

REDUCTION OF RATES OF POSTAGE.

[To accompany bill H. R. No. 351.]

JULY 24, 1850.

Mr. POTTER, from the Committee on the Post Office and Post Roads, made the following

REPORT:

The Committee on the Post Office and Post Roads, to whom were referred sundry petitions and memorials of the citizens of the United States, asking for a reduction in the rates of postage and the establishment of uniform rates thereof, have duly considered the same, and report:

That from the great number of the petitions, no doubt is left upon the minds of the members of the committee that the subject of cheap postage has received the very general consideration of the public mind, and that a very large majority of the people desire a reduction. With a view to meet this almost universal demand, the committee have given the subject a careful examination, in a financial point of view, and have fixed upon such rates and modifications as it is believed will meet, to a great extent, the demand for reduction, and still afford ample revenue to the Post Office Department to carry on its operations, without any curtailment of the present service, and will enable it to extend that service in future to every portion of the Union, when its increasing population and commerce may demand it. And in doing this, it has been necessary, not only to review briefly the history of the Post Office Department of the United States, but to some extent that of Great Britain, whose government may be said to be the pioneer in the important reforms which have been made, and are still going on in this indispensable branch of the public service. The true object and aim of the government should be to afford the "greatest good to the greatest number," and in no branch of any government can this maxim be so thoroughly applied as in that which provides the mental food of the citizen, the dissemination of knowledge, of education, upon which is based the whole structure of our government. This is more particularly applicable to our form of government, where the humblest citizen may be, and is often called upon, with very little notice, to administer its affairs. By this speedy and cheap transmission of valuable information, the heart of the people is reached, causing it to beat as the heart of one man. By this means, similarity of taste, of thought, has been created, and he who may be called upon, even from the shores of the Pacific, to administer the affairs of the government, may know the heart of the whole people, and, knowing the wants and condition of those whose government he administers, is prepared at once to mete out exact justice to all. It is not giving this branch of our public service too much

importance, when we say that it involves the whole moral, political, and social condition of the country. It becomes us, then, as wise legislators, having the good of the great whole in view, to adapt it to the condition and means of every citizen, be he ever so poor.

The former rates of postage in this country, prior to 1845, operated as an embargo upon knowledge and truth, and shut out from a great portion of our people the benefits intended to be conferred upon them by the establishment of the Post Office Department. The committee propose, by the modifications which are recommended, to bring truth, intelligence, and useful knowledge to the door of every man in the Union, the richest and the poorest.

The committee have with some pains arranged the tables below, which will at one glance show the effect of the former reduction, both in the United States and Great Britain, upon the revenue; and the greatest assurance is felt, that although an appropriation for the first two or three years may be needed to supply deficiencies, the reduction which is proposed will not embarrass its operations, but that ultimately a further reduction may be made without detriment. A brief examination of the finances in our own Post Office Department, under the partial reduction of the act of 1845, shows conclusively that that reduction has not operated injuriously to the revenue.

Statistics of the American post office for ten years.

Years.	Post offices.	Post roads.	Receipts.	Expenses.	Letters.
		<i>Miles.</i>			
1839...	12,680	133,999	\$4,477,619	\$4,654,718
1840...	13,468	155,639	4,530,265	4,759,110	27,535,554
1841...	13,682	155,026	4,379,317	4,567,228
1842...	13,733	149,732	4,546,246	4,627,716
1843...	13,814	142,295	4,295,925	4,374,713	24,267,552
1844...	14,103	144,687	4,237,285	4,320,731
1845...	14,183	143,844	4,289,841	4,320,731
1846...	14,601	147,679	3,487,199	4,084,296
1847...	15,146	153,818	3,945,893	3,971,310	52,173,480
1848...	16,159	163,208	4,371,077	4,326,850	58,069,075
1849...	16,747	167,703	4,705,176	4,479,049	62,000,000

In 1790 there were 76 post offices, and 1,875 miles of post roads; the receipts for postage were \$37,935, and the expenses only \$32,140.

In 1800 the post offices were 903; miles of post roads, 25,315; receipts, \$280,804.

In 1808, during the embargo, the receipts fell short of the expenses by \$2,264.

In 1820 there were 4,500 offices, 67,586 miles of road; receipts \$1,111,927; and for a second time the expenses were greater than the receipts. There have been only eight years since in which the receipts have exceeded the expenses.

In twenty years, from 1820 to 1840, the post offices were increased three-fold, the miles of roads more than doubled, and the receipts four-fold.

From 1840 to 1849, the post offices have increased 20 per cent., and the miles of post roads only 5 per cent.—the routes to Oregon and California not being yet included in the last returns.

By this table it will be seen that the revenue in 1849 exceeded the expenses of the department, \$226,327.

In 1840 the number of letters transmitted in the mail was	27,000,000,
whilst in 1843 there were but	24,000,000,
and a corresponding decrease of the revenue; showing, very conclusively, that the old rates were too high to produce sufficient revenue to defray the expenses of the department; for it will be seen by the above table, that the revenue in 1843 was	\$4,295,925
whilst the expenses were	4,374,713

Showing an actual deficit of	78,788
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And, under the operation of the reduction of the act of 1845, the number of letters had increased in 1849 to 62,000,000—yielding to the department a revenue of \$4,705,176, the highest sum ever received in any one year since the formation of the government.

In thirty-nine of the last sixty years, in which reports have been published, there has been an excess of revenue over and above expenses of	\$4,200,185
and a deficit in twenty-nine out of the sixty years, of	2,665,165

Leaving to the credit of the department	1,535,020
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This is money actually earned by the Post Office Department, and the committee deem it but just that this sum should be placed at the disposal of the Postmaster General, so that, should there be a deficiency in the revenue for the first few years under the operation of the proposed reduction, he may not be compelled to curtail any branch of the public service. It is proposed by the bill to appropriate this balance, although it is confidently believed that no part of it will be needed for the use of the department.

Rates of postage may be fixed so high that the public will decline the use of the mail entirely, so that to keep up the establishment would require a constant appropriation; and they may be fixed so low that, although universally used by the public, a like appropriation would be needed to keep them up. Which would be the better policy—to supply the great mass of 23,000,000 of people with mail accommodations, or a few only of the rich, who, under high rates, would alone be benefited by it at the public expense?

The great aim, however, of the committee has been to fix upon revenue rates; to afford the greatest facilities to the public, and still keep the expenses within the income. It has been shown that the reductions made by the act of 1845 have increased the revenue; and the committee feel assured that a still further reduction may be made, which must tend, by the great increase of matter that will find its way into the mails by reason of it, to still enhance the income of the department. The committee have been further strengthened in this opinion by a reference to the operation

of the cheap-postage system in Great Britain, which went into operation in 1839 or the beginning of 1840. Under the old system, for twenty years prior to the reduction, the receipts of the Post Office Department had varied but little, although there had been a great increase of the population and business of the country: showing conclusively that the system was imperfect, the rates being too high for revenue, and that, without some change, the department must sooner or later become a charge upon the treasury. In the year 1821, the gross receipts for postage were £2,038,706; and in 1839, a period of eighteen years, they had only increased to £2,390,763, whilst the expenses of the department had been enhanced in a still greater proportion. That any one who desires may make deductions from a comparison of the old with the new English rates, we append hereto the rates prior to 1839 and the rates established in that year:

English old rates.

Single letters for a distance not exceeding—

8 miles	-	-	-	2 pence, equal to 4 cents.
15	-	-	-	4
20	-	-	-	5
30	-	-	-	6
50	-	-	-	7
80	-	-	-	8
120	-	-	-	9
170	-	-	-	10
230	-	-	-	11
300	-	-	-	12
400	-	-	-	13
500	-	-	-	14
				8
				10
				12
				14
				16
				18
				20
				22
				24
				26
				28

and 1*d.* (equal to 2 cents) for each additional 100 miles, or part of 100 miles, over 500 miles.

In the London district port, three miles round, the charge was 2*d.*; and twelve miles round it was 3*d.*, equal to 6 cents.

The franking privilege was restricted to 1 ounce weight, and only 10 franks could be sent and 15 received in a day.

It was stated in Parliament, in the debates on the present law, that before the franking privilege was limited, it was worth to a mercantile house from £300 to £800 a year, and with the restriction was not worth less than £300.

The new system in 1839 reduced all half ounce letters to 1*d.* for any distance in the United Kingdom.

This table will show the operation of the new system at a glance:

Years.	Gross receipts.	Management.	Net revenue	No. of letters.	Cost per letter.
					<i>d.</i> <i>qrs.</i>
1839	£2,390,763	£756,999	£1,633,764	76,000,000	2 1.562
1840	1,359,466	858,677	500,789	169,000,000	1 0.871
1841	1,499,418	938,168	561,249	195,500,000	1 0.827
1842	1,578,145	977,504	600,641	208,500,000	1 0.479
1843	1,620,867	980,650	640,217	220,500,000	1 0.269
1844	1,705,067	985,110	719,957	242,000,000	0 3.871
1845	1,901,580	1,125,594	761,982	271,500,000	0 3.976
1846	1,978,293	1,138,745	825,112	299,500,000	0 3.650
1847	2,201,114	1,196,520	984,491	322,000,000	0 3.567
1848	2,192,478	1,386,853	740,429	346,861,268	0 3.838

It will be seen that, under the cheap or penny postage system, the number of letters transported in the mails had increased from 76,000,000 to 346,000,000 annually; and this increase has been gradual ever since the introduction of the system. In 1848 the gross receipts were £2,192,478, whilst the expenditures were only £1,386,853, leaving a balance to the credit of the department of £740,429—over \$3,500,000.

It is presumed that no one desires to lay a tax upon the circulation of general knowledge through the mails for the support of the general government, but all will agree that when the department has "paid its way," it has done all that can be expected of it. Whilst, then, it has been shown that in Great Britain, where postage for all distances is but two cents, the receipts have exceeded the expenses a million and a half of dollars a year, and that in the United States, under our partial reduction, the receipts have exceeded the expenses in 1849 \$226,327, every one must be convinced that by the reduction proposed by the committee, which is to three cents prepaid and five cents unpaid, no possible detriment can occur to the revenue; but, on the contrary, that great increase must ultimately be the result.

The same causes which operate upon the post office revenue in Great Britain, must produce like effects in the United States. If any comparison is to be drawn, it must be in favor of the United States. Our population, business, and commerce are more rapidly increasing. New settlements and towns are constantly springing up upon all the great post routes in the country; and whilst expenses of transportation are daily lessening upon these routes by the improvement of the roads, the revenue is rapidly increasing from the growth of population. And when it is remembered that our great western States and Territories do not now contain one-tenth of the population that may be profitably employed in agriculture, it cannot be doubted that the revenue derived from these States alone will be sufficient to defray the whole expense of the Post Office Department. School systems in all the States have received such encouragement from their legislatures that education must soon become universal, and there will be none found amongst us but can read and write: and ours is a more migratory people than the people of Great Britain. There is scarcely a family in any one of the States but what has relatives in some one of the others. Universal education, the dispersing and migration of families all over the States and to our remote territories, must tend to increase the correspondence of this country in a greater degree

than it has been increased in Great Britain by the reduction of postage. Who, then, can longer doubt, with all the lights that experience has given, that the reduction of postage at once to the rates proposed is a measure sanctioned by sound public policy?

Whilst so much interest has been felt in the reduction of letter postage, that of newspapers and pamphlets has not been neglected. It is desirable that newspapers, periodicals, pamphlets, and books should be afforded the freest circulation compatible with the general system of making everything carried in the mails contribute to their support. There is at least but little revenue derived from the transportation of this matter through the mails—scarcely enough at present rates to defray the expenses incurred by the department on their account; yet, the reduction to half a cent for a newspaper delivered in the State where printed, and one cent delivered out of the State where printed, and upon pamphlets, books, magazines and all other printed matter, to two cents for the first ounce, and one cent for each additional ounce, will meet the demand for change upon this species of mailable matter. The committee have inquired into the subject of the free circulation of newspapers within thirty miles, or some specified distance, of the place of publication, and believe that justice to the department, as well as the interests of the publishers, requires that no discrimination of this kind should be made, for where the postmaster at the place of delivery receives no compensation for delivering the papers, he would be very likely to discourage their circulation; but where he receives, as commissions, one half the avails of the postage, he has some inducement to advance the interest of the publisher, by encouraging the formation of clubs and individual subscriptions, by which he enhances his own commissions, as well as the profits of the printer, and the interests of those who advertise. The charge of half a cent is no obstacle to the circulation of a paper, for he that would take a paper *free* of postage, would never allow the payment of half a cent to stand in the way. It was formerly thought that the support of the country press demanded a tariff upon the city papers, but the establishment of telegraph lines has superseded this necessity; for whilst their circulation has been circumscribed, new dailies are constantly springing up in every portion of the country, so that when the papers from the city arrive, their chief news has been several days anticipated upon the wings of the lightning.

The franking privilege, and its abuse by members of Congress, have been subjects of considerable discussion throughout the country, and claim some consideration at our hands. There is no member of Congress but what, as a personal measure to himself, would favor the abolition of the franking privilege, for, of the many letters franked by him, very few relate to his own personal affairs. They are franked in the usual intercourse of the representative and his constituents, in which they are benefited at the expense of his time and labor, which are rendered gratuitously. For, in addition to his duties as representative of the aggregate population of his district, practice and the franking privilege have constituted him the agent of all the private claims and applications of each individual member of his constituency, and as many more out of his district as happen to be acquainted with him, and believe in his energy and ability to accomplish their ends. And, although the committee are satisfied that justice to the department requires the abolition of the franking privilege, they forbear to recommend it, believing that it is not desired by a majority of the

people. The committee, however, for the sake of general information, and that the public mind may be directed to the discussion of this subject, give a few of the statistics in regard to its operation upon the revenue of the department.

From the best sources of information it is ascertained that during the two sessions of the 30th Congress, which closed its term 4th March, 1849, the members of the House of Representatives franked—

Extra public documents	-	-	370,350; weight, 467,762 lbs.
Printed speeches, one ounce each	-	-	6,584,500; weight, 411,531 lbs.
The number of free letters sent and received	-	-	1,303,503
The Senators sent—			
Senate printed speeches	-	-	397,630
Senate documents	-	-	170,715
			568,345
House documents	-	-	3,448,250
			5,320,098
Amounting to	-	-	5,320,098

The letter and pamphlet postage at the present rates upon this matter would be \$792,509. And, from a reference to the laws, and particularly to the report of the Postmaster General for 1849, it will be seen that the Post Office Department is not only required to transmit and mail this matter, often requiring the hiring of additional teams and coaches, but is actually compelled to pay to the postmasters, for the delivery of this franked matter, two cents for each package, if his income does not exceed \$2,000 per annum. About one-tenth of this matter is delivered by postmasters who under the law receive no compensation for it, and the department has to pay to postmasters in this way, on the nine-tenths of this matter, \$95,161. The reduction of postage proposed in the bill of the committee amounts to almost an entire abolition of postage, and is partially giving the franking privilege to everybody; and when this subject is brought to the consideration of the people, the general opinion will prevail that the franking privilege by members of Congress should be abolished entirely, and that everything, from whomsoever it may proceed, and to whomsoever it may be sent, should contribute to the means of its transportation.

To obviate the difficulty anticipated in making change for the payment of letters, the bill proposes the coinage of three-cent pieces, of silver, with sufficient alloy to make them of convenient size.

The bill also provides for stamps of the value of three cents, to facilitate the prepayment of postage; and that they may be brought into general use, a deduction of ten per cent. is provided for to those who purchase them in larger quantities than \$50, so that it is made an object to stationers and merchants who sell envelopes to keep them on hand, ready affixed to the envelope. By this means, although the bill does not require the absolute prepayment of postage, that desirable object will in a great measure be attained.

The importance of the Post Office Department is not overrated when it is said that upon its faithful management, under the fostering care of Congress, the whole moral, political, and social condition of the country depends. As a means of creating uniformity of opinions, of tastes, of

thought, and of habits throughout the country, it is indispensable. It is to the union of the States what the veins and arteries of the human body are to its support and existence. It gives life and warmth to the extremities by a continuous round of circulation. When there is a temporary suspension of the mails, the whole body politic is at once diseased, as is the human body by a suspension of the circulation of the blood. The public mind becomes inflamed, diseased, and clamorous for relief. It is to be hoped, then, that Congress will enter upon this subject with due deliberation, and that such measures may be adopted as will secure to the country the benefits, to the fullest extent, of this branch of the public service.

Statement exhibiting the revenue of the post offices and the amount credited contractors for the transportation of the mails in the several States, for the two fiscal years ending June 30, 1848, and June 30, 1849.

States.	Year ending June 30, 1848.		Year ending June 30, 1849.	
	Revenue.	Transportation.	Revenue.	Transportation.
Maine.....	\$69,406 69	\$39,400 37	\$71,642 20	\$39,770 95
New Hampshire.....	44,593 17	23,803 83	47,476 47	25,513 97
Vermont.....	40,512 05	32,403 68	43,075 03	25,220 71
Massachusetts.....	217,476 85	101,821 88	283,875 17	105,519 53
Rhode Is and.....	28,979 55	9,204 21	31,747 17	9,314 81
Connecticut.....	72,982 41	49,467 20	78,624 81	44,457 14
New York.....	577,498 76	236,048 45	694,532 12	231,116 01
New Jersey.....	45,331 40	65,042 60	52,718 79	55,853 17
Pennsylvania.....	293,290 96	152,454 88	328,762 09	129,528 67
Delaware.....	9,871 86	7,799 00	10,282 09	8,612 04
Maryland.....	90,936 82	132,321 82	99,124 08	128,147 85
District of Columbia.....	8,124 91	12,610 61
Virginia.....	105,938 94	156,785 22	109,301 93	170,543 53
North Carolina.....	35,700 65	149,698 91	39,452 37	150,729 76
South Carolina.....	56,593 02	92,751 79	61,187 16	104,019 91
Georgia.....	70,025 64	119,268 91	74,001 23	134,025 10
Florida.....	10,373 85	24,552 60	10,544 50	25,226 93
Ohio.....	191,947 62	157,327 66	212,976 02	125,986 77
Michigan.....	39,264 49	45,366 51	41,058 42	46,340 93
Indiana.....	52,102 58	53,146 56	56,236 02	54,499 16
Illinois.....	59,353 22	98,617 39	68,133 59	101,882 60
Wisconsin.....	33,176 01	15,207 50	39,401 48	16,094 29
Iowa.....	11,245 20	10,391 66	13,998 04	11,993 84
Missouri.....	49,500 26	43,952 96	59,457 95	46,843 18
Kentucky.....	62,528 25	66,789 62	64,688 47	68,370 53
Tennessee.....	47,767 97	57,977 06	47,286 95	59,017 31
Alabama.....	58,012 84	139,342 65	60,454 06	142,256 69
Mississippi.....	41,478 07	58,306 26	42,439 49	67,800 99
Arkansas.....	10,957 69	42,283 38	11,373 66	42,672 78
Louisiana.....	81,448 00	35,017 77	101,226 68	39,409 11
Texas.....	12,482 40	36,571 67	15,636 03	46,518 04
	2,558,902 13	2,256,161 00	2,883,324 74	2,257,346 30