 30 cents in coin or 39 cents in U.S. notes. French debit of 24 cents for double ocean and inland postage. U.S. retained 6 cents for double inland postage.

U.S. exchange office postmarks indicating arrival by French packet are scarce because of the infrequent service of the French Line during this period, usually twice a month or less.

April 3, 1867 – IF = 1.30

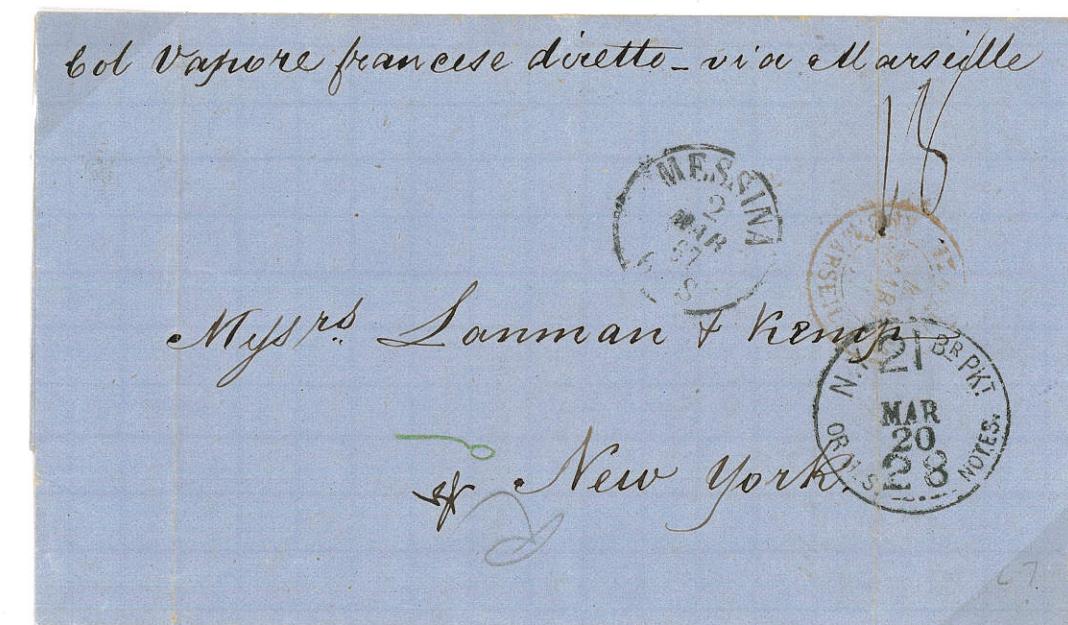
Montevideo, Uruguay to New York via France and England at French Treaty Rate



Montevideo, Uruguay(2/14/67) to New York(4/3/67) via French packet Carmel (2/15/67) of the K Line to Rio de Janeiro, France, and England. Carried from England to U.S. by Cunard steamship Java. Rated at New York 30 cents in coin or 39 cents in U.S. notes. French debit of 27 cents for ocean, inland, and transit postage. U.S. retained 3 cents for inland postage.

March 20, 1867 – IF = 1.33

Italy to U.S. via France and England at French Treaty Rate

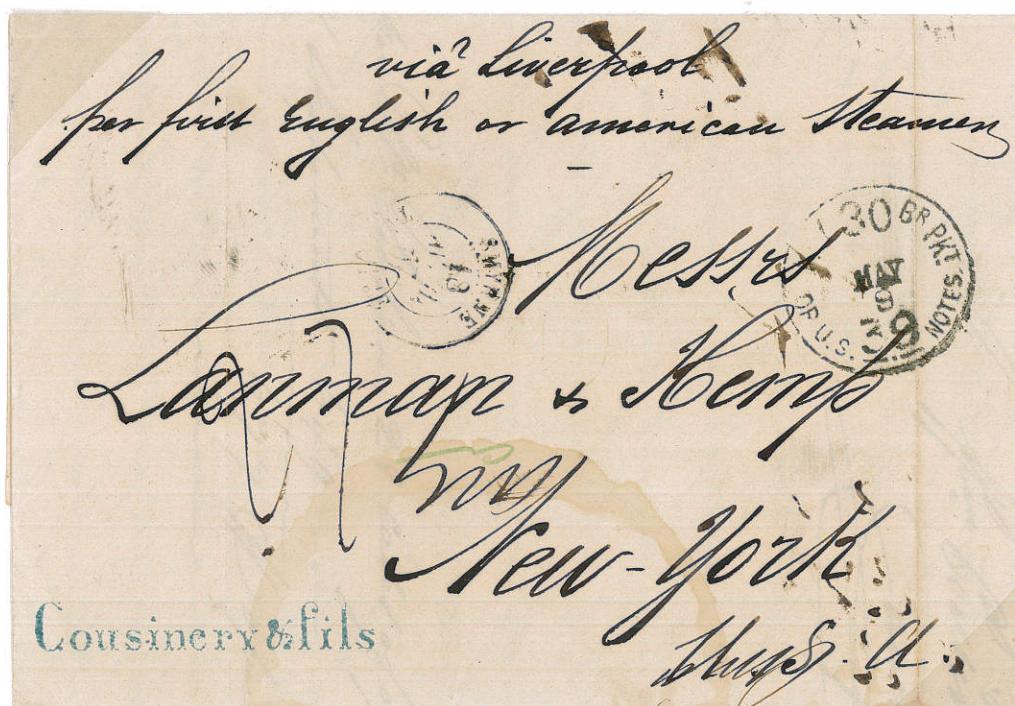


Messina, Italy(3/2/67) to New York(3/20/67) via Marseille, France(3/8/67), England, and Portland, Maine. Carried from England to Portland by Allan Line steamship Moravian, then by train to New York. Rated 21 cents in coin or 28 cents in U.S. notes. French debit of 18 cents for ocean, inland and transit postage. U.S. retained 3 cents for inland postage.

The Allan Line had weekly service between England and Portland, Maine during the winter months when the St. Lawrence River was frozen and the ships could not reach Quebec.

May 9, 1867 – IF = 1.30

Smyrna, Turkey to N.Y. via France and England at French Treaty Rate



French P.O. at Smyrna, Turkey(4/18/67) to New York(5/9/67) via Marseille. Marseille to Lyon T.P.O.(4/25/67), and Liverpool. Carried from Liverpool to New York by Cunard steamship China. Rated at New York 30 cents in coin or 39 cents in U.S. notes. French debit of 27 cents for ocean, inland, and transit postage. U.S. retained 3 cents for inland postage.

May 3, 1867 – IF = 1.30

Buenos Aires, Argentina to U.S. via France and England at French Treaty Rate



Buenos Aires, Argentina(3/11/67) to New York(5/3/67) via French K Line packet Carmel(3/12/67) to Rio de Janeiro, France, and England. Carried from England to New York by Cunard steamship Persia. Rated at N.Y. 30 cents in coin or 39 cents in U.S. notes. French debit of 27 cents for ocean, inland, and transit postage. U.S. retained 3 cents for inland postage.

U.S. Civil War Inflation

1867

June 1, 1867 – IF = 1.30

Buenos Aires, Argentina to New York via France and England at Double French Treaty Rate



Buenos Aires(4/12/67) to New York(6/1/67) via France and England. Carried Brazil to France by steamship of Messageries Maritimes line. By open mail to England where placed on board Hamburg-American Line steamship Borussia under U.S. contract. At N.Y. rated 60 cents in coin or 78 cents in U.S. notes. French debit of 42 cents for South Atlantic, inland, and transit postage. U.S. retained 18 cents for double inland and North Atlantic postage.

U.S. Civil War Inflation

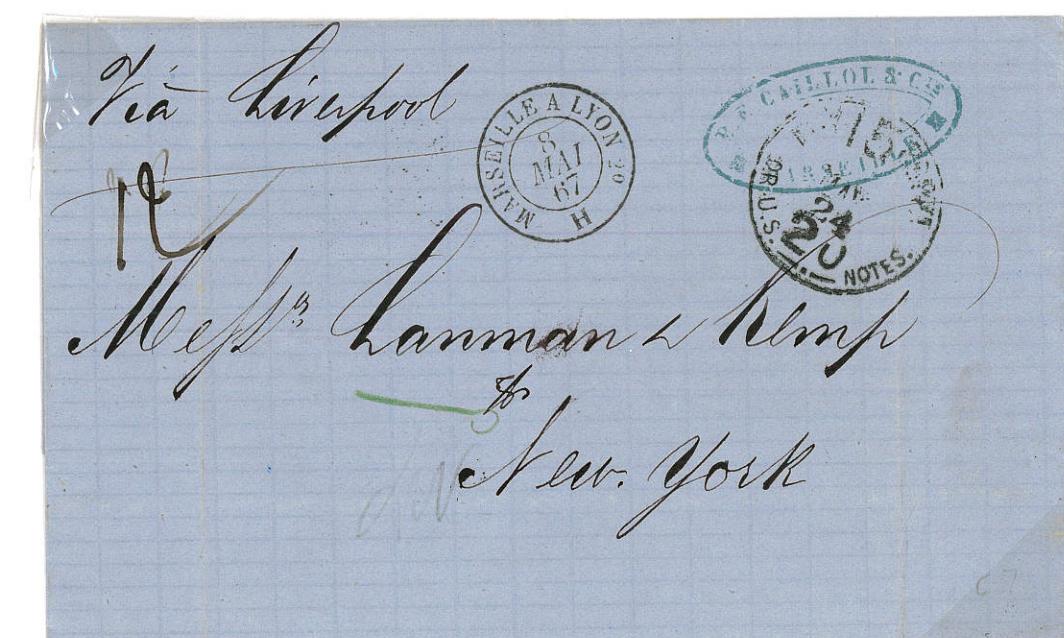
1867

Marseille, France to New York via England at French Treaty Rate

May 15, 1867 – IF = 1.33



May 24, 1867 – IF = 1.33



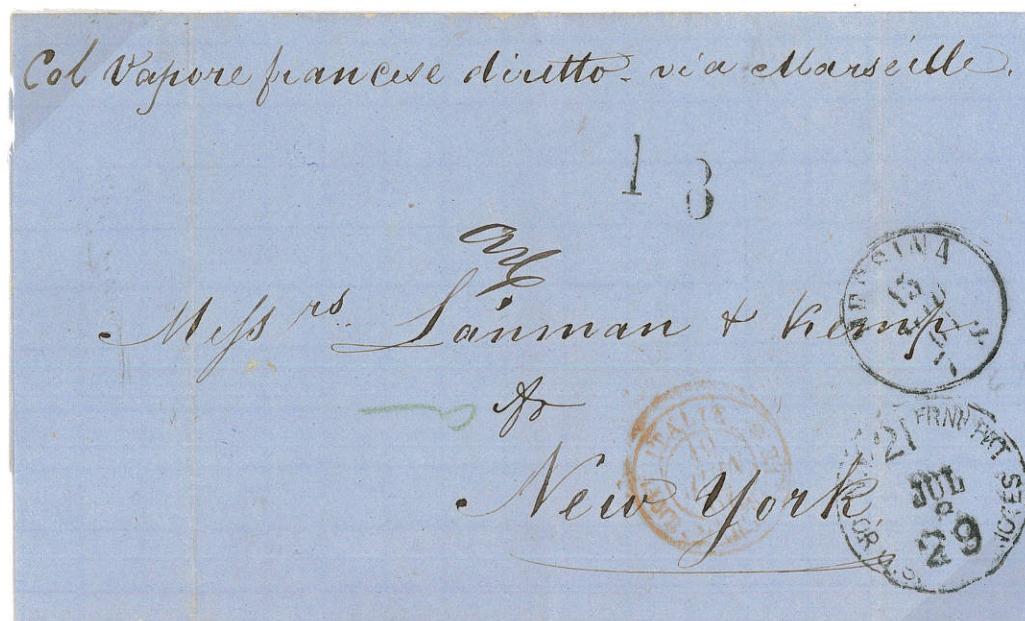
Marseille to Lyon T.P.O. (5/8/67) to N.Y. (5/24/67) via England. Carried to N.Y. by Cunard steamship Africa. Rated 15 cents in coin or 20 cents in U.S. notes. French debit of 12 cents for ocean and inland postage. U.S. retained 3 cents.

## U.S. Civil War Inflation

1867

July 3, 1867 – IF = 1.38

Messina, Italy to New York via France at French Treaty Rate



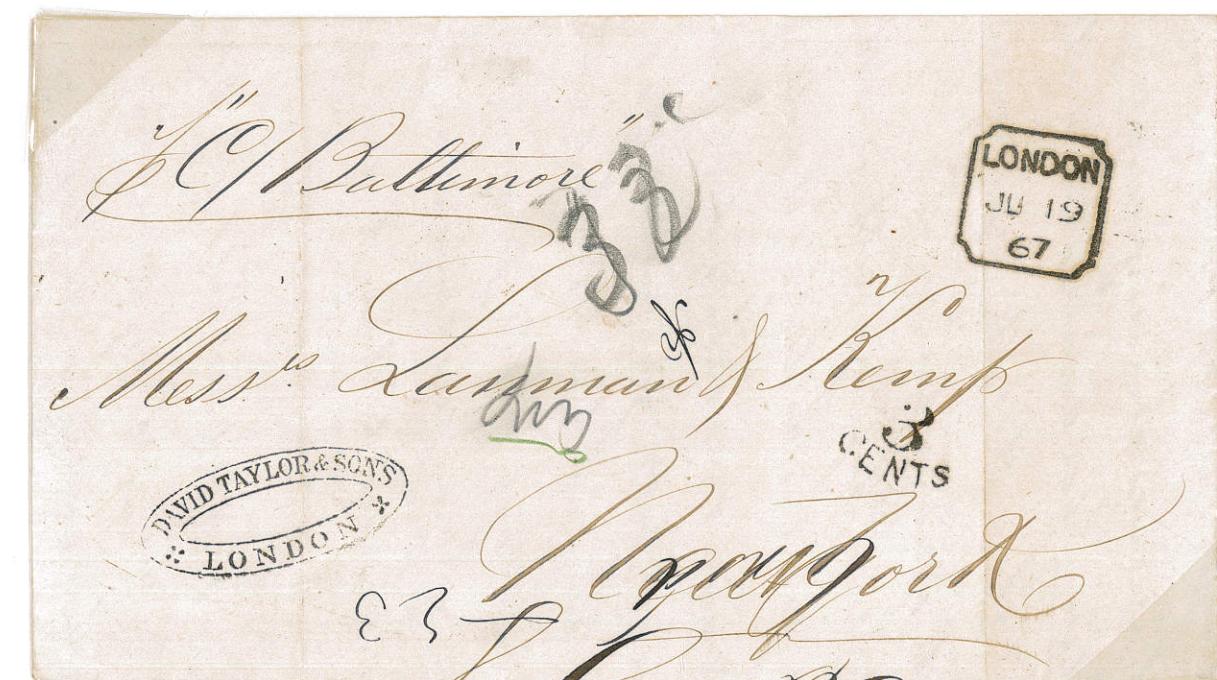
Messina(6/15/67) to New York(7/3/67) via Marseille(6/19/67) and direct to U.S. by French Line steamship Ville de Paris. Rated at French treaty rate of 21 cents in coin or 29 cents in U.S. notes. French debit of 18 cents for ocean and inland postage. U.S. retained 3 cents for inland postage.

## U.S. Civil War Inflation

1867

July 1, 1867 – IF = 1.38

England to U.S. at British Treaty Rate



London(6/19/67) to New York(7/1/67) by Inman Line steamship City of Baltimore. Rated at N.Y. 33 cents in U.S. notes. British debit of 3 cents in coin.

During this period, covers with manuscript rates and without the exchange office postmark or treaty rate in coin, are unusual.

August 15, 1867 – IF = 1.37

Marseille, France to New York via England at Double French Treaty Rate



September 11, 1867 – IF = 1.38

Liverpool, England to U.S. at British Treaty Rate



July 9, 1867 – IF = 1.35

Smyrna, Turkey to Harrisburg, Pa. via France and England at Double French Treaty Rate



Posted on board French steamship of X line at Smyrna(6/18/67). Arrived at Marseille(6/26/67) where red boxed Paquebots/De La/ Meditereanes was applied. Sent through Paris to England where placed on Allan Line steamer Hibernian which delivered it to Riviere du Loup, Quebec. Sent by rail to Portland, Maine where it was rated 81 cents in U.S. notes. The 60 cent in coin double treaty rate is not indicated. French debit of 54 cents for transportation from Smyrna to Portland. U.S. retained 6 cents.

The Allan Line called at Quebec during the summer months and at Portland during the winter months when the St. Lawrence was frozen. During the summer months the U.S. mail was off loaded at Riviere Du Loup, Quebec where there was direct rail connection to Portland.

November 30, 1867 – IF = 1.33

Paris, France to Boston via England and New York at French Treaty Rate



December 27, 1867 – IF = 1.33

Marseille, France to New York via England at French Treaty Rate

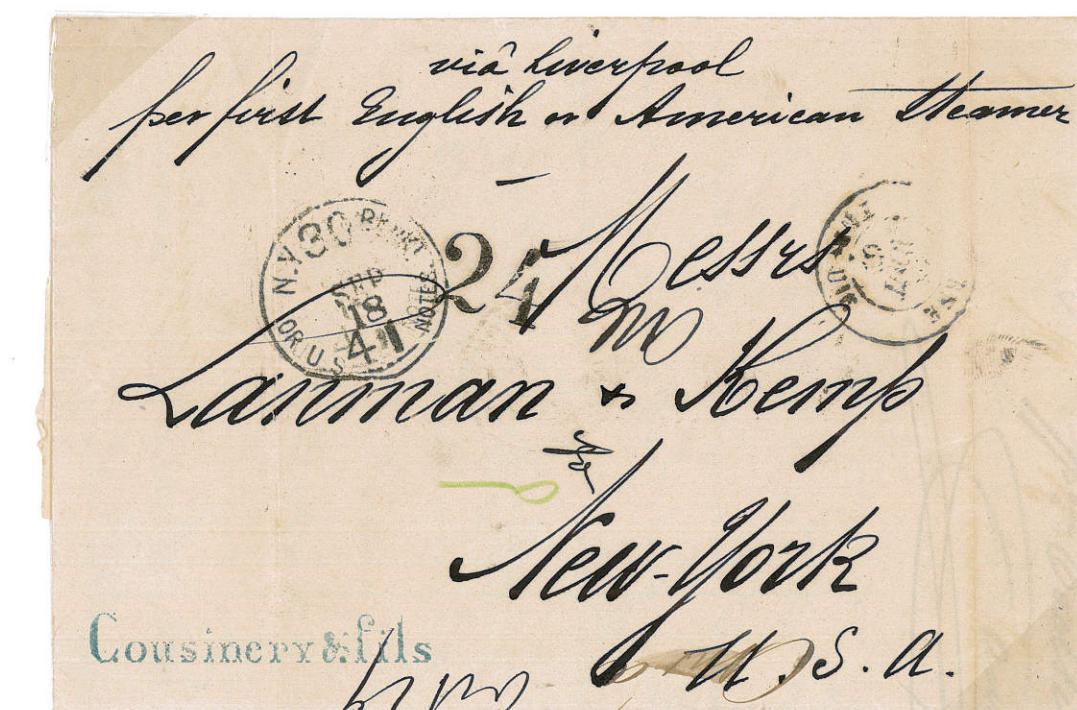


Marseille(12/12/67) to N.Y.(12/27/67) via Paris -Calais T.P.O.(12/14/67) and England. By Cunard steamship Scotia to N.Y. Rated 15 cents in coin or 20 cents in U.S. notes. French debit of 12 cents

September 18, 1867 – IF = 1.37

Smyrna, Turkey to New York via France and England at French Treaty Rate

Incorrect Debit Applied at Paris Exchange Office



Smyrna(8/28/67) to New York(9/18/67) via Marseille- Lyon T.P.O.(9/4/67), Paris(9/5/67), and England. Carried from England to New York by Cunard steamship Russia. Rated at New York 30 cents in coin or 41 cents in U.S. notes. French debit of 24 cents incorrect. Should be 27 cents.

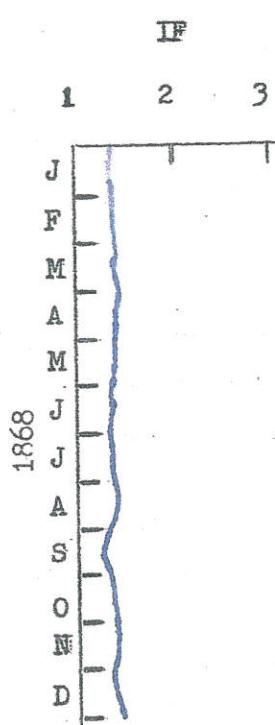
The French exchange office in Paris claimed 24 cents of the 30 cent treaty rate for ocean, inland, and transit postage. That would permit the U.S. to retain 6 cents for inland postage. The French debit should have been 27 cents giving the U.S. 3 cents for inland postage.

## U.S. Civil War Inflation

1868

During 1868, the value of U.S. notes remained fairly constant, with the inflation factor averaging 1.40. At this rate a \$1 U.S. note had a value of 71 cents in the international market. While the depreciation of U.S. notes had stabilized, their value was still suffering from the tremendous debt caused by the civil war.

January 16, 1868 – IF = 1.33



Paris(1/3/68) to New York(1/16/86) where rated at 20 cents in U.S. notes. Carried from Brest, France to N.Y. by French Line steamship Pereire. French debit of 12 cents.

Effective January 1, 1868, the treaty rate postage was not indicated on unpaid incoming covers. Only the rate in depreciated U.S. notes was indicated. The foreign debits were still shown in specie.

## U.S. Civil War Inflation

1867

December 31, 1867 – IF = 1.29

London, England to Madison, Indiana via Detroit at British Treaty Rate



London(12/10/67) to Madison, Ind. Carried by Allan Line steamship Hibernian to Portland, Maine. Transferred by rail to Detroit exchange office where rated at 24 cents in coin or 31 cents in U.S. notes. The Detroit E.O. never used the dual rate postmark as used at Boston and New York. England debit 3 cents for inland postage and U.S. retained 21 cents for inland and ocean postage.

In order to save manpower costs, December 31, 1867 was the last day that both the treaty rate and the rate in U.S. notes was marked on the covers. Starting on January 1, 1868, only the rate in U.S. notes was indicated on unpaid mail.

December 31, 1867 was also the last day for the 24 cent British treaty rate. On January 1, 1868, the British treaty rate was reduced to 12 cents.

## U.S. Civil War Inflation

1868

Havre, France to New York via England at French Treaty Rate

March 21, 1868 – IF = 1.40



Havre(3/4/68) to New York{3/21/68} via Liverpool. Carried by Cunard steamship Java. 12 cents of 15 cent rate claimed by France. 21 cents collect at N.Y.

April 9, 1868 – IF = 1.40



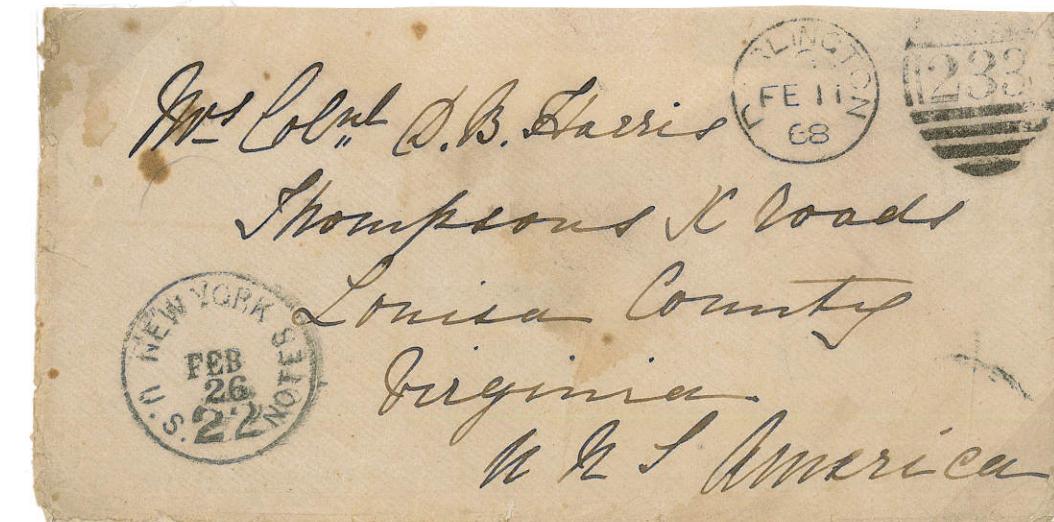
Havre, France(3/25/68} to New York(4/9/68} via Liverpool by Cunard steamship Australasian. France claimed 12 cents of the 15 cent rate. 21 cents in inflated currency was collected at New York.

## U.S. Civil War Inflation

1868

February 26, 1868 – IF = 1.42

Darlington, England to U.S. at British Treaty Rate



Darlington(2/11/68) to Virginia via New York(2/26/68), Rated 22 cents in U.S. notes. Carried from England to New York by Inman Line steamship City of Boston.

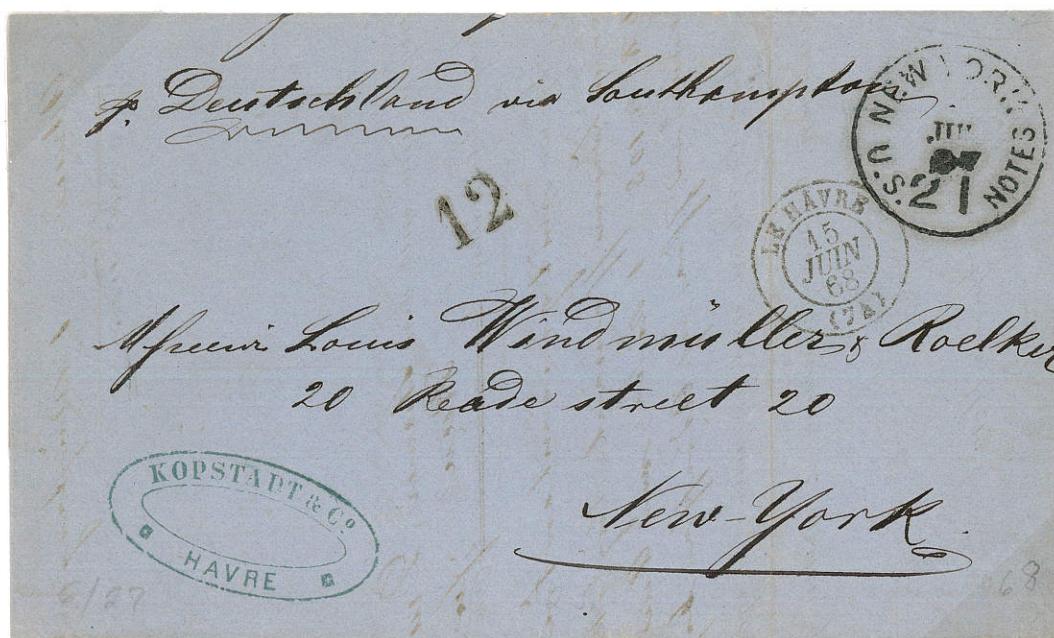
In 1868, the British treaty rate was lowered to 12 cents from 24 cents. At the same time, the U.S. set a 5 cent fine for unpaid incoming mail under this treaty. After deducting the 5 cent fine for unpaid letters, the 17 cents in U.S. notes was equivalent to the 12 cent treaty rate. Under this treaty, both countries split the postage evenly.

## U.S. Civil War Inflation

1868

June 27, 1868 – IF = 1.40

Havre, France to New York via England at French Treaty Rate



Havre(6/15/68) to New York(6/27/68) via Southampton. Rated 21 cents in U.S. notes. Small French debit marking of 12 cents applied at Havre exchange office. Carried to N.Y. from Southampton by North German Lloyd steamship Deutschland.

On November 30, 1867, the British Postmaster General gave a contract to North German Lloyd to carry British mails from Southampton to New York on Tuesdays after January 1, 1868. This cover was carried under that special contract.

## U.S. Civil War Inflation

June 17, 1868 – IF = 1.42

Liverpool, England to New York at British Treaty Rate



Liverpool(6/6/68) to New York(6/17/68) by Cunard steamship Australasian. The 5 cent penalty is in U.S. 1868 currency. The inflation equivalent of the 12 cent treaty rate is 17 cents equivalent to an IF of 1.42.

June 17, 1868 – IF = 1.36

Messina, Italy to New York at Double French Treaty Rate



Messina(5/30/68) to New York(6/17/68) via France at double 21 cent French treaty rate. France claimed 36 cents and U.S. retained 6 cents. The U.S. inflation factor increased the 42 cent treaty rate to 57 cents. Carried from Havre to New York by French Line steamship Ville de Paris

## 1868

## U.S. Civil War Inflation

1866

July 31, 1866 – IF = 1.47

Antony, France to United States via French Packet at French Treaty Rate



Antony(7/19/66) to Harrisburg, Pa.  
via N.Y.(7/31/66). Rated 15 cents  
in coin or 22 cents in U.S. notes.  
Carried from France by French  
Line steamship Ville de Paris.  
French debit of 12 cents.

The second 2 in the N.Y. postmark  
is of a much smaller size than the  
first 2.

August 22, 1866 – IF = 1.47

Marseille, France to New York via England at French Treaty Rate



Marseille(8/9/66) to New York(8/22/66) via Marseille to Paris T.P.O.(8/10/66)  
and England. Carried from England by British packet, Cunard steamship Persia.  
Rated 15 cents in coin or 22 cents in U.S. notes. French debit of 12 cents.

## U.S. Civil War Inflation

1868

July 8, 1868 – IF = 1.37

Smyrna, Turkey to New York at French Treaty Rate



Posted at French post office in Smyrna(6/18/68) to New York(7/8/68)  
Sent via France and England. Carried from England to New York by  
Cunard steamship China. France claimed 27 cents of the 30 cent  
treaty rate. 41 cents in inflated currency collected at New York.

August 29, 1868 – IF = 1.42

Constantinople, Turkey by Forwarder to England and British Treaty Rate to New York



From Constantinople(8/11/68) by forwarder George Warren to Liverpool(8/19/68)  
 Carried from Liverpool to N.Y.(8/29/68) by Inman steamship City of Paris. Rated at 22  
 cents in U.S. notes which included a 5 cent penalty for unpaid mail. The treaty rate of  
 12 cents was equivalent to 17 cents in U.S. notes.

August 19, 1868 – IF = 1.40

Hamburg to New York at Hamburg Treaty Rate



Hamburg(8/4/68) to New York(8/19/68) direct by Hamburg American  
 Line steamship Saxonia. Rated at 19 cents in U.S. notes. Treaty rate  
 was 10 cents, inflated U.S. notes penalty 4 cents, and 5 cent penalty  
 for unpaid letter.

U.S. Civil War Inflation

1868

December 11, 1868 – IF = 1.35

Constantinople, Turkey to New York via France at 4X French Treaty Rate



Posted on board French O line steamship at Constantinople(11/19/68) Arrived at New York (12/12/68) via Marseille(12/2/68) and England. Carried from England to New York by Cunard steamship Cuba. Rated \$1.62 in U.S. notes for 4X rate. French debit of \$1.08 from French 4X treaty rate of \$1.20. U.S. retained 12 cents.

Red boxed PAQUEBOTS/DE LA/ MEDITERANES applied at Marseille

U.S. Civil War Inflation

1868

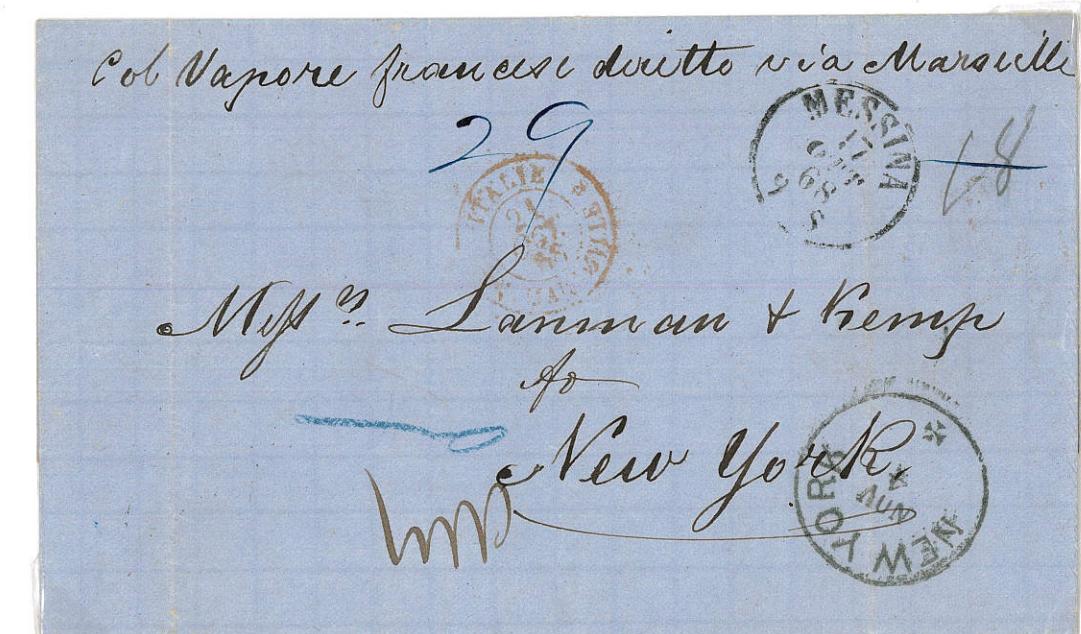
Messina, Italy to New York at French Treaty Rate

October 7, 1868 – IF = 1.43



Messina(9/19/68) to New York(10/7/68) via Marseille(9/22/68) at French treaty rate. France to U.S. by French Line steamship Ville de Paris. France claimed 18 cents of 21 cent treaty rate 30 cents in inflated currency collected at New York

November 4, 1868 – IF = 1.38

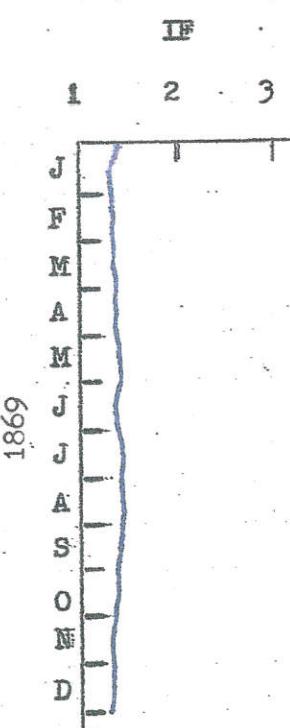


Messina(10/17/68) to New York(11/4/68) via Marseille(10/21/68) at French treaty rate. Carried from Havre to N.Y. by French Line steamship St. Laurent. 29 cents in inflated currency collected in N.Y.

## U.S. Civil War Inflation

1869

The value of U.S. notes during 1969 increased slightly in the international market. The IF averaged 1.35 which indicates a value of 79 cents for a \$1 U.S. note. This value remained fairly constant during the entire year.



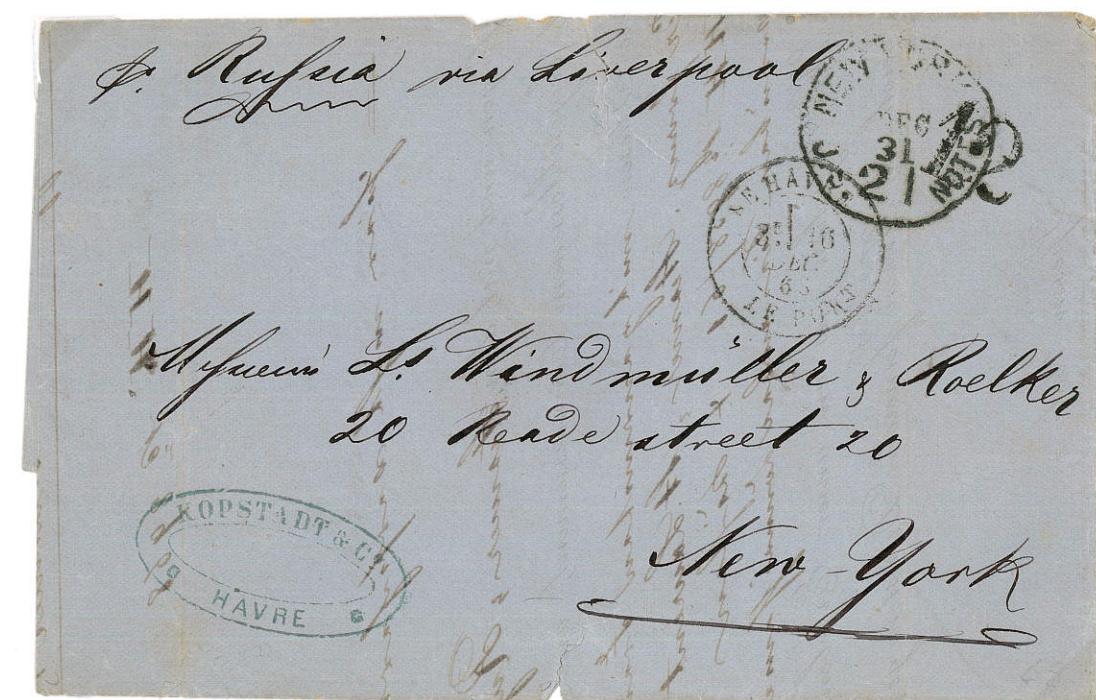
Rio de Janeiro(12/8/68) to New York(1/19/69) via London. Rated 44 cents in U.S. notes for the 34 cent treaty rate. British debit of 32 cents of treaty rate. U.S. retained 2 cents of treaty rate. Carried from England to New York by Inman Line steamship City of Antwerp.

## U.S. Civil War Inflation

1868

December 31, 1868 - IF = 1.40

Havre, France to New York at French Treaty Rate



Havre(12/16/68) to New York(12/31/68) via Liverpool by Cunard steamship Russia. France claimed 12 cents of the 15 cent French treaty rate. 21 cents in inflated currency collected in New York

March 17, 1869 – IF = 1.18

Pernambuco, Brazil to New York via England at British Treaty Rate



Pernambuco(2/15/69) to New York(3/17/69) via London(3/6/69)  
 Carried from Brazil to England by Royal Mail Line steamship  
 La Plata and from England to New York by Cunard steamship  
 China. Rated 45 cents in U.S. notes. British debit of 32 cents  
 for ocean and transit postage

British debit	32 cents
Retained by U.S.	2 cents
Inflation penalty	6 cents
Unpaid letter penalty	<u>5 cents</u>
Due on delivery	45 cents

February 17, 1869 – IF = 1.35

Buenos Aires, Argentina to New York

First Mail Carrying Voyage of Cunard Steamship Aleppo



Buenos Aires(12/26/68) to New York(2/17/69) by Royal Mail Steam Packet Co. to England, London(2/2/69). To Boston(2/16/69) by first mail trip of Cunard steamship Aleppo. By train to New York where rated 46 cents. England claimed 32 cents of the 34 cent treaty rate.

April 23, 1869 – IF = 1.30

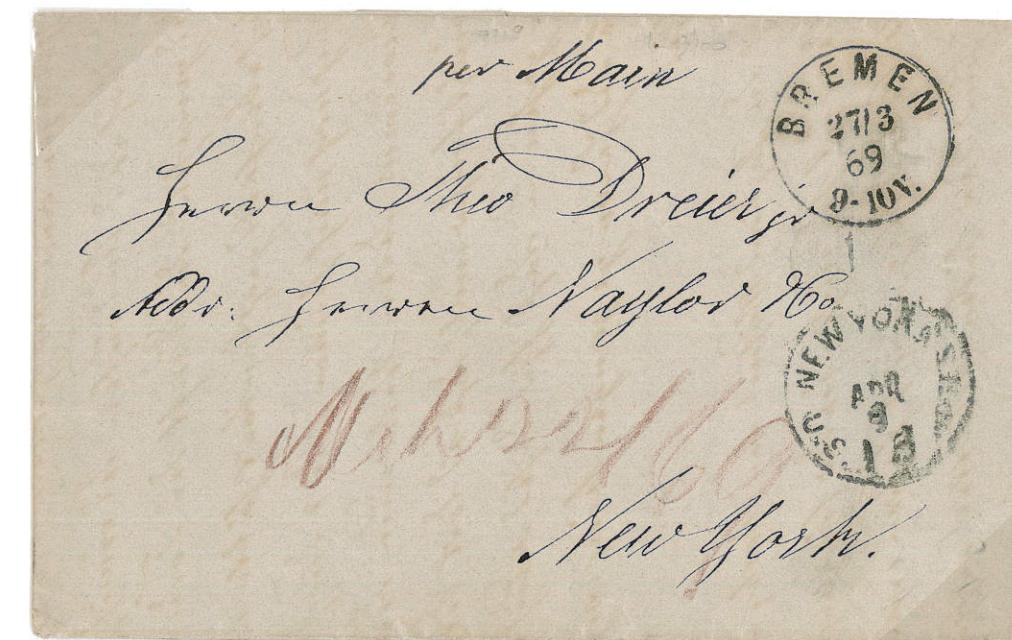
France to United States at 6X French Treaty Rate



Paris, France(4/9/69) to New York(4/21/69) via Brest where it was placed aboard the H Line(4/11/69) steamship *Pereire* of the French Line. The 6/72 indicates the French debit of 72 cents for a 6X rate letter. Neither the N.Y.E.O. postmark nor the 90 cent treaty rate is indicated. The collect amount in U.S. notes, \$1.17, is shown in manuscript.

April 9, 1869

Bremen, Germany Direct to New York at North German Union Treaty Rate



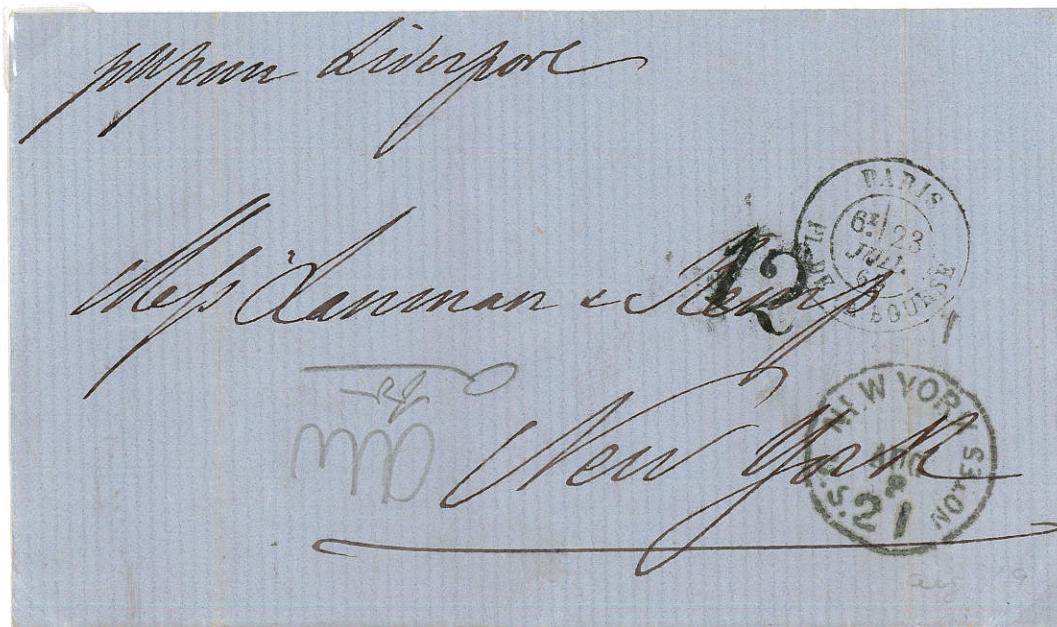
Bremen(3/27/69) direct to New York(4/9/69) by North German Lloyd steamship *Main*. Rated at 13 cents U.S. notes for the 10 cent N.G.U. treaty rate.

U.S. Civil War Inflation

1869

France to New York at French Treaty Rate

August 3, 1869 – IF = 1.40



Paris(7/23/69) to New York(8/3/69) by Cunard steamship Russia. France claimed 12 cents of 15 cent treaty rate. U.S. currency rate 21 cents.

August 17, 1869 – IF = 1.37



Paris to New York(8/17/69) by Cunard steamship Scotia. France claimed 24 cents of 30 cent double treaty rate. 41 cents due in U.S. currency.

U.S. Civil War Inflation

1869

June 8 and July 6, 1869 – IF = 1.40

France to New York at French Treaty Rate



Paris(5/28/69) to New York(6/8/69) by Cunard steamship Scotia



Cette(6/23/69) to New York(7/6/69) by Cunard steamship Java

France claimed 12 cents of the 15 cent treaty rate on both covers. 21 cents in inflated U.S. currency collected at New York.

## Tarbert, Ireland to Chicago at British Treaty Rate

**October 26, 1869 – IF = 1.25**



Tarbert, Ireland(10/13/69) to Chicago(10/26/69) via Limerick(10/14/69) Londonderry, and Quebec. Carried from Ireland to Quebec by Allan Line steamship Nova Scotian and from Quebec to Chicago by Canadian Grand Trunk Railway. Received Chicago exchange office postmark and rated 20 cents in U.S. notes.

## Postage Rate Structure

British Inland	3 cents
Ocean	6 cents
U.S. Inland	3 cents
U.S. Note Penalty	3 cents
Unpaid Letter Penalty	<u>5 cents</u>
Paid in U.S. notes	20 cents

**October 7, 1869 – IF = 1.31**

Paris, France to New York at Triple French Treaty Rate



Paris(9/24/69) to New York(10/7/69) via Brest, France. Carried from Brest to N.Y. by French Line steamship Lafayette. Rated at N.Y. 59 cents in U.S. notes. French debit of 36 cents from the triple treaty rate of 45 cents. U.S. retained 9 cents from the triple treaty rate.

November 12, 1869 – IF = 1.33

Messina, Italy to New York at French Treaty Rate



Messina(10/23/69) to New York(11/12/69) via Marseille(10/26/69) and Havre. Carried from Havre to New York by the French Line steamship Lafayette. Rated 28 cents in U.S. currency for 21 cent treaty rate. French 21 cent claim is in error.

The French treaty rate for a  $\frac{1}{4}$  oz. letter between Messina and New York was 21 cents. Since this cover was carried by a French Line steamship, the U.S. share was 3 cents for inland postage. The French claim should have been 18 cents instead of 21 cents.

November 1, 1869 – IF = 1.30

Smyrna, Turkey to New York at Double French Treaty Rate



Smyrna(10/9/69) to New York(11/1/69) via France and England. Carried from Liverpool to New York by Cunard steamship Siberia. France claimed 54 cents of the 60 cent double treaty rate. The 60 cent double treaty rate resulted in a 78 cent rate in U.S. currency.

## U.S. Civil War Inflation

1869

December 30, 1869 – IF = 1.20

Nice, France to Boston Part Paid at French Treaty Rate

Triple Rate Letter Paid in France at Single Rate



Nice, France(12/14/69) to Boston(12/30/69) via England. 80 centimes(15 cents) paid in France and marked as insufficient postage in red. The 80 centimes paid a  $\frac{1}{4}$  oz. letter. This letter apparently weighed between  $\frac{1}{2}$  and  $\frac{3}{4}$  oz. so was rated 30 cents in coin or 36 cents in U.S. notes at Boston. French debit of 24 cents.

Carried from England to Boston by Cunard steamship Tarifa.

This is a very late use of the depreciated currency postmark with both currencies indicated. It was used two years after the indication of the treaty rate was not indicated on incoming mail.

## U.S. Civil War Inflation

1869

December 19, 1869 IF = 1.31

Buenos Aires, Argentina to New York via England at Double British Treaty Rate



Buenos Aires(10/26/69) to New York(12/19/69) via London(12/4/69)  
Carried from Buenos Aires by steamship Arno and from England to  
New York by North German Lloyd steamship Rhein. Rated at N.Y.  
89 cents in coin. British debit is 64 cents of the 68 cent double treaty  
rate. U.S. retained 4 cents for double inland postage.