

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

## PURPOSE

Illustrate the evolution of the Postal System from the First Federal **POSTAL ACT OF 1792**, based on a schedule of distance between post offices and the number of sheets of paper, to the first day of the **POSTAL ACT OF 1883** when the postal rate was a single, low-cost, nation-wide rate based on the weight of the correspondence. This simplification and improved efficiency resulted in the *Effective Cost* to pay the postage.

## SCOPE

The exhibit describes the *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 associated with postal communications. It does not include the Postal System of the Confederate States or tangential topics such as registration, or circulars, newspapers, periodicals, or packages, and other items that are not domestic letters.

## 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. The 19 Chapters are indicated below:

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	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 and Act of 1883
Act of February 1, 1816	Act of April 3, 1860	
Act of April 9, 1816		
Act of March 3, 1825		

## HISTORICAL CONTEXT

From **1792** to **1883**, the United States experienced significant population growth (4.2 million to nearly 53.8 million), dramatic territorial expansion (from 892,100 square miles to 3,617,800), and an immense increase in business activity. During this time, the United States established more than fifteen major postal regulations affecting Domestic Letter Rates. Although the time frame is slightly more than ninety years, typical wages increased at a remarkably low rate. The exhibit demonstrates that postal communication became more affordable due almost solely to the dramatic reduction in the postal rate and not due to the insignificant increase in wages during this time period.

## ECONOMIC CONSIDERATION

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

### 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

<b>Significant Philatelic Items</b>	Matted with an Additional Red Border	<b>Description of Significance</b>
<b>Economic or Social Observation</b>	Effective Postal Cost or Social Comment	<b>Days of Labor or Comment</b>

# 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 rates and currency of Great Britain.

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

## PREVAILING CURRENCY and DOMESTIC POSTAL RATES

Early in the history of the United States, the country did not have its own currency or coinage and economic activity involved the use of available coinage. The most common coin was the Spanish *8-Reale* 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**.

Schuylkill Bank Issued in Philadelphia, 1815 1/16 Dollar

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 denominations may seem unusual today but they were perfectly suited to the conditions from 1792 into the mid 1800’s.

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