

Private Mail Delivery in the United States during the Nineteenth Century: A Sketch

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The post office is an anomaly for business historians. The delivery of mail is a potentially lucrative business that could, at least in theory, be undertaken by private enterprise. Yet historically private postal systems have been not the rule but the exception, and in every major industrial nation today mail delivery is undertaken by a monopoly that is run either directly by the government or, as in the United States, by a quasi-governmental public corporation.

Given this state of affairs, one might assume that the recent efforts of private entrepreneurs to break into the mail delivery business are novel departures from time-honored norms. Yet this is only partly true. For while the government has successfully monopolized the mail delivery business in the twentieth century, in the nineteenth century a very different situation prevailed. In this period, private mail delivery firms operated profitably in virtually every major market the government served--and in many additional markets as well. And between 1839 and 1845--the heyday of the private mail delivery boom--private mail delivery firms flourished as they never had before and never would again.

This neglected chapter in American communications history--the most serious private-sector challenge the U.S. post office has faced in its two hundred year history--is the subject of this essay. But before turning to this episode, it may prove helpful to describe the principal types of nineteenth

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century private mail delivery firms, and to review why the post office became a government monopoly in the first place.

In Europe, the origins of the modern post office paralleled the rise of the nation-state. Just as the central government gradually acquired a monopoly over the legitimate use of force, so it sought to monopolize the means of communication. Since a system of posts--that is, stations equipped to accommodate mounted messengers, or post riders--was until the nineteenth century the fastest way to transmit information between two points, each of the principal European nation-states recognized the strategic value of maintaining such a system under its exclusive control [7].

The accommodation of the business community--or, for that matter, the general public--had nothing to do with the establishment of the modern post office. The post office was created to serve the state--and, in particular, its need for military intelligence--and was at first typically restricted to the transmission of official dispatches. When private letters were admitted to the mails, the monopoly's scope was expanded--making postage a tax as well as a privilege. Private letters were also routinely subject to scrutiny by public officials. In fact, the monitoring of domestic subversion was, in England, a principal justification for granting the public access to the post office in the first place [7].

The U.S. post office traces its origins to the colonial era. During this period, the British government established a monopoly on the delivery of mail over certain routes as a revenue measure [23]. This British-run system suspended operations in December 1775; it was never resumed [23]. It had already been largely superseded by a colonial-controlled system that evolved out of the intercolonial committees of correspondence and the "Constitutional Post"--which was established in 1774 by Baltimore printer William Goddard as a direct challenge to British authority. This system was reorganized in 1775 under the nominal supervision of the Continental Congress--which, in turn, found it expedient to enforce a monopoly of its own on military grounds [23, 25].¹

This monopoly proved uncontroversial. It generated little discussion in the debates over the Constitution, and was touched on but once in the *Federalist Papers*--Congress's power to establish post office and post roads being

¹The close relationship between the post office and the military in the eighteenth century is frequently forgotten. Few remember, for example, that when Paul Revere set out for Lexington on his celebrated "midnight ride," he bore a letter--addressed to John Hancock and Samuel Adams and written by Dr. Joseph Warren, head of the local committee of safety--and not merely a pair of strong lungs [34].

declared to be "harmless" though potentially "of great public conveniency." [11] Accordingly, mail delivery was one of the few economic activities that opponents as well as supporters of the Constitution agreed should fall within the federal government's exclusive domain [7].

The post office's highly privileged legal status helps to explain why private mail delivery has received so little serious scholarly attention. Because they feared legal action, private mail delivery firms have customarily kept a low profile; and because they kept a low profile, they have seemed unimportant--furnishing yet another example of the oft remarked tendency of business historians to ignore the losers in favor of firms and industries that were large and long-lasting.²

Yet these firms are not without their chroniclers. For independent of the professional historical community, a small but dedicated group of hobbyists has worked assiduously to keep their memory alive; and in the large and amorphous literature of philately--that is, stamp collecting--has brought together virtually all that we now know, or are ever likely to know, about how they operated and what markets they served.³

²This neglect is even less surprising given the frequently noted paucity of scholarship on the history of American communications in general and the post office in particular. George Rodgers Taylor observed in 1951 that, for the post-1829 period, "a detailed scholarly study [of the post office] is lacking" and that the related history of the express companies "badly needs further investigation." [32] In 1960, bibliographer Roy Basler, in his comprehensive guide to American historical scholarship, drew attention to "the scarcity of literature, suitable for this bibliography, on the Post Office [and] the Express Companies." [5] Writing in 1974, Morrell Heald termed the post office "an important, virtually unknown institution." [15] And in 1979, a distinguished trio of economic historians found, in the course of preparing a textbook on American economic history that, "in comparison with the exchange of commodities, the exchange of information has received relatively little attention from economic historians." [24] This scholarly lacuna is somewhat curious since, as early as 1933, the noted economic historian Robert Albion emphasized the need to pay more attention to the "communication revolution" that had taken place in the United States since the mid-eighteenth century [2].

The only general survey of American history with which I am familiar that includes an extended discussion of the historical significance of private mail delivery is John Bach McMaster's monumental eight-volume *History of the People of the United States*--which was published in its final form in 1913 [18].

³The most ambitious, albeit incomplete, recent attempt to write a comprehensive history of the private mail delivery firms is [21]. Patten originally planned to write a multivolume series that would eventually treat the entire

These firms were of three types. The oldest were based in the major East Coast cities and served primarily the local business community. These firms, and these firms alone, are properly designated "locals."⁴ Before the Civil War, locals dominated the lucrative business of transporting letters for a fee (usually one or two cents) within the nation's major commercial centers.⁵ The larger locals included Blood's in Philadelphia and the Boyd's City Post in New York. Boyd's maintained at its peak in the mid-1850s some 2,500 letter boxes in the downtown business district, employed 45 carriers, and delivered between 6,000 and 15,000 letters a day [20].⁶

A second type of private firm operated in sparsely settled regions of the West, serving markets that the post office either failed to serve altogether or served inadequately. Like the locals, these firms complemented service provided by the post office rather than competing with it directly. Some 300 "western expresses" have been identified [37].⁷

The most celebrated of these firms was, of course, the Pony Express, which began as a private venture offering, for a \$5.00 fee, a service that complemented the post office--ten-day delivery from St. Joseph, Missouri to San Francisco. It was atypical of the western expresses in that it was apparently undertaken primarily not to make money--virtually no one thought that it would, given the enormous cost of maintaining the numerous way stations, and they were right--but as a publicity stunt designed to convince Congress to award the proprietors a lucrative overland mail contract [28]. The proprietors, the freighting firm of Russell, Majors & Waddell, were on the verge of financial ruin when they embarked on the venture; had, in fact, they been in a

United States; however, only one volume, on the private mail delivery firms of New York state, was ever completed. It includes a valuable historiographical essay; see also [1]. Most authors confine themselves to the history of a specific firm, or more typically, a specific stamp or postal marking.

⁴Philatelists have long been given to labelling any privately-run mail delivery firm a "local." This is doubly unfortunate. It is technically incorrect, since many of these firms operated in nonlocal markets, and it is highly misleading, since it has tended to reinforce the impression that these firms were of marginal economic significance to the nation's postal system as a whole.

⁵Free city delivery--that is, the door-to-door (as opposed to post-office to post-office) delivery of mail by the government for no additional charge--was first introduced in 1863.

⁶[20] does not identify the firm as Boyd's; for this identification, see [22].

⁷These firms have developed a large and devoted following among stamp collectors, who have published since 1951 a journal, *Western Express*, devoted exclusively to their history.

less desperate position, it is questionable whether it would have been undertaken at all [16]. They failed to secure the sought-after contract, went into bankruptcy, and with the completion of the transcontinental telegraph the Pony Express suspended its operations (it had run for some eighteen months) and passed into folklore [28].

The largest, longest-lasting, and most formidable of all the western expresses was the letter mail division of Wells Fargo. At its peak, Wells Fargo dominated the West Coast market, delivering well over 2.5 million letters annually "outside of the mails." [35] To keep from running afoul of the post office, the company bought government stamped envelopes in bulk, affixed its own stamps to them, and sold them to customers. After the Civil War, the post office gradually penetrated the West Coast market and, in the 1880s, Wells Fargo phased out its letter mail division--having dominated the market for over forty years [35].

The history of the locals and the western expresses has proved an uncomfortable legacy for twentieth century defenders of the postal monopoly. It is frequently alleged that the monopoly is justified because the post office has historically served many unprofitable routes in sparsely settled regions--such as, in the nineteenth century, those in the Far West. Yet many of these routes were served by private firms long before the government entered the field; and, in fact, one of the most vocal nineteenth century campaigns to abolish the post office originated in San Francisco--precisely where, given the conventional wisdom, one would assume to find its most fervent supporters [27].⁸

Defenders of the postal monopoly are faced with a parallel problem when they claim the intra-city mail monopoly dates from time immemorial. Before the Civil War, even after the government established its own local carrier service, this market was served almost exclusively by private firms [22]. These private firms, in fact, introduced a host of innovations the government would subsequently adopt--ranging from home delivery and mandatory prepayment to mailboxes and postage stamps [22, 12].⁹

⁸An 1855 editorial on "The Post Office Monopoly" in the San Francisco-based *Alta California* declared: "We are in favor of the total abolition of the Post Office Department as it presently exists, and we believe the wants of the public can be supplied by the Expresses. Were the Post Office Department abolished tomorrow, it is our belief that in six months the people would be served far better, and as cheap as they now are." [27] One historian has estimated that 95 percent of all letters delivered in California in the early 1850s were sent by express [13].

⁹One of these private firms, the New York-based City Despatch Post, is credited with having issued, in 1842, the second postage stamp in the world--

The final type of private mail delivery firm--the so-called "eastern expresses"--is less well-documented than either the locals or the western expresses, but much more important in its immediate impact on postal policy. Unlike the locals, the eastern expresses operated on routes served by the post office, and unlike the western expresses, they competed head-on with the post office in key high-volume markets. These firms operated mostly between the major East Coast commercial centers--Boston to New York; New York to Buffalo; and New York to Philadelphia--and competed on the basis of price, delivering letters for a fee significantly lower than the going government rate.

These firms' success was due partly to the post office's rate structure. Revenues generated in high-volume, low-cost markets were routinely used to subsidize the transmission of newspapers, periodicals, and government documents. Internally generated surpluses were also used to offset the cost of mail delivery in the less densely settled regions of the country. Postal officials acknowledged that these cross-subsidies penalized East Coast mailers, but held there to be no alternative if the post office was to remain self-sustaining.

By the 1840s, public dissatisfaction with high postage rates had become widespread. Businessmen in Boston and New York formed Cheap Postage Associations; chambers of commerce and other citizens' groups around the country sent hundreds of petitions to Congress urging that rates be reduced; and newspapers and periodicals published a steady stream of articles demanding reform, frequently alluding to the success of Rowland Hills' 1840 post office reforms in Great Britain.¹⁰ Postal officials were reminded that it cost one dollar to send a four-page letter (or a three-page letter enclosed in an envelope) from New Orleans to St. Louis by steamship--four times what it cost to send a barrel of flour weighing 3,200 times as much the same route [8].

The agitated state of public opinion proved a boon for mail delivery entrepreneurs eager to break into the East Coast market. In other circumstances post office officials could probably have quietly prosecuted these firms through the courts. But given the public's hostility toward the post office, prosecution proved next to impossible. The eastern expresses were enormously popular with everyone but postal officials, and judges

Great Britain having issued the first (in two denominations) in 1840. In August, 1842, this firm was bought out by the post office, renamed the United States City Despatch Post, and run as a government carrier service. The office continued to issue stamps--the first to be issued under the authority of the government, antedating by several years the so-called postmaster's provisionals and, of course, the first general issue in 1847 [12].

¹⁰A history of the various antebellum postal reform movements remains to be written. For general accounts, see [18 and 30].

demonstrated great ingenuity in devising legal loopholes to keep them in business [23, 13].¹¹

The popularity of the eastern expresses is understandable. Pomeroy's Letter Express, one of the principal firms in the key upstate New York market, delivered letters in 1844 between Buffalo and New York City for a flat rate of six cents per letter, or twenty letters for a dollar--which was, depending upon the letter, between 75 and 80 percent less than what the government charged [13, 31]. At public meetings merchants agreed to boycott the post office and send all their letters by express [13]. James Hale and Co., one of the largest of these firms, boasted a network of over 100 offices throughout the Northeast, and provided convenient service to Great Britain--which, at the time, the government did not [26, 13, 14].

Neither postal policy nor public opinion was, however, the critical factor in these firms' success. Even more significant was their ability to exploit effectively the dramatic changes in transportation technology wrought by steampower. Without exception, the major eastern expresses took advantage of the communications conduit created by the recent completion of a railroad network linking the major East Coast cities, and by the parallel expansion of steamboat and oceangoing steamship service. An 1841 post office report made this linkage explicit, contending that most of the nineteen package delivery firms then operating in the major East Coast markets carried letters illegally, and that all of these firms relied on steampower to deliver the mail [4].

The history of Harnden's Express illustrates how the eastern expresses operated. William Harnden founded the package delivery business in 1839, discovering that businessmen were willing to pay him to carry parcels daily between Boston and Worcester on the Boston & Worcester Railroad. Finding the business profitable, he soon expanded and hired agents to cover other routes as well [13, 31, 6]. Once these routes were established, the temptation became strong to carry letters in addition to packages, especially since they took up little room and were easily concealed. The post office was sufficiently impressed with Harnden's abilities to swear him in as a letter carrier soon after he opened for business [4]. This agreement shielded Harnden from legal harassment, but it apparently did not prevent him from delivering letters privately on the side--as is revealed by the lengthy correspondence that took place in the ensuing years between the postmasters in New York City and Boston over his precise legal status [10].

¹¹A Massachusetts district court judge in 1844 went so far as to rule that since railroads "were a means of communication which were not in existence" when the legislation prohibiting private posts was passed, the law "cannot be enlarged so as to embrace what had never been dreamed of at the time of its enactment." [36]

The eastern expresses excited much concern among postal officials and members of Congress. William Merrick, chairman of the Senate committee on post office and post roads, observed in 1845 that "private competitors...are springing up upon all the important and valuable routes, and, under the public countenance, are superseding the mails of the United States." Unless checked, he added, these firms would eventually bring about "the certain ultimate prostration of the whole post office system." [19] Private competition, he concluded, was responsible for the fact that, despite general prosperity and increases in population, post office revenues actually declined between 1840 and 1844 [19].

Estimates of the volume of mail carried by the private expresses are hard to come by. The New York postmaster estimated in 1841 that private competition had reduced volume on the New York-Boston route by 33 percent [4]. Nongovernment estimates were typically much higher, one New York City merchant claiming that not one letter in fifty sent from his office to Boston went via the post office [4]. Senator Merrick went so far as to conclude, after comparing the total mail volume in the United States and Great Britain, that --based on certain assumptions--at least 50 percent of the total number of letters being sent annually in the United States were going "out of the mails." [19]

Given these circumstances, Congress had little choice but to act. Accordingly, in 1845 it passed Post Office Reform Act--a milestone in the history of government postal policy and the death knell of the private mail delivery boom. The Post Office Reform Act simultaneously lowered postage rates and closed the loopholes in the private express statutes that the eastern expresses had exploited to such good advantage. Most accounts of the 1845 reform act neglect the key, albeit unintended, role played by these private firms in forcing its passage, stressing instead how postal reform in the United States was inevitable given the success of postal reform in Great Britain [30].¹² Yet such a view assumes that the government's postal policy evolved in a much more rational fashion than it actually did. It was not public convenience, however considerable, but private competition that was the catalyst for change.

¹²The principal exceptions are the historians of the express business. Alvin Harlow, for example, contends that the 1845 reforms were largely due to "the expressmen, and especially Pomeroy and Company." He added that "they have never received their due credit from the historians." [13] Harlow echoed A. L. Stimson who, in his 1858 history of the package delivery business, concluded his discussion of the 1845 act with the observation that "the country owes to the men whom we have named, and to the Express Companies, one of the most important reforms that the mercantile world has ever experienced." [31]

What became of the entrepreneurs who ran the eastern expresses? Some, like Lysander Spooner, a radical Boston lawyer on the make who started the American Letter Mail Company largely as a vehicle for challenging the constitutionality of the postal monopoly, shifted their sights from the reform of the post office to other causes. For Spooner, these ranged from the abolition of slavery to the regulation of banking [29, 3]. Others, like George Pomeroy of Pomeroy and Company, turned their attention to the burgeoning telegraph industry. Pomeroy became an early investor in telegraph firms spanning up-state New York--a logical step since he knew the market well, having previously run a private letter express over the same route [33].

The package delivery business provided still other options. Pomeroy's partner Henry Wells chose this route, becoming the Wells of Wells Fargo as well as the first president of American Express. Wells's subsequent success is particularly suggestive given the fact that, sometime in early 1840s, he is alleged to have formally offered to take over the post office, deliver the mail for the greatly reduced rate of five cents a letter, and run it as a private concern [31].¹³

Could private entrepreneurs have taken over the post office in the nineteenth century and run it as a business? The question is, admittedly, an unusual one for a historian, yet the answer is instructive. For as the subsequent history of the telegraph and telephone makes plain, control of the means of communication is not a necessary prerogative of the modern nation-state.

Contemporary observers reached a similar conclusion. In an article published in the *New York Review* in 1841, the German-born political economist Francis Lieber observed that, while "in all civilized countries" the post office was a branch of the central government, "we might easily imagine it to be carried on by a private association, without its changing in any degree its essential character." [17] The post office was different from intrinsically political institutions like courts of law in that it was run by the government as a matter not of principle but of expediency. The government ran the post office, Lieber concluded,

because it is believed that so extensive and ramified a system, the whole value of which consists in its safety, speed and cheapness, cannot be carried out with the necessary despatch and avoidance of

¹³Harlow suggests that Well's offer was intended less as a serious proposal than as an attempt to forestall a proposed unfriendly takeover by the post office of Pomeroy and Company, in which he was a major investor [13].

clashing interests, except by the general government of the land [17].¹⁴

Were the public to come to believe otherwise, the postal monopoly would lack a convincing rationale.

Yet the post office performed an additional function that, while it had nothing to do with communications, lent an aura of the fantastic to Wells' proposal. Learning of Well's offer, Selah Hobbie, the first assistant postmaster general, is supposed to have responded: "Zounds, sir, it would throw 16,000 postmasters out of office." [31] For besides delivering the mail, the post office served as the principal source of political patronage for both of the major political parties--giving all but the most marginal of politicians a vested interest in its continued operation under government control [9]. This function was, of course, un contemplated by the Founding Fathers--who, needless to say, would have viewed it with considerable alarm and dismay. Yet it is central to any explanation of why the post office was never in serious danger of going the way of the Second Bank of the United States, and it doomed from the start--at least in the nineteenth century, though perhaps not today--any serious proposals for thorough-going reform.

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¹⁴The article was published anonymously; the attribution is based on a manuscript version in the Francis Lieber papers, Huntington Library, San Marino, California.

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