

UNITED STATES DOMESTIC LETTER RATES FROM THE ACT OF 1792 TO OCTOBER 1, 1883

PURPOSE

Illustrate the evolution of the Postal System from the complicated **POSTAL ACT OF 1792** to the first day of the **POSTAL ACT OF 1883** when the postage was a simplified, low-cost, nation-wide rate. This simplification resulted in the dramatic reduction in the *Effective Cost* of postage.

SCOPE

The exhibit applies to personal and business *Domestic Letter Rates* and the economic and social aspects of postal communications. It does not include the Postal System of the Confederate States or tangential topics such as registration, circulars, newspapers, packages, or other similar items.

PLAN

INITIAL CONFIGURATION Multiple Rates Based on Distance	GRADUAL REFINEMENT Distance Zones Greatly Reduced	FINAL DEVELOPMENT Elimination of Distance Zones
Introduction	Act of March 3, 1845	Act of March 3, 1863
Act of February 20, 1792	Act of March 3, 1847	The Civil War Ends
Act of March 2, 1799	Act of August 14, 1848	Act of April 3, 1865
Act of December 23, 1814	Act of March 3, 1851	Act of June 25, 1868
Supplemental Information	Act of March 3, 1855	Act of June 8, 1872
Act of February 1, 1816	Act of April 3, 1860	Conclusion and Act of 1883
Act of April 9, 1816	The Civil War Begins	
Act of March 3, 1825		

HISTORICAL CONTEXT

From **1792** to **1883**, the U. S. experienced significant population growth, dramatic territorial expansion, and a major increase in business activity. Although this time frame is slightly more than ninety years, wages increased at a remarkably low rate. However, postal communication became affordable almost exclusively due to the dramatic reduction in the postage rate and not the insignificant increase in wages.

ECONOMIC ANALYSIS

The *Effective Cost* for postage uses the *Average Daily Wage* for a Textile Worker in New England. **Average Daily Wage 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]

SIGNIFICANT ITEMS, POSTAL, AND ECONOMIC OR SOCIAL COMMENTS

Significant Item	Matted with an Additional Red Border	Description of Significance
Postal or Philatelic Remark	Postal Rate or Philatelic Comment	Description of Attribute
Economic or Social Remark	Effective Postage Cost or Social Comment	Days of Labor or Comment

Introduction

ESTABLISHMENT of the U. S. POSTAL SYSTEM

After the 1783 **TREATY OF PARIS** established the United States as an independent country, but prior to the **POSTAL ACT OF 1792**, the new nation provided postal service using the pre-revolutionary postal rates and coinage of Great Britain.

Congress created the U. S. Mint by the **COINAGE ACT OF 1792**. The **POSTAL ACT OF 1792** created postal zones with corresponding letter rates based on distance and the number of sheets of paper in the correspondence.

PRE-FEDERAL RATE

*1788 Folded Letter Sheet
Norfolk, Virginia to Philadelphia*

September 18, 1788. Norfolk, Virginia to Philadelphia. 340 Miles
Postal Rate: 4 Pennyweight, Distance Over 300 Miles Up To 400 Miles

**SPANISH
8-REALE COIN**
The Pillar Dollar

PREVAILING CURRENCY and the INITIAL DOMESTIC POSTAL RATES

Initially, the United States did not have it's own currency or coinage, and economic activity involved using available coinage from various sources. A common coin was the Spanish **8-Reale** that became the basis for the United States Silver Dollar. The coin could be literally cut into pieces to create currency of lesser value. A **2-Reale** coin, or an 8-Reale coin that was cut into fourths, was the value of the future U.S. Quarter. A **1-Reale** coin was the value of 12-1/2 Cents and was called a "bit" which inspired the expression that a quarter is worth "two bits." A **Half Reale** was equal to 6-1/4 Cents. The values of these coins were the source of several postal rates of the **POSTAL ACT OF 1792**, and subsequent **ACTS** until 1845.

MINT DATE: 1802

*Fractional Currency
September 23, 1816
12-1/2 Worthington House*

The rapid growth of the U.S. economy exceeded the output of the new Mint. Some financial institutions issued **fractional currency notes** corresponding to the fractional values of the dollar. These denominations may seem unusual today, but they were perfectly suited to the conditions from 1792 into the late 1830's.

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