

UNITED STATES DOMESTIC LETTER RATES, ACT OF 1792 THROUGH THE ACT OF 1872

A STUDY OF THE DOMESTIC LETTER RATES IN EFFECT FROM THE FIRST FEDERAL POSTAL ACT OF 1792 TO 1883, AND THE SOCIAL AND ECONOMIC FACTORS APPLICABLE TO THE UNITED STATES POSTAL SYSTEM

PURPOSE

Illustrate the development and simplification of the postal system from the First Federal **POSTAL ACT OF 1792**, which was based on a complex schedule of distance traveled and number of sheets, to the end of the **POSTAL ACT OF 1872**, when postal rates consisted of a simplified system based on the weight of the letter. The simplification and improved efficiency resulted in a dramatic reduction in the *Effective Cost* to mail a letter when the cost is converted to the duration of labor required to pay the postage.

SCOPE

This exhibit describes the various Domestic Letter Rates. The emphasis is on the Postal Rate Structure, applicable to typical letters for personal and business matters, which represents the majority of postal communications.

EXHIBIT PLAN

Major Acts, affecting the rate structure and costs, are presented within three-line border headings.

Minor Acts and ancillary sections, affecting secondary concerns, are presented within two-line border headings.

INITIAL STAGES Multiple Rates Based on Distance
Introduction
Act of February 20, 1792
Act of March 2, 1799
Act of December 23, 1814
Supplemental Information
Act of February 1, 1816
Act of April 9, 1816
Act of March 3, 1825

GRADUAL REFINEMENT Distance Zones Greatly Reduced
Act of March 3, 1845
Act of March 3, 1847
Act of March 3, 1851
Act of March 3, 1855
Act of April 3, 1860

FINAL DEVELOPMENT Elimination of Distance Zones
Act of March 3, 1863
Act of April 3, 1865
Act of June 25, 1868
Act of June 8, 1872
Conclusion

HISTORY

From the **POSTAL ACT OF 1792** to the conclusion of the **POSTAL ACT OF 1872**, the U. S. experienced rapid population growth, significant westward expansion, and a general rise in literacy. During this time, the U. S. had 29 Postmasters General, established more than a dozen significant postal regulations affecting Domestic Letter Rates, fought the War of 1812, which affected postal rates, and endured a devastating Civil War. Although the time frame extends slightly more than ninety years, the average daily wages of tradesmen and laborers increased at a remarkably low rate of growth.

ECONOMIC CONSIDERATION

To illustrate the dramatic decline in the *Effective Cost* to mail a letter, the *Average Daily Wage Rate* for a Textile Worker will be used as a standard for comparison and analysis.

Average Daily Wage Rate for Textile Worker in the New England Area of the United States

1790	1800	1810	1820	1830	1840	1850	1860	1870	1880	1890
\$0.48	\$0.50	\$0.50	\$0.50	\$0.54	\$0.49	\$0.55	\$0.55	\$0.55	\$0.79	\$0.79

Source: *Trends in the American Economy in the Nineteenth Century*, National Bureau of Economic Research, Princeton University Press [Out of Print]

HIGHLIGHTING AND THE ECONOMIC AND SOCIAL ANALYSIS

Significant Philatelic Items:	Matted with Additional Red Border
--------------------------------------	-----------------------------------

Description of Significance

Economic or Social Comment:	Effective Postal Cost or Social Comment
------------------------------------	---

Days of Labor or Comment

Introduction

DEVELOPMENT of the POSTAL SYSTEM

After the Treaty of Paris in 1783, which established the United States as an independent country, but prior to the **POSTAL ACT OF 1792**, the United States provided postal service using the rates and currency of Great Britain.

The Continental Congress established the Dollar as the basic unit of currency in 1786 and created the U. S. Mint by the **COINAGE ACT OF 1792**. The First Federal **POSTAL ACT OF 1792** established nine postal zones with a corresponding postal rate based on distance. The cost to mail a domestic letter was based on the "Distance Rate" and the number of sheets of paper in the correspondence.

Paper Currency – Fractions of a Dollar

*6 ¼ Cent Note
Schuylkill Bank*

Schuylkill Bank Issued in Philadelphia, 1815 1/16 Dollar

*12 ½ Cent Note
Worthington House*

Worthington House Worthington, Ohio, September 23, 1816 1/8 Dollar

PRE-FEDERAL RATE

*Pre-Federal Cover
09/18/1788
Norfolk, VA to Philadelphia, PA
4 Pennyweights*

September 18, 1788. Norfolk, Virginia to Philadelphia. 340 Miles
Postal Rate of 4 Pennyweights for Distances Over 300 Miles to 400 Miles

CURRENCY and POSTAL RATES

Early in the history of the United States, the country did not have its own currency or coinage. Economic activity involved the use of available coinage. The most common coin was the Spanish 8-Reale coin that was literally cut into pieces to create currency of lesser value. This currency essentially became the basis for the U.S. Dollar. When the coin was cut into fourths, the value corresponded to the early concept of the U.S. Quarter. Occasionally, the coin was further cut into eighths (12½¢) and even sixteenths (6¼¢). One Reale was called a "bit" which is the basis for the expression that a quarter is worth "two bits." The coinage and currency of 1792 was the basis for the postal rates of the First Federal **POSTAL ACT OF 1792**.

Despite creation of the U. S. Mint in 1792, and the commencement of circulated U. S. coinage, the rapid growth of the economy exceeded the output of the new Mint. To compensate for this shortage, financial institutions began to issue fractional-currency notes that were used for some of the earliest Postal Rates. These values may seem unusual today but they were perfectly suited to conditions from 1792 into the mid 1800's.