

## Thinking Out Loud

## Discount Postage.

John Dunn

**N**o, I am not buying or selling, at least not through this column.

Rather, this month I want to "think out loud" about how the status of discount postage also reflects the state of our hobby, or should I say, about two major segments of our hobby.

One of those segments is the people who bought mint sheets, the other is the people to whom they expected to sell those sheets.

**The Mint Sheet Buyers:**

They are the people who thought that they would be able to put their children through college by investing in mint sheets. Many of them never were stamp collectors. There were collectors who as far back as the 19th century purchased mint sheets, and they, indeed, made good money on their purchases. That was because the collecting population was increasing. It might take some time before those mint sheets rose in value—often preceded by a drop below face value—but even if the collector was not around to make the sale, their heirs were, and dealers had a market for those sheets, either as sheets or broken into singles and plate blocks.

By the late 1940s and even more so the 1950s, the ability of previous collectors to sell their earlier sheets at a profit created the impression—fostered by "philatelic investment advisors"—that the same could be done by purchasing circa-1950 mint sheets at the post office. The concept was to buy mint sheets as they came out, set them aside for 15-20 years, then cash them in at a profit in the early 1970s or so.

This mint sheet buying continued into the 1960s, even into the early 1970s. It was around then, however, that reality set in.

It wasn't so much that the concept was totally ill-advised, but that the supply/demand equation changed.

**The Mint Sheet Sellers:**

These are the same people who purchased those mint sheets, but now, years later, when they—or their heirs—were

ready to cash in, the market had changed, drastically.

It was inevitable that our collecting population would decline. I have discussed this here before, so, briefly, there was no way that we could continue to attract the millions of collectors who started when there was an avid collector (FDR) in the White House, and later when soldiers returned home from European, African and Asian theatres of operation with souvenirs that included worldwide postage stamps—which then formed the basis for expanded collections. Some of these new collectors even moved on to become stamp dealers, specializing in the stamps and postal history of those foreign nations they first learned of while in the service.

We can discuss all sorts of reasons why the number of people coming into the hobby declined. In reality there was no way that the influx could continue at the rate we enjoyed from the 1930s through the late 1940s. We did see a continuing influx into the 1970s, but after that the competition from other activities gradually cut into the influx and eventually led to a decline as more people left the hobby than entered it.

I also have discussed here before calculations I made as to when the decline in collectors would level off. Without repeating those calculations here, basically, I had figured that the people who made up the influx of the 1940s and 1950s would leave the hobby in the 1970s. I would now say that some may have left the hobby as late as the 1980s.

I say this for two reasons, one being the age calculations. For example, soldiers coming back in 1945 in their mid-20s could have a good run of 40 years...1985. And some 1950s mint sheet buyers, if they were in their late 30s or into their 40s, might still be around to sell in the 1980s.

The other reason is that many mint sheets that are now coming on the market include 15-centers that would have been purchased in the 1980s—perhaps in some cases by a son adding to an accumulation, but just as possibly by the original "investor."

**The Mint Sheet Market**

Even while people were still buying mint

sheets to later sell at a profit, their target market was fading, at first slowly and then rapidly. Father Time caught up with the collectors who entered the hobby in the 1930s, '40s and '50s, including the mint sheet buyers, but with fewer collectors to take their place, mint sheets were no longer in demand as investment opportunities.

At first, the discounts were modest, 10%-15%...and a dealer making a large purchase at a bigger discount could go to a stamp show in the 1970s and sell those mint sheets at face value.

That gradually changed, the wholesale and retail discounts getting steeper. This was in part because they were an increasing glut as more and more sheets came onto the market. It also was because dealers and collectors sensed that there were anxious sellers who were ready to accept any offer.

**You Can't Always Use Them for Postage**

And it was because, today, those postage stamps no longer can be used for postage. Yes, they still are valid, but the internet and emails have replaced first class mail; FedEx, UPS and USPS use of labels instead of stamps have also cut into the need for stamps; Print indicia and volume mail low value stamps (with most of the postage paid by check) took the place of first class stamps; And even if you want to use postage stamps, how do you fit 17 stamps (16 x 3¢ plus a 2¢ stamp) on a first class letter?

It is difficult at times to tell the owner of a load of sheets that they are not worth anywhere near face value. In particular, family members who inherited the sheets may express shock, followed by anger directed at the person making the offer. You can sometimes at least get the seller to understand the facts of mailing life in the 21st century. And if they won't accept the facts of postal life from you, just suggest (diplomatically) that they "can always use them for postage"—at which point they will see for themselves.

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