

UNITED STATES POSTAL RATES, 1845-1951

by

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Development of Postage on Newspapers and Magazines, 1845-1951 ✓

Among the factors that have influenced the development of newspaper and magazine postage, three important ones are:

(1) The need to use the Post Office as a means of communication and of the dissemination of knowledge for a widely scattered population in a new country. This reason for low postage on all types of mail, but especially on newspapers and magazines, has been expressed countless times in postal documents. While one can conjecture that this may have been a very real purpose in an era of poor communications facilities, the exact form it took as an influence on postal rates is unknown.

(2) The lobbying of newspaper and magazine publishers. There is the testimony of legislators that publishers' pressure had a great deal to do with the low pound rate of postage introduced in 1874. In 1885 the House Post Office Committee specifically mentioned benefits to publishers as a reason for reducing the pound rate to 1 cent. There was more direct mention of lobbyists' influence in connection with the postage changes of 1879, when it was reported that a group of publishers formulated the law. Finally, the reduction of second class rates in 1928 took place after a prolonged campaign of publishers' organizations, and was in great part the objective they had set out to attain.

(3) Congress's desire to give favorable treatment to the press. This apparently took two forms: One, the practical partisan objective of giving direct aid to party newspapers; two, a tendency to favor the press in legislation because of fear of its power to influence public opinion. The first can be seen specifically in the early close relationship between the Post Office and newspaper publishing, and in the Congressional debate

on whether to allow newspapers to be mailed free in the county where published, in the 1850's. The second is frequently alluded to by Congressmen and Senators throughout the history of second class mail. While this fear of the power of the press has often been vividly and dramatically described, it remains an intangible so far as direct evidence of its influence is concerned. This influence was specifically mentioned in connection with rate legislation of 1874 and 1917, and in the controversy over second class mail in the 1920's. An interesting question is whether the self-expressed Congressional fear of the power of the press makes the lobbying of the newspaper and magazine publishers any more effective than that of any other interest group that brings pressure for legislation (postal or otherwise) favorable to itself. This author's conjecture is that it probably does, and that much of the differential in size between the second class mail deficit and the third and fourth class mail deficits may be a measure of this particular influence.

These three factors will be described in more detail in connection with important rate changes on second class mail.

Early Connection Between Post Office and Press

There has been a close connection between the Post Office and the press from the beginning, probably because of the conditions in a pioneer country. In the eighteenth century, it was almost the universal custom for Colonial postmasters to be newspaper publishers. No provision had been made at that time for the admission of newspapers to the mails. It was customary for postmasters to publish papers, circulate them by means of post riders, and to exclude competing papers from the mails. Postmaster General Franklin admitted all newspapers to the mails and established

postage for them in 1748.¹

The relationship between the postmasters and the press was especially significant under Jackson. Twenty of the 57 editors who were given Federal positions were postmasters, and some others were postal clerks. It was not only the commission of the post office that was valuable to the editor, since the commission was often small, but also the privilege of franking. Opposition newspapers complained that the franking privilege would be worth \$400 or \$500 a year to them, if they could only get it. If the local party papers were not subsidized by a postmastership, they were by government printing. If the postmaster had any letters to advertise, for example, he was supposed to place ads in a paper friendly to the administration.²

In the early nineteenth century, newspapers were carried at a rate of 1 cent for 100 miles, 1 1/2 cents for all greater distances, whereas a letter containing only 1 sheet had to pay 12 1/2 cents postage to be carried 100 miles, and more postage for greater distances. It has been claimed that the low postage was of great importance in building up the newspapers of the country, and that without the aid of the Post Office, Western newspapers could hardly have existed.³

In the early nineteenth century, the Post Office was thought of as an instrument of civilization by some legislators. In 1844, the House Post Office Committee described the purpose of the Post Office as

1. Rich, op. cit., p. 29.

2. Dorothy G. Fowler, The Cabinet Politician: The Postmasters General, 1829-1909 (New York: Columbia University Press, 1943), pp. 14-16.

3. Rich, op. cit., p. 142.

follows: "To content the man dwelling remote from towns with his more lonely lot... to prevent those whom the swelling tide of population is constantly pressing to the outer verge of civilization from... sinking into the hunter or savage state... to diffuse, throughout all parts of the land, enlightenment, social improvement."¹

The Congress, however, while providing low second-class rates and even 'free in county' service, at a time when economic and social conditions justified such aid, has at no time established formally a policy that publications of the second class should be carried in the mails without regard to the cost of handling.... Only a limited number of members of Congress stressed such a policy or gave the matter more than casual consideration and there is nothing to indicate that the public at large, other than those who had a special interest in the matter, seriously advocated preferential second-class rates at the expense of users of other types of mail or the Treasury.²

When the free-in-county privilege was given to weekly newspapers in 1851, Congress debated whether the newspapers should be carried free within the Congressional district, within the borders of the State, within a radius of thirty miles, or within the county of publication. Some Representatives were unsatisfied with free-in-county delivery, pointing out that in some sparsely settled Congressional districts there were five or six counties, but only a single newspaper, "or at most but one of each political party." They felt that it was only just that the residents of such a district should have the same advantages as those who lived in a Congressional district that comprised

1. 28:1, House Report 477, 1844, p. 2.

2. Charles A. Heiss, Report on Second Class Mail (Washington: Government Printing Office, 1946), p. 72.

1 only one county. A free-in-Congressional-District delivery could have been very costly to the Post Office on its sparsely settled Southern and Western mail routes. What it would mean, today, for example, in a less thickly populated state, is illustrated by the fact that Tennessee has 95 counties and 9 Congressional Districts. New York, on the other hand, has 62 counties and 43 Congressional Dis-
 2 tricts. Why the county rather than the district was finally chosen as the area of free distribution is not explained in the postal documents.

At the time the law was passed, there was no rural free delivery, and the Post Office was just starting "free" letter carrier delivery in some cities.
 3 The economic value of the free-in-county mailing to the newspapers, then, was in free sorting and placing in mail boxes at the local post office, and free stagecoach or railroad transportation from one town or village to another, within the county. Today, free-in-county mailing is restricted to newspapers and magazines that are delivered at post offices which do not have city or village letter carrier delivery service. They can be mailed free only where delivery is made through post office box, general delivery, or by rural or star-route (a kind of rural route) delivery. Hence the privilege is of benefit mainly to publications with a rural circulation, as was no doubt intended.

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1. 31:2, Congressional Globe, XI, 1850, 91.
 2. World Almanac 1953 (New York: World Telegram and Sun, 1953), pp. 81, 423.
 3. ARPG, 1860, p. 443.

Introduction of Pound Rates

During the nineteenth century, as letter rates were lowered, substantial reductions were made in newspaper and periodical postage. In 1852, postage rates were halved for subscribers who paid postage in advance, either at the post office of mailing or delivery, even though it had been the custom for many years for the Post Office to require advance payment.¹ This discount for advance payment was dropped in 1863, although at the same time newspaper rates were lowered to less than half the 1852 rates. Moreover, for many years afterwards the Post Office complained that many newspapers were not paying any postage at all, and that the Post Office was losing from \$200 thousand to \$2 million annually on this uncollected revenue.² Although Congress made prepayment of postage at the office of mailing compulsory for letters in 1855, it did not require the same for newspapers and magazines until 1874.

Under the old system, some 30,000 postmasters were supposed to collect newspaper and magazine postage quarterly in advance, either at the office of mailing or of delivery, "at the option of the subscriber." Many postmasters did not bother to collect 5 cents per quarter from the subscribers to weekly newspapers, for example, or if they did collect, the Post Office Department could not tell if they accounted for all they received.³

1. 33:1, Congressional Globe, XXIII, Part 3, 1854, 1673; ARPG, 1854, pp. 622-623.

2. An 1862 estimate, ARPG, 1862, p. 141; an 1874 estimate, 43:1, Congressional Record, II, Part 5, 1874, 4346.

3. Postage Rates, 1789-1930, p. 10; 43:1, Congressional Record, II, Part 5, 1874, 4660.

The law of 1874 required prepayment of postage at the office of mailing and substituted for the old per copy rates, new rates of 2 cents per pound for newspapers and 3 cents per pound for magazines. When prepayment at the time of mailing was being considered, the House initially wanted to charge newspapers 1 1/2 cents per pound, magazines 3 cents per pound. The Senate believed that this was too generous, and wanted to charge 4 cents per pound on both newspapers and magazines. It was estimated that the pre-1874 rate of 5 cents a quarter, or 20 cents a year for weekly newspapers was equivalent to 3 cents a pound (the average newspaper weighing about 2 ounces per copy), so that a rate of 1 1/2 cents per pound would be a halving of newspaper postage. The publishers were opposed to the new law because it meant they would have to pay postage out of their own pocket, and apparently they were particularly opposed to the proposed pound rate of 4 cents. (Evidently they felt they could not pass on the postage to their subscribers.) The pressures brought to bear on Congress at the time were described in a speech by Senator John Sherman of Ohio:

It has thus far been found impossible to secure a system of prepayment of postage, and now this simple measure of equity and justice is opposed unless the rate of postage be enormously reduced....When I offered the proposition the other day in the Senate to make a uniform rate of 4 cents a pound on newspapers I did not dream that I was exciting such indignation of interested parties or treating of a very delicate question....When I submitted that proposition I had no conception that my motives would be impugned; that I would be charged with doing this thing out of spite or to punish some one, or that all at once

1. 43:1. Congressional Record, II, Part 5, 1874, 4660.

I was to be assailed and arraigned by telegraph and press as guilty of some high crime or misdemeanor. Sir, all this is sheer folly. Sir, you might as well abandon all postage on newspapers. If there is not enough courage in Congress to deal with this question of a fair rate of postage on newspapers, I would far rather carry in the mails newspapers free than pretend to collect at the rate of 1 1/2 cents a pound, which is totally inadequate.¹

Later, Senator Sherman became willing to compromise on a rate of 3 cents a pound. The House refused to give up its 1 1/2 cent rate for some time, but finally yielded when the Senate came down to 2 cents.² The law in its final form set rates of 2 cents per pound for newspapers and 3 cents per pound for magazines.³

It would be of interest to know how many newspapers and periodicals were mailed free of postage between 1852 and 1874. It was estimated that under the old system, the Post Office failed to receive 2/3 of the newspaper postage due it.⁴ A rough estimate based on insufficient data is that about 40 per cent of all "paying" newspapers and periodicals (that is, exclusive of free in county), did not pay before 1874. The pound rate amounted to a reduction of about 38 per cent for 2 ounce newspapers and about 40 per cent for 3 ounce magazines, 44 per cent for 6 ounce magazines (see Tables 4 and 5), or about 40 per cent for all of second class mail. In 1875, the Post Office reported that the receipts under the new system of prepayment were the

1. 43:1, Congressional Record, II, Part 5, 1874, 5347.

2. Ibid., 5348, 5433.

3. Postage Rates, 1789-1930, p. 13.

4. 43:1, Congressional Record, II, Part 5, 1874, 5347.

TABLE 4

DEVELOPMENT OF NEWSPAPER POSTAGE, 1845-1885

	<u>Rate as Stated in Law</u>	<u>Rate per Quarter (a)</u>	<u>Rate per Copy (b)</u>
1845	1 cent per copy 100 miles or within State where published	13 and 19 1/2 cents, weeklies	1 and 1 1/2 cents
	1 1/2 cents per copy, greater distances	26 and 39 cents, semi-weeklies, etc.	Free (30-mile radius)
	Free of postage, 30 mile radius of place where printed		
1851)	1 cent per copy.	13 cents, weeklies	1 cent
1852)	not over 3 oz., all distances	26 cents, semi- weeklies, etc.	1/2 cent (advance payment)
	50% reduction in rate if postage paid in advance	6 1/2 and 13 cents, weeklies and semi-weeklies, (advance payment)	Free in county, weekly papers
	Free in county, weekly newspapers		
1863	5 cents per quarter, weeklies	5 cents, weeklies	2/5 cent
	10 cents per quarter, semi-weeklies	10 cents, semi- weeklies, etc.	Free in county, weekly papers
	15 cents per quarter, tri-weeklies, etc.		
	Free in county, weeklies		
	Weight to which rates apply -- 4 oz.		
	Distance -- no limit mentioned		
	Postage required to be		

TABLE 4 (continued)

<u>Rate as Stated in Law</u>	<u>Rate per Quarter (a)</u>	<u>Rate per Copy (b)</u>
paid quarterly in advance, at office of mailing or of delivery, at subscriber's option		
1874 2 cents per pound, all distances	-----	1/4 cent, 2 oz. paper
Postage required to be paid by purchase of stamps		1/2 cent, 4 oz. paper
		Free in county, weekly papers
1879 2 cents per lb.	-----	1/4 cent, 2 oz. paper
		1/2 cent, 4 oz. paper
		Free in county, all newspapers
1885 1 cent per lb.	-----	1/8 cent, 2 oz. paper
		1/4 cent, 4 oz. paper
		Free in county, all newspapers

(a) The newspaper rates are given by quarter because it was the custom for many years for the Post Office to collect them quarterly in advance, if possible, and newspaper postage was often referred to at the quarterly rates. As the table shows, the 1863 law even stated them as quarterly rates.

(b) The per copy rates are given to show the approximate reduction in rates for the 40 year period. In some cases the rates in the last column may not be the actual postage paid. This is partly because in some cases the postmaster failed to collect postage from subscribers; and partly because one cannot estimate whether the substitution of pound rates for per copy rates is an increase or a decrease in postage without knowing the average weights per copy of the publications affected — or to say it another way, how many copies there were in a pound. The more copies per pound, the less the actual rate of postage is.

TABLE 4 (continued)

(b)(continued)

The 2 ounce weight for newspapers is used because it was said to be the weight of the majority of newspapers in 1874. The 4 ounce weight is used because it was mentioned in the law of 1863, and also because it gives an idea of the range of rates paid under the pound rate system.

Finally, the table does not include every change in newspaper rates for the period. Some minor rates omitted refer to special rates to the Pacific Coast, and in-county rates for papers mailed at offices that had letter carrier service.

Sources: Annual Report of the Postmaster General, 1854, pp. 622-623.
37:3, Congressional Globe, Vol. XXXIII, Part I, 1863, p. 839.
43:1, Congressional Record, Vol. II, Parts 5 and 6, 1874,
pp. 4659, 5346. The 2 ounce newspaper weight taken from
this source.
U.S. Post Office, Postage Rates, 1789-1930.

TABLE 5

DEVELOPMENT OF MAGAZINE POSTAGE, 1845-1885

	<u>Rate as Stated in Law</u>	<u>Rate per Copy (a)</u>
1845	2 1/2 cents per copy, 1 oz. 1 cent additional, each additional oz.	2 1/2 cents, 1 oz. 4 1/2 cents, 3 oz.
1852	1 cent per copy, not over 3 oz. 1 cent additional, each additional oz. 50% reduction in rate if postage paid in advance	1 cent, 3 oz. 1/2 cent, 3 oz. (advance payment)
1863	1 cent per copy, not over 4 oz. 1 cent for next 4 oz., or fraction thereof	1 cent, 3 oz. 2 cents, 6 oz.
1874	3 cents per lb.	3/5 cent, 3 oz. 1 1/5 cent, 6 oz.
1879	2 cents per lb. Postage free in county where published	2/5 cent, 3 oz. 4/5 cent, 6 oz. Free in county
1885	1 cent per lb.	1/5 cent, 3 oz. 2/5 cent, 6 oz. Free in county

(a) The weights of magazines, 3 and 6 ounces, are drawn from contemporary references to magazine weights. Before 1874, the usual postage for a monthly magazine was 6 cents per quarter, or 24 cents per year, and the average weight of the magazine was 6 ounces. The average weight of 3 to 3 1/2 ounces for some monthlies was also mentioned.

Sources: Charles A. Heiss, Report on Second Class Mail, 1946, p. 69.
37:3, Congressional Globe, 1863, Vol. XXII, Part 1, 839.
43:1, Congressional Record, 1874, Vol. II, Parts 5 and 6,
4659-4660.
U.S. Post Office, Postage Rates, 1789-1930.

same as under the old law.¹ Making the doubtful assumption that the volume of second class "paying" mail remained the same in both years, then if rates were reduced an average of 40 per cent and receipts remained the same, the conclusion is that about 40 per cent of this class of mail had not paid postage before 1874. (The volume of paying mail must have increased by the same percentage as the reduction in price.)

The significance of pound rates is that they are cheaper than per copy rates. Before 1874, magazines were charged 1 cent for the first four ounces, and 1 cent for each additional 4 ounces (see Table 5). A magazine weighing one pound, probably a rarity at that time, would have paid postage of 4 cents. The pound rate law of 1874 reduced magazine postage to 3 cents per pound, an apparent reduction of one-third. But it was probably a bigger reduction per copy. Even substituting a pound rate of 4 cents would have been a reduction in postage. An example will illustrate.

A magazine weighing 6 ounces and with a circulation of 100,000 would have paid postage of 2 cents per copy, or a total bill of \$2,000 at the pre-1874 rates. Under a pound rate of 4 cents, without regard to the number of copies, its total postage would be \$1500 (total weight of 37,500 pounds multiplied by .04), and the effective rate per copy would be 1 1/2 cents. This represents a one-fourth reduction in rates, even though a one-pound magazine would pay the same postage in

1. ARPG, 1875, xxx.

both systems. With pound rates, postage per copy varies with the weight of each issue of the newspaper or magazine, and favors publications with many copies to the pound.

Classification Law of 1879

The Act of March 3, 1879 was the other important legislation affecting the second class of mail during the nineteenth century. In a recent Post Office publication, it was called the "last major revision of mail classification by the Congress." This law made explicit the classification of mail into four groups, set forth the criteria that a publication would have to meet in order to be admitted to the mails at second class rates, and gave lower postage to magazines. Although it is true that the 1879 law is still the basis of the modern postal rate structure, it was not a major revision of mail classification at the time it was passed. Three classes of mail had already been defined in laws of 1863 and 1872, and within the third class in 1872, there were two categories and two rates. Books and merchandise were charged higher rates than circulars, seeds, and plants. The chief addition of the 1879 law to classification was to take merchandise out of the third class and label it fourth class.

When the 1879 legislation was being considered by Congress, it was not treated as a major revision of mail classes or rates. The main purposes of the law were to define newspaper and magazine mail more tightly to prevent "abuses" of the low pound rates, and to give to magazines the same rates and privileges enjoyed by newspapers. The substantive accomplishments of the bill, aside from enumerating the

second class criteria, were the extension of the 2 cent pound rate to magazines as well as newspapers, and the extension of free-in-county mailing to all of second class (formerly restricted to weekly newspapers).

The Act of 1879 was literally a publishers' law. Alfred Waddell (North Carolina), Chairman of the House Post Office Committee, explained its origin as follows:

More than a year ago, appreciating the necessity for a change in the law, I visited the city of New York and invited the leading publishers of quarterly, monthly, daily and weekly publications of all kinds to meet me in consultation at the office of the Postmaster of New York. That conference was succeeded by a number of conferences...of leading publishers of the country, the outcome of which is contained in the provisions of the bill I now submit to the House.¹

The Postmaster General spoke warmly of the publishers' conference on postal rates in his Annual Report of 1878. Among the representatives of boards of trade, chambers of commerce, book, magazine, and newspaper publishers who attended the conference were the representative of the Cincinnati Enquirer, the president of the New Orleans Chamber of Commerce, the secretary of the Chicago Board of Trade, and Joseph W. Harper, Jr., of New York, Walter Lippincott of Philadelphia, and H. O. Houghton of Boston. This conference firmly endorsed the bill that became the basis of postage rate schedules in 1879.²

Congressman Waddell gave as an argument for reducing the pound

1. 45:3, Congressional Record, VIII, Part I, 690.

2. ARPG, 1878, 51-53.

rate for magazines that the Harper's publishing company had to pay 50 per cent more postage on its monthly publications than on its weekly publications, and that this was "against reason and justice." One Congressman objected that it was not a good argument to say that because some mail was carried for 2 cents a pound, that all second class mail should be reduced to 2 cents a pound. Both the 3 cent and 2 cent rates were already too low.¹ But this sentiment was obviously in the minority.

The movement toward lower postage continued on into the next decade. In 1881, the House passed a resolution requesting the Postmaster General to give them his opinion on the advisability of abolishing postage for second class mail altogether. The Postmaster General replied that he thought it would be a good idea, adding, "Of course, it will add somewhat to the cost of the service, and it will diminish the revenues nearly one and a half million of dollars." The total postal deficit for the last fiscal year had been \$2.5 million, a discouragement to the remission of postage. But this might be overlooked, because "there seems to be a conflict of opinion as to whether the postal service should be administered as a business or as a beneficence."²

In 1882 and again in 1884, the House and Senate Post Office Committees passed resolutions to investigate the possibility of

1. 45:3, Congressional Record, VIII, Part 1, 1879, 690-691; VIII, Part 3, 2136-37.

2. 47:1, House Executive Document 206, 1882, p. 2.

abolishing newspaper and periodical postage.¹ Finally, in 1885, the House Post Office Committee recommended a reduction of second class postage to 1 cent per pound, which became law. The House Report said that cheap circulation of the press would bring wider dissemination of knowledge. But there was evidently another strong reason for the reduction — the interests of the newspapers and magazines. For the Report went on to explain that since prepayment of postage on second class mail had been required in 1874, this "tax" had been shifted from the millions who received newspapers to a few publishers. Prepayment had been a good thing for the Post Office, because it simplified the service, but the publishers had never been able to raise their subscription prices to meet their added expense. Although "it has been frequently claimed that postages should be abolished as a tax on information and intelligence," the Committee was not willing to go that far, but substituted instead the proposal of a reduction to one cent per pound.²

In the forty-year period from 1845 to 1885, as shown in Tables 4 and 5, newspaper postage was reduced 75-88 per cent, from 1 cent per copy to 1/4 cent for a 4 ounce paper; from 1 cent to 1/8 cent for a 2 ounce paper. And magazine postage was reduced 95-96 per cent, from 7 1/2 cents per copy to 2/5 cent for a 6 ounce magazine, and from

1. 47:1, Congressional Record, XIII, Part 4, 1882, 3704; 48:1, Congressional Record, XV, Part 1, 1884, 714.

2. 48:2, House Report 2498, 1885, pp. 1-2.

4 1/2 cents to 1/5 cent for a 3 ounce magazine.

Development of the "Second Class Mail Controversy"

Beginning in 1887, two years after the one cent per pound rate for second class mail became law, the Post Office Department began to object to what it called the "abuses" of the second class "privilege," and to ask Congress to remedy the situation.¹ Between 1887 and 1912, especially, there developed what came to be referred to as the "second class mail controversy."² This controversy has lasted down to the present day.

Table 6 throws some light on the question whether the rate of growth of second class mail was actually much greater than for the rest of the postal business. It appears that second class mail may have been increasing at a faster rate than letters from 1885 to 1905, and especially in the period 1885-1896, when letters almost doubled, and second class mail almost tripled. However, because the estimates for letters are probably overstated, it is likely that the rate of growth for letters is understated. If the error is consistent throughout, the results would still show a comparatively much greater rate of growth for second class mail in the 1885-1896 period, the first eleven years after the 1 cent pound rate took effect.

Oddly enough, the complaints of Congress and the Post Office

1. 54:2, Congressional Record, XXIX, Part 1, 1897, 185.

2. 59:2, House Document 608, Report of the Joint Commission on Second-Class Mail Matter [Penrose-Overstreet Commission, 1907], p. xxiv. See also 62:2, House Document 559, Report of Commission on Second-Class Mail Matter [Hughes-Lowell Commission, 1912], p. 66.

TABLE 6

GROWTH OF LETTERS AND OF PUBLISHERS' SECOND CLASS MAIL
1876-1951

<u>Fiscal Year (a)</u>	<u>Weight of Publishers' Paid Second Class (b)</u> (million pounds)	<u>Decade Rate of Change</u>	<u>Estimated Number of Letters (c)</u> (billion)	<u>Decade Rate of Change</u>
1876	46.9		.9	
1879	51.1		1.4	
1885	101.0	116%	2.1	133%
1890	174.0		2.9	
1896	296.6	194	3.9	86
1900	382.5		4.0	
1905	618.7	108	7.3	87
1910	1,047.0		10.8	
1915	1,177.0	69	13.8	89
1926	1,420.0	36	15.3	11
1941	1,334.5	-6 (d)	16.0	4 (d)
1951	2,248.3	68	25.6	60

(a) Years chosen: Early years, those of important rate changes (or close to those years). Five-year intervals thereafter, depending on the availability of annual reports. 1926, 1941, and 1961 are included for comparison to recent times.

(b) Figures for "paid" second class are used, omitting weight of free-in-county, because for earlier years, apparently no exact record was kept of free-in-county.

(c) 1876-1915 estimated by author. Second class revenues were subtracted from total post office revenues, and the remainder was divided by the letter postage rate. This method is equivalent to assuming that there were only two classes of mail, and is therefore not carried beyond 1915, when fourth class mail was becoming more important. Figures for 1926, 1941, and 1951 are for first class mail, which includes post cards. In summary, the letter figures are overestimates throughout.

(d) Rate of change for 15-year period.

Sources: Second class mail data: 1876-1885, Annual Report of the Postmaster General, 1885, p. 663; 1890-1926, Annual Report for each year; 1941 and 1951, Cost Ascertainment Report. First class mail data: 1876-1915, author's estimates. Other years, Cost Ascertainment Report.

rarely mentioned the rapid growth of total second class, but centered on certain special problems. These problems, which took up many pages in Postmaster General Reports and in Congressional debates, must have involved only a small part of second class mail.

The root of the difficulties was seen by the Post Office Department as the mail classification law of 1879:

The classification of mail matter was, by force of circumstances, indifferently handled at the Department. There was lack of sufficient force with the training and experience required. The result was that vast quantities of the matter came to be admitted to the mails as of the second class, which had no legal right to that privilege.... The statute in relation to this class of matter is inherently wrong.... What a complex question this law makes of the mere matter of postage rates, and what a number of collateral questions must be decided before a decision can be given on a publisher's application for the privilege!¹

Before a publication can be admitted to the second class, it must:

1. Be judged to be a newspaper or periodical.
2. Be published regularly at stated intervals.
3. Bear a date of issue.
4. Be numbered consecutively.
5. Be issued from a known office of publication.
6. Be formed of printed paper sheets, without board, cloth, leather or other substantial binding.
7. Have a legitimate list of subscribers.
8. Be published for the dissemination of information of a public character or be devoted to literature, the sciences or some special industry.

In addition to meeting these specifications, a publication must not be designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates.²

1. ARPG, 1905, 76-78.

2. Ibid., pp. 76-78.

Another part of the classification law of 1879 allowed "sample" copies the same rates as copies to subscribers, a sample copy being one that was sent to a non-subscriber for the purpose of inducing him to subscribe.¹

All of these conditions were combined with the low second class rate. The next higher rate offered to postal customers, 8 cents per pound for third class (although this was not a pound rate), was 700 per cent greater than the second class rate, and created an irresistible temptation to give all printed matter the periodical form.²

Publishers of novels, for example, took advantage of the law to circulate such titles as "Diamond Dick's Ride for Life," "Gentleman Joe in Pittsburg," "Cool Chris, the Crystal Sport," as second class matter.³ Advertising sheets were entered as second class periodicals, and were then issued far more as "sample" copies than for bona fide subscribers.⁴

The Department moved to eliminate these particular abuses, in 1905 reporting that periodicals having the characteristics of books had been rejected from second class,⁵ and in 1908 reporting that limitations had been put on the number of "sample" copies a publication might

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1. 55:2, House Report 73, 1898, p. 8.
 2. 59:2, House Document 608 [Report of Penrose-Overstreet Commission], p. xviii.
 3. 54:2, Congressional Record, XIII, Part 1, 1897, 469.
 4. 55:2, House Report 73, 1898, p. 9.
 5. ARPG, 1905, p. 28.

issue. - It was also reported that second class entry had been withdrawn from publications whose main purpose was really advertising. These were identified as those that had an expired list of subscribers, or those that were charging only a nominal subscription price.¹

In spite of these changes in administration, there was certainly no decline in the volume of second class, as Table 6 shows. From 1905 to 1915 there was a slackening in the rate of growth, the increase being 69 per cent, as compared to over 100 per cent in the previous decade. These two specific abuses, sending novels and advertising circulars with non-existent subscribers as second class, must not have been mainly responsible for the great rise in that business. The "reforms" of the Department may have contributed to the slower growth of second class, in that more care may have been exercised after 1905 in granting new entries. Other factors, such as the rise of cheaper means of distribution, may have been equally or more important.

In 1906, and again in 1911, Congress appointed special commissions for study of the problem of second class mail.² Both commissions criticized the Post Office for not knowing the true cost of carrying the different classes of mail.³ In addition, it was shown that neither

1. 60:1, Senate Document 270, 1908, p. 10.

2. The 1906 Commission was known as the Penrose-Overstreet Commission, after the Congressman and Senator who headed it. The 1911 Commission was known as the Hughes-Lovell Commission, its directors being Chief Justice Hughes and Harvard President Lovell.

3. 62:2, House Document 552 [Report of Hughes-Lovell Commission], 1912, p. 66.

the reductions in rates of 1874, 1879, and 1885, nor the enormous increases in volume of second class, could be shown to have exercised a controlling influence on the total postal deficit, because in several years in the 1880's, while second class was expanding, the deficit had declined. The large deficits of the 1900's might have been attributable just as much to the Department's huge new expenditures on rural delivery.¹ Both commissions published long reports recommending some increase in second class rates. They were cautious, however, for two reasons: Many successful enterprises had been built on the existing low rates, and they could be ruined by sudden large increases. Moreover, the Post Office did not know the cost of second class mail. Both commissions recommended cost studies as a basis for future rate making.²

Introduction of Zone Advertising Rates

No legislation followed. Five years after the report of the second commission, as part of the War Revenue Act of October 3, 1917,³ and in an almost vengeful spirit, judging by the remarks of some legislators, Congress raised second class postage. The increase imposed a system of zone charges on the advertising portions of newspapers and

1. Ibid., pp. 62-63.

2. Heiss, Report on Second-Class Mail, 1946, pp. 48-50, 51-52.

3. 65:2, House Committee on Ways and Means, Hearings on Proposed Revenue Act of 1918, Part 3, Postal Rates, 1918, p. 1785.

magazines. The rates went into effect in four installments, beginning in 1918 and ending in 1921. The rates finally achieved were 1 1/2 cents per pound on the reading portions, and zone rates of two to ten cents per pound on the advertising portions of publications. The law exempted publications of religious, educational, charitable, and other similar associations, not organized for profit, and none of the net income of which "inured to the benefit of any private stockholder or individual." These were charged a flat rate of 1 1/2 cents per pound. Table 7 A shows the zone rates and Table 7 B explains how they are applied.

Some legislators frankly expressed their satisfaction at passing the second class rate increase.² One Congressman especially commended making the postage increase part of a war revenue bill which could not be defeated. In the House this Representative (William Cox of Indiana) exclaimed, in discussing the War Revenue Bill:

I feel like quoting the old familiar hymn:
 This is the day I long have sought
 And mourned because I found it not.

I have been a member of the Post Office Committee for eight years....Almost from the moment I became a member of that Committee the question of second-class postage has been a burning issue....Every member of this House who had ever looked into the second-class postage question knew that the rate ought to be increased, but that we did not have the nerve to go up against it....I undertake to say that we have worse than squandered \$500,000 in investigating the question of second-class postage in the last 20 years....I have attended these hearings in my Committee until I finally announced three years ago that never again would I sit in another Post Office Committee room and hear

1. Heiss, Report on Second Class Mail, p. 17.
2. 65:1, Congressional Record, LV, Part 6, 6419, 6426-6427.

Handwritten notes:
 C. S. W.
 p. 54

TABLE 7 A

POSTAGE ON PUBLISHERS' SECOND CLASS MAIL, 1918-1951

Zone Rates per Pound on Advertising Portion of Publications (a)
(cents)

Zone (b)	1918 (c)	1921	1925	1928	1932	1934-1951
1	1.25	2	2	1.5	2	1.5
2	1.25	2	2	1.5	2	1.5
3	1.50	3	3	2.0	3	2.0
4	2.00	5	6	3.0	5	3.0
5	2.25	6	6	4.0	6	4.0
6	2.50	7	6	5.0	7	5.0
7	3.00	9	9	6.0	9	6.0
8	3.25	10	9	7.0	10	7.0

(a) Rate on reading portion, 1.5 cents per lb. 1918-1951. Reading matter increase took effect in 2 installments. On July 1, 1918, raised to 1.25 cents; on July 1, 1919, 1.5 cents.

"Exempt" or "special rate" publications, raised to 1 1/8 cents on July 1, 1918; 1.25 cents on July 1, 1919. They were raised again in 1925. Rate from 1925-1951, 1.5 cents per lb.

(b) Zones cover the following distances:

Zone 1	up to 50 miles
Zone 2	50 to 150
Zone 3	150 to 300
Zone 4	300 to 600
Zone 5	600 to 1,000
Zone 6	1,000 to 1,400
Zone 7	1,400 to 1,800
Zone 8	Over 1,800

(c) Zone rates went into effect in 4 installments. The first took effect on July 1, 1918. The second and third are omitted here. The fourth took effect on July 1, 1921. There are several qualifications to the rate schedules given here. See discussion of second class mail in Chapter II. For explanation of how the zone rates work, see Table 6 B.

Sources: 77:1, Senate Committee on Post Offices and Post Roads, To Provide for a Permanent Postage Rate of 1 1/2 cents per Pound on Books: Hearing on S. 337, 1941, p. 24.
U.S. Post Office, Postage Rates, 1789-1930
U.S. Post Office, Postage Rates, Part II, 1930-1944.

TABLE 7 B

CALCULATION OF TOTAL POSTAGE ON ONE-POUND PUBLICATIONS
CONTAINING 50 PER CENT ADVERTISING, RATES IN EFFECT 1934-1951

<u>Zone</u>	<u>Total Advertising Rate</u>	<u>Flat Rate on Reading Portion</u>	<u>Half Advertising Rate</u>	<u>Half Reading Rate</u>	<u>Total Postage</u>
1	1.5	1.5	.75	.75	1.50
2	1.5	1.5	.75	.75	1.50
3	2.0	1.5	1.00	.75	1.75
4	3.0	1.5	1.50	.75	2.25
5	4.0	1.5	2.00	.75	2.75
6	5.0	1.5	2.50	.75	3.25
7	6.0	1.5	3.00	.75	3.75
8	7.0	1.5	3.50	.75	4.25

evidence upon this question of second-class mail matter, because we did not have the nerve to report the thing out.

A Senator (John Williams of Mississippi) expressed himself on the 1917 increase as follows:

I know it is quite natural for us to be afraid of these papers. I am afraid of them myself. God knows if they told the truth about me I would have an awful time. But I am not going to act like a coward on this floor and let them scare me.... Now let me tell these gentlemen [the publishers], if they do not quit obstructing every possible effort that has been made for them to pay their just and fair share of taxes, they will meet with ruin sure enough; we may conclude to raise second-class postage to its right rate, and when we do that at least half of them will go out of business.²

When a Congressman objected, in subsequent hearings, that second-class rates ought to be considered on their own merits and not as war taxes, Representative Garner of the House Ways and Means Committee replied: "You realize, Mr. Johnson — at least, you have been a member of Congress long enough to realize — that the influence back of second class postage makes it impossible for the [House and Senate Post Office Committees] to pass any such bill, and that therefore the only chance we had was to make it a part of the war revenue bill, which could not be defeated."³

Publishers tried very hard, in succeeding years, to get some rates abolished or reduced. At the end of the war, their argument was

1. Congressional Record, LV, Part 2, 2155.
2. 65:1, Congressional Record, LV, Part 6, 6427.
3. 65:2, House Committee on Ways and Means, Hearings on Proposed Revenue Act of 1918, Part 3, Postal Rates, 1918, p. 2203.

that it was the only "war tax" that had not been repealed. ¹ Congressman Halvor Steenerson of Minnesota described the publishers' efforts as "an organized propaganda of the most sinister character." One important by-product of these pressures was that Congress instituted the cost ascertainment system. The history of how this came about was outlined by Congressman Jahn Hill (Maryland) as follows:

The publishers first proposed an investigation of the cost of the different classes of mail, but they wanted to reduce postage first, and then investigate. [Author's italics.] Congress then proposed to carry on an inquiry by the Department and the Joint Postal Commission and revise rates after the inquiry, but this the publishers have strenuously opposed....Some of the organs of the publishers have attacked the Joint Commission most bitterly and unfairly for no other conceivable reason than that they probably might aid in making public the truth in regard to this matter....Second class publishers are subject to criticism because they are seeking to influence public opinion and Congress by false pretenses. They are not now, and never have been, subjected to 'war taxes.'²

So it was, that as an outgrowth of decades of controversy over second class postage, the Post Office developed its first study of the allocation of costs and revenues to the various classes of mail and

1. Ibid. The entire section of these hearings on postal rates was evidently held in response to publishers' protests over zone rates. See also 66:2, Congressional Record, LIX, Part 7, 1920, 8816 and 66:2, House Committee on the Post Office and Post Roads, Second Class Postage Rates: Hearings, 1920. The House Post Office Committee introduced a bill, and held hearings thereon, to repeal "war tax" postage rates, and to appoint a commission to make a thorough investigation of the entire postal situation.

2. 67:4, Congressional Record, LXIV, Part 2, 1922, 1147-1148.

postal services. ¹ The cost study became a permanent feature of postal operations, and has been published annually for every fiscal year since 1926.

Publishers' Campaign to Reduce Second Class Postage in the 1920's

Although publishers were unsuccessful in getting the zone advertising rates reduced at the end of World War I, they continued an organized effort for many years, and attained at least partial success by 1928. Following is an account of the publishers' campaign from 1921 through 1928.

Printers' Ink reported in 1921 that a bill postponing the July 1, 1921 postage increase, and providing for a Joint Committee of the House and Senate to investigate the second class postage situation was being supported "as a temporary expedient" by the National Publishers' Association and the Associated Business Papers, and the newspapers. ² (This was one of the bills referred to by the Congressman previously mentioned. What happened was that Congress did not lower rates, or postpone the 1921 increase, but did appoint the Joint Postal Commission, and that its investigation finally resulted in the permanent adoption of the Cost Ascertainment system.)

In 1921 the New York Times sent a letter to the Postmaster General protesting against the zone rate system. Printers' Ink published the letter, with the observation that while it was written from the

1. 67:4, Congressional Record, LXIV, Part 3, 1922, 2406. See also 68:2, Senate Document: 142, 1924, p. 2. Congress provided in 1923 for cost ascertainment, as a completion of the work begun by the Joint Commission on the Postal Service.

2. "To Reconsider Second Class Postage Rates," Printers' Ink, 115 (June 23, 1921), p. 25.

standpoint of the newspaper publisher, the "inequities" described applied with equal force to magazines, farm papers, and the business press. Some of the arguments of the Times letter, which was a veritable broadside of criticisms, are summarized here. They are a good example of the type of testimony which House and Senate Post Office Committees have listened to, in enormous volume, through the years.

(The only new arguments that have been added since 1921 are the criticisms of the cost ascertainment, some of which are discussed in Chapter III.)

The Times argued that:

(1) The advertising zone law had imposed burdensome penalties. It had increased the postage expense of some of the larger newspapers by hundreds of thousands of dollars. "This financial burden has become so great that it might be called a confiscatory act of the government." The zone law had also imposed an undue penalty on advertisers. In order to meet the increased zone rates, newspapers had to raise their advertising rates.

(2) The zone postal law was a war measure. Further postage increases under an emergency revenue-producing measure that restricted the distribution of knowledge should certainly be repealed.

(3) It is worth something to the Government to have a general dissemination of news and intelligence.

(4) In many ways, second class mail is more important than first class mail. The newspapers distributed by second class mail contain quotations of the prices of "great fundamental agricultural and mineral products" of the country. These quotations "reach the humblest citizen and farmer."

(5) Express service is cheaper. The Post Office should meet express rates.

(6) The cost of transporting papers was not made a logical factor in devising the zone rates.

(7) In some zones, the Times paid more for postage than it

received from subscriptions. The alternative, to raise the subscription price, would result in a heavy loss of circulation in the distant zones, and would work less of an injury to the Times than to the country as a whole, because it would promote sectionalism.¹

In 1925, Congress was presented with the necessity of raising postal rates by President Coolidge's veto of a raise in pay for postal employees. The President asked that the pay increase be accompanied by postage increases which would provide the necessary revenue. It was at this time that the Post Office brought in its first recommendations for postal rate increases that were presumably based on the new cost ascertainment system. Actually, increases asked for on third and fourth class mail were far greater in proportion to their allocated deficits than the recommended increase on second class mail.

The publishers prepared to fight this new threat. It was reported that the postal committee of the National Publishers' Association had the "job of preventing a possible \$6 million levy on publishers." The Association, composed of hundreds of periodicals of all types — general, business, and agricultural, and including such nationally distributed magazines as Ladies' Home Journal, Atlantic Monthly, and Saturday Evening Post — had been formed in 1919 as a "defensive organization." Before the raise in postal employees' salaries became an issue in 1925, the Association had been trying to decrease the rates that had been placed on second class mail since the war.

"Because of the present emergency...the National Publishers'

1. Ibid., pp. 25-28.

Association...had to forego the work that had been done to obtain a decrease in second class postal charges and must now fight with back to the wall against the further threatened increase...." The National Publishers' Association was joined in its fight by the Agricultural Publishers' Association, the Associated Business Papers, the American Newspaper Publishers' Association, and others.¹

At the Senate Post Office Committee Hearings on the proposed rate increases, representatives of all these associations appeared. Many of the witnesses made the same three points in their testimony. They attacked the cost ascertainment as a basis for rate making. They asserted that the postal salary increase should not be tied to any postage increase on second class mail. And they criticized the zone advertising rate system and asked that these rates be reduced.

The representative of the Agricultural Publishers' Association claimed that since the 1917 increases, many farm papers had gone out of existence.² The owner of the Cleveland Plain Dealer said that if postage was increased, publishers would take newspapers out of the mails. They had already been switching to trucks because of poor train service. A rise in postage would mean further use of trucks.³ Another publisher stated that while a rate increase would not put him out of business, it would reduce his net return so much that it would make ownership of

1. "What an Advertiser Could Learn at a Publishers' Meeting," Printers' Ink, 129 (October 16, 1924), pp. 61-62.

2. 68:2, Senate Committee on Post Offices and Post Roads, Postal Rates: Hearings on S. 3674, a Bill Relative to Salaries...of Post Office Employees and an Increase of Postal Rates, 1925, p. 192.

3. Ibid., p. 258.

his paper a very unattractive investment.¹

The representative of the American Newspaper Publishers' Association (the largest metropolitan dailies) was one of those who attacked cost ascertainment.² So did Arthur J. Baldwin, vice president of McGraw Hill and representative of the National Publishers' Association.³ "As a basis for rate making, cost ascertainment is absurd."

The proposed legislation on which these 1925 hearings were held included rates for second class mail of 2 cents on the reading portion, and zone advertising rates of 4, 4, 5, 6, 7, 8, 9, and 10 cents.⁴ The final legislation did not raise the 1.5 cent rate on the reading portion, and provided zone advertising rates of 2, 2, 3, 6, 6, 9, and 9 cents. (See Table 7 A.) This was an increase in only one zone, the fourth, and was actually a decrease in the sixth and eighth zones. The law also had the net effect of reducing the number of zones to four.

Another Commission to investigate postage rates was appointed in this 1925 law. That was the Special Joint Sub-committee on U.S. Postal Rates which held hearings all over the country for 1 1/2 years, through December, 1926. The Sub-committee published hearings of 1,752 pages, and came up with almost no results. In 1926, publishers were represented by an organization called the American Publishers' Conference, which was a consolidated group composed of the National

1. Ibid., p. 267.

2. Ibid., p. 238.

3. Ibid., p. 104.

4. Ibid., p. 104.

Publishers' Association (the leading general magazines); Associated Business Papers (leading trade papers); Agricultural Publishers' Association (farm papers); the Southern Newspaper Publishers' Association (250 dailies in the South); and the National Editorial Association (12,000 small daily and weekly newspapers). When the representative of this group appeared at the 1926 hearings, he was asked whether he represented almost all of the users of second class mail. He replied that the only exception was the American Newspaper Publishers' Association (the large metropolitan dailies), whose representative was also present at the hearings.¹

Both the Publishers' Conference and the American Newspaper Publishers' Association asked for a return to the zone advertising rates of 1920 (the second in the four-step increase provided by the War Revenue Act of 1917). When asked why they wished to return to these particular rates, they pointed out that advertising rates in the first two zones of the 1920 rates were 1.5 cents, the same as the rate on reading portions.²

When the Special Joint Subcommittee was finally dissolved, it was unable to agree on any recommendations, and a majority and minority report were filed with Congress.³

A third set of rate hearings was held in 1928. Again the representatives of the two large publishers' organizations appeared and asked

1. Special Joint Subcommittee on U.S. Postal Rates, Postal Rates: Hearings, 1926, p. 1375.

2. Ibid., pp. 308, 1376.

3. "Slight Hope for Lower Postal Rates," Printers' Ink, 137, (December 23, 1926), 49-52.

for a return to the 1920 zone rates.¹ The legislation which resulted from these hearings in 1928 restored the 1920 zone rates in the first four zones, and in the last four zones established rates which were a "compromise between the 1920 and the 1921 rates."²

With the establishment of advertising zone rates for second class mail during World War I, the last major change in second class rates was accomplished. Although the rates listed in Table 7A may appear to be very formidable, the average postage received from second class mail in recent years has been about 2 cents per pound, the old pound rate of 1879. (See Chapter III.) It may have been that the war rates that finally took effect in 1921 brought in a slightly higher average revenue than 2 cents per pound. (Average revenue in 1926, a year in which second class rates were substantially the same as in 1921, was 2.26 cents per pound.) However, with the exception of the 2-year temporary depression increase in 1932, the 1928 rates remained in effect till 1951, and as Table 7A shows, second class rates in 1951 were lower than in 1921.

Development of Postage on Third and Fourth Class Mail, 1845-1951

Third and fourth class postage rates have been influenced by a

1. 70:1, House Committee on the Post Office and Post Roads, Regulating Postal Rates: Hearings on H.R. 9296, 1928, p. 108.

2. "Postal Bills Approved by Congress," Printers' Ink, 1-3 (May 31, 1928), p. 24.