

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

SCOPE

The exhibit describes the various *Domestic Letter Rates* with emphasis on the Postal Rate Structure, applicable to typical letters for personal and business matters, and the economic and social aspects 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 are presented within two-line border headings.

INITIAL STAGES 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	Act of April 3, 1865
Act of March 2, 1799	Act of August 14, 1848	Act of June 25, 1868
Act of December 23, 1814	Act of March 3, 1851	Act of June 8, 1872
Supplemental Information	Act of March 3, 1855	Conclusion
Act of February 1, 1816	Act of April 3, 1860	
Act of April 9, 1816		
Act of March 3, 1825		

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 steady rise in literacy. During this time, the U. S. established more than a dozen significant postal regulations affecting Domestic Letter Rates. Although the time frame is slightly more than ninety years, the average daily wages of tradesmen 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 in the economic 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 SIGNIFICANT ITEMS 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

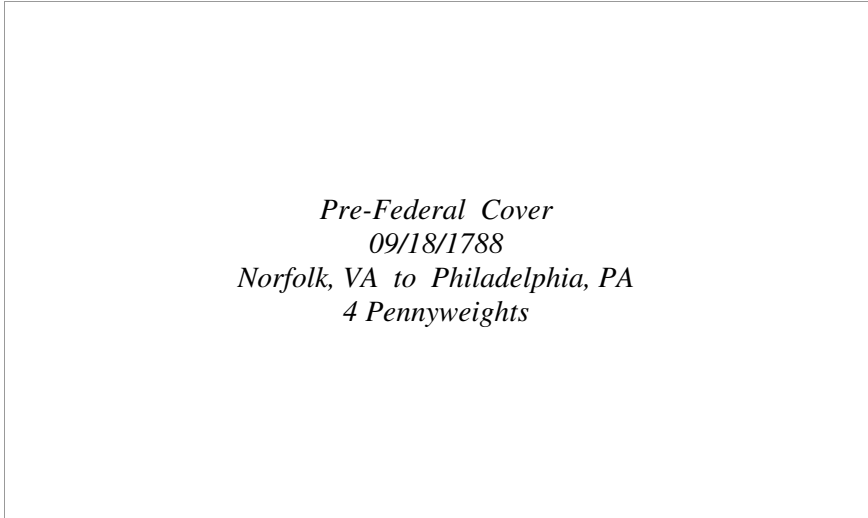
Introduction

ESTABLISHMENT of the U. S. 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 pre-revolutionary postal rates and currency of Great Britain.

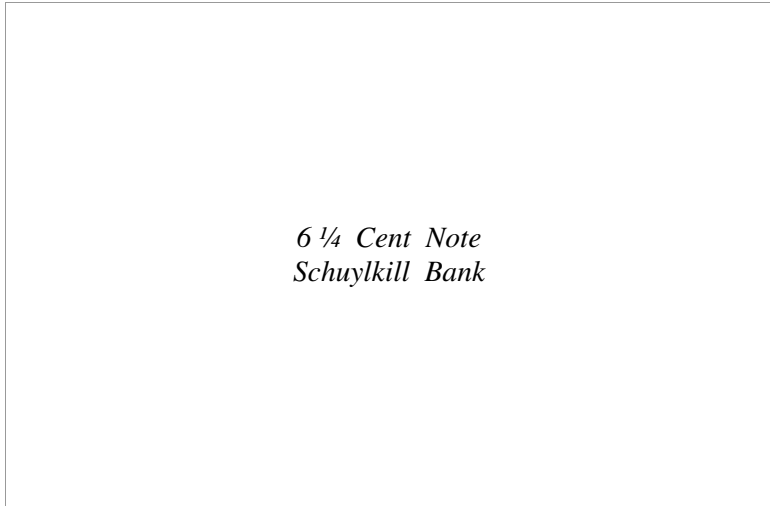
The Continental Congress established the Dollar as the basic unit of currency in 1786 and created the U. S. Mint by the **COINAGE ACT OF 1792**. The First Federal **POSTAL ACT OF 1792** established nine postal zones with corresponding rates based on distance and the number of sheets of paper in the correspondence.

PRE-FEDERAL RATE



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

PAPER CURRENCY – FRACTIONS OF A DOLLAR

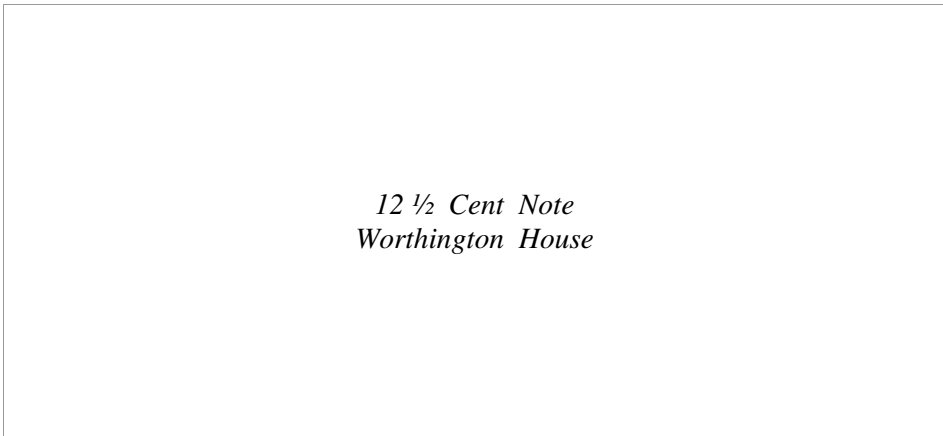


Schuylkill Bank Issued in Philadelphia, 1815 1/16 Dollar

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 U.S. Quarter. Occasionally, the coin was further cut into eights (12½¢) and even sixteenths (6¼¢). One Reale was called a “bit” which inspired the expression that a quarter is worth “two bits.” This coinage 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.



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