

**Universal Postal Service:
A Policy History, 1790-1970**

by

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Prepared for the Postal Rate Commission

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Executive Summary

for
The President's Commission
on the United States Postal Service
January 24, 2003

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This report provides a historically deep and contextually rich legislative history of the Postal Reorganization Act's universal service provisions. It sketches the concepts, policies, practices, and controversies associated with universal postal service from 1790 to 1970.

Historical Overview

The term *universal service* was almost never used until postal reorganization, and even then it arose only rarely in discussions of postal matters. Although the precise boundaries of the concept or the meaning people attached to it shifted with time and place, universal service elements emerged in three phases. Most fundamental was mail delivery to the community. Next, both chronologically and hierarchically, was basic delivery to or near the household. Last was a household's access to a reasonable variety of mail services. In terms of the historical development, universal service first extended connections, then intensified them and, finally, struggled to sustain postal connections in a modern, predominantly urban society with multiple communication channels.

The earliest phase of universal service forged connections from seaboard cities to frontier communities in an effort to foster a sense of national cohesion. Beginning in the 1790s, Congress followed a two-pronged policy: through the designation of post roads, it built an infrastructure; through special services and rates for newspapers, it encouraged the press to take advantage of the infrastructure to disseminate political information. As the mails became an important channel for social and especially business correspondence, the high cost of letter postage induced merchants to turn to alternative delivery systems. The decline in letter postage, which provided much of the post office's revenue, threatened funds for the extension of service in the West and South. In 1845, Congress substantially strengthened the postal monopoly and sharply reduced letter postage.

Significantly, lawmakers reduced the number of letter-postage zones in 1845 and nearly eliminated them in 1851. Thus, by the mid-1800s, Congress had established a national network and rate policy that encouraged the long-distance exchange of news and correspondence between thousands of cities and towns.

The second phase, roughly the 1860s to the 1920s, brought the benefits of a national postal system to residents' front doors. In 1863, Congress authorized letter carriers to deliver mail directly to city residents. Perhaps the most significant innovation in advancing universal service was Rural Free Delivery. The service itself was important, but it also created a constituency for other high-quality postal operations in the countryside. This constituency pressed vigorously for parcel post. Rural residents wanted access to the merchandise of an urban consumer society and national marketers wanted a truly national distribution network. Parcel post satisfied both. The parcel post debate also focused attention on the dual nature of periodicals, which used highly subsidized rates to disseminate information and culture as well as promote commerce through advertising. In 1917 Congress devised a two-pronged policy that charged a flat rate for newspapers' and magazines' editorial content but a zoned rate on their advertising. Thus, by the 1920s universal service meant that the vast majority of Americans enjoyed regular mail deliveries to their doorstep or country lane and could obtain news or exchange correspondence without distance materially increasing their postage.

After the 1920s, the post office attempted to maintain costly features of universal service, notably those for rural patrons, in the face of mounting deficits and competing media. The problems fueled ongoing deliberations about the proper arrangement for financing public services, one impetus in the drive toward postal reorganization. The 1968 President's Commission on Postal Organization (the Kappel Commission) believed that the increasingly competitive nature of the communication environment furnished a major reason to overhaul the postal system. It regarded rural operations as an integral part of a unified system and did not consider the costs of maintaining them a subsidy properly chargeable to the Treasury. The Kappel Commission also concluded that the post office's monopoly over basic services deserved to be retained to protect universal service. When the Kappel Commission's recommendations reached Congress, many lawmakers were concerned that the emphasis on creating a business-like postal establishment would lead to cuts in operations historically associated with universal service. They pressed for assurances, most visible in the Reorganization Act's statement of policy, of the continued commitment to provide nationwide service and to show special solicitude for rural postal operations. Universal postal service was the principal thread of continuity that tied the new U.S. Postal Service to the old Post Office Department.

Conclusions

Several conclusions emerge from this history of universal service:

1. Connecting sparsely populated areas to the national postal system has long been a major objective of universal service. In practical and symbolic terms, the advent of Rural Free Delivery marked an important watershed in postal history. Before the late 1800s and the inauguration of RFD, most Americans lived in rural areas. RFD blossomed at the moment in American history when urban culture began to noticeably eclipse rural culture. RFD attempted, paradoxically, to save the latter by facilitating access to the former. Many of the universal service elements embodied in the Postal Reorganization Act trace their lineage directly to Rural Free Delivery or the expectations cultivated by RFD. The association of the small-town post office with a community's identity and economic vitality is a prime example.

2. Changes in universal postal service reflected shifts in the values assigned to political, economic and social information. This was most evident in the types of information postal policy favored. The earliest manifestations of universal service—post roads connecting levels of government and privileges encouraging the long-distance flow of political information—fostered political connections. By the mid-1800s, postal policy began facilitating the long-distance flow of economic information. And by the turn of the century, the national postal network had become a channel for social information in the form of personal correspondence and mass-produced media content found on the pages of magazines and newspapers. Unzoned postage for letters and the editorial content of publications promoted these trends.

3. Ever since the advent of RFD, universal service has been a key component in the development of a truly nationwide system for marketing consumer goods. RFD brought ads on the pages of magazines to millions of rural households. Parcel post delivered the products whose sales were stimulated by those ads. Although residents of the countryside clamored for parcel post, large-scale merchandisers welcomed it, more quietly, just as well.

4. Nonpostal communication media and package delivery companies did not eliminate the need for the post office's services. A succession of new communication technologies—film, radio, and television—created mechanisms to distribute mass-produced information. But their messages flowed only one way. The post office, in contrast, remained an institution that facilitated the *exchange* of information. Before

1970, only the telephone, and to some extent the automobile, supplemented the mails as two-way communication channels. In terms of distributing parcels, both rural residents and merchandisers insisted from the advent of parcel post up to reorganization that no private companies provided the truly universal delivery service maintained by the post office.

5. Before 1970, financing universal service always involved some combination of appropriations from the Treasury and cross-subsidies. Although the post office was created with a break-even philosophy, Congress quickly altered its revenue expectations to maintain the rapid development of a postal network on the frontier. By the 1830s, universal service was financed by two types of cross subsidies: One was geographic, shifting profits from surplus-producing routes in Northeastern states to the sparsely settled West and South; the other was by mail type, with letter postage underwriting the circulation of newspapers and subsidizing the expensive routes. Those who regarded universal service components as a public service typically argued for charging their costs to taxpayers. Those who regarded them as parts of an indivisible network instead believed they should be treated as institutional costs charged to all mail users, a philosophy first enunciated during passage of the 1845 postal reform law.

6. The private sector figured in the history of universal postal services in three major ways: First, the development of new communication and transportation technologies created private-sector substitutes for the postal delivery of information and materials. Second, private-sector services occasionally filled gaps left in the postal system. Third, the post office's efforts to maintain its monopoly over certain delivery services involved continual skirmishes with private firms. Lawmakers intuitively understood cream-skimming from the earliest days of the U.S. Post Office. They acted forcefully in 1845 to curtail private expresses that siphoned off revenue needed for continuing expansion of the postal system.

7. Throughout the nineteenth century, perhaps until the New Deal, the post office stood as the most visible sign of the federal government in the daily lives of many citizens. Besides the contents of the mails, which forged bonds between people and groups, the postal network itself—buildings, vehicles, postmasters, routes, and symbols—also helped cultivate a sense of nationhood. Furthermore, Congress discovered that the Post Office Department's ubiquitous presence could serve a number of purposes—disseminate federal information, protect the public welfare by policing the mails, assist other federal agencies that needed a local presence, and more.

8. Although the post office was the first information system to adopt some universal service goals, the phrase itself arose in the early 1900s in connection with

telephony. The term *universal service* was coined to denote the interconnection of competing telephone systems and was often used to clothe business or institutional strategies with the trappings of public interest. The concept and policy has also arisen in connection with broadcasting and other communication networks.

9. Finally, the concept of universal service often engages other key principles of communication policy—localism, marketplace of ideas, public access, nondiscriminatory treatment, and the like. Sometimes these coexist comfortably with universal access; for instance, universal service and a marketplace of ideas usually complement each other. But sometimes these principles confound one another. For instance, localism and universal service involved contradictory policies: encouraging the long-distance flow of information undermined local outlets for expression. These relationships and tensions frequently affected the development of policies for universal postal service.

*Publications and Other Work
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Consultant, PRC, May-Sept. 1995. Prepared a report, *A History of Mail Classification and Its Underlying Policies and Purposes* (posted at <prc.gov> under papers) and testified as part of a proceeding to revise the structure of the four mail classes.

Adviser, National Postal Museum (Smithsonian Institution), 1992. Prepared and reviewed scripts for exhibits.

Consultant, American Business Press, the trade organization of business magazines, July-Dec. 1990. Prepared report on the origin of certain aspects of postal policy and testified before the Postal Rate Commission in the 1990 rate case.

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Acknowledgements

I would like to thank Linda Lawson plus the staff members of the Government Publications Division of the University of Washington Libraries for their assistance with this project.

1. Introduction

The oldest communication network in the United States—the mails—strived to offer universal service decades before Congress formally adopted such a policy. Although the nation’s earliest postal laws acknowledged the value to the nation of a far-reaching postal system, and a number of mid-nineteenth-century laws and operations advanced this goal, it was not until the advent of Rural Free Delivery in 1896 that Congress begin implementing a policy of delivering mail to nearly every household. And mail delivery to every household was only one component of the comprehensive universal service policy. In the Postal Reorganization Act of 1970 (PRA), Congress declared universal service the fundamental objective of postal operations and delineated some of the ways in which this objective was to be achieved. But for the most part, the 1970 act simply made explicit an implicit universal service concept that had been fashioned during 180 years of postal policymaking, debates, and experiences.

The Reorganization Act’s Universal Service Provisions

Despite the Postal Reorganization Act’s unmistakable mandate to provide universal service, the phrase itself never appears in the 1970 legislation. (For reasons explained in section 2, the term *universal service* is most closely associated with telecommunications and did not enter popular discourse until the drive to break up AT&T gained momentum in the late 1970s.) Nevertheless, the concept of universal service suffuses the law that governs the United States Postal Service today. Tangible signs of the universal service mandate appear in the 1970 law’s overall statement of policy, in repeated references to “nationwide,” in the special solicitude shown for rural services, and in certain features of the postal rate structure.

The PRA's overall policy statement formally established universal service as a cornerstone of the nation's postal policy by noting that the "United States Postal Service . . . [is a] fundamental service provided to the people by the Government. . . ." The act then underscored the importance of nationwide postal operations:

The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities. The costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall value of such service to the people.¹

Under general duties, the PRA directs the Postal Service to "receive, transmit, and deliver [mail] throughout the United States. . . ." ² The Postal Service also has to "maintain postal facilities" so "that postal patrons throughout the Nation will, consistent with reasonable economies of postal operations, have ready access to essential postal services."³ In short, "The Postal Service shall serve as nearly as practicable the entire population of the United States."⁴

Rural areas receive particular attention in the Reorganization Act's articulation of postal policy:

The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.⁵

Congress reinforced this general mandate in 1976 amendments to the PRA by adding a section that prescribed a procedure and specific criteria to be used in closing post

¹ Postal Reorganization Act, sec. 101(a).

² Ibid., sec. 403(a). Similarly, sec. 403(b)(1) directs the Postal Service "to maintain an efficient system of collection, sorting, and delivery of the mail nationwide."

³ Ibid., sec. 403(b)(3).

⁴ Ibid., sec. 403(a).

⁵ Ibid., sec. 101(b).

offices.⁶ Concerns about the consolidation of rural post offices prompted this amendment.⁷

A few of the PRA's provisions about rates and classifications also relate to universal service. Rates should generally "maintain and continue the development of postal services of the kind and quality adapted to the needs of the United States."⁸ Although none of the eight ratemaking criteria established by the 1970 PRA expressly addresses universal service, the law requires that they be applied "in accordance with the policies of this title," a reference to nationwide service "bind[ing] the Nation together," attention to the quality of rural services, and more.⁹ More specifically, the law requires the Postal Service to offer at least one mail class for the transmission of letters with rates that "shall be uniform throughout the United States. . . ."¹⁰ Another section of the 1970 law similarly provides that rates on books, films and kindred materials "shall not vary with the distance transported" even if handled as a subclass of the otherwise zoned parcel post.¹¹

Purpose and Scope of the Study

This study sketches the concepts, policies, practices, and controversies associated with universal postal service from 1790 to 1970. In a sense, this report provides a historically deep and contextually rich legislative history of the Postal Reorganization Act's universal service provisions. Several general questions guide this inquiry: What did universal service mean at different times and to different parties? What was the particular import of this policy for rural America? What specific policies—especially mandated services and rate structures—did Congress

⁶ Act of Sept. 24, 1976, 90 Stat. 1303, 1310.

⁷ Richard J. Margolis, *At the Crossroads: An Inquiry into Rural Post Offices and the Communities They Serve* (Washington, D.C.: Government Printing Office, 1980), 1.

⁸ Postal Reorganization Act, sec. 3621.

⁹ *Ibid.*, sec. 3622(b). A ninth criterion was added in 1976. Although none of the criteria uses language that directly invokes universal service, several clearly have implications for this policy. For instance, the value of mail service to senders and recipients, the availability of alternative means of sending material, and "the educational, cultural, scientific, and informational value to the recipient of mail" (added in 1976) embody elements evident in the history of universal postal service. *Ibid.*, sec. 3622(b)(2),(5),(8).

¹⁰ *Ibid.*, sec. 3623(d).

¹¹ *Ibid.*, sec. 3683(a).

devise to advance universal service? Why did it create them? How did the Post Office Department translate policy into practice? And how was universal service financed?¹²

This report is divided into eight parts. The next section, part 2, examines universal service as a concept and policy in other communication contexts. Part 3 looks at efforts through the mid-1800s to bind the nation together with postal services. Part 4 reviews the policies—most notably rural free delivery, parcel post and the unzoned editorial rate for periodicals—that endeavored to upgrade postal service for patrons in rural areas. Part 5 sketches the Post Office Department as a symbol of the federal government and as a ubiquitous presence in national life. Part 6 examines the private sector as a substitute, contributor and competitor to the government’s universal postal service. Part 7 starts in the mid-1900s and traces aspects of universal postal service as they developed through policies that culminated in the 1970 Postal Reorganization Act. Part 8 summarizes the report and draws conclusions; it also serves as an executive summary.

¹² The Postal Rate Commission’s statement of work for this study reads as follows:

The contractor will prepare a report that will trace the development of the concept of Universal Service in the United States from the origins of the nation to the Postal Reorganization Act of 1970. In contemporary use the term “Universal Service” with respect to Postal Services has been used to denote several concepts. These include ubiquity of delivery and collection services, reasonable access to retail service in all areas and especially sparsely populated regions, uniform pricing with respect to location, affordable prices and reasonable levels of service. Accordingly, the Contractor will research legislative, executive branch, judicial, scholarly and other available resources to develop an analysis of the manner and extent to which how the concept of Universal Service developed during the history of United States Post Office Department, from its foundation up to passage of the Postal Reorganization Act of 1970. Among other germane topics, the analysis shall address the development of post roads, the establishment of post offices, the introduction of city delivery, the introduction of rural free delivery and the establishment of parcel post.

2. Universal Service in Different Communication Contexts

Universal service expectations arise in many different contexts, most involving networked systems that perform basic public functions. Although the postal service was the first system for the transmission of information—and the first to incorporate elements of universal service—this policy objective has received its fullest exposition in connection with telephony. Broadcasting also presents some universal service issues. And public utilities such as electrical and natural gas systems raise issues about universal service.¹

As an exercise in comparative policymaking, this section briefly reviews how the concept and policy of universal service arose in non-postal communication contexts. This part of the inquiry will rely heavily on secondary sources.

Origins of the Concept in Telecommunication Policy

The oldest telecommunication technology, telegraphy, triggered decades of debate about the ubiquity and equality of service in the information network it fostered. Born as an operation of the Post Office Department in 1844, the telegraph shifted to the private sector when Congress abandoned its commitment to the new technology. Telegraphy's explosive growth after 1846 quickly tied major cities to one another but left large sections of the nation offline or underserved for many decades. With a hierarchical network structure, the telegraph system favored larger nodes (major cities) over smaller ones in the quality of service. The rise of the telegraph as the nation's nervous system for the transmission of market and financial

¹ Robert W. Crandall and Leonard Waverman, *Who Pays for Universal Service? When Telephone Subsidies Become Transparent* (Washington, D.C.: Brookings Institution Press, 2000), 69-89.

intelligence brought complaints about information inequities. Residents of rural areas, especially those in the Midwest, West, and South, pointed out that cities in their own regions but particularly the Northeast obtained more information—and acquired it faster—than small towns. Thus, in making decisions about commodity or financial transactions, those in small towns acted with inferior intelligence—less or older information—than those in larger towns. This perceived inequity in telegraphic service fueled a campaign that lasted from 1870 until 1920 for the “postalization” of the telegraph, putting control of the wires in government hands. Proponents believed that a telegraph system operated by the post office—the arrangement in virtually every other country—would provide more uniform and equitable service to the nation.²

Since the telegraph did not reach individual households, the issue of access to services remained largely one of the divide between regions and between urban and rural areas. The advent of the telephone, however, shifted the debate about the ubiquity and uniformity of service to the household level. The phrase *universal service* originated in connection with telephony and in that context has prompted the greatest scrutiny by scholars and policymakers. Historians agree that AT&T President Theodore N. Vail popularized and perhaps coined the phrase in 1907, but they divide into three or four camps in the meaning attached to universal service in the development of the nation’s telephone system.³

The standard interpretation, reflecting AT&T’s view of its own corporate history, assigns considerable weight to the vision of the company’s founders and early managers. From the start, Alexander Graham Bell and others, most notably Vail, envisioned a system that would tie offices and households into a seamless national network.⁴ AT&T invoked the term *universal service* in 1907 as part of its campaign—“the first, most persistent, and most celebrated of the large-scale institutional advertising campaigns of the early twentieth century”—to bring order to

² For an overview of the issues surrounding the telegraph, information equity and policy initiatives, see Richard B. Kielbowicz, *Postal Enterprise: Post Office Innovations with Congressional Constraints, 1789-1970* (report prepared for the Postal Rate Commission, 2000), 51-62.

³ The following analysis is heavily indebted to Richard R. John, “Theodore N. Vail and the Civic Origins of Universal Service,” *Business and Economic History* 28 (Winter 1999), 71-81.

⁴ For such an account, see Ithiel de Sola Pool et al., “Foresight and Hindsight: The Case of the Telephone,” in *The Social Impact of the Telephone*, Ithiel de Sola Pool, ed. (Cambridge, MIT Press, 1977), 130-32. As John notes in “Civic Origins of Universal Service,” 71, the Pool book grew from an AT&T-sponsored conference.

a fragmented and competitive telephone industry.⁵ The campaign's slogan, "One Policy, One System, Universal Service," anchored AT&T ads, speeches and reports intended to persuade Americans that telephony functioned best under unified control. In this context, universal service conveyed three messages for AT&T. First, it reminded policymakers and potential customers that its long-distance lines formed the backbone of a nationwide system. Second, acknowledging the thousands of independent (i.e., non-Bell) companies, it suggested that the public was best served when all systems were coordinated by one party—AT&T. Third, the phrase *universal service* conveyed a sense that the company worked in the public interest, not just for stockholders, an important consideration at the time when Congress regularly heard proposals to "postalize" the nation's telephone system. This public-mindedness of "Ma Bell" meant that AT&T would willingly cooperate with state and federal regulators to extend telephony's benefits through such policies as subsidies for rural and residential service.

Milton Mueller forcefully challenges this interpretation in the most detailed analysis of universal service's origins.⁶ Mueller, in fact, suggests that AT&T crafted its version of universal service's history to help fend off 1970s' and 1980s' antitrust initiatives that ultimately broke up the company. In Mueller's account, AT&T had little interest in extending telephone service to underserved areas unless it clearly profited the firm (and often it did not). Initially, AT&T's patents gave it tight control over the development of the industry. Once the patents expired in 1893 and '94, however, thousands of small and medium-sized rivals sprang up until half the nation's cities had two or more phone companies. Customers on one system usually could not call those on another. This competition forced AT&T to cut its rates in many markets. In 1907, the J. P. Morgan banking interests persuaded Vail to return to the company to revive its flagging fortunes. Instead of competing with the many independents, Vail offered to interconnect with strategically placed rival systems, a prelude to absorbing many of them. In this account, universal service simply meant interconnections among existing systems and served as a steppingstone to AT&T's emergence as a regulated semi-monopoly.

⁵Roland Marchand, *Creating the Corporate Soul: The Rise of Public Relations and Corporate Imagery in American Business* (Berkeley: Univ. of California Press, 1998), 48. Marchand provides a splendid, well-illustrated account of the public information campaign in his chapter "AT&T: The Vision of a Loved Monopoly."

⁶Milton L. Mueller, Jr., *Universal Service: Competition, Interconnection, and Monopoly in the Making of the American Telephone System* (Cambridge: MIT Press and Washington: AEI Press, 1997). See also Amy Friedlander, *Natural Monopoly and Universal Service: Telephones and Telegraphs in the Communications Infrastructure, 1837-1940* (Reston, Virginia: Corporation for National Research Initiatives, 1995), 39-82.

Mueller's revisionist account recasts the conventional view of universal service in several respects. First, universal service decidedly did not mean ubiquitous service; it simply denoted the policy of interconnecting competing telephone systems into a larger network of greater utility to the public.⁷ Second, the extension of telephone service to new customers—advancing ubiquity—stemmed more from the competition between the independent companies and Bell than it did from AT&T's actions as a regulated monopoly.⁸ Third, specific policies associated with universal telephone service, notably cross-subsidies that shifted costs from business and long-distance callers to underwrite affordable residential service, served AT&T's business strategies because of the industry's accounting practices.⁹ In short, Mueller accuses AT&T of crafting its own history of universal service that retroactively rationalized the company's position as regulated monopolist at a time when its position was being challenged by new competitors (e.g., MCI) and government regulators.¹⁰ Of course, that makes Mueller's history a brief for other parties in recent telecommunication policy debates.¹¹

Yet another interpretation inverts the causation, looking to customers rather than company managers as the driving force behind universal service. Sociologist Claude S. Fischer argues that the Bell Co. operated with a limited vision of the telephone system's potential. Many company managers had come from the telegraph industry and regarded the new technology as another tool for businesses. With this mindset, the Bell Co. discouraged social uses of the phone until nearly 1920. According to Fischer, potential telephone customers in small towns clamored for service but Bell saw little profit in accommodating them. Taking the initiative

⁷ Mueller, *Universal Service*, 4-10, 92-103.

⁸ *Ibid.*, 4-10.

⁹ *Ibid.*, 150-62.

¹⁰ *Ibid.*, 163-64.

¹¹ Mueller notes that his study of universal service was prompted in large part because of its implications for current debates over monopoly and competition in telecommunication services:

This book reframes the debate about universal service. If the standard historical assumptions about regulated monopoly's role in the creation of universal service are true, then nations considering competition and liberalization must control and limit competitive forces to promote universal access. If, on the other hand, dual service competition played a critical role in the development of a ubiquitous telephone infrastructure, and that experience accounts for the tremendous U. S. lead in the extension of telecommunications service, government policies should be very different. Mueller, *Universal Service*, 10.

themselves, especially after Bell's patents expired, residents of small towns and the countryside created their own telephone systems. Although AT&T had little interest in extending service to most residences, it was happy to tie rural systems to its moneymaking long-distance lines. In this view, universal service—ubiquitous telephony—was created from the bottom up.¹²

The last interpretation credits postal operations and policies with providing a model for universal service in telephony. Richard R. John notes that postal laws enacted after the adoption of the Constitution promoted the long-distance circulation of public information and, half a century later, the cheap-postage campaign extended postal benefits to social correspondence. The “civic rationale for communications policy,” inspired by several decades of postal experience, “best explains the origins of universal service as a business strategy at AT&T,” John writes. “Universal service was, at bottom a cultural heritage with an unmistakably political cast, rather than an intrinsic attribute of the new technology, or a fortuitous byproduct of the impersonal workings of the competitive market.” Moreover, John finds a tangible connection between postal experience and universal service in telephony. Before initially joining the Bell Co. in 1878 (he rejoined in 1907), Vail worked as superintendent of the Railway Mail Service. Furthermore, Gardiner G. Hubbard, Alexander Graham Bell's father-in-law and the company's chief promoter in its first two decades, had long organized against Western Union for slighting the public in its telegraph operations by emphasizing service to businesses. Hubbard, in fact, had lobbied for a postal telegraph before his involvement with the telephone. Also, the continual efforts between 1870 and 1920 to postalize the telegraph and telephone involved repeated comparisons between the mails and telecommunications; the campaign essentially called for extending the public service attributes of the post office to telecommunications. In short, John argues, the concept of universal service, though not the phrase itself, originated in postal policy and influenced expectations of subsequent information networks.¹³

Discussions of universal telephone service almost always point to the use of cross-subsidies and low-cost loans as tools in making access nearly ubiquitous. As a

¹² Claude S. Fischer, *America Calling: A Social History of the Telephone to 1940* (Berkeley: Univ. of California Press, 1992); Fischer, “The Revolution in Rural Telephony, 1900-1920,” *Journal of Social History* 21 (Fall 1987), 5-26; Fischer, “Technology's Retreat: The Decline of Rural Telephony, 1920-1940,” *Social Science History* 11 (Fall 1987), 295-327; Fischer, “‘Touch Someone’: The Telephone Industry Discovers Sociability,” *Technology and Culture* 29 (January 1987), 32-61.

¹³ John, “Civic Origins of Universal Service,” 74-79, quote at 75. See also John, “The Politics of Innovation,” *Daedalus* 127 (no. 4, 1998), 207-10.

strategy to undercut rivals, AT&T had long lowered rates in some markets where it faced competition and offset lost revenue by raising charges in others where it was firmly entrenched.¹⁴ This kind of cross-subsidy, of course, was not part of a public policy to increase the number of households with phones. But beginning in the 1940s, telephone companies, in conjunction with federal and state regulators, began using another kind of cross-subsidy that had such an effect. Costs of providing local residential service were increasingly recovered from revenues generated by AT&T's long-distance service. Mueller considers this an outgrowth of struggles among state and federal regulators in figuring how to allocate costs used as the basis for setting rates. Only retroactively, he argues, did AT&T and the FCC style this cost shifting a form of a universal service policy.¹⁵ Whatever the intention, shifting costs to long-distance made residential service cheaper and "help[ed] promote the spread of affordable local telephone service," according to the Government Accounting Office.¹⁶ The universal service goal appeared more concretely in a 1949 law that directed the Rural Electrification Administration (REA) to promote the adoption of telephones through low-interest loans and technical assistance. By the mid-1980s, the REA's \$7.7 billion in support had helped raise the penetration rate in rural areas to 90 percent.¹⁷

Universal Service in Broadcasting

The phrase *universal service* rarely appears in discussions about broadcast policy and yet elements of it can be found in the legislation that guided the medium's development. For broadcasting, universal service meant reasonable access to programming for citizens everywhere (ubiquity) and equity in the geographic distribution of stations for the expression of local culture (localism).

As Congress crafted the first broadcast legislation in the mid-1920s, lawmakers considered different models of a broadcast system for the nation. One envisioned a relatively small number of high-powered stations broadcasting from cities to audiences across large regions. This arrangement promised to concentrate

¹⁴ John V. Langdale, "The Growth of Long-Distance Telephony in the Bell System, 1875-1907," *Journal of Historical Geography* 4 (no. 2, 1978), 145-59.

¹⁵ Mueller, *Universal Service*, 155-62.

¹⁶ Government Accounting Office, *Telephone Communications: Issues Affecting Rural Telephone Service* (Washington, D.C.: GAO, 1987), 20.

¹⁷ Don F. Hadwiger and Clay Cochran, "Rural Telephones in the United States," *Agricultural History* 58 (July 1984), 221-38; GAO, *Telephone Communications*.

resources that would facilitate the production of high-quality, or at least costly, programs. The disadvantage, of course, was that most communities would have no outlets for local broadcast expression. Conversely, a large number of lower-power stations could be licensed across the nation. Under this model, communities would have their local outlets, but originating quality programming could be expensive.¹⁸ Congress left considerable licensing discretion to the Federal Radio Commission (FRC) created by the Radio Act of 1927. But it did direct the commission to distribute licenses and frequencies “among the different States and communities as to give fair, efficient, and equitable radio service to each of the same.” Lawmakers further exhibited their concern about the distribution of service by dividing the nation into five zones and by requiring that one commissioner be selected from each.¹⁹

The zone system and the admonition for equitable distribution proved insufficient for Congress. During its first year, the Federal Radio Commission favored large, chain-owned stations with high-power assignments. Congress responded in 1928 with the Davis amendment, which forced the FRC to reallocate stations equally among the five zones, resulting in more for the West and South.²⁰

When Congress adopted the Communications Act of 1934, the foundation of federal telecommunication broadcast policy until 1996, lawmakers also strengthened the universal service mandate. The 1934 act consolidated regulation of communication common carriers (telegraph and telephone), formerly the province of the Interstate Commerce Commission, and regulation of broadcasting, formerly the responsibility of the Federal Radio Commission, in a new agency, the Federal Communications Commission (FCC). In language that partly anticipated the Postal Reorganization Act’s policy statement, Congress directed the FCC “to make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges. . . .”²¹ Milton Mueller dismisses this expression of

¹⁸ George H. Rogers, “The History of the Clear Channel and Super Power Controversy in the Management of the Standard Broadcast Allocation Plan” (Ph.D. dissertation, Univ. of Utah, 1972); Philip T. Rosen, *The Modern Stentors: Radio Broadcasting and the Federal Government, 1920-1934* (Westport, Conn.: Greenwood Press, 1980), 65-68.

¹⁹ Radio Act of 1927, secs. 3 and 9, 44 Stat. 1162, 1166.

²⁰ Act of March 28, 1928, 45 Stat. 373; Robert W. McChesney, *Telecommunications, Mass Media, and Democracy: The Battle for the Control of U. S. Broadcasting, 1928-1935* (New York: Oxford Univ. Press, 1993), 21, 124-25.

²¹ Communications Act of 1934, sec. 1, 48 Stat. 1064.

policy as irrelevant to an understanding of universal service—he claims that it was merely boilerplate language unsupported by legislative history—but he considers only the common carrier side of the act in line with his focus on telephony.²²

In fact, Congress devoted considerable attention to the nationwide equitable availability of services, at least in broadcasting. Over the objections of the Federal Radio Commission,²³ Congress retained the five-zone system and the 1928 Davis amendment language about equality of service. Congress declared “that the people of all the zones established by this title are entitled to equality of radio broadcasting service, both of transmission and of reception” and, to the extent possible, the FCC was to promote within each zone equality of service among the states “according to population.”²⁴

In 1936, however, Congress repealed the zone system and the mandate that all states be treated equally in terms of station assignments. The FCC had discovered that sparsely populated states could not sustain the number of radio stations being licensed for urban areas. But the new statutory language continued a preference “insofar as there is a demand” for assigning licenses “among the several States and communities as to provide a fair, efficient, and equitable distribution of radio service to each. . . .”²⁵ In the FCC’s licensing scheme, this preference became the local service objective or localism. For broadcast policy, then, universal service meant licensing stations, first radio and then television, in as many communities as possible, ostensibly protecting opportunities for local expression over the airwaves. But the economics of programming forced many local stations to seek affiliations with national networks, ceding control over primetime programming to a handful of distant producers.²⁶

²² Mueller, *Universal Service*, 5-6, 151.

²³ E. O. Sykes, chairman of the Federal Radio Commission, explained the FRC’s objections during Senate hearings on the bill. *Federal Communications Commission: Hearings on S. 2910 Before the Senate Committee on Interstate Commerce*, 73rd Cong., 2nd sess. 39-43 (1934). The language about equality of service received attention during the floor debates. See *Cong. Rec.*, 73rd Cong., 2nd sess. 3768, 5206 (1934) (remarks of Rep. White opposing repeal of Davis amendment).

²⁴ The zone system is found at sec. 302, 48 Stat. 1064, 1081. For debate about retaining the zones as a way to ensure roughly equal nationwide availability of service, see, e.g., *Cong. Rec.* 3681, 3691-93 (1934).

²⁵ Act of June 5, 1936, ch. 511, sec. 1, 49 Stat. 1475.

²⁶ Douglas H. Ginsburg, Michael H. Botein, and Mark D. Director, *Regulation of the Electronic Mass Media* 2d ed. (St. Paul: West Publishing Co., 1991), 158-79; Bruce M. Owen, *Economics and Freedom of Expression: Media Structure and the First Amendment* (Cambridge, Mass.: Ballinger), 104-12.

Implications for Postal Policy

The place of universal service in the development of the telephone and broadcast systems suggests some insights for this study of the postal system. First, universal mail service was just one part of a larger societal commitment to promote access to communication services. Second, the concept has been freighted with many different meanings. In some contexts, but not all, universal service denoted ubiquity. Third, the phrase was invoked, sometimes retroactively, to clothe business or institutional strategies with the trappings of public interest. Fourth, universal service involved seemingly antithetical elements such as encouraging nationwide communication while creating opportunities for local expression. Fifth, universal service was driven partly by a bottom-up impetus, reflecting the desires of customers as well as those of managers and policymakers. Sixth, universal service often involved cross-subsidies or at least some cost imposed on the whole system to maintain key components. Last, the nation's postal experience possibly shaped conceptions of universal service in other communication realms.

3. Building the Nation's Postal System

Three policy imperatives drove the extension of postal services in the nation's first half century and each contributed a strand to the notion of universal service. First was the civic rationale that a republican government rested on an informed electorate; this manifested itself as policies that promoted the widespread circulation of public information. Second, concerns about unequal private access to economic intelligence prompted modest efforts to improve its availability through the *public* information network. And third, mid-century reform efforts democratized use of the mails for social purposes by cutting letter rates and facilitating home delivery. Together, these initiatives constructed a postal system that facilitated not just communication on a national scale but also communication of a character that shaped the nation.

Promoting the Diffusion of Political Intelligence

The most pronounced thrust of the first postal policies was to assure the widespread diffusion of political intelligence. Striving for universal postal service strained the limited resources of the young republic but was thought essential in helping the nation cohere at a time of fragile nationalism and in assisting the mechanisms of a republican government. Three postal policies advanced this goal of making political intelligence universally available: setting cheap, relatively flat newspaper postage; allowing editors to exchange newspapers postage-free; and promoting a post-road network that linked the different levels of government.

Low, flat newspaper postage. For the first quarter of a century under the Constitution, the commitment to promote the circulation of political news through the mails stood virtually unchallenged. Even antagonistic political factions generally

supported the policy of preferential rates for newspapers. Federalists assumed that the widespread circulation of news and political discourse buttressed a strong central government by fostering nationalism and promoting party cohesion. At the same time, Republicans hoped that their party papers carried through the mails would inform constituents of Federalist abuses.¹

The plan adopted by Congress in 1792 created two rate zones for newspapers. Those sent up to 100 miles paid 1-cent postage, and papers mailed any greater distance, 1.5 cents. Letter postage, in contrast, was divided into nine zones, ranging from a minimum of 6 cents per sheet for delivery up to 30 miles to a maximum of 25 cents per sheet for any distance beyond 450 miles. The disparity between newspaper and letter postage was striking, especially considering differences in size. A typical newspaper was three to four times the size of a one-sheet letter. A four-sheet letter mailed beyond 450 miles paid \$1 postage when a newspaper could be dispatched the same distance for 1.5 cents.²

During congressional debates leading to the 1792 act, no one seriously proposed setting newspaper rates at the same level as those for letters. Only the number of zones for newspaper postage promoted disagreement. Some lawmakers pressed for absolutely flat postage. “Newspapers contained general information, and ought to come to the subscribers in all parts of the Union on the same terms,” a Massachusetts congressman argued; he thought a flat half-cent rate was enough.³ Another Massachusetts representative, Elbridge Gerry, emerged as the most vigorous advocate of low, uniform newspaper rates. He reasoned that a self-governing nation could thrive only when public information flowed without impediment:

However firmly liberty may be established in any country, it cannot long subsist if the channels of information be stopped. . . . [T]he House ought to adopt measures by which the information, contained in any one paper within the United States, might immediately spread from one extremity of the continent to the other; thus the whole body of the citizens will be enabled to see and guard against any evil that may threaten them.⁴

¹ The policy debates leading to the first postal laws, especially provisions dealing with newspapers, are detailed in Richard B. Kielbowicz, *News in the Mail: The Press, Post Office, and Public Information, 1700-1860s* (New York: Greenwood Press, 1989), 31-56.

² Post Office Act of Feb. 20, 1792, 1 Stat. 235, 238.

³ *Annals of Congress*, 2nd Cong., 1st sess. 285 (1791) (remarks of Rep. Shearjashub Bourne).

⁴ *Ibid.*, 289 (1791).

A North Carolina congressman applauded the bill in a circular to his constituents, writing that the people of his state would no longer be “in the dark in regard to the affairs of the general government.”⁵

The nearly unanimous support for cheap, almost flat newspaper postage is most striking.⁶ Political theorists of the Revolutionary generation generally doubted that a country as geographically and socially diverse as the United States could remain intact, at least without coercion.⁷ The Whiskey Rebellion, which unfolded as Congress labored over the first postal policy, underscored the federal government’s inability to address innumerable local concerns at a time of poor transportation and communication. The rebellion arose from a number of grievances, many associated with the distance of western Pennsylvania from the seat of federal power.⁸ In *Federalist* No. 84, Alexander Hamilton anticipated the problem as well as the solution for a nation fraying at the edges: “[P]ublic papers will be expeditious messengers of intelligence to the most remote inhabitants of the Union.”⁹

The 1792 law setting newspaper postage was the first step in a policy, closely associated with universal service, that culminated in the flat rate for editorial content still in place today. The first noteworthy adjustment in the policy came in the 1840s and ’50. Responding to local editors who complained about out-of-town newspapers carried long distances by post, Congress eliminated postage on newspapers that circulated within 30 miles of the office of publication. Congress withdrew the privilege in 1847 but reinstated it in 1851 as free circulation in the county of publication. The in-county privilege, which has survived to the present in a modified form, did not represent a retreat from the older policy of providing universal access to publications through the mails. Giving hometown editors and their readers this favorable treatment was regarded as simply equalizing the effects of postal services.¹⁰

⁵ Circular from John Steele, Jan. 15, 1792, in *Circular Letters of Congressmen to Their Constituents, 1789-1829*, ed. Nobel E. Cunningham, Jr. (Chapel Hill: Univ. of North Carolina Press, 1978), 1:9.

⁶ A few lawmakers did express concerns that low, uniform newspaper postage would bring city newspapers into direct competition with their smaller rural counterparts but even their proposed rates for papers were modest compared to those for letters. Kielbowicz, *News in the Mail*, 33-34.

⁷ Gordon S. Wood, *The Creation of the American Republic, 1776-1787* (Chapel Hill: Univ. of North Carolina Press, 1969), 499-503.

⁸ Thomas P. Slaughter, *The Whiskey Rebellion: Frontier Epilogue to the American Revolution* (New York: Oxford Univ. Press., 1986).

⁹ *The Federalist Papers*, Clinton Rossiter, ed. (1788; reprint ed. New York: New American Library, 1961), 517.

Postage-free printers' exchanges. Another postal policy—postage-free exchanges among newspaper editors—further underscored lawmakers' desire to assure the widest availability of public information, especially news about politics. Long before the advent of press associations, editors obtained non-local information by culling out-of-town newspapers, their so-called exchanges. On one level, this policy connected editors; on another level, exchanges connected a diverse people and their institutions.¹¹

The policy grew from a colonial-era custom of allowing printers to exchange their papers postage-free through the mails. The 1792 postal law formalized the practice: “[E]very printer of newspapers may send one paper to each and every other printer of newspapers within the United States, free of postage, under such regulations, as the Postmaster General shall provide.”¹² With this inconspicuous beginning, the federal government committed itself to providing a service indispensable to the newspaper industry—relaying information about non-local affairs. Almost all newspapers emphasized foreign and national news, the bulk of which came through the mails in exchange papers or private correspondence. On the eve of the War of 1812, for example, frontier papers borrowed more than seven times as much news as they produced locally.¹³

Probably only a few printers took full advantage of the privilege—exchanging with every paper in the country—but many did maintain lengthy exchange lists. An 1843 count of newspapers in the mail suggests the volume of exchanges. During one month, a half million exchanges, 16.5 percent of all newspapers mailed, were delivered in the thirty states and territories. Each publisher received an average of 364 exchanges during the 31-day period.¹⁴ The postmasters general repeatedly called

¹⁰ Postal Reform Act of 1845, 5 Stat. 733; Act of March 3, 1847, 9 Stat. 200-202. For the debates leading to creation of the in-county privilege and its later development, see Richard B. Kielbowicz and Linda Lawson, “Protecting the Small-Town Press: Community, Social Policy and Postal Privileges, 1845-1970,” *Canadian Review of American Studies* 19 (Spring 1988), 23-45.

¹¹ On exchanges generally, see Kielbowicz, *News in the Mail*, 141-61.

¹² Act of Feb. 20, 1792, 1 Stat. 238. Most of the debate occurred in the House. See *Annals of Congress*, 2nd Cong., 1st sess. 284-90 (1791).

¹³ Donald R. Avery, “The Newspaper on the Eve of the War of 1812: Changes in Content Pattern, 1808-1812” (Ph.D. dissertation, Southern Illinois Univ., 1982), 171-72. For evidence of the emphasis on non-local news before the 1830s, see David Russo, “The Origins of Local News in the U.S. Country Press, 1840s-1870s,” *Journalism Monographs* 65 (February 1980).

¹⁴ Senate Report No. 50, 28th Cong., 1st sess (1844); William A. Dill, *Growth of Newspapers in the United States* (Lawrence: Dept. of Journalism, Univ. of Kansas, 1928), 79.

for some limits on exchanges, but Congress left the original privilege intact until it eliminated it entirely in 1873.¹⁵

The societal value of exchanges was most noticeable in the political realm for they helped construct a national political network. Federal officials of the early republic believed that exchanges exerted a nationalizing influence: through this special mail service, a small-town paper was tied to the county seat, statehouse, and federal capital. Early parties maintained their cohesion and coordinated activities by sharing like-minded papers. But the essence of the exchange system was reciprocity, so the party papers in state capitals as well as Washington, D.C., received a great deal of political intelligence from towns throughout the nation. By reprinting many exchange items, editors of leading party organs synthesized a national political community that transcended strictly local orientations.¹⁶

An extensive system of post roads. The nationwide circulation of political intelligence—indeed, all information—depended on a network of postal routes created under Congress’s constitutional authority to “establish Post Offices and post Roads.” The practical meaning of this power presented a number of questions in the first decade after the Constitution, but by the early 1800s Congress had moved toward the position of extending postal services to nearly all towns that requested it.¹⁷

Despite some calls for the federal government to finance new post roads, Congress expected state and local governments to fund construction. The Cumberland or National Road was a visible exception to this rule, but the congressional authority was generally understood as meaning the power to designate existing roads as post roads. Even the power to designate, though, stimulated local and state governments to upgrade their transportation infrastructure.¹⁸

¹⁵ On the postmasters general’s complaints, see Kielbowicz, *News in the Mail*, 146-55. The Act of March 3, 1873, 17 Stat. 559, eliminated exchanges (discussed below in section 6).

¹⁶ Samuel Kernell, “The Early Nationalization of Political News in America,” *Studies in American Political Development* 1 (1986), 255-78; Richard B. Kielbowicz, “Party Press Cohesiveness: Jacksonian Newspapers, 1832,” *Journalism Quarterly* 60 (Autumn 1983), 518-21.

¹⁷ See Lindsay Rogers, *The Postal Power of Congress: A Study in Constitutional Expansion* (Baltimore, MD: Johns Hopkins Press, 1916), chap. 3.

¹⁸ On post roads as a kind of internal improvement, see John L. Larson, *Internal Improvements: National Public Works and the Promise of Popular Government in the Early United States* (Chapel Hill: Univ. of North Carolina Press, 2001), 46-48.

Most strikingly, the imperative to establish universal service quickly trumped the belief that postal operations should be extended only where revenues would cover costs. Initially, the post office operated as a unit of the Treasury, suggesting to some contemporaries and historians that it should be regarded as a revenue generator for government. A more common and moderate view, at first, was that individual routes should cover their costs. But the procedure followed in deciding whether to extend service to new areas essentially guaranteed that all towns of any consequence would be connected to the postal network. At first, the postmaster general designated post routes and was guided in part by revenue expectations. With the Post Office Act of 1792, however, Congress began directing the postmaster general to contract for mail delivery on routes that lawmakers themselves specified. From that date until the closing of the frontier in the late 1800s, Congress directed the postmasters general to inaugurate service on new routes that lawmakers delineated in excruciatingly detailed postal acts.¹⁹

With this arrangement, frontier communities began flooding Congress with petitions asking for mail service. The House Committee on the Post Office and Post Roads, with members from most states, proved particularly responsive and serious petitions were rarely if ever ignored, assuring the rapid expansion of postal facilities to newly settled areas. Congress sporadically worried about unproductive routes, especially when deficits became chronic after the War of 1812. Postal laws would direct the postmaster general to report unproductive routes to Congress and sometimes gave the department leeway to discontinue revenue-losing services, but the laws still protected essential operations. For instance, the 1814 postal law decreed that the “Courthouse of any county” in a state or territory deserved service even if it meant continuing an unproductive route.²⁰ Thus, through most of the nineteenth century, new towns clamored for service and Congress obliged with a policy that effectively transferred revenues earned in the Northeast to underwrite routes in the rest of the nation.²¹

¹⁹ Richard R. John and Christopher J. Young, “Rites of Passage: Postal Petitioning as a Tool of Governance in the Age of Federalism,” in *The House and Senate in the 1790s: Petitioning, Lobbying, and Institutional Development* eds. Kenneth R. Bowling and Donald R. Kennon (Athens: Ohio Univ. Press for the U. S. Capitol Historical Society, 2002), 100-38.

²⁰ Post Office Act of April 18, 1814, 3 Stat. 130, 132-33.

²¹ “By 1840, postal officers were routinely transferring to postal operations in the South Atlantic, the [Old] Northwest [states around the Great Lakes], and the Southwest 12 cents of every dollar in revenue that they generated in New England and almost 50 cents of every dollar in revenue that they generated in the Mid-Atlantic states.” Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge: Harvard Univ. Press), 49-53, quote at 49. On the details about expanding post roads, and the triumph of service over revenue concerns, see Wesley E. Rich, *The History of the United States Post Office to the Year 1829* (Cambridge: Harvard Univ. Press,

Equalizing Access to Economic Information

The first communication policy of the United States, expressed in postal laws, was predicated on the relationship of the mails to governance and politics. By the 1820s and '30s, the rationale for providing reasonable service to all settled areas shifted perceptibly. Policy debates reflected a growing concern about the availability of economic, not just political, information. Government was called upon to democratize access to market information.

The economic rationale for universal and fairly equitable postal service is most evident in the establishment of postal expresses. Businesses with exclusive intelligence about the state of distant markets were able to capitalize on their information by buying or selling at favorable prices. Producers and commodity brokers acting without the latest information complained that they had to await the arrival of the much slower mails with newspapers, prices current (newsletters reporting prices in important markets) and letters. The post office launched its first express in 1825 to balance the informational advantage speculators enjoyed from their access to the latest prices for cotton in Liverpool. In May 1825, the postmaster general solicited bids from contractors willing to establish an express to connect northeastern commercial centers with the cotton-producing regions. A North Carolina newspaper near the route predicted the postal express would provide “to all the news of important changes in the markets, to put a stop to the system of speculation which has lately been so extensively practiced by individuals of one commercial town on those of another who were not possessed of the same means of information.”²² The post office operated another express in the early 1830s that ran between Washington, D.C., and New York City to relay political news that influenced the financial markets.²³

Lawmakers justified the maintenance of high-quality postal services in sparsely settled areas because they democratized access to economic information. In 1834, senators representing Tennessee and Illinois reported that the “whole Western country is deeply interested in keeping up this route [New York to New Orleans], cost

1924), 68-110, 162-69; Edward G. Daniel, “United States Postal Service and Postal Policy, 1789-1860” (Ph.D. dissertation, Harvard Univ., 1941), 26-59, 107; M. Elliot Vittes, “Postal Service and the Public: A Case Study in Public Policy” (Ph.D. dissertation, Univ. of Massachusetts, 1983), 39-56.

²² *Fayetteville Observer*, May 19, 1825, reprinted in *Niles' Weekly Register* 28 (May 28, 1825), 194.

²³ See Kielbowicz, *News in the Mail*, 164-65, for a discussion of these early expresses.

what it may—without it they might be exposed to the dangers of sacrificing the products of their labor without obtaining a fair equivalent.” These two Senate allies of President Andrew Jackson noted that buyers and their agents operated private expresses to gain “that advantage which those acting with a knowledge of the state of the market in other parts of the world always have over those who do not possess similar information.” These Jackson Democrats argued that residents of western communities deserved postal services even when revenues did not cover expenses.²⁴

Two years later, Congress authorized the post office to offer express service on any post road. Predictably, the first express route connected two great commercial centers, New York City and New Orleans. Within two years, four major lines were operational. Horseback riders carried the mails except where railroads or steamboats offered faster service. On major routes, the expresses cut delivery time by half. The post office’s expedited service was discontinued in 1839 as the speed of the regular mails—using more railroads and steamboats—approached that of the expresses.²⁵

Democratizing Letter Mail

Despite the post office’s success in extending service to thousands of communities, its operations remained elitist in one important respect—high, steeply zoned letter rates discouraged the use of the mail for correspondence. Although Congress had created a network that assured the nearly universal circulation of political intelligence and other public information, individuals’ social communication by mail remained rare. This changed in the mid-1800s with an overhaul in the letter postage rate structure and with the formal extension of city carrier service.

Cheap letter postage. Few people exchanged letters through the mails before the 1840s and those who did were, by most accounts, merchants using the posts for business or people with specialized needs such as ministers corresponding with parishioners who had moved away. The high letter rates, with postage calibrated to distance and the number of sheets enclosed, discouraged use of the mails for social communication. A Rhode Island congressman estimated in 1845 that the postage on a letter sent from the seaboard to a Great Lakes state cost the equivalent a day’s

²⁴ *Minority Report of Senate Committee on Post Offices and Post Roads*, June 9, 1834, in *Register of Debates in Congress*, 23rd Cong., 1st sess., appendix, 241.

²⁵ Delf Norona, “The Express Mail of 1836 to 1839,” *American Philatelist* 56 (September 1943): 774-85; Norona, “Further Notes on the Express Mail of 1836-39,” *American Philatelist* 57 (September 1943), 33-35; Kielbowicz, *News in the Mails*, 167-70.

wages. The Post Office Acts of 1845 and 1851 sharply reduced letter postage and ended the distance differential.²⁶

The American cheap postage movement, patterned after its British counterpart, increased the tempo of its lobbying efforts in the 1840s. The movement's major premise held that a radical reduction in rates would increase the volume of mail and thus produce enough revenue to cover expenses. Advocates pointed to the success the British enjoyed when they implemented such a plan in 1840. Some postal officials, however, countered that English policy could not be easily transplanted to an expansive, sparsely settled country. But other postal officials and lawmakers embraced the postal reform as a way to curtail the growth of private mail companies whose intracity and intercity services siphoned off a large portion of the lucrative letter mail. Letter revenue, the source of the newspaper subsidy, was fast being lost to private express companies.²⁷

In relatively short order—from 1845 to 1852—Congress eliminated the distance differential for letters and newspapers. The Post Office Act of 1845, popularly known as the Postal Reform Law, represented the first noteworthy overhaul of the rate structure since 1792. It charged letters by weight instead of sheets and collapsed five zones into two. Letters of one-half ounce now paid 5 cents for conveyance up to 300 miles and 10 cents beyond. Furthermore, the law tightened strictures against the private delivery of letters along post routes (see section 6 for a discussion of this law and the postal monopoly).²⁸ The Act of March 3, 1851, brought further victory to postal reformers, at least in regard to letters. The law reduced postage and extended the first zone. A letter could be carried up to 3,000 miles for 3 cents postage prepaid, 5 cents if collected on delivery. Letters sent beyond 3,000 miles paid double rates.²⁹

²⁶ On the volume and type of letter mail, see John, *Spreading the News*, 158-59; Alan R. Pred, *Urban Growth and the Circulation of Information: The United States System of Cities, 1790-1840* (Cambridge: Harvard Univ. Press, 1973), 78-82.

²⁷ Joshua Leavitt, "The Post Office Department," *Hunt's Merchants' Magazine* 9 (November 1843), 436-44; Richard R. John, Jr., "The Campaign for Cheap Postage, 1840-1852: A Neglected Antebellum Reform Movement" (paper presented to the Society for Historians of the Early American Republic, July 1987); A. D. Smith, *The Development of Rates of Postage* (London: George Allen & Unwin, 1917), 74-76.

²⁸ 5 Stat. 732-33.

²⁹ 9 Stat. 587-88.

A year later Congress eliminated the slight zone differential still in effect for newspapers. The 1852 postal law provided that a newspaper of 3 ounces or less could circulate anywhere in the United States for 1-cent postage. Another cent was charged for each additional ounce or fraction thereof.³⁰ Zoned newspaper rates would have a tendency “to denationalize this Union,” observed William H. Seward, a New York Whig. “[W]e shall be divided and classified into states and communities destitute of the means of maintaining communication and sympathy with each other.”³¹

Even with the prospect of reduced revenues from the lower letter and newspaper postage, Congress reaffirmed its commitment to continue extending mail service. The 1851 act directed that

no post-office now in existence shall be discontinued, nor shall the mail service on any mail route in any of the States or Territories be discontinued or diminished, in consequence of any diminution of the revenues that may result from this act; and it shall be the duty of the Postmaster-General to establish new post-offices, and place the mail service on any new mail routes established, or that may hereafter be established, in the same manner as though this act had not passed.³²

The 1851 and 1852 laws marked the culmination of the cheap postage campaign that first gained momentum in the early 1840s. Proponents of cheap postage believed that the lower rates would stimulate enough growth in volume that it would compensate for lower unit costs and still finance a continued extension of service. In fact, these two hallmarks of universal service—flat postage for letters and newspapers plus service to newly settled areas—became so entrenched that Congress did not seriously entertain for decades a return to the 1790s’ policy of a break-even postal service.³³

Free city delivery. The rapid expansion of the postal network and the concomitant reduction in postage did not bring mail directly to patrons’ households. Through most of the nineteenth century, people called for their mail at the local post office. Free delivery to the household, a cornerstone of universal service today, was first authorized in 1863 and grew slowly thereafter.

³⁰ Act of Aug. 30, 1852, 10 Stat. 38-39. See Kielbowicz, *News in the Mail*, 86-90, for the legislative history of the 1852 act.

³¹ *Congressional Globe*, 31st Cong., 2nd sess., appendix, 266 (1851).

³² 9 Stat. 590.

Before 1863, a few patrons did enjoy delivery to their house or business—for an extra fee. A 1794 postal law allowed local postmasters to employ letter carriers if the postmaster general approved. Carriers received no salary but could collect 2 cents for each letter and 1 cent for each newspaper beyond the regular postage. Patrons informed the local postmaster if they were willing to pay for this extra service. A city the size of New York in the mid-1800s used 22 carriers to provide one delivery a day in the business districts and delivery three times a week elsewhere. Most people, however, simply called at the post office to pick up their mail. Offices in larger cities had multiple general delivery windows, often one reserved for women. Merchants employed errand boys to stand in the queues or, increasingly, rented a box at the post office to avoid the long and sometimes rowdy lines.³⁴

Free delivery service began on July 1, 1863, in 49 of the largest cities where revenue from local postage supposedly could cover the carriers' salaries. During the next three decades, Congress authorized the postmaster general to extend the service to cities with a specified minimum population or postage revenue. An 1887 law mandated letter carrier service in communities of 50,000 or more people and gave the postmaster general discretion to offer it in smaller towns producing post office revenue of at least \$10,000 a year. This rule governed the establishment of free city delivery service through the mid-1900s. By 1957, the post office employed 97,284 regular letter carriers, plus 36,319 substitutes and part-time workers, at 5,277 city delivery offices. When towns became eligible for free letter-carrier service, the local postmaster worked with city officials to improve the conditions for house-to-house delivery: paved sidewalks, marked intersections, streetlights, and house numbers. Individual mailboxes became mandatory in 1916 to save carriers the time lost while waiting for residents to come to the door. Frequency of delivery varied among towns because of the differences in the arrival and departure of the mails, and within a community business districts often enjoyed more daily service than the residential areas.³⁵

³³ Daniel, "United States Postal Service," 110-12; Clyde Kelly, *United States Postal Policy* (New York: D. Appleton and Co., 1931), 62-87.

³⁴ U. S. Post Office Dept., *History of City Delivery Service* (Washington, D.C.: Government Printing Office, 1959), 3; Alvin F. Harlow, *Old Post Bags: The Story of the Sending of a Letter in Ancient and Modern Times* (New York: D. Appleton and Co., 1928), 396-402; Carl H. Scheele, *A Short History of the Mail Service* (Washington, D.C.: Smithsonian Institution Press, 1970), 91-92.

³⁵ Post Office Dept., *City Delivery Service*, 3-5, 9; Marshall Cushing, *The Story of Our Post Office* (Boston: A. M. Thayer & Co., 1893), 226-33.

4. Extending Service to Rural America

By the close of the nineteenth century, universal service had come to mean nationwide uniform postage for letters and periodicals, a network that connected all towns, and delivery to many residents' doorsteps. The most noticeable gap in true universal service was the relatively poor access to the postal network for people living in the countryside. The inauguration of Rural Free Delivery (RFD) aimed to narrow this gap between urban and rural service. With the opening of the countryside to the mails, the postal system became a channel for nationwide marketing. Parcel post proved particularly valuable in this respect. But the increasingly commercial nature of the mails raised troubling questions about the public service value of subsidizing the long-distance transmission of advertising-laden publications. Although Congress eventually adopted zoned postage for publications' advertising contents, it maintained its commitment to encourage the nationwide circulation of news and other public information.

Rural Free Delivery

“The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining,” the Postal Reorganization Act commands in its statement of policy. “[T]he specific intent of the Congress [is] that effective postal services be insured to residents of both urban and rural communities.”¹ This 1970 legislative pronouncement reaffirmed a policy initiative that began with RFD in the 1890s.

¹ Postal Reorganization Act, sec. 101(b), 84 Stat. 719. In 1976, Congress substantially strengthened the statutory provisions protecting postal service in rural areas, spelling out criteria to be used in closing small post offices. Postal Reorganization Act Amendments, sec. 404(b), 90 Stat. 1310.

Residents of rural America had to await RFD before they realized the full benefits of a national postal network. In 1890, only about 19 million of the nation's 76-million inhabitants enjoyed free mail delivery.² Most disadvantaged were residents who lived along country lanes outside towns. Farm families typically went to town and the post office about once a week. One person might pick up the mail for several households, a practice that facilitated sharing the country weeklies and the few national monthly magazines that reached rural lanes, and the trip also provided an opportunity to shop.³ Members of Congress representing rural constituencies increasingly pointed to the inequities in a system that provided daily free delivery to city households while requiring country residents—half of all Americans—to travel, often many miles, to retrieve their mail.⁴

While the Grange and other rural groups pressed for improved services, many in the Post Office Department worried about the costs of extending delivery into the sparsely populated countryside. But Postmaster General John Wanamaker, appointed in 1889, championed rural delivery as the first step in expanding the department's operations to include a parcel post, a postal telegraph and telephone, and a postal savings bank. Securing a small appropriation from Congress, Wanamaker began an experimental free delivery service in 46 communities. Although Wanamaker proclaimed the rural free delivery experiment a success in his 1891 annual report to Congress, the initiative actually tested the feasibility of delivery in small towns and villages rather than on roads running into the countryside.⁵

Wanamaker's successors recommended against the extension of free delivery to small towns and resisted spending money Congress appropriated for tests of a true rural free delivery service.⁶ Postmaster General William L. Wilson reluctantly launched an experimental service in 1896 using \$40,000 provided by Congress.⁷

²Wayne E. Fuller, *RFD: The Changing Face of Rural America* (Bloomington: Indiana Univ. Press, 1964), 14. This work is far and away the best single source on RFD.

³Albert Britt, *An America That Was: What Life Was Like on an Illinois Farm Seventy Years Ago* (Barre, Mass: Barre, 1964), 92-95.

⁴Wayne E. Fuller, *American Mail: Enlarger of the Common Life* (Chicago: Univ. of Chicago Press, 1972), 75.

⁵1891 *Annual Report of the Postmaster General*, 6, 82-89, 117-29; 1892 *Annual Report* 11-14.

⁶1893 *Annual Report* ix; 1895 *Annual Report* 8.

⁷1896 *Annual Report* 25, 129.

After testing service in several states and on routes with various conditions, Wilson pronounced rural delivery a success. "The general results obtained have been so satisfactory as to suggest the feasibility of making rural delivery a permanent feature of postal administration in the United States . . . in some gradual and graded form. . ."⁸ Congress increased the appropriations for the still-experimental RFD in each of the next several years. The addition of routes enlarged RFD's constituency. Congress received countless petitions and in 1902 ended the experimental phase by putting RFD on a permanent footing. The postmaster general advised Congress that rapid extension would increase the department's deficits in the short term but that, once widely established, RFD would generate new revenue.⁹

The 1902 law authorized the postmaster general to establish free-delivery service in rural communities.¹⁰ Patrons themselves initiated the process. Using petition forms from the department, residents seeking RFD affirmed that "not less than three-fourths of the heads of families and others to be supplied thereby shall agree to patronize the service and provide boxes for the reception of their mail." Furthermore, they had to maintain the roads in "good condition."¹¹ In most cases, the post office provided tri-weekly delivery on newly established rural routes.¹²

In 1914, Postmaster General Albert S. Burleson complained about the haphazard development of rural delivery and the estimated \$40 million it drained from the Treasury.¹³ With the assistance of the fourth assistant postmaster general, who supervised rural services, Burleson endeavored to reorganize rural delivery. Among other changes, post office headquarters directed that carriers use automobiles on rural routes where the roads would permit.¹⁴ With realigned and often longer rural delivery routes, some patrons found that their mail service no longer originated in a nearby town in which they had customarily shopped. Complaints from patrons, local postmasters, and small-town merchants poured into post office headquarters and

⁸ 1897 *Annual Report* 105.

⁹ 1902 *Annual Report* 14-15.

¹⁰ Act of April 21, 1902, 32 Stat. 107, 112-13, chap. 563.

¹¹ 1913 *Postal Laws and Regulations* 403-04.

¹² 924 *Postal Laws and Regulations* 318.

¹³ 1914 *Annual Report* 34.

¹⁴ 1915 *Annual Report* 22-25.

Congress.¹⁵ Lawmakers responded with a 1916 law that protected rural delivery in two ways. First, Congress enunciated a more forceful general policy: “Rural mail delivery shall be extended so as to serve, as nearly as practicable, the entire rural population of the United States.”¹⁶ At the time, the department claimed that “83 per cent of the rural population is receiving convenient mail service”—26.3 million by rural routes, 10 million by fourth-class post offices, and 520,000 by star routes.¹⁷ Second, Congress divided rural routes into two classes: horse-drawn vehicle routes 24 miles long and motor-vehicle routes 50 miles long. By law, motor-vehicle delivery could be established only when a majority of the patrons along the proposed route petitioned the department for such service.¹⁸ This slowed the introduction of motorized-delivery vehicles along rural routes and kept the routes shorter so patrons were more likely to be served from a nearby town.

The configuration of routes and RFD generally did affect the social and economic landscape of rural America. While the *number* of routes increased slowly after 1912, and declined after 1920, the total RFD *mileage* grew steadily (see Table 4.1). As routes lengthened and started at post offices farther from RFD patrons, residents of farm communities interacted less frequently with nearby towns and took some of their business elsewhere. “[W]hen rural routes came through an area, many of the little fourth-class post offices disappeared, and with them went the identity of the community and finally the community itself,” historian Wayne Fuller has observed. “In Reno County, Kansas, for example, rural delivery eliminated sixteen post offices in ten years.”¹⁹

Farm families found that RFD tied them into a national communication and marketing network. Regular receipt of correspondence reduced rural isolation, but the most striking change in rural residents’ communication patterns was their consumption of big-city newspapers and national magazines. More than one billion pieces of second-class mail, exceeding all other kinds of mail combined, were

¹⁵ Fuller, *RFD*, 146-56.

¹⁶ Act of July 28, 1916, 39 Stat. 412, 423.

¹⁷ 1916 *Annual Report* 208-09.

¹⁸ Act of July 28, 1916, 39 Stat. 412, 423.

¹⁹ Fuller, *RFD*, 283-86, quote at p. 283.

Table 4.1
Rural Free Delivery, 1897-1958

Year	RFD Routes	RFD Mileage	Annual Appropriation	Annual Cost	Post Offices
1897	82	1,843	\$40,000	\$14,840	71,022
1902	8,298	186,252	4,089,075	4,089,041	75,924
1907	37,728	883,117	28,200,000	26,661,555	62,659
1912	42,199	1,021,492	42,790,000	41,859,422	58,729
1920	43,445	1,151,832	68,800,000	75,795,110	52,638
1930	43,278	1,334,842	107,000,000	106,665,041	49,063
1940	32,646	1,401,690	91,600,000	91,447,713	44,095
1950	32,619	1,493,365	163,500,000	162,787,400	41,464
1958	31,465	1,615,994	(see notes)	226,551,649	36,308

Notes: Before fiscal year 1952, funds for rural delivery were provided by direct appropriation; after 1952, they were included under "Operations" in the annual appropriations for the department. When annual costs exceeded the appropriation, the excess expenditures were covered by a supplemental appropriation.

Sources: U. S. Post Office Dept., *Rural Delivery Service From Its Beginning* (Washington, D.C.: Government Printing Office, 1958), 7; U. S. Bureau of the Census, *Historical Statistics of the United States* (Washington, D.C.: Government Printing Office, 1960), 496.

delivered over rural routes in 1911, and the volume doubled before 1930.²⁰ Daily newspapers recognized that rural delivery overcame the barrier—distance—that had kept them from tapping a large pool of potential subscribers; their subscription agents canvassed the countryside. "The daily newspapers have never had such a boom in circulation as they have since the free rural delivery was established," a leading trade journal for the newspaper industry proclaimed in 1902.²¹

The daily papers drew residents of the countryside into regional, national, even international communities. A farmer 200 miles from Kansas City and 12 miles from the railroad could get international news less than half a day old. A country editor related the following scene in 1907:

Out in the Middle West the other morning, a dozen miles from town, a farmer rode on a sulky plough turning over brown furrows for the new crop. "I see by today's Kansas City papers," he began as a visitor came alongside, "that there is trouble in Russia again."

²⁰ 1911 *Annual Report* 613; 1929 *Annual Report* 135-38.

²¹ *Editor & Publisher*, March 29, 1902, p. 4.

“What do you know about what is in today’s Kansas City papers?”

“Oh, we got them from the carrier an hour ago.”²²

Surveys of Nebraska and Missouri farmers in the 1920s found that three-fourths took at least one daily paper.²³

Various types of nationally circulating magazines availed themselves of RFD. Farm publications could more easily reach their principal readership. Most important were popular magazines that offered vivid articles on a variety of topics in well-illustrated formats. And a special breed of national magazine, the mail-order journal, was especially interested in reaching reader-consumers outside of towns and some distance from the nearest store. These publications, mostly from far-away cities, competed with locally produced small-town newspapers for the readership—and advertising patronage—of households along RFD routes.²⁴

Parcel Post

RFD’s success heightened demand for another mail service, parcel post. Delivery routes radiating from small towns provided an infrastructure, and the advertising-filled periodicals now reaching farmers’ lanes stimulated the demand for mail-order merchandise. Though perhaps hard to appreciate today, parcel post was one of the most contentious public policy issues in turn-of-the-century America. Several dimensions in this policy debate relate directly to universal service: First, a government parcel post promised to carry packages to rural areas ignored by the private delivery companies. Second, rural Americans sought easier access to the wider range of goods available in cities—and merchandisers sought a way to reach these customers. Third, the Post Office Department sought to maximize the use of its existing nationwide infrastructure by completing the suite of postal services available to reader-consumers. Other issues in the debate related only indirectly to universal service and will not be explored here: A parcel post would bring the United States into line with international postal standards (this does bear on universal service on an

²² Charles M. Harger, “The Country Editor Today,” *Atlantic Monthly* 99 (January 1907), 93.

²³ Fuller, *RFD*, 295; Daniel J. Boorstin, *The Americans: The Democratic Experience* (New York: Random House, Vintage Books, 1973), 118-36.

²⁴ Theodore Peterson, *Magazines in the Twentieth Century* 2d ed. (Urbana: Univ. of Illinois Press, 1964), 1; Frank Luther Mott, *A History of American Magazines* (Cambridge: Harvard Univ. Press, 1957), 4: 336-42, 364-68; Boorstin, *Democratic Experience*, 118-36.

international level); and Progressive-era politicians saw this government service as a way to punish, or discipline, private-sector railroads and express companies.²⁵

Before the inauguration of parcel post on January 1, 1913, the post office charged 1 cent an ounce for any parcel weighing less than 4 pounds and refused to deliver heavier packages. This amounted to \$320 a ton when the same haul cost \$1.90 at railroad freight rates or about \$28 as railway express. Montgomery Ward and Co. estimated in 1911 that it shipped about 82 percent of its orders by freight, 10 percent by express, and only 8 percent by mail. The express companies expedited packages; alternatively, the slower but cheaper freight services handled loads above 100 pounds.²⁶

Express companies' parcel business burgeoned in the late 1800s as various mail-order merchandisers, most notably the big catalogue houses—Montgomery Ward (1872) and Sears, Roebuck and Company (1887)—began offering their wares to the nation. From the start of the parcel post campaign, proponents, notably the Grange, accurately predicted that a government service would particularly help rural Americans. Small-town residents often had only one or two modestly stocked general stores at which they could conveniently shop; farm families living along country lanes had trouble reaching even these. Rural Americans began to demand that the post office carry parcels at a competitive rate because express companies refused to serve isolated regions and, where service existed, the absence of real competition led to high and uneven rates. Also, the people's growing resentment of railroads and railway expresses as powerful and abusive institutions fueled the parcel post movement.²⁷ When the Interstate Commerce Commission finally scrutinized

²⁵ Only one postal historian, Wayne E. Fuller, has noted the extent to which parcel post intruded into the private sector. See Fuller, *RFD*, 199-233. This book provides the best overview of parcel post's general history. See also Fuller, *The American Mail*, 181-88; Boorstin, *The Americans: The Democratic Experience*, 109-45.

For an analysis of the debates about government getting into the parcel delivery business, see Richard B. Kielbowicz, "Government Goes Into Business: Parcel Post in the Nation's Political Economy, 1880-1915," *Studies in American Political Development* 8 (Spring 1994), 150-72; and on the implications of parcel post for rural America, see Richard B. Kielbowicz, "Rural Ambivalence Toward Mass Society: Evidence from the U.S. Parcel Post Debates, 1900-1913," *Rural History* 5 (Spring 1994), 81-102.

²⁶ Senate Document No. 485, 62nd Cong., 2nd sess. 3 (1912); *Parcel Post: Hearings Before the Subcommittee on Parcel Post of the Senate Committee on Post Offices and Post Roads under S. Resolution 56*, 62nd Cong., 2nd sess. 882 (1911-12) (testimony of Ward's general manager) [hereafter cited as 1912 *Senate Hearings*].

²⁷ Charles M. Gardner, *The Grange: Friend of the Farmer* (Washington, D.C., 1949), 116-17; Thomas J. Schlereth, "Country Stores, County Fairs, and Mail-Order Catalogues," in *Consuming*

railroad-express industry ties, its report basically corroborated what the pro-parcel post muckrakers had been telling magazine readers for several years: Express companies double charged and over charged, refused to tell customers about free delivery areas beyond rail depots, sent shipments by circuitous routes to inflate costs, discriminated among customers, and more.²⁸

Postal officials and some lawmakers increasingly believed that adding parcel post to the suite of other mail services made good business sense because it capitalized on the department's unrivaled and underutilized nationwide infrastructure. Postmaster General John Wanamaker, founder of the Philadelphia department store, argued that expanding services would put the post office on a more businesslike footing. "[P]arcels post is a success wherever it is in operation" around the world, he proclaimed in 1891, blaming the "four great express companies" for blocking it in the United States.²⁹ After RFD blossomed, proponents of parcel post noted that carrying packages could help fill rural carriers' partly loaded wagons. In fact, RFD carriers earlier had started using extra space in their mail wagons to deliver parcels for patrons along their routes until postal officials and Congress curtailed the practice. Nonetheless, this unplanned test heartened parcel post advocates and strengthened claims that the postal system's underutilized capacity could efficiently accommodate additional services.³⁰ And some pointed out that the post office already had the unprofitable business, delivering parcels under four pounds to sparsely settled parts of the country, leaving the more lucrative shipments to the express firms. A full-fledged parcel post would develop profitable routes that compensated for the unprofitable ones found in any system promising universal service. Parcel post, in sum, would

Visions: Accumulation and Display of Goods in America, 1880-1920, ed. Simon J. Bronner (New York: Norton, 1989), 339-75. See generally Kielbowicz, "Rural Ambivalence Toward Mass Society,"

²⁸ *In re Express Rates, Practices, Accounts, and Revenues*, 24 I.C.C. 380-541 (1912). For an example of the journalistic attack on railroad-express company ties, see Frederick F. Ingram, "The Parcels Post," *Twentieth Century Magazine* 3 (March 1911), 514-22; Allan L. Benson, "Why We Have No Parcels Post," *Pearson's Magazine* 25 (March 1911), 388-97, esp. 390. See also Nathan B. Williams, *The American Post-Office: A Discussion of Its History, Development, and Present-Day Relation to Express Companies*, published as Sen. Doc. No. 542, 61st Cong. 2d sess. (1910); Isaiah L. Sharfman, *The Interstate Commerce Commission: A Study in Administrative Law and Procedure* (New York: The Commonwealth Fund, 1931), 2:58-82.

²⁹ 1891 *Annual Report* 7, 113-14 quote at 114; 1890 *Annual Report* 7-8.

³⁰ Wayne E. Fuller, "The Populists and the Post Office," *Agricultural History* 65 (Winter 1991), 1-16; Fuller, *RFD*, 113-18.

improve the department's finances. Opponents, of course, argued forcefully that any extension of service would just increase the postal deficit.³¹

Farm families enthusiastically embraced parcel post because it would enhance their opportunities to select from a national menu of merchandise. Before parcel post, most rural residents had a range of shopping choices circumscribed by the distance their team and wagon (later a car) could travel and return in one day. One study of the late nineteenth-century South places the limit as seven miles, which, the authors conclude, gave local merchants a near monopoly of the country trade. In the Midwest, with different settlement patterns and better roads, many farm families had access to more than one store.³² In any case, farmers repeatedly complained about local retailers' profit margins. "A large trade goes there [mail-order houses] now, because we can get certain things cheaper that way, and we think we had just as soon have that difference in price in our own pocket as in some merchant's pocket," a Michigan Grange official wrote Congress. A national Grange officer reported that even in good-sized towns with competing stores the merchants' association fixed prices.³³

More than price was at stake. The limited stock found in most country stores disappointed customers, a Grange spokesman said. With parcel post, they could shop locally or nationally and, if the latter, they could choose among several merchandisers. Choice had an economic virtue as well: It enabled consumers to discipline producers as they made individual purchase decisions based on price, style, and quality. Consumers' decisions mattered.³⁴ More broadly, parcel post would help stem the decline in rural population by opening the countryside to urban amenities. The 1909 Country Life Commission, an outgrowth of the country life movement, recommended a number of improvements, including parcel post, to make rural living

³¹ Fremont Rider, "The Parcels Post and the Retailer," *World's Work* 21 (April 1911), 14248-51; Henry A. Castle, "Defects and Abuses in Our Postal System--I," *North American Review*, 174 (June 1902), 807-19.

³² Roger L. Ransom and Richard Sutch, *One Kind of Freedom: The Economic Consequences of Emancipation* (Cambridge, England: Cambridge Univ. Press, 1977), 132-37; Lewis E. Atherton, "The Midwestern Country Town – Myth and Reality," *Agricultural History* 26 (July 1952), 73-80; Robert R. Dykstra, "Town-Country Conflict: A Hidden Dimension in American Social History," *Agricultural History* 38 (October 1964), 195-204.

³³ Herbert A. Hodge to E. E. Townsend, March 18, 1912, S62A-J71, Records of the U. S. Senate, RG 46 (National Archives) [hereafter cited as Senate Records]; 1912 *Senate Hearings*, 962 (Atkeson).

³⁴ *Parcels Post: Hearings Before the House Committee on the Post-Office and Post-Roads*, 61st Cong., 2nd sess. 127 (1910) (Frederick F. Ingram) [hereafter cited as 1910 *House Hearings*].

more hospitable.³⁵ Universal parcel delivery simultaneously improved rural life and the nation's marketing system.

Mail-order stores such as Montgomery Ward and Sears, Roebuck and Co. indeed concentrated on tapping the vast rural market that did not have access to the department stores frequented by urban customers. Mail-order catalogues tutored a generation of rural consumers in the economies of high-volume, fast-turnover, and low-overhead merchandising.³⁶ Farm families responded and wanted to facilitate long-distance purchases with a parcel post. Rural interests decisively rejected one variation on the parcel post proposal, advocated sporadically from 1904 to 1912, which would have permitted packages in the mail only along RFD routes. Supporters of this compromise plan believed that a rural or limited parcel post would enable local retailers to serve farm families while excluding distant mail-order houses. But farm organizations lined up against a rural-only service. They repeatedly insisted on direct access to urban markets, not just nearby merchants.³⁷

Parcel post's potential to enlarge purchasing choices applied outside rural America, as advocates from the early consumer movement recognized. When the consumer movement gained momentum in the early twentieth century, parcel post advocates appropriated its tenets. The phrase *cost of living* frequently insinuated itself into the parcel post deliberations. "The women of the country are very much concerned in getting articles for their homes cheaper than they can get them now, and they believe the parcel post will help them in that direction," Harriette J. Hifton told Congress. Hifton belonged to the Consumer's League as well as suffrage associations, the Women's Trade Union League, and other groups. Capitalizing on such sentiments, the Mail Order Association sponsored *A Practical Way to Reduce the High Cost of Living*, a pro-parcel post tract.³⁸

³⁵ Clayton S. Ellsworth, "Theodore Roosevelt's Country Life Commission," *Agricultural History* 34 (October 1960), 155-72.

³⁶ John Wanamaker [firm], *Catalogue and Guide for Shopping by Mail* (Philadelphia: John Wanamaker, ca. 1879), 1-3; Gordon L. Weil, *Sears, Roebuck, USA: The Great American Catalog Store and How it Grew* (New York: Stein and Day, 1977), 64-65.

³⁷ Bertha Poole Weyl, "The Rural Delivery Man," *Woman's Home Companion* 37 (July 1910), 20; George H. Maxwell, *Perils of Parcels Post Extension* (Chicago, ca. 1912), 34; *Cong. Rec.*, 60th Cong., 1st sess. 2833 (1908); resolutions adopted by the National Grange, Nov. 19, 1908, S62A-J110; petitions from local Granges, S62A-J72, Senate Records; Fuller, *RFD*, 206-10.

³⁸ 1912 *Senate Hearings*, 765-79, quote at 765 (Hifton); Frank A. Selah, *A Practical Way to Reduce the High Cost of Living* (N.p.: Mail Order Association, 1911). See also "Practical Effects of the Parcel Post," *Literary Digest* 45 (Dec. 18, 1912), 1210-11; David Thelen, "Patterns of Consumer Consciousness in the Progressive Movement: Robert M. La Follette, the Antitrust Persuasion, and

Small-town retailers realized that they could not defeat parcel post by disputing the economies of mail-order shopping. Instead, they argued that it would foster a new, unhealthy commercial and social ethos. Small-town merchants parlayed widespread concerns about their communities' depopulation into warnings about the eclipse of rural culture and its implications for the nation. Parcel post's opponents also argued that it would violate precepts of American political economy by putting the federal government in direct competition with private sector services.³⁹

As the parcel post debates moved toward a conclusion in late 1911, Congress weighed several plans. One feature—zoned postage—had special implications for universal service. By 1912, virtually all postal rates were flat in sharp contrast to the scaled rates common through the mid-nineteenth century. Thus, creating nine rate zones (local plus eight out-of-town) departed markedly from the postal philosophy that governed other mail classes. Although farm interests lobbied strongly for a flat parcel-rate structure, Congress stood fast for zoned postage to put the government service on terms similar to those of private carriers. Also, scaling postage according to distance recognized the clearly commercial character of the mail. The flat rates for letters and publications were predicated on the general value to society—the externalities—of encouraging unimpeded nationwide circulation of correspondence and public information. The benefits of parcels in the mail, however, would accrue mostly to the sender, usually a merchandiser, and the recipient. Postage should thus correspond closely to the costs of providing the service.⁴⁰

Although the 1912 law constrained the Post Office Department's ability to compete with private carriers, it nonetheless went far toward its goal of providing service to rural patrons. Parcel post reached twenty million people outside express companies' service areas and early tests comparing the two showed that the government service was generally faster.⁴¹ The big catalogue houses, which had remained quiet during the debates to avoid antagonizing small-town merchants,

Labor Legislation,” in *The Quest for Social Justice*, ed. Ralph M. Aderman (Madison: Univ. of Wisconsin Press, 1983), 26-27.

³⁹ These two groups of arguments are examined in Kielbowicz, “Rural Ambivalence Toward Mass Society,” and Kielbowicz, “Government Goes Into Business.”

⁴⁰ On the permutation of the various parcel post bills and the reasons for the features Congress adopted, see Kielbowicz, “Government Goes Into Business.”

⁴¹ Fuller, *RFD*, 230; 1912 *Annual Report* 7-8.

became some of parcel post's largest customers.⁴² The postmaster general also exercised discretion given him by Congress to extend the benefits of parcel post. A year after the law's passage, Postmaster General Albert S. Burleson increased the weight limit and authorized two accessory services. Collect-on-Delivery (COD) provided a measure of certainty in transactions between parcel mailers and recipients who usually did not know each other. Insurance on parcel shipments was also provided for a fee.⁴³

Retaining the Flat Rate for Editorial Content

After launching parcel post in 1913, Congress considered subjecting periodicals to zoned postage. This plan, had it been adopted, would have seriously modified the longstanding commitment to encourage, through a flat rate, the widespread dissemination of public information. Readers in rural America far from the nation's publishing centers would have been particularly disadvantaged. In the end, Congress retained a flat rate for editorial content, but did apply zoned postage to periodicals' advertising. The 1917 postal reform, as it was characterized by proponents, capped a decades-long campaign to restructure the second-class rate schedule. The policy solution devised in 1917 solved a conundrum faced by lawmakers: how to maintain the historic commitment to facilitate the dissemination of public information throughout the country while simultaneously obtaining revenue somewhat in proportion to the cost and value of the service rendered. Between 1917 and the Postal Reorganization Act, Congress reaffirmed the value of a uniform rate for noncommercial public information by extending the policy to books and library materials in the mail.

Questions about the wisdom of retaining low, uniform rates for periodicals arose frequently in the late 1800s. The 1879 Mail Classification Act defined the four categories of mail, but it did not alter the basic rate structure for periodicals. Second-class mail paid 2 cents a pound until 1885, when Congress reduced it to 1 cent, where it remained until 1917. With third-class postage set at 1 cent per 2 ounces—nominally eight times as much but actually more because it paid a piece rather than a

⁴² Boris Emmet and John E. Jeuck, *Catalogues and Counters: A History of Sears, Roebuck and Company* (Chicago: Univ. of Chicago Press, 1950), 187-89; Weil, *Sears, Roebuck, U. S. A.*, 67.

⁴³ U. S. Post Office Dept., *Domestic Postage Rates* (Washington, D.C.: Government Printing Office, 1956), 16; Daniel C. Roper, "Fundamental Principles of Parcel-Post Administration," *Journal of Political Economy* 22 (June 1914), 526-35.

bulk rate—naturally all kinds of printed matter tried to get into the second class.⁴⁴ The Post Office battled "Second Class Matter Fiends," mailers who devised ingenious schemes to pass printed material at the lowest possible rates.⁴⁵ In classifying a periodical, postal administrators judged its intent or character to determine whether it was primarily or incidentally designed for advertising purposes, part of the statutory criteria. The problem, as a congressional commission recognized in 1907, was that "every periodical is designed for advertising purposes or no periodical is so designed."⁴⁶ Resolving this dilemma propelled the various postal reforms of the early 1900s, including the one finally adopted in 1917.

Concerns about the second-class rate structure grew more common as periodicals' advertising contents mushroomed in the late 1800s. Before 1900, advertisers furnished less than half of periodicals' income; by 1920, advertising's share approached two-thirds. Viewed another way, the number of pages devoted to advertising in monthly magazines more than doubled between 1888 and 1928; for weekly magazines, it rose twenty-fivefold. Publishers came to regard subscribers less as readers than as consumers to be delivered to merchandisers. With advertising-filled periodicals blanketing the nation, second-class mailings grew twenty times faster than population in the four decades after 1880. Deciding which publications were "designed primarily for advertising purposes," therefore, became a nearly impossible task. The Post Office Department tried administrative remedies but it lacked authority to restructure the underlying second-class policy. It remained for Congress to fix rates and to determine the level and distribution of the subsidy. Between 1900 and 1912, Congress continually investigated postal policies and operations. Central to each investigation was the question whether second-class rates should be adjusted to reflect the increasingly commercial nature of publications and the cost of service provided by the Post Office Department.⁴⁷

⁴⁴ In 1900, the Post Office actually collected 14.7 cents per pound of third-class matter. House Report No. 376, 56th Cong., 1st sess. 4 (1900).

⁴⁵ "Second Class Matter Fiends" is a chapter in Marshall Cushing, *The Story of Our Post Office* (Boston: A. M. Thayer & Co., 1893), 410-16.

⁴⁶ House Document No. 608, 59th Cong., 2nd sess. xxvii (1907).

⁴⁷ The problems postal administrators encountered in dealing with second-class mail are detailed in Richard B. Kielbowicz, "Postal Subsidies for the Press and the Business of Mass Culture, 1880-1920," *Business History Review* 64 (Autumn 1990), 456-66; Kielbowicz, "The Growing Interaction of the Federal Bureaucracy and the Press: The Case of a Postal Rule, 1879-1917," *American Journalism* 4 (no. 1, 1987), 5-18 (on the development of the paid subscriber rule used by administrators to differentiate between second- and third-class mail).

President William H. Taft first broached the possibility of calibrating periodicals' postage to distance in his 1909 State of the Union message.⁴⁸ Further congressional investigations ensued but lawmakers did not seriously engage the issue until December 1916, when several proposals to raise the second-class rate, none new, were germinating in Congress and at the Post Office Department. Shortly after the United States entered World War I, Postmaster General Albert S. Burleson recommended that the House Ways and Means Committee add to the omnibus War Revenue Bill a provision that would graduate second-class rates according to distance.⁴⁹ The committee unanimously backed the proposal, its chairman told the full House, with "no hesitancy, no reluctance, no doubt as to the propriety and the right to materially increase the rate on the second-class mail matter."⁵⁰

Zoned postage reflected transportation costs, which pleased Burleson and the House committee, but it also threatened to curtail the long-distance flow of public information. Magazines of all types recognized that it would fall most heavily on periodicals of national and regional circulation. Farm publications underscored an inconsistency in federal policies: Government was encouraging increased agricultural output to aid the war effort at the same time that it wanted to curtail the flow of information that would make it possible. Trade journals likewise claimed that any measure interfering with the widest dissemination of the latest technical and business intelligence would undermine the nation's productive capacity. Medical journals, appealing to war-inflamed patriotism, predicted that higher postage would result in continued American dependence on German publications for the latest research findings. Popular magazines editorialized publicly and lobbied behind the scenes against a rate hike. Labor groups maintained that zoning postage would cut readership and cost printers' jobs.⁵¹

⁴⁸ Taft, "First Annual Message," Dec. 7, 1909, *The State of the Union Messages of the Presidents*, ed. Fred L. Israel (New York: Chelsea House, 1966), 3:2362-63; *1909 Annual Report* 7-10, 30-34, 313.

⁴⁹ Burleson to Claude Kitchin, April 12, 1917, Records Relating to an Increase in Second-Class Postage Rates, file 182, Records of the Post Office Department, Record Group 28 (National Archives).

⁵⁰ The initial House debate on the zone provision can be traced in *Cong. Rec.*, 65th Cong., 1st sess. 2813-19 (1917); Kitchin quoted in *ibid.*, app., 488-90; "Advertising Facing a Crisis," *Mail Order Journal*, May 1917, p. 8; *Editor & Publisher*, May 26, 1917, pp. 1, 10b.

⁵¹ *Cong. Rec.*, 65th Cong., 1st sess. 2148 (1917); *Printers' Ink*, May 10, 1917, pp. 79-83, 109-13; letters and telegrams to representatives, April 26- May 17, 1917, file 65A-H14.9, Records of the House of Representatives, Record Group 233 (National Archives).

By far the most common warning sounded by the opposition was of the proposed zone plan's sectionalizing tendencies. All classes of magazines and a few city newspapers invoked this argument. The New York *Evening Mail*, whose very name attests to the post office's centrality in American journalism, observed, "The magazine and the daily newspaper with a National circulation are the great mediums [sic] for the exchange of sentiment on this great continent; . . . for the welding together of the thought and feeling of a widely diversified population, scattered from the Atlantic to the Pacific." Second-class postage graduated according to distance, it feared, would create sectional publishing zones—one in the East, Midwest, and West. "And with three distinct zones of publication we face the prospect of the creation of three distinct zones of thought and feeling. We face the destruction of the great force which we have been striving to create--the force of a united public opinion and a crystallized National sentiment."⁵²

While the House-passed zone system tied postage to transportation costs, the Senate instead focused on the extent of commercialization exhibited by publications seeking the subsidized rate. In other words, senators emphasized the private benefits derived from the privilege of using the second-class mail. The Senate committee weighed the zone plan, rejected it, and then considered various taxes on the press.⁵³ After a wide-ranging floor debate, including much attention to proposals that would increase postage on periodicals' ad content, the War Revenue Act passed the Senate without any rate increases.⁵⁴ The conference committee agreed to combine elements of the House zone plan with the Senate's preference for a rate differential on advertising content.⁵⁵

⁵² *Evening Mail* quoted in "To Put Periodicals Out of Business," *Outlook* 116 (May 16, 1917), 97. Similar sentiments were expressed in "The Move to Foster Sectionalism and Hinder Education," *Coal Age* 10 (Dec. 23, 1916), 1054; "A Blow at National Unity," *Engineering Record* 74 (Dec. 23, 1916), 758-59; "Opposition to Postage Zone System," *Engineering News* 77 (Jan. 4, 1917), 36-37; "'Zone' Postal Rates," *Nation*, Jan. 11, 1917, p. 38; "The Principle Underlying Newspaper Postage Rates," *Commercial and Financial Chronicle* 105 (Sept. 22, 1917), 1143-44.

⁵³ See *Revenue to Defray War Expenses: Hearings Before the Senate Committee on Finance*, 65th Cong., 1st sess. 223-42, 408-84, 633-57 (1917). The various combinations of postage and taxes considered by the Finance Committee can be traced in the May and June 1917 issues of *Printers' Ink*, *Fourth Estate*, *Publishers' Auxiliary*, and *Editor & Publisher*.

⁵⁴ *Cong. Rec.*, 65th Cong., 1st sess. 6019-20, 6049-50, 6117-26, 6158-61, 6349-73, 6382-405, 6409-32, 6883-86. See also the September issues of the trade journals cited in the preceding note.

⁵⁵ War Revenue Act, 40 Stat. 327-28 (1917). For the final deliberations, see *Cong. Rec.*, 65th Cong., 1st sess. 7557-73, 7585, 7597-633, and the trade journals cited in preceding note from Sept. 22, 1917 to Oct. 4, 1917.

Reflecting on the newly passed law, Postmaster General Burleson explained how combining the flat editorial rate with zoned advertising postage resolved longstanding policy problems. Retaining a low, flat rate on reading matter enabled publications to continue their historic task of binding a diverse people into one nation. The higher zoned rates on advertising reflected the government's costs in carrying mail from which publishers profited. Furthermore, advertisements in periodicals now paid rates more closely approaching those charged circulars in the third class and applying parcel post zones to advertising recognized that ads, though information, bore some relation to commerce and therefore should be subject to a similar postage schedule.⁵⁶

From 1917 until about 1922, segments of the publishing industry, mainly magazines, pressed Congress to repeal the law. The campaign included magazine articles with titles such as "Chopping Up Our Country: The True Story of a Shameful Piece of Legislation Which Every Magazine Reader Should Know," entreating subscribers to urge their representatives to roll back the zoned-advertising postage.⁵⁷ To buttress lawmakers' resolve, the Post Office Department in August 1919 surveyed newspaper publishers. Of 6,011 replies, 4,027 (67 percent) favored the law and only 1,984 (33 percent) opposed it. Reporting the findings by congressional districts and states, the department used the survey to show that, despite the protests of national magazines and a few large dailies, newspapers in most lawmakers' districts welcomed zoned advertising postage.⁵⁸ By the mid-1920s, zoned advertising postage with a flat editorial rate had become entrenched as the basis for second-class mail policy. Congress continued to entertain postage-reduction bills, but within the framework devised in 1917.⁵⁹

⁵⁶ 1917 *Annual Report* 60-64; *Printers' Ink*, Dec. 6, 1917, pp. 25-28.

⁵⁷ Rex Beach, "Chopping Up Our Country," *McClure's* 50 (January 1918), 22, 63. Similar articles include Will Payne "Sectionalizing Public Opinion," *Independent* 93 (Jan. 5, 1918), 16; "Postage and National Unity," *Outlook* 116 (July 17, 1918), 447-48.

⁵⁸ First Assistant Postmaster General John C. Koons to Sen. Nathaniel B. Dial, Feb. 16, 1920, file 182, Post Office Department Records, Record Group 28, National Archives.

⁵⁹ For hearings held after the law's passage that challenged the merits of the flat editorial/zoned advertising rate, see, e.g., *Revenue Act of 1918: Postal Rates: Hearings Before the House Committee on Ways and Means*, 65th Cong., 2nd sess. pt. 3, 1711-2242 (1918); *Zone System: Hearings Before the House Committee on Post Office and Post Roads*, 65th Cong., 2nd sess. (1918); *Second-Class Postage Rates: Hearings Before the Senate Committee on Post Offices and Post Roads*, 65th Cong., 2nd sess (1918).

Congress further underscored the importance of unzoned postage for noncommercial public information when it established a book rate. President Franklin D. Roosevelt created the book rate by proclamation in 1938, responding to pressure from book publishers and their allies. The National Committee to Abolish Postal Discrimination Against Books, made up of book publishers, librarians, and educators, convinced Roosevelt that it was unfair for a 2-pound magazine to be sent from coast to coast for only 3 cents postage, while a book of equal weight cost 26 cents when sent by parcel post. The president established a special book postage of 1.5 cents a pound regardless of distance and kept renewing the rate until Congress took up the matter in 1941.⁶⁰

During congressional hearings, relatively few witnesses opposed the book post and its flat rate. Schools, libraries and readers in rural areas attested to the value of obtaining books by mail. With a broad consensus on the desirability of a permanent book post, much of the debate centered on technical adjustments in the legislation. The several House and Senate versions agreed on the heart of the proposal: “That the postage rate on books consisting wholly of reading matter and containing no advertising matter other than incidental announcement of books . . . shall be 1.5 cents per pound or fraction thereof, irrespective of the postal zone of destination thereof.”⁶¹ The House and Senate post office committees reported the legislation favorably, though with higher postage, and retained the flat-rate structure.⁶² The legislation excited little opposition on the floor of Congress and a permanent book rate became effective on July 1, 1942.⁶³

⁶⁰ The president’s order was signed on Oct. 31, 1938, and can be found at 3 *Fed. Reg.* 2755. See also “President Reduces Postal Rates,” *Publishers Weekly* 134 (Nov. 5, 1938), 1664-67. For the history of books in the mail, including the background to President Roosevelt’s actions and subsequent developments in Congress, see Richard B. Kielbowicz, “‘Mere Merchandise or Vessels of Culture?’: Books in the Mail, 1792-1942,” *Papers of the Bibliographical Society of America* 82 (Second Quarter, 1988), 169-200.

⁶¹ The various book post bills are reproduced at the beginning of the two hearings. *Book Rate Bill: Hearings Before the House Committee on the Post Office and Post Roads*, 77th Cong., 1st sess. (1941); *To Provide for a Permanent Postage Rate on Books: Hearings Before the Senate Committee on Post Offices and Post Roads*, 77th Cong., 1st sess. (1941).

⁶² Senate Report No. 477, 77th Cong., 1st sess. (1941); House Report No. 2261, 77th Cong., 2nd sess. (1942); House Report No. 2230, 77th Cong., 2nd sess. (1942).

⁶³ *Cong. Rec.*, 77th Cong., 2nd sess. 5309-11, 5482-83, 5533 (1942); Act of June 30, 1942, 56 Stat. 462.

5. The Post Office's Ubiquitous Federal Presence in National Life

Universal postal service depended on the development and maintenance of a nationwide infrastructure. Congress discovered that the Post Office Department's ubiquitous presence could serve a number of purposes, some ancillary to the department's principal mission of moving the mails and others totally unrelated to it. More subtly, nationwide postal operations symbolized nationhood and manifested the presence of the federal government in people's everyday lives.

Symbols of Nationhood and the Federal Government

Besides the contents of the mails, which forged bonds between people and groups, the postal network itself—buildings, postmasters, routes, symbols, and more—also helped cultivate a sense of nationhood. And throughout the nineteenth century, perhaps until the New Deal, the post office stood as the most visible sign of the federal government in the lives of many citizens.

Until the Civil War, post office architecture had little symbolic import. In the larger commercial centers, post offices occupied parts of other buildings—hotels, mercantile exchanges, and former churches. Elsewhere, a town's post office likely consisted of counter space or a corner in a store.¹ Nonetheless, post offices were centrally located and, as information clearinghouses and gathering places, they became a focal point for civic activities. Several mid-nineteenth century painters depicted post office scenes in which people crowd around a reader holding a freshly

¹ Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge: Harvard Univ. Press, 1995), 112-15. The post office building in Washington, D.C., constructed expressly for that purpose, was a notable exception before the Civil War.

arrived newspaper.² After the Civil War, the Post Office Department began constructing substantial cut-stone buildings in larger cities, a reminder for patrons and passers-by of the federal government's presence in their daily lives.³ Other visual cues of the post office, and thus the federal government, proliferated: stagecoaches, steamships, airplanes, and other transports bore the markings "U. S. Mail"; mailboxes sprouted on city streets after the Civil War; and a growing corps of letter carriers made their rounds in residential neighborhoods and business districts.⁴

During the New Deal, post office architecture and iconography combined to subtly underscore ties between communities and the federal government. Between 1934 and 1943, the federal government commissioned artwork, mostly murals, for about 1,100 post offices, including many in small cities. By design, the murals eschewed symbols of the government's "majesty and might," in the words of one artist. Instead, the illustrations depicted scenes of local significance that cultivated the "average man[']s . . . feeling of his own personal relation to it [government] and the concern of the government towards him."⁵ Although the New Deal featured a number of programs that expressly "sought to make the national government's presence felt in even the smallest, most remote communities," post offices' facilities had been doing much the same for over a hundred years.⁶

Postmasterships put a face—significantly, that of a local resident—on the otherwise remote and abstract federal government. Many Americans' only encounter with a federal official came when they visited their local post office. Further, postmasterships were more than a federal job; as patronage appointments, they signified a connection between local politics and a nationwide political party. Indeed, postal operations and the office of postmaster helped build and sustain national party structures through the 1800s and beyond. Even a humble village postmaster was "the oracle to announce the voice of the divinities at Washington—the herald of all news,

² Thomas C. Leonard, *News for All: America's Coming-of-Age with the Press* (New York: Oxford Univ. Press, 1995), 15.

³ Lois A. Craig, et al., *The Federal Presence: Architecture, Politics, and National Design* (Cambridge: MIT Press, 1984), 164-69.

⁴ For examples of the iconography associated with the post office, see U. S. Postal Service, *An American Postal Portrait: A Photographic Legacy* (New York: HarperCollins, 2000).

⁵ Carl L. Schmitz quoted in Marlene Park and Gerald E. Markowitz, *Democratic Vistas: Post Offices and Public Art in the New Deal* (Philadelphia: Temple Univ. Press, 1984), 8.

⁶ *Ibid.*, 8.

foreign and domestic, and the medium of all the good and evil tidings,” a writer observed in 1843. As the largest unit of government, post office employees were the most visible representatives of the federal government in citizens’ everyday lives.⁷

Practical Uses of the Universal Infrastructure

The federal government capitalized on the postal system’s universal infrastructure to perform a variety of functions, some but not all closely related to carrying the mails. Congress, for instance, used contracts to carry the mail as tools to subsidize and guide the development of the transportation system—stagecoaches, steamboats, railroads, and airplanes—throughout the nation.⁸ Since the post office was the principal channel for distributing periodicals, it was well positioned to influence their character. In the 1912 Newspaper Publicity Act, Congress made use of the second-class rate conditional on the disclosure of a publication’s ownership, on the clear separation of news and advertising content, and on the truthful statement of circulation. This requirement, whose constitutionality survived Supreme Court scrutiny, aided postal officials in distinguishing between second- and third-class mail, but it also improved periodicals throughout the nation. Even newspapers that mailed only a small part of their circulation had to comply with the law to qualify for the favored rates.⁹

Congress has wielded the postal clause as an expression of federal police power to protect the public welfare.¹⁰ Most notably, the Post Office Department became the federal government’s biggest censor of obscene and indecent materials. Congress first outlawed obscene material in the mail in 1865 and then broadened its

⁷ Writer Catherine Sedgwick quoted in John, *Spreading the News*, pp. 115-16. On the connection between local postmasters and the national government and national parties to the mid-1800s, see *ibid.*, 115-43. Other convenient discussions on postmasterships and politics are Wayne E. Fuller, *The American Mail: Enlarger of the Common Life* (Chicago: Univ. of Chicago Press, 1972), 281-330; Vern K. Baxter, *Labor in the U. S. Postal Service* (New York: Plenum Press, 1994), 31-36, 57-58.

⁸ See generally Carl H. Scheele, *A Short History of the Mail Service* (Washington, D.C.: Smithsonian Institution Press, 1970), for an overview of the ways that Congress used mail contracts to influence the transportation system.

⁹ Act of Aug. 24, 1912, 37 Stat. 551; *Lewis Publishing Co. v. Morgan*, 229 U. S. 288 (1913). See Linda Lawson, *Truth in Publishing: Federal Regulation of the Press’s Business Practices, 1880-1920* (Carbondale: Southern Illinois Univ. Press, 1993) for background of the law, its enactment, and early application.

¹⁰ For a convenient overview, see Dorothy G. Fowler, *Unmailable: Congress and the Post Office* (Athens: Univ. of Georgia Press, 1977).

scope with the Comstock Act in 1873. In the ensuing decades, postal officials prosecuted all manner of material, including pamphlets about birth control and irreverent reflections on religion, until the Supreme Court imposed First Amendment limits on postal censorship in *Hannegan v. Esquire* (1946).¹¹

Similarly, at times of perceived danger to national security, Congress used the nationwide postal system to ferret out possible threats. During World War I, potentially seditious material was declared nonmailable and foreign-language periodicals were required to file translations of articles touching on the war effort. Platoons of translators worked under the auspices of the Post Office Department to monitor the contents of the numerous foreign-language publications in the United States.¹² Congress also enlisted the post office in 1962 to detain communist propaganda until the Supreme Court three years later held that the statute violated addressees' First Amendment rights.¹³

The police power usually involved more mundane matters. At various times federal law banned the mailing of foreign divorce information, liquor and lottery advertising, materials that violated copyright law, illegally obtained defense intelligence, and more. In some cases, these violated postal law; in others, the post office was implementing the policies of other federal agencies. Mail fraud statutes, in addition, gave the post office far-reaching police powers. The federal government, through the reach of the post office, established jurisdiction over a wide range of illegal activities even when use of the mails did not constitute a central part of the scheme.¹⁴

Congress assigned some tasks to the post office simply because it was the only federal agency whose operations involved daily contact with the people. The

¹¹ 327 U. S. 146 (1946). For the history of federal prosecution of obscenity in the mail, see James C. N. Paul and Murray L. Schwartz, *Federal Censorship: Obscenity in the Mail* (New York: Free Press of Glencoe, 1961).

¹² O.A. Hilton, "Freedom of the Press in Wartime, 1917-1919," *Southwestern Social Science Quarterly* 28 (March 1948), 346-61; Paul L. Murphy, *World War I and the Origin of Civil Liberties in the United States* (W.W. Norton & Co.: New York, 1979), 79-113; Eberhard P. Deutsch, "Freedom of the Press and of the Mails," *Michigan Law Review* 36 (March 1938), 703-51.

¹³ *Lamont v. Postmaster General*, 381 U. S. 301 (1965).

¹⁴ "Project: Post Office," *Southern California Law Review* 41 (Spring 1968), 679-701; Lindsay Rogers, *The Postal Power of Congress: A Study in Constitutional Expansion* (Baltimore: Johns Hopkins Press, 1916), 36-60, Robert E. Cushman, "National Police Power Under the Postal Clause of the Constitution," *Minnesota Law Review* 4 (May 1920), 402-40.

biggest such nonpostal task was a postal savings bank system. European countries' success with postal savings heartened Populists and others to press for a similar service in the late 1800s. Advocates pointed to the post office's national structure as the principal reason to entrust it with this nonpostal function:

The post-office, of all institutions, seems to be the best adapted to carry the influence of the savings banks to every fireside. The most pervasive, the best understood, and the most familiar institution of any civilized country is the post-office. And likewise in every rural community the most widely known individual is the postmaster, and in every urban community the most familiar individual is the letter carrier. . . .¹⁵

The 1907 financial panic, in which many banks collapsed, impelled Congress to establish a postal savings bank in 1910. At first, postal savings proved particularly attractive in rural communities but it gained broader patronage during the Depression. In 1966, Congress deemed that postal savings had outlived its usefulness and discontinued it.¹⁶

With its ubiquitous presence, the post office was frequently called on to help other agencies in a variety of ways. Thousands of post offices routinely sold savings bonds, reported aliens' addresses, stored flags used at veterans' funerals, sold migratory bird stamps, located relatives of deceased service men and women, displayed recruiting material and FBI wanted posters, assisted the Federal Housing Administration in conducting surveys of housing conditions, and distributed income tax forms in lobbies. The post office was reimbursed for performing some of these nonpostal services. Local post offices, in short, dispensed information to residents about a range of federal programs.¹⁷

¹⁵ James H. Hamilton, *Savings and Savings Institutions* (New York: Macmillan, 1902), 300-301.

¹⁶ On the early history of postal savings, see Edwin W. Kemmerer, *Postal Savings: An Historical and Critical Study of the Postal Savings Bank System of the United States* (Princeton: Princeton Univ. Press, 1917). On the later history, see Richard B. Kielbowicz, *Postal Enterprise: Post Office Innovations with Congressional Constraints, 1789-1970* (report prepared for the Postal Rate Commission, 2000), 41-50.

¹⁷ Arthur D. Little, Inc., "The U. S. Post Office and Organizational Options for its Improvement," in President's Commission on Postal Organization, *Towards Postal Excellence* (Washington, D.C.: Government Printing Office, 1968), Annex, 1:35-36, 114-16; Arthur D. Little, Inc., "A Description of the Postal Service Today," in *ibid.*, 4:7.35-7.40.

6. Universal Postal Service and the Private Sector

Postal operations have always involved complex and contradictory relations between the public and the private sectors. Throughout its history, the Post Office Department both boosted and competed with the private sector. Contracts to carry the mails, for instance, stimulated the development of a private transportation system. At the same time, the post office entered realms—providing basic banking services and delivering parcels are two notable examples—that originally developed in the private sector.¹

The private sector figured in the history of universal postal services in three major ways: First, the development of new communication and transportation technologies created private-sector substitutes for the postal delivery of information and materials. Second, occasionally private-sector services filled gaps left in the postal system. Third, the post office's efforts to maintain its monopoly over certain delivery services involved continual skirmishes with private firms.

¹ For the history of disputes about the proper boundaries between the public-sector post office and a variety of private business interests, see generally Richard B. Kielbowicz, *Postal Enterprise: Post Office Innovations with Congressional Constraints, 1789-1970* (report prepared for the Postal Rate Commission, 2000), 41-50; Wayne E. Fuller, *The American Mail: Enlarger of the Common Life* (Chicago: Univ. of Chicago Press, 1972), chapter 5 on "Government Business versus Private Business"; and Richard B. Kielbowicz, "Government Goes into Business: Parcel Post in the Nation's Political Economy, 1880-1915," *Studies in American Political Development* 8 (Spring 1994), 150-72.

Private-Sector Substitutes for Some Universal Postal Services

Several new communication technologies, notably the telegraph, telephone, radio and television, provided the basis for private-sector services that moved information apart from the mails. Similarly, improvements in railroad service and the spread of automobiles also created opportunities for people to obtain information. Many of these communication and transportation innovations helped bridge the chasm between urban and rural communities.

The advent of the telegraph in 1844 provided the first substitute for the physical transportation of written or printed messages. For the average American, telegrams rarely substituted for general social correspondence; the relatively high cost of telegraph messages confined their use to circumstances when speed was essential—news of births, marriages, and deaths, for instance. (In European countries, where the telegraph functioned as a government monopoly supervised by the postal authorities, people made greater use of the wires for personal correspondence.) Businesses accounted for the overwhelming majority of telegraph messages. Thus, the telegraph took the place of much high-value, time-sensitive business correspondence that otherwise would have gone by mail or private messenger.²

The telegraph also profoundly altered the newspaper industry and the post office's role in the long-distance transmission of news. Before the telegraph, most newspapers obtained out-of-town news from postage-free printers' exchanges, postal expresses, or correspondence sent by mail. (See Part 3 for a sketch of the post office's pivotal role as a news transmitter until the mid-1800s.) A few years after the telegraph's invention, newspapers began organizing press associations or wire services to avail themselves of the new technology.³ As telegraph lines radiated from the nation's commercial centers, newspapers increasingly obtained their raw reports by wire, usually from a private news service. Most daily newspapers found printers' postage-free exchanges unable to compete with the telegraph in furnishing the timely news now needed to attract subscribers. Congress ended postage-free exchanges in

² Robert L. Thompson, *Wiring a Continent: The History of the Telegraph Industry in the United States, 1832-1866* (Princeton: Princeton Univ. Press, 1947); JoAnne Yates, *Control through Communication: A Rise of System in American Management* (Baltimore: The Johns Hopkins University Press, 1989), 22-25.

³ For a thorough history of the early wire services, see Richard A. Schwarzlose, *The Nation's Newsbrokers* 2 vols. (Evanston: Northwestern Univ. Press, 1989 and 1990).

1873. The post office continued to deliver the finished products—newspapers and especially magazines—to readers, but now played only a marginal role as a news gatherer.⁴

The telephone at first functioned mostly like a local telegraph service: high costs and the corporate strategy of the Bell Co. largely confined its use to businesses. The explosion in local telephone service that followed the expiration of the Bell patents in the mid-1890s vastly increased personal communication within towns. Between 1907 and 1927, the average person's local point-to-point communication—letters, telegrams, and telephone calls—increased primarily because of growing telephone use. In 1907, an average of 4.5 months elapsed between each toll (i.e., long-distance) telephone call but only three days between each local call. Twenty years later, people used the phone an average of every 1.5 days for local calls, but called long distance only every forty days. Thus, the telephone could increasingly take the place of local letter mail, but high long-distance charges discouraged casual use of that service until mid-century.⁵

The value of telephony to rural communities was reflected in penetration levels; some Midwestern states had more phones per capita than Eastern states.⁶ The benefits of telephony were many. Rural households used the phone to summon doctors, visit with each other, obtain weather reports, learn about sales in town, and follow prices for agricultural commodities in local or regional markets. Postal services, especially RFD, were no longer the only mode of communication that diminished the isolation of rural life.⁷

Improvements in private transportation systems also altered communication patterns and dependence on the mails. Private magazine distribution companies grew apace with the railroads and gave publishers an alternative to the postal system. The American News Company, founded in the 1860s, established a near-monopoly in the

⁴ Act of March 3, 1873, 17 Stat. 559; Richard B. Kielbowicz "News Gathering by Mail in the Age of the Telegraph: Adapting to a New Technology," *Technology and Culture* 28 (January 1987), 26-41.

⁵ Malcolm M. Willey and Stuart A. Rice, *Communication Agencies and Social Life* (New York: McGraw-Hill, 1933), 153.

⁶ Philip Abbott, *Seeking Many Inventions: The Idea of Community in America* (Knoxville: Univ. of Tennessee Press, 1987), 73.

⁷ Michael L. Olsen, "But It Won't Milk the Cows: Farmers in Colfax County Debate the Merits of the Telephone," *New Mexico Historical Review* 61 (January 1986), 1-13; Claude S. Fischer, "The Revolution in Rural Telephony, 1900-1920," *Journal of Social History* 21 (Fall 1987), 5-26; Claude S. Fischer, "Technology's Retreat: The Decline of Rural Telephony, 1920-1940," *Social Science History* 11 (Fall 1987), 295-327.

business of carrying magazines from publisher to newsstands; it maintained its dominance until the 1950s. In fact, the American News Co. also acquired many of the nation's newsstands.⁸ The advent of the automobile also enlarged people's communication options. Ironically, improvements in rural roads prompted by RFD literally paved the way for farmers' use of automobiles that partly obviated RFD. As increasing numbers of farm families bought cars and drove to department stores in cities, they grew less dependent on parcel post to obtain goods. After World War II, "farmers' reliance on parcel post lessened, [and] the system was used more and more by city people."⁹

The telegraph and automobile, and even more so the telephone, permitted communication *exchanges* that approximated the possibilities of sending and receiving letters. But the most striking communication innovations of the twentieth century were the media of mass impression—motion pictures, radio, and television—that distributed content through one-way channels to huge audiences. Motion pictures did much to shape a national community of tastes, style and culture. Weekly attendance in the United States rose from an estimated 40 million in 1922 to 115 million eight years later. Broadcasting had more pronounced effects along those lines. Although regulators licensed radio and television stations to serve local communities, the economics of programming induced most to affiliate with national networks. During radio's golden years, the 1930s and '40s, the vast majority of primetime programming originated from New York and a few other cities. When network television eclipsed radio, it became the principal communication mechanism to propagate popular culture, market consumer goods from coast to coast, and foster a sense of national unity.¹⁰

These three media of mass communication affected two prongs of universal postal service. Rural Americans could now supplement, or substitute, the entertainment and news they found on the pages of magazines and newspapers mailed to their homes. And these media, especially television, diminished the postal

⁸ Frank Luther Mott, *A History of American Magazines* 5 vols. (Cambridge: Harvard Univ. Press, 1957), 4:18, 66, 84, 584, 610-11; Theodore Peterson, *Magazines in the Twentieth Century* (Urbana: Univ. of Illinois Press, 1964), 91-94.

⁹ Wayne E. Fuller, *RFD: The Changing Face of Rural America* (Bloomington: Indiana Univ. Press, 1964), 257; Willey and Rice, *Communication Agencies and Social Life*, 27-57.

¹⁰ Willey and Rice, *Communication Agencies and Social Life*, 177-207, esp. 179, is especially useful for the impact of early film and radio. Many works document the development of film, radio, and television. See, e.g., James L. Baughman, *The Republic of Mass Culture: Journalism, Filmmaking, and Broadcasting in America since 1941* (Baltimore: Johns Hopkins Univ. Press, 1992).

system's role in binding the nation together through the distribution of shared symbols and messages, mainly in the form of magazines. Large-circulation popular magazines such as *Life*, *Look* and the *Saturday Evening Post*, many delivered by post, succumbed when television became a more cost-effective vehicle to deliver mass audiences to advertisers. The mails, though, remained important as a channel to deliver specialized publications to smaller groups of subscribers who, though scattered throughout the country, shared common interests.¹¹

Private-Sector Contributions to Universal Delivery Services

Some private delivery companies anticipated postal operations or filled gaps in the coverage provided by the U. S. mails. In effect, they helped advance universal delivery through intra-city and inter-city services.

Although postmasters could retain city letter carriers as early as 1794, the service remained spotty until Congress put it on a regular footing in 1863. (See Section 3 for the origins of free city delivery.) Private carrier firms grew rapidly in a number of cities beginning in the late 1830s, mostly to serve expanding business districts. By the 1850s, two New York City penny posts, as they were known, delivered 20,000 letters a day for 1 or 2 cents each. "During their heyday in the three decades before the Civil War," and the start of the government's free delivery, "these firms introduced many of the innovations associated with the modern postal system, including mailboxes and postage stamps," according to one historian.¹²

Slowly expanding postal operations in the West and on the Pacific Coast created an opening for private delivery firms, the express companies, to serve remote settlements, boomtowns, and mushrooming cities. About 300 operated in the West. By one estimate, the expresses handled nearly all the letters delivered in California in the early 1850s.¹³ Some of the private services emulated postal practices. For instance, the expresses carried newspapers *to editors* for free, much like the government's postage-free exchanges. Editors repaid their debt by publishing puffs

¹¹ Baughman, *Republic of Mass Culture*, 220.

¹² Richard R. John, *Spreading the News: The American Postal System from Franklin to Morse* (Cambridge: Harvard Univ. Press, 1995), 152-53; Richard R. John, "Private Mail Delivery in the United States during the Nineteenth Century: A Sketch," *Business and Economic History* 15 (1986), 135-38.

¹³ Alvin F. Harlow, *Old Waybills: The Romance of the Express Companies* (New York: D. Appleton-Century Co., 1934) cited in John, "Private Mail Delivery," 139, footnote 8.

touting the private companies. Newspapers *for readers*, in contrast, did not travel at the minimal rates the government assessed. Eastern newspapers carried by express fetched up to \$8 in gold-mining towns.¹⁴ The most celebrated express in American history ran between St. Joseph, Missouri, and San Francisco for eighteen months. A stagecoach firm launched the Pony Express in 1860 to attract favorable notice in Congress for its proposed mail route. Given the steep charges—\$5 for a half ounce—the messages carried tended to be high-value business correspondence and news digests written on tissue paper. Eastbound and westbound trips took about eleven days, half the usual transit time for the overland mail stages. When Congress incorporated the Pony Express into the mail system in 1861, it slashed the postage rates.¹⁵

Private-Sector Competition and the Postal Monopoly

The long and often contentious history of relations between the public posts and private carriers frequently erupted into disputes about the legitimacy and scope of the government's monopoly over the mails. This complex history, with arcane debates about the meaning of such terms as *letter* and *packets*, has attracted considerable attention from lawyers and economists working to loosen or maintain the monopoly. Hence, their historical inquiries resemble legal briefs. Of the many issues surrounding the postal monopoly, one directly engages universal service: the government's assertion that its monopoly protected the revenues that financed universal, affordable, efficient postal services. Without a legally enforceable monopoly over key mail services, the argument goes, private carriers would undercut the government where it was profitable to do so, depriving the post office of revenues that financed the more costly parts of a nationwide system. Universal service would suffer. Explicitly or implicitly, this reasoning governed key policy decisions from the beginnings of the American post office to the Postal Reorganization Act.¹⁶

¹⁴ Richard B. Kielbowicz, *News in the Mail: The Press, Post Office, and Public Information, 1700-1860s* (New York: Greenwood Press, 1989), 98-100.

¹⁵ Le Roy Hafen, *The Overland Mail, 1849-1869* (1926; reprint ed. New York: AMS Press, 1969), 165-91; Arthur Chapman, *The Pony Express* (1932; reprint ed. New York: Cooper Square Publishers, 1971); Act of March 2, 1861, 12 Stat. 206. Ironically, the company operating the Pony Express did not receive the mail contract.

¹⁶ Works that deal largely with the history of the monopoly include George L. Priest, "The History of the Postal Monopoly in the United States," *Journal of Law and Economics* 18 (April 1975), 33-80; and James I. Campbell Jr., "An Introduction to the History of the Postal Monopoly Law in the United States" (paper presented at the Cato Institute Conference on "Postal Services in the 21st

The colonial American post office naturally inherited features of the British system along with some of its underlying principles. The British post office had long been a government monopoly. Although domestic security furnished the original rationale—controlling the flow of information sustained the monarch’s authority—the basis for the monopoly shifted as the government opened the service to merchants and other customers. The British jurist Blackstone, whose legal treatise influenced legal thinking in the early United States, saw the postal monopoly as an economic necessity: “[N]othing but an exclusive right can support an office of this sort: many rival independent offices would only serve to ruin one another.”¹⁷ At the time, the Royal Post was regarded as a revenue-generating agency of government; competition would impair its function.

The advent of railroads, with their easy and rapid transportation of letters between cities, marks the dividing point in congressional attention to the postal monopoly. From the Articles of Confederation until the early 1840s, Congress reflexively re-enacted laws establishing a basic postal monopoly.¹⁸ When the railroads enabled private express companies to provide cheap inter-city mail delivery, Congress focused on the nature of the government’s monopoly and articulated a rationale for it.

Century: Time to Privatize?,” Washington, D.C., 1995) (author is an attorney who has represented private carriers).

Even when the authors of articles and books are principally concerned about the contemporary implications of the monopoly, they usually devote considerable attention to its historical development. See, e.g., Joseph F. Johnston, Jr., “The United States Postal Monopoly,” *The Business Lawyer* 23 (January 1968), 379-405; John Haldi, *Postal Monopoly: An Assessment of the Private Express Statutes* (Washington, D.C.: American Enterprise Institute, 1974); Peter J. Donnici et al., “The Recent Expansion of the Postal Monopoly to Include the Transmission of Commercial Information: Can it be Justified?” *University of San Francisco Law Review* 11 (Winter 1976), 243-316; Roger P. Craig and William T. Alvis, “The Postal Monopoly: Two Hundred Years of Covering Commercial as Well as Personal Messages,” *University of San Francisco Law Review* 12 (Fall 1977), 57-87 (authors are U. S. Postal Service attorneys); Douglas K. Adie, *Monopoly Mail: Privatizing the U. S. Postal Service* (New Brunswick, N.J. Transaction, 1989) (author is an economist and the book was sponsored by the Cato Institute); J. Gregory Sidak and Daniel F. Spulber, *Protecting Competition from the Postal Monopoly* (Washington, D.C.: AEI Press, 1996).

¹⁷ William Blackstone, *Commentaries on the Laws of England*, Stanley N. Katz, ed. (Chicago: University of Chicago Press, 1979), I, 312.

¹⁸ This generalization glosses over a number of alterations in statutory language that affected the particulars of the postal monopoly (e.g., letters accompanying cargo, letters carried by ships’ captains), but none of these specifics bears on the general question of the desirability of the monopoly or its relation to universal service.

The Articles of Confederation forcefully asserted the new American government's prerogative over postal communications, giving the Continental Congress "the sole and exclusive right [of] . . . establishing and regulating post-offices."¹⁹ When the exigencies of war permitted, Congress revised and codified postal regulations. The Ordinance of October 18, 1782, articulated a rationale for governmental postal services: "the communication of intelligence . . . from one part to another of the United States is essentially requisite to the safety as well as the commercial interest thereof. . . ." But the ordinance, along with supplementary legislation adopted later that year, largely continued provisions that had grown up under the British. One provision perhaps had a slight bearing on universal service. The ordinance permitted "private cross post-rider[s] . . . may be employed by any of the citizens of these United States with the consent of the Postmaster General or his deputy, until a public rider can be established on such cross road." In other words, residents of frontier settlements did not have to suffer without service; they could arrange private posts if the public mails did not reach their towns.²⁰

Although the debates over the Constitution shed no light on contemporaries' understanding of the postal monopoly, many delegates at the Constitutional Convention and the state ratifying conventions undoubtedly had some sense of the monopoly in Britain, the American colonies, and under the Articles of Confederation. The scattered references to the postal clause leading to ratification of the Constitution suggest that the post office could be considered a revenue-raising agency as well as "productive of great public convenience . . . in facilitat[ing] the intercourse between the states. . . ."²¹

The early U.S. postal laws' language about the postal monopoly only hints at the reason behind the ban on private carriers. The 1792 law, the first overhaul under the Constitution, prohibited the transportation of letters or packets "on any established post-road, or any packet [i.e., boat], or other vessel or boat, or any conveyance whatever, whereby the revenue of the general post-office may be injured."²² Five

¹⁹ Articles of Confederation, art. IX.

²⁰ *Journals of the Continental Congress*, 669-78, quotes at 670 and 673.

²¹ Lindsay Rogers, *The Postal Power of Congress: A Study in Constitutional Expansion* (Baltimore: Johns Hopkins Press, 1916), 9-10, 22-25, provides a convenient overview of the consideration of the postal clause in the Constitutional Convention, *The Federalist Papers*, and in the state ratifying conventions. The statement about the post office as a revenue agency was made by one delegate at the Constitutional Convention, *ibid.*, 9; the quote about the post office as an agency to facilitate communication is from *Federalist* No. 42, *ibid.*, 23.

²² Act of Feb. 20, 1792, 1 Stat. 232, 236.

years later, Congress extended the monopoly to private carriage on “any road adjacent or parallel to an established post road.”²³ The basic monopoly provisions of the 1825 and 1827 postal laws changed little.²⁴ Read in isolation, these laws suggest that the monopoly was intended to protect the government’s ability to raise revenues that could be remitted to the Treasury. Indeed, the post office earned a surplus every year until 1808 and most years until 1820.²⁵

When viewed in context, however, these early statutory provisions suggest that there was a general legislative understanding of the relation between a government monopoly and the revenues needed to maintain and extend services. Several contextual reasons—the spotty legislative histories do not illuminate congressional intent behind the monopoly provisions—point to this conclusion. The unmistakable thrust of the 1792 law, which first enacted the postal monopoly under the Constitution, committed the post office to expansive and expensive measures. After extensive discussion and the emergence of a broad bipartisan consensus, Congress established below-cost newspaper postage and free transmission for printers’ exchanges to assure the widespread transmission of political news.²⁶ Furthermore, the 1792 law took the authority to designate post routes from post office administrators and gave it to Congress. “Though this decision was seemingly a minor administrative matter,” historian Richard John has written, “in fact it had major implications for the pattern of everyday life, since it virtually guaranteed that the postal network would expand rapidly into the transappalachian West well in advance of commercial demand.”²⁷ Finally, early postmasters general certainly expressed concerns about breaking even if not earning a surplus, but they also realized that protecting the post office’s revenues was necessary to subsidize unproductive routes and to extend service into thinly settled areas.²⁸

²³ Act of March 2, 1799, 1 Stat 733, 735.

²⁴ Act of March 3, 1825, 4 Stat. 107; Act of March 2, 1827, 4 Stat. 238.

²⁵ Wesley E. Rich, *The History of the United States Post Office to the Year 1829* (Cambridge: Harvard Univ. Press, 1924), 184.

²⁶ Kielbowicz, *News in the Mail*, 31-56; 145-47.

²⁷ John, *Spreading the News*, 45.

²⁸ For statements by postmasters’ general to this effect, see Rich, *Post Office to the Year 1829*, 71 and 92 (PMG Habersham, 1796), PMG Gideon Granger, “Revision of the Post Office Laws,” Report to the House of Representatives, Feb. 22, 1810, *American State Papers, Post Office* 42; PMG John McLean, “Condition of the Post Office Department,” Dec. 7, 1824,” *ibid.*, 113.

After casually legislating the postal monopoly for a few decades, Congress in the 1840s faced a frontal assault on the post office's revenues. In dealing with this challenge, Congress articulated a rationale for the postal monopoly that linked it to the department's universal service mission. Beginning in 1839, private firms recognized merchants' dissatisfaction with high letter postage and took advantage of the growing railroad network to carry mail between the Northeast's leading commercial centers. These Eastern private express companies, unlike many in the West, competed directly with the post office on the most lucrative routes, carrying letters at rates 75 or 80 percent below the official postage. The private expresses siphoned off much of the post office's letter mail, which was heavily concentrated in the Northeast. One senator estimated that 50 percent of the nation's letter mail was diverted from the official channels. And annual postal revenues were dropping, even with an expanding economy.²⁹

In the early 1840s, the post office lost several well-publicized cases brought against private express firms. The courts ruled that the 1825 and 1827 postal monopoly provisions did not prevent *passengers* working for the express companies from carrying mail privately on steamships and railroads even though the transport firms themselves would be prohibited from doing so.³⁰ The post office looked to Congress for a remedy. Lawmakers considered a mix of two proposals: tighten the statutory monopoly to eliminate competition and/or sharply reduce letter postage to boost revenues through higher mail volumes. In the end, Congress did both, and two 1844 reports from the House Committee on the Post Office and Post Roads explain that, despite some differences, lawmakers believed the postal monopoly was necessary to sustain universal service.³¹

A majority report from the House post office committee stated the case most forcefully. Only through the post office can "the means of transmitting intelligence be maintained co-extensively with the population and settlement of the country. That it should be so maintained, we hold to be a matter of obligation upon the Government, and due to the citizen, wherever situated in our territory." Such an extensive "mail system embraces unproductive as well as productive routes." Postage raised "in the densely-peopled parts of the country, and on routes of short distances

²⁹ John, "Private Mail Delivery," 140-43.

³⁰ *United States v. Adams*, 24 F. Cas. 761 (S.D.N.Y. 1843); *United States v. Kimball*, 26 F. Cas. 782 (D. Mass. 1844). These and other cases are discussed in Priest, "History of the Postal Monopoly," 60-61.

³¹ One author asserts that the deliberations on this bill constituted "the only major congressional consideration of the postal monopoly in the nation's history. . . ." Priest, "History of the Postal Monopoly," 65.

between the large towns . . . must exceed the cost of transportation.” Those who live in settled areas contribute to the institutional cost of a nationwide system, “a contribution which is amply repaid in the manifold ways in which the extremities of our system contribute to the prosperity and importance of the center, wherever lines of communication are established between them.” Cream-skimming private expresses “will carry the mails wherever it can profitably be done; but they will not take them to the sparse settlements and remote points. . . .” Without “vigorous legislation” to check the private expresses, the post office will “either be cast on the treasury for support, or suffered to decline from year to year, till the system has become impotent and useless.”³²

Three members of the post office committee filed a minority report but agreed with the majority that “a crisis has arrived requiring decisive action. . . . The first object to be accomplished, clearly, is to get rid of the expresses or private mails.” These three lawmakers, from Northeastern states—New York, Massachusetts, and Pennsylvania—with the nation’s largest commercial centers, also applauded the post office’s nationwide service. “The department . . . spread[s] itself over a mighty nation, . . . visiting every village and hamlet, extending to the whole people the means of intelligence and intercommunication. By means of its agency, the knowledge of events transpiring in any part of the country, is in a few days spread through the Union. . . .” And, like the majority, it recognized that the private express’s cream-skimming threatened the post office’s ability to provide universal service. The report predicted that the private expresses “will, in all probability, within two years, be in possession of every profitable mail route in the Union, leaving the unproductive as a burden upon the Government.”³³

³² House Report No. 477, 28th Cong., 1st sess. (1844), quotes at 1 and 2. In effusive rhetoric, the report enumerated the advantages of universal service that were of little concern and profit to private companies:

To content the man dwelling remote from towns with his more lonely lot, by giving him regular and frequent means of intercommunication; to assure the emigrant who plants his new home on the skirts of the distant wilderness, or prairie, that he is not forever severed from the kindred and society that still share his interest and love; . . . to render the citizen, how far soever from the seat of his Government, worthy, by proper knowledge and intelligence, of his important privileges as a sovereign constituent of the Government; to diffuse, throughout all parts of the land, enlightenment, social improvement, and national affinities, elevating our people in the scale of civilization and binding them together in patriotic affection;--these are considerations which the advocates of the right of individual enterprise to the conveyance of the mails disregard. They assume no other ground than the narrow one of personal selfishness. . . .

Ibid., 2.

³³ House Report No. 483, 28th Cong., 1st sess. (1844), quotes at 1, 2 and 5.

The majority and minority thus concurred that the postal monopoly needed tightening to protect the post office's ability to offer nationwide service. They disagreed, however, on what to do about the rates for letter postage and their relation to universal service. The majority of the House committee, drawn largely from Southern and Western states, feared that a substantial reduction in letter postage would deprive the post office of the revenue that underwrote services in their regions. The minority members filled their report with tables and analyses that demonstrated the extent to which letter postage raised in the Northeast, primarily in the lawmakers' three home states, subsidized the whole system. They pressed for a drastic reduction in letter postage along the lines of the British implemented in 1840. These congressmen believed that lower costs would boost volume sufficiently to yield revenues that would finance the whole system. Tightening the postal monopoly alone would not protect the post office's finances; it needed to go hand-in-hand with much-reduced letter postage.³⁴

Without ever using the terms *universal service*, *natural monopoly* and *cross-subsidy*, lawmakers engaged in an analysis that implicitly applied and linked these concepts. The floor debate revealed widespread agreement that the post office had a duty to provide service to all citizens; that private competitors would impair fulfillment of that mission; and that areas of high-volume, low-cost service appropriately subsidized areas of low-volume, high-cost operations. Furthermore, even though lawmakers complained during the debates about the cheap newspaper postage, in the end they left it largely unchanged, continuing the long-standing cross-subsidy by mail classes (i.e., letter postage underwriting newspaper postage).³⁵ The Post Office Act of March 3, 1845, cut letter postage and reduced the number of zones to two and closed the loopholes in the 1825 and 1827 laws that had allowed the private expresses to thrive.³⁶

The 1845 law laid the foundation for the modern private express statutes. The Supreme Court has upheld the constitutionality of a postal monopoly, recognizing its

³⁴ Ibid.; and House Report No. 477.

³⁵ Priest, "History of the Postal Monopoly," 63-67, summarizes the debates and indicates that there was "unanimous" agreement on many of these principles. "Unanimous" might be a bit of an overstatement since the vote on the final bill was not unanimous. His interpretation is based on remarks made during the floor debate but, of course, not all lawmakers addressed all of the provisions.

³⁶ 5 Stat. 732, 733, 735. The monopoly provisions banned the establishment of private expresses carrying letters, and other specified materials, anywhere the U.S. mails operated. Furthermore, no passenger traveling on a transport or the employees of the transportation companies could carry letters outside the mails. Ibid. 735-36.

importance in protecting the department's revenues.³⁷ Except for the early twentieth-century debates surrounding parcel post and its relation to private package delivery, Congress did not again engage in policy debates about the postal monopoly and its relation to universal service until the eve of Postal Reorganization. The postal monopoly did, however, continue to present a number of administrative problems for the Post Office Department.³⁸

³⁷ *United States v. Bromley*, 12 U.S. (How.) 88 (1851); *Ex parte Jackson*, 96 U.S. 727, 735 (1877) (dictum). For a discussion of these and other cases, see Ithiel de Sola Pool, *Technologies of Freedom* (Cambridge: Harvard Univ. Press, 1983), 82-85.

³⁸ Congress did make a number of significant changes in 1872 when a commission codified the postal laws. The codification specifically extended the postal monopoly to intracity delivery, not just intercity services. It also revised the definition of mailable matter. But the changes were part of a package presented to Congress that purported to make only technical adjustments in the law, not policy changes. Hence, Congress did not dwell on these changes. Campbell, Jr., "Introduction to the History of the Postal Monopoly Law," 12-15.

7. The Place of Universal Service in the Move Toward Postal Reorganization

By the mid-twentieth century, the post office faced several pressures that threatened its ability to continue offering the types and levels of service that many Americans expected. Demographic shifts—declines in rural populations, increasing suburbanization—affected the volumes and patterns of mail delivery and the costs of providing it. Competing forms of communication, e.g., long-distance telephone calls, became more affordable. Changes in the types of mail sent—more commercial matter, less personal correspondence—altered the patron base and expectations for the system. The continuing connection between political parties and postal employment constrained effective administration. And not least, growing deficits forced Congress to reconsider principles that had guided the postal system since its formative years and the funding mechanisms that had made universal service possible.

Levels of Service in the Decades Before Reorganization

The institutional strains felt by the post office combined to reduce services for both urban and rural patrons. Rural residents saw the number of small-town post offices close at an increasing pace. In cities, more people enjoyed regular carrier delivery, though the level of service declined in some respects.

As Rural Free Delivery reduced the isolation of farm families in the countryside, it also reduced the patronage at small-town post offices. The number of post offices peaked at 77,000 in 1901 and declined thereafter, with the pace

accelerating in the 1950s.¹ The losses came almost entirely in small-town facilities. The congressional commitment “to serve, as nearly as practicable, the entire rural population of the United States,” meant that RFD carriers increasingly performed multiple services for patrons that would otherwise require a trip to the post office.² RFD carriers in the mid-1900s sold stamps, received registered mail, took applications and payment for money orders, accepted parcels that needed insurance, and handled forwarded mail. Of course, RFD service was not quite equivalent to city delivery. Special delivery mail took longer to reach addressees more than a mile from town and special arrangements might be required to deliver parcels too large to fit in a rural patron’s mailbox.³

Declining small-town populations and the longer RFD routes made possible by improved roads and better vehicles prompted the department to close many small offices and consolidate rural routes. In the early 1960s, the post office considered it “practicable,” in the language of the governing statute, to provide RFD service for a minimum of two households per mile along the route.⁴ Later in the decade, the department extended RFD service to lower-density areas, a minimum of one and a half patrons per mile.⁵ Third- and fourth-class post offices, categorized as those yielding less than \$8,000 a year, were especially vulnerable to closure. In 1966 they constituted almost two-thirds of all offices. Third-class offices typically used rented facilities, often leased from the postmaster. Postmasters of fourth-class offices received 15 percent of their salary to cover rent and operating costs for their facilities, which often consisted of space set aside in their own store.⁶

¹ Arthur D. Little, Inc., “A Description of Postal Problems and Their Causes,” in President’s Commission on Postal Organization, *Towards Postal Excellence* (Washington, D.C.: Government Printing Office, 1968), Annex 3, p. 2-32.

² On the development of RFD to the mid-1900s, see section 4. The commitment was articulated in a 1916 law. Act of July 28, 1916, 39 Stat. 412, 423.

³ The duties of RFD carriers at mid-century are detailed in 1948 *Postal Laws and Regulations* 386, 391, 394.

⁴ J. Edward Day, “Address Before the Annual Meeting of the Section on Corporation, Banking and Business Law,” *The Business Lawyer* 17 (November 1961), 90. (Day was Postmaster General).

⁵ *Postal Rates: Hearings Before the Senate Committee on Post Office and Civil Service*, 90th Cong., 1st sess. 304 (1967) (remarks of Louis A. Kislik representing Direct Mail Advertising Association, and Publishers Clearing House).

⁶ Arthur D. Little, Inc., “Description of Postal Problems,” in *Towards Postal Excellence*, Annex 3, p. 2-33. The classification of post offices depended on their revenues: first-class offices, in

Although many postal officials believed that the overhead costs of maintaining third- and second-class offices sapped the department's resources, they found that closing facilities or consolidating rural routes involved a cumbersome process. First, the department could consider closing an office only when the postmaster retired, resigned, died or moved. A regional office then assessed the impact on postal operations—transportation, accounting, and so forth—and considered alternative ways of maintaining the same level of collection and delivery services for patrons. The process also had a major political component. The department informed a political figure in the area, usually a member of Congress, about the possible closure. In many cases the community organized to keep its post office, arguing that the loss of identity (e.g., a postmark) and the loss of business brought to town by post office patrons would accelerate the area's economic and social slide. By law, the department could not close offices in county seats. Social considerations also influenced department decisions; for instance, the presence of a large school in the neighborhood would tip the scales in favor of retaining a post office. And political pressures often prevailed. When the department succeeded in closing small offices, RFD carriers usually began serving patrons⁷

The department also looked for greater efficiencies in the arrangement of rural routes. Better vehicles and roads enabled fewer RFD carriers to serve more households (see Table 4.1 for the number of RFD routes and miles served). Consolidation of routes, however, often made patrons uneasy and by law occurred only when a rural carrier died or resigned. The department estimated that it saved \$3,500 a year from the average consolidation. Some carriers, who worked only part of a day before consolidation, appreciated the extra income from a longer route. Apparently some rural residents mistook consolidation for discontinuation. Each Congress from 1963 to 1969 printed a pamphlet for the guidance of members with answers to questions that are “most frequently asked when a postmaster or rural carrier vacancy occurs.” Representatives were urged to reassure patrons that the department will not “consolidate, regardless of the saving, if satisfactory service

1966 about 14 percent of the nation's total, had revenues of at least \$40,000; second-class, 21 percent, \$8,000; third-class, 39 percent, \$1,500; and fourth-class, 26 percent, less than \$1,500.

⁷ Arthur Little, Inc., “Description of Postal Problems,” in *Towards Postal Excellence*, Annex 3, pp. 2-32 to 2-33; 1948 *Postal Laws and Regulations* 163. The Act of June 25, 1934, 48 Stat. 1212, 1213, prohibited the Post Office Department from consolidating rural routes unless a vacancy occurred. Apparently this depression-era law was intended to maximize employment. See Comptroller General, *Potential Savings Through Changes in Legislation Affecting Compensation of Rural Carriers and Consolidation of Rural Routes* (Washington, D.C.: Government Accounting Office, 1966) for arguments in favor of repealing this law.

cannot be maintained.” Apparently some patrons were as concerned about the loss of a salaried federal position in their community as the changes in service.⁸

City residents also saw changes, including cutbacks, in their services. Most visibly, the postmaster general in 1950 slashed the number of daily mail deliveries. City post offices had long provided twice daily deliveries to residential areas and multiple deliveries in business districts. Acting unilaterally, Postmaster General Jesse Donaldson ordered residential delivery cut to once a day and business delivery to twice. His action was prompted by Congress’s refusal to appropriate funds he had sought, especially after lawmakers had raised postal employees’ salaries. His order also curtailed street collections and window services and cut by half parcel deliveries to businesses. The unexpected action angered Congress, citizens and letter carriers, but within weeks the United States entered the Korean War, diverting attention and resources elsewhere. The House voted to rescind the order but the Senate failed to concur by one vote. Before taking office, the next postmaster general, Arthur E. Summerfield, spoke in favor of reinstating the second daily delivery, but declined to do so once he confronted the postal deficit. The controversy still simmered in 1967 but the second daily residential delivery never returned.⁹

At least three times in the 1950s and ‘60s, postmasters general threatened to eliminate Saturday operations. In 1957, Postmaster General Summerfield did order post offices closed for one Saturday as part of a funding dispute with Congress. Critics noted that many working people could go to post offices only on Saturdays.¹⁰

Other changes in city delivery were less dramatic. Post-war suburban growth, with houses more widely dispersed than in cities, chipped away at the department’s commitment to deliver mail to every front door. The department began touting curbside delivery, which had been tested in 1939, as a cost-saving measure, but

⁸ *Procedures for Appointment of Acting Postmasters, Permanent Postmasters, and Rural Letter Carriers; Consolidation of Rural Routes* (Washington, D.C.: Government Printing Office, 1963) (committee print prepared by the Post Office Department for the House Committee on Post Office and Civil Service), 9-10, quotes at iii, 10. Nearly identical pamphlets were printed in 1965, 1967, and 1969.

⁹ William C. Doherty, *Mailman U.S.A.* (New York: David McKay Co., 1960), 207-13, 276 (Doherty was president of the National Association of Letter Carriers at the time Donaldson cut service); Gerald Cullinan, *The Post Office Department* (New York: Praeger, 1968), 161-62; “End of the 5-Cent Letter? LBJ Asks That and More,” *U.S. News & World Report*, Feb. 6, 1967, p. 64.

¹⁰ “Sen. Carlson Scores Congress,” p. MW2; ““You Can Have Good Mail Service, If --,”” *U.S. News & World Report* 42 (May 24, 1957), 64-78, esp. 70; J. Edward Day, *My Appointed Round: 929 Days as Postmaster General* (New York: Holt, Rinehart and Winston, 1965), 48.

promised Congress that it would extend delivery to the front door if appropriations allowed. In 1967, the post office estimated that it cost \$15 a year per household to deliver to the door rather than the curb; it requested \$15 million to upgrade service to one million homes.¹¹ By the late 1960s, the department was experimenting with cluster mailboxes up to two hundred yards from patrons' homes to make deliveries more efficient.¹² Other changes included the increased use of contract stations, the introduction of self-service units, and accelerated mail collections in business districts.¹³

Identifying and Financing Public Service Features

From the 1950s until postal reorganization, the parties most deeply engaged in postal operations—Congress, the department, postal employees, and organized mailers groups—struggled whether to characterize the postal system as principally a public service or a business operation. These deliberations, which had a major bearing on rural operations and other components of universal service, helped articulate a policy governing the postal system and suggested a means to finance it. The discussions framed the development of the Postal Reorganization Act and the laws passed between 1958 and 1967 anticipated some of its statutory language.

After years of listening to claims about the benefits of different postal services, Congress launched a full-scale study to make its own determination. The ultimate goal was to develop a comprehensive postal policy so that funding for specific services bore some relation to an articulated social policy. The 1953-54 study endeavored, in large part, to reconcile the sometimes competing views of the post office as a disseminator of culture, on the one hand, and as an adjunct of the nation's business system, on the other. The Senate post office committee commissioned studies by the National Industrial Conference Board and the National Education Association. The former gathered evidence about the postal system's relation to business operations and the economy; the latter focused on contributions to cultural life.¹⁴

¹¹ Carl H. Scheele, *A Short History of the Mail Service* (Washington, D.C.: Smithsonian Institution Press, 1970), 182; *Postal Rates: Hearings* 304 (1967) (remarks of Kislik).

¹² Cullinan, *Post Office Department*, 183; "Sen. Carlson Scores Congress Members in Maiden Speech as DMAA Official," *Direct Marketing* 32 (June 1969), p. MW2.

¹³ "Project: Post Office," *Southern California Law Review* 41 (Spring 1968), 654; Scheele, *Short History of the Mail Service*, 182.

The conference board estimated that at least three-fourths of the post office's revenues came from business activities. The national scope of postal operations was particularly important to advertising and the distribution of merchandise. About 30 percent of the nation's total advertising volume reached audiences by mail. And, though private delivery companies handled much of the nation's merchandise, businesses regarded parcel post as essential for some services. In fact, businesses complained about a 1951 law, designed to protect private firms, that had reduced the size and weight limit of parcels mailed between larger post offices. This complicated the nationwide distribution of products for some companies.¹⁵

For their part, educators detailed myriad ways that the nationwide operations of the post office enriched the cultural life of the nation. They particularly praised the unzoned editorial rate for newspapers, magazines and books. The flat rate for books, for instance, proved of special value to people west of the Mississippi River. The National Education Association's portion of the report repeatedly asserted that "educational benefits derived from the use of the mails consist primarily in the benefits to the consumer or recipient of mail rather than to the producer or mailer." Therefore, even though commercial firms profited from the post office's nationwide distribution of their products, such mail still deserved favorable consideration for its contribution to "the general welfare."¹⁶

The Postal Policy Act of 1958, the most comprehensive congressional statement on the subject to that time, adopted many of the recommendations from the 1954 report.¹⁷ The act opened with six congressional findings, of which the first two addressed the importance of a nationwide system:

¹⁴ The Senate committee's report and those of the contributing groups can be found in Senate Report No. 1086, 83rd Cong., 2nd sess. (1954).

¹⁵ The National Industrial Conference Board's part of the report can be found at *ibid.*, 40-176. The Act of Oct. 25, 1951, 65 Stat. 610, reduced the size-weight limit for parcels mailed between first-class post offices. The 1954 report recommended that the size and weight restrictions be restored to a uniform level at all offices. Senate Report No. 1086, pp. 24, 131. But Congress did not heed this recommendation until 1966. *Parcel Post: Hearings on H.R. 12367 and Related Bills Before the Subcommittee on Postal Rates of the House Committee on Post Office and Civil Service*, 89th Cong., 2nd sess. (1966).

¹⁶ The National Education Association's contribution can be found in Senate Report No. 1086, 177-234, quotes at 224, 227.

¹⁷ Key legislative documents that evolved into the Postal Policy Act include Senate Report No. 1321, 85th Cong., 2nd sess. (1958); and the conference report, House Report No. 1760, 85th Cong., 2nd sess. (1958).

- (1) the postal establishment was created to unite more closely the American people, to promote the general welfare, and to advance the national economy;
- (2) the postal establishment has been extended and enlarged through the years into a nationwide network of services and facilities for the communication of intelligence, and the dissemination of information, the advancement of education and culture, and the distribution of articles of commerce and industry. Furthermore, the Congress has encouraged the use of these broadening services and facilities through reasonable and, in many cases, special postal rates;

Other findings related indirectly to universal service: the postal system facilitated economic development important to the national economy; many of the system's functions "can only be justified as being in the interest of the national welfare"; expenses of a "nonpostal nature" should not be charged to postal customers; and "the increasing complexity of the social and economic fabric of the Nation require[s] an immediate, clear and affirmative declaration of congressional policy. . . ." ¹⁸

The act reaffirmed that a public service philosophy guided the post office in general and certain classes of mail and services in particular. It further provided that ratemaking give "due consideration" to several criteria, including "the promotion of social, cultural, intellectual, and commercial intercourse among the people of the United States. . . ." The seven other criteria anticipated several of the reorganization act's ratemaking standards. ¹⁹ The 1958 law also prescribed a mechanism to cover the shortfall caused by operations that Congress determined as "having public service aspects." Carrying the several types of preferred-rate mail qualified as a public service as did the cost of maintaining rural facilities and deliveries and providing nonpostal services. The act authorized annual appropriations from the Treasury to cover the losses incurred in offering these public services; this arrangement was intended to spare mailers from paying for services that were properly charged to all taxpayers. ²⁰

¹⁸ Postal Policy Act of 1958, sec. 102, 72 Stat. 134-35.

¹⁹ Other criteria required the maintenance of an "efficient postal service" with "equitable rates." Any adjustments should consider their impact on mailers. And the act recognized such factors as pre-mailing preparation, "the value of mail," "the value of time of delivery," and the "quality and character of the service rendered." The act applied these criteria to first-class mail, declaring it "a preferred service of the postal establishment" and suggesting that it should bear a large share of the system's institutional costs. Sec. 103 (1) and (2), 72 Stat. 135-36. Compare them with the reorganization's ratemaking criteria. Postal Reorganization Act, sec. 3622(b), 84 Stat. 719.

²⁰ Postal Policy Act, sec. 103(c)(3) and sec. 104, 72 Stat. 136-37.

The 1958 act hardly resolved disputes over funding public service aspects of the post office. In 1962, Congress spelled out more precisely how to calculate the public service costs of rural operations. Lawmakers declared that 10 percent of the costs of third-class offices and the star route system, and 20 percent of the costs of fourth-class offices and rural routes should be regarded as the public service component and funds in that amount provided by the Treasury.²¹ Three years later an advisory panel created by the postmaster general suggested a radically different approach to financing rural operations. The expenses of providing service for 35 million people using rural routes and small post offices should not be regarded a public service cost “paid from taxes rather than from postage,” the panel recommended. “Rural service is essential in a national transportation network and without it much of the urban mail volume would not materialize.” Thus, the expenses of rural facilities and deliveries should be treated as institutional costs allocated among all mail users.²²

The last major legislation under the old regime, a 1967 law, still labored to implement principles enunciated in the 1958 policy act. Accompanying reports had little to say in relation to universal service beyond reiterating, in discussions of second- and third-class rates, the importance of a national system in communicating intelligence, disseminating information, advancing education and culture, distributing articles of commerce, and stimulating the growth of commercial enterprises.²³

The Commission on Postal Organization

In a 1967 speech by Postmaster General Lawrence O’Brien, the Johnson administration called for an overhaul of the nation’s postal establishment.²⁴ Cumulative problems in postal financing, labor relations and modernization—accentuated by dramatic breakdowns in mail processing and delivery—generated momentum for reform.²⁵ Shortly after O’Brien’s speech, President Lyndon B.

²¹ Postal Service and Federal Employees Salary Act of 1962, sec. 201(b)(4), 76 Stat. 836.

²² Advisory Panel on Postal Rates, *Report Prepared for the Use of the House Committee on Post Office and Civil Service* (Washington, D.C.: Government Printing Office, 1965), 3 (committee print).

²³ Postal Revenue and Federal Salary Act of 1967, 81 Stat. 613; House Report No. 722, 90th Cong., 1st sess. 15 (1967).

²⁴ L. O’Brien, “A New Design for the Postal Service,” *Vital Speeches of the Day* 33 (1967), 418-21.

Johnson appointed a commission to investigate postal reform.²⁶ Headed by the former chairman of AT&T, Frederick R. Kappel, the President's Commission on Postal Organization drew most of its members from the upper ranks of the corporate world. The report touched on every aspect of the postal system, including the key features of universal service: its value in maintaining national unity, rural postal operations, the postal monopoly, and the ubiquitous federal presence.²⁷

The Kappel Commission did not start its report, as have many other studies, by singing the praises of the post office in binding the nation together. Nationwide service appeared mainly in matter-of-fact references to rural operations, delivering letters, and facilitating economic activity. The Kappel commission did briefly review the "historical justification for the structure" to "inquire whether reasons still exist for preserving it." Much of this review highlighted developments in communication that had diminished the centrality of the postal system. "Today the nation is linked together by many communications and transportation networks," the Kappel Commission observed. Indeed, the increasingly competitive nature of the communication environment furnished a major reason to overhaul the postal system.²⁸ "Telephone communications surpassed mail communications by six billion in 1950 and by over fifteen billion in 1960," a consultant's report noted.²⁹ Furthermore, telephone calls could substitute for one-third of the general correspondence then being mailed.³⁰

²⁵ The failings of the Post Office Department and the events that led to the reorganization act have been widely recounted. See generally John T. Tierney, *Postal Reorganization: Managing the Public's Business* (Boston: Auburn House, 1981), 8-26; Alan L. Sorokin, *The Economics of the Postal System* (Lexington, MA: Lexington Books, 1980), 25-27; Harold Dolenga, "An Analytical Case Study of the Policy Formulation Process (Postal Reform and Reorganization)" (Ph.D. dissertation, Northwestern Univ., 1973). From 1966 to 1970, the weekly news magazines and business publications also charted the post office's decline and reorganization's progress. *U. S. News & World Report* was particularly diligent in following postal affairs; see also *Newsweek* and *Business Week*.

²⁶ "Crisis Coming in the Mails," *U. S. News & World Report*, April 24, 1967, pp. 58-62.

²⁷ President's Commission on Postal Organization, *Towards Postal Excellence* (Washington, D.C.: Government Printing Office, 1968). The commission's own conclusions and recommendations were accompanied by four volumes of contractors' reports published as annexes. The report itself will hereafter be cited as *Towards Postal Excellence* and the contractors' reports as components published as part of the commission's report.

²⁸ *Ibid.*, 46-47.

²⁹ Arthur D. Little, Inc., "A Description of the Postal Service Today," in *ibid.*, Annex 3, p. 1.20. Furthermore, telephone calls could substitute for one-third of the general correspondence then being mailed.

³⁰ *Toward Postal Excellence*, 91.

The commission's general contractor, Arthur D. Little, Inc., offered the most expansive view of a ubiquitous post office's contribution to national welfare. People had other means of communicating information and other ways of transporting materials,

But there is no other ONE system which transfers ideas, thoughts, sentiments, information, advertising, commands, requests, bills, money, warnings, and photographs; and transfers things as well: packages, samples, gifts, books, newspapers, cheese, newsletters. There is no other one system which can gather heterogeneous items for pinpoint delivery, and broadcast homogenous items. There is no other one system which is universal, touches nearly everybody, reaches everywhere, which carries a letter for a single individual for a few cents and tons of material for influential enterprises for millions of dollars. There is no other one system which is EVERYBODY'S servant.

In one of the rare uses of *universal service* before reorganization, the contractor concluded that "the postal service fills the unique role of universal service to big and small. Ubiquity or universality is primary on the list of characteristics which a postal system must possess."³¹

The Kappel Commission viewed rural operations as an integral part of a unified system. The commission rejected the principle enacted in the 1958 postal policy act that the high per capita costs of serving rural areas should be treated as subsidies paid from the Treasury. "The Commission rejects the notion that every post office must take in sufficient revenue to pay its own costs or be terminated. Further, to look only at the revenues from rural operations is to ignore the value to both the urban and rural user of offering nationwide service." The contractors' reports concurred with this assessment and with the implication for ratemaking: "Rural costs are proper business expenses to be included in their entirety in the postal rate base and should not be considered, in any sense, a subsidy."³²

The postal monopoly deserved to be retained, the commission concluded, for reasons implicitly linked to universal service. Like many public utilities, the post office had characteristics of a natural monopoly. "[T]he waste of having several

³¹ Arthur D. Little, Inc., "Report of the General Contractor," in *Towards Postal Excellence*, Annex 1, p. 163.

³² *Toward Postal Excellence*, 50, 136-38, quote at 50. For one contractor's analysis of rural service, see Foster Associates, "Rates and Rate-Making," in *ibid.*, Annex 2, pp. 1-2, 6-11.

companies duplicating daily deliveries to almost every house is apparent.” Furthermore, the monopoly protected the post office’s revenues. “The postal service is particularly vulnerable to ‘cream-skimming’ in the high-volume, high-value segments of its market, e.g., delivery within or between downtown business districts of major cities.” If competition were allowed, the post office would be left with the high-cost services, “increasing its average unit cost and requiring higher prices to all users.” The commission recommended preserving the private express statutes, though it noted that some relaxation of the monopoly might be desirable for intra-company mail.³³

“The Federal Government no longer needs the local post office to make its presence known,” the commission wrote in discounting the importance of maintaining a ubiquitous federal presence.³⁴ On this point, the contractors disagreed. Foster Associates suggested, and the commission seemed to concur, that modern broadcasting did much more to project a federal presence than the system of local post offices. Post offices’ “semi-mystical [federal] presence” was an anachronism in the modern United States; it made more sense to view the institution “as another semi-monopolistic public service enterprise.” Its venerable role in fostering national unity had been eclipsed.³⁵ But Arthur D. Little pointed out that the post office remained a focal point for federal activities and services, “and symbolizes through its flag and façade that the Federal Government does, in fact, reach into every community in the United States.”³⁶

Postal Reorganization in Congress

The Kappel Commission’s recommendations, introduced in Congress, underwent numerous legislative transformations over two years.³⁷ Whereas the commission emphasized the businesslike features of the new postal establishment, Congress generally envisioned a system that retained many of its traditional public

³³ *Towards Postal Excellence*, 128-29. See also Foster Associates, “Rates and Rate-Making,” in *ibid.*, Annex 2, pp. 1-3 to 1-4.

³⁴ *Towards Postal Excellence*, 47.

³⁵ Foster Associates, “Rates and Rate-Making,” in *ibid.*, Annex 2, p. 3-10.

³⁶ Arthur D. Little, “Report of the General Contractor,” Annex 1, pp. 164-65.

³⁷ For a comparison of the three major bills, see generally *Postal Reform: Hearings on H.R. 17070 and Similar Bills Before the House Committee on Post Office and Civil Service*, 91st Cong., 2nd sess. (1970).

service elements. In fact, though the phrase *universal service* rarely appeared during the legislative proceedings, many of the principles associated with it were subsumed under discussions of public service.

The emphasis on business principles concerned members of Congress from states with large rural districts who feared that small, uneconomical post offices would be targeted for closure. They sought reassurances in the form of statutory language that a financially sound postal system retained third- and fourth-class post offices and Rural Free Delivery. The Kappel Commission approach—that the expenses of small offices in a national system were properly considered institutional overhead—was too amorphous for many lawmakers. Testifying before Congress, former Senator Frank Carlson, who had guided the proceedings that culminated in the Postal Policy Act of 1958, sought a more emphatic declaration that rural services would continue without a reduction in service.³⁸

The first reports from the House post office committee retained and expanded key language that had originated with Rural Free Delivery: an obligation “to serve as nearly as practicable, the entire rural population of the United States.” The committee simply dropped *rural* and explained that “the existing concept of *universality of postal service* is explicitly carried forward in H.R. 17070 and effective postal service is to be assured to residents of rural, as well as urban, communities.”³⁹ Indeed, during the floor debates lawmakers usually invoked the terms *nationwide*, *universal* and their synonyms in connection with rural services. “There is a long tradition in this Nation of universal dissemination of information,” one representative remarked in underscoring the importance of “low-cost distribution to the rural areas.”⁴⁰

Lawmakers linked survival of rural post offices to the appropriation of a public service subsidy. If the appropriation ended, some feared, the imperative to operate like a business would compel the postal service to curtail rural operations. A

³⁸ *Post Office Reorganization, Part III, Hearings Before the House Committee on Post Office and Civil Service*, 91st Cong., 1st sess. 900 (1969) (after leaving office in 1969, Senator Carlson became spokesman for the Direct Mail Advertising Association).

³⁹ In a 1916 law on RFD, Congress commanded: “Rural mail delivery shall be extended so as to serve, as nearly as practicable, the entire rural population of the United States.” Act of July 28, 1916, 39 Stat. 412, 423. In the early phases of the reorganization legislation, two House reports modified the 1916 language so that it embraced service for all communities. House Report No. 91-988, 91st Cong., 2d sess., 5 (1970). This report on H.R. 4 used language identical to that in H.R. 17070 quoted above. House Report No. 91-1104, 91st Cong., 2d sess. 9 (1970) (emphasis added).

⁴⁰ *Cong. Rec.*, 91st Cong., 2nd sess., 20207 (1970) (remarks of Rep. Scherle of Iowa).

Senate report emphasized “That the Postal Service is in fact and shall be operated as a service to the American people, not as a business enterprise, designed to provide excellent postal service.”⁴¹ The Senate also insisted on a public-service subsidy for rural services to ease the transition from the Post Office Department to the U.S. Postal Service. Although the House had planned on ending the subsidy after several years, the Senate pressed for a continuing, though declining, appropriation to “provide a maximum degree of effective and regular postal service nationwide, in communities where post offices may not be deemed self-sustaining.”⁴² To receive these appropriations, the Postal Service had to report to Congress on the ways in which its service to rural communities complied with the reorganization act’s basic policy goals.⁴³ Lawmakers who championed rural postal operations, especially those in the Senate, sought one further protection. Congress entertained the possibility that the public-service subsidy could be phased out entirely. If that happened, all mail users would absorb the infrastructure costs of rural service and, some feared, that might prompt the Postal Service to close small offices to keep overall rates lower.⁴⁴ A ratemaking commission, the Senate committee explained, had to consider the Postal Service’s ability “to provide prompt, reliable, and efficient service to patrons in all areas” when fixing postage.⁴⁵

Among the staunchest defenders of rural postal operations was Gale McGee of Wyoming, chairman of the Senate post office committee. In his estimation, post offices still occupied a central place in small-town life:

When I was appointed to be a member of the Senate Committee on Post Office and Civil Service, in 1963, there was almost exactly 10,000 fourth-class post offices in the United States. Today there are about 6,000. Some have graduated to be third-class post offices, but most have been abolished, and little towns in Wyoming, Texas, New York, and elsewhere have dried

⁴¹ Senate Report No. 91-912, 91st Cong., 2nd sess. 4 (1970).

⁴² Postal Reorganization Act, sec. 2401(b)(1), 84 Stat. 743. The conference committee report outlines the differences in the House and Senate approaches. House Report No. 91-1363, 91st Cong., 2nd sess. 85 (1970).

⁴³ Reorganization Act, sec. 2401(b)(3), 84 Stat. 743.

⁴⁴ *Cong. Rec.*, 91st Cong., 2nd sess. 22051 (1970) (remarks of Sen. McGee). See also *ibid.* 20447 (remarks of Rep. Andrews of North Dakota); 22338 (remarks of Sen. Brudick of North Dakota).

⁴⁵ Senate Report No. 912, 91st Cong., 2nd sess. 15 (1970).

up. The elimination of a post office can destroy community identity, and the demise of a village or a hamlet follows quickly.⁴⁶

As he shepherded the legislation through the Senate, McGee protected and strengthened provisions for rural mail facilities.

Though not a major issue during the deliberations, the post office's role in projecting a ubiquitous federal presence remained important to lawmakers concerned about the impact of reorganization on small-town post offices. "As I have said on many occasions," McGee reminded the Senate, "in many of the middle-sized and small towns across the land, the only symbol of their Government, of the American Republic, is the local post office building and its facilities and the flag that flies over it."⁴⁷ Other members of Congress agreed on the value of daily contact between the government and its citizens made possible in small towns only by the post office.⁴⁸

The nationwide circulation of information, especially as advanced by unzoned rates, arose during the debates largely in connection with postage on books and library materials. Former-Senator Carlson pointed out during 1969 hearings that the early proposals did not protect the uniform rates customary for most rate classes.⁴⁹ Witnesses and several members of Congress attested to the value of a flat rate for books, library mailings, and educational materials. Senator Alan Cranston complained that the "imposition of zone postal rates for books and other educational materials would end our national equality of access to these basic sources of information."⁵⁰ The flat rate for books and related materials was especially important to residents far from Eastern publishing centers.⁵¹ A Senate amendment prescribed that rates for books, library and educational mailings remain unzoned.⁵²

⁴⁶ *Cong. Rec.*, 91st Cong., 2nd sess. 21713 (1970).

⁴⁷ *Cong. Rec.*, 91st Cong., 2nd sess. 2962 (1970).

⁴⁸ *Ibid.* 20201 (remarks of Rep. Wright of Texas); "Moves to Reorganize the Postal System," *Congressional Digest* 49 (March 1969), 76 (reporting remarks by Thaddeus J. Dulski, chairman of the House Committee on Post Office and Civil Service).

⁴⁹ *Postal Modernization: Hearings Before the Senate Committee on Post Office and Civil Service*, 91st Cong., 1st sess. 575-76 (1969).

⁵⁰ *Cong. Rec.*, 91st Cong., 2nd sess. 22302 (1970) (remarks of Sen. Cranston), 22301 (remarks of Sen. Scott from Pennsylvania).

⁵¹ *Ibid.* 20483 (1970) (remarks of Rep. Button).

⁵² Susan Wagner, "Fate of Postal Rates Still Uncertain," *Publishers' Weekly* 198 (July 13, 1970), 122.

Uniform letter postage received less attention, perhaps because it was so well entrenched in postal policy. Hawaii Representative Patsy Mink, however, said she could not support a corporate-style post office unless uniform letters were assured: “Presently your 6-cent stamp delivers your letter to any part of the United States, whether to a tiny town in Maine or just down the street. Under a corporation business concept you might well have to pay a higher rate to send a letter to Maine or New York from Hawaii than to California, as you do now for parcel post.”⁵³

As the reorganization act moved toward passage, opponents began pointing to signs of deterioration in current levels of postal service and predicted that converting the department to a government corporation would only worsen matters. The department eliminated a program, Accelerated Business Collection and Delivery, that promised same-day delivery in business districts.⁵⁴ Furthermore, the postmaster general largely ruled out the possibility of restoring twice-a-day mail deliveries under either the existing or proposed postal regimes.⁵⁵ Most ominously, just before the final Senate vote on the conference bill, one of the conferees reported on a Nixon administration five-year plan to eliminate several postal services. “In addition to losing their voice in postal affairs [if reorganization passed] the people will lose many important postal services,” according to Senator Ralph Yarborough. With Congress largely removed from postal operations, the administration planned to end Saturday deliveries and window service; deliver mail to a central location at universities and other large institutions; replace fourth-class post offices with contract offices; discontinue air transportation for first-class mail for deliveries within 750 miles; reduce the number of collection boxes; and, finally, require that patrons pick up parcel post and certified mail at the post office, ending home delivery for those services.⁵⁶

⁵³ *Cong. Rec.*, 91st Cong., 2nd sess. 20496 (1970).

⁵⁴ *Cong. Rec.*, 91st Cong., 2nd sess. 20201 (1970) (remarks of Rep. Wright of Texas); David Sanford, “Post Office Blues,” *New Republic* 162 (Mar. 21, 1970), 19-22.

⁵⁵ “What’s Wrong with the Mails: Exclusive Interview with Postmaster General Blount,” *U.S. News & World Report* 66 (Mar. 31, 1969), 40-44.

⁵⁶ *Cong. Rec.*, 91st Cong., 2nd sess. 26964 (remarks of Sen. Yarborough), 20496 (remarks of Rep. Mink), 27608 (remarks of Rep. Anderson of California) (1970).

8. Summary and Conclusions

Although the Kappel Commission and others may have hoped that reorganization would free the postal service from burdensome aspects of its own history, the act creating a new postal establishment clearly honored some of the long-standing traditions of its predecessor. Universal postal service was one such thread of continuity that tied the new U.S. Postal Service to the old Post Office Department.

Several conclusions emerge from this history of universal service:

1. The term *universal service* was almost never used until postal reorganization, and even then it arose only rarely in discussions of postal matters. Although the precise boundaries of the concept or the meaning people attached to it shifted with time and place, a hierarchy of universal service elements suggests itself. Most fundamental was mail delivery to the community. Next, both chronologically and hierarchically, was basic delivery to or near the household. Last was a household's access to a reasonable variety of mail services. In terms of the historical development, universal service first extended connections, then intensified them and, finally, struggled to sustain postal connections in a modern urban society with multiple communication channels.

The earliest phase of universal service forged connections from seaboard cities to frontier communities in an effort to foster a sense of national cohesion. Beginning in the 1790s, Congress followed a two-pronged policy: through the designation of post roads, it built an infrastructure; through nearly flat newspaper rates and postage-free printers' exchanges, it encouraged the press to take advantage of the infrastructure to disseminate political information. As the mails became an important channel for social and especially business correspondence, the high cost of

letter postage induced merchants to turn to alternative delivery systems. The decline in letter postage, which provided much of the post office's revenue, threatened funds for the extension of service in the West and South. In 1845, Congress substantially strengthened the postal monopoly and sharply reduced letter postage. Significantly, lawmakers reduced the number of letter-postage zones in 1845 and nearly eliminated them in 1851. Thus, by the mid-1800s, Congress had established a national network and rate policy that encouraged the long-distance exchange of news and correspondence between thousands of cities and towns.

The second phase, roughly the 1860s to the 1920s, brought the benefits of a national postal system to residents' front doors. In 1863, Congress authorized letter carriers to deliver mail directly to city residents. Perhaps the most significant innovation in advancing universal service was Rural Free Delivery. The service itself was important, but it also created a constituency for other high-quality postal operations in the countryside. This constituency pressed vigorously for parcel post. Rural residents wanted access to the merchandise of an urban consumer society and national marketers wanted a truly national distribution network. Parcel post satisfied both. When Congress zoned the postage for parcels, it raised questions about the commercial advertising in periodicals. In 1917 Congress retained the flat editorial rate for newspapers and magazines, but zoned their advertising. Thus, by the 1920s universal service meant that the vast majority of Americans enjoyed regular mail deliveries to their doorstep or country lane and could obtain news or exchange correspondence without distance materially increasing their postage.

After the 1920s, the post office attempted to maintain costly features of universal service, notably those for rural patrons, in the face of mounting deficits and competing media. The problems fueled ongoing deliberations about the proper arrangement for financing public services, one impetus in the drive toward postal reorganization.

2. Connecting sparsely populated areas to the national postal system has long been a major objective of universal service. In practical and symbolic terms, the advent of Rural Free Delivery marked an important watershed in postal history. Before the late 1800s and the inauguration of RFD, most Americans lived in rural areas. RFD blossomed at the moment in American history when urban culture began to noticeably eclipse rural culture. RFD attempted, paradoxically, to save the latter by facilitating access to the former. Many of the universal service elements embodied in the Postal Reorganization Act trace their lineage directly to Rural Free Delivery or the expectations cultivated by RFD. The association of the small-town post office with a community's identity and economic vitality is a prime example.

3. Changes in universal postal service reflected shifts in the values assigned to political, economic and social information. This was most evident in the types of information postal policy favored. The earliest manifestations of universal service—post roads connecting levels of government and privileges encouraging the long-distance flow of political information—fostered political connections. By the mid-1800s, postal policy began facilitating the long-distance flow of economic information. And by the turn of the century, the national postal network had become a channel for social information in the form of personal correspondence and mass-produced media content found on the pages of magazines and newspapers. Unzoned postage for letters and the editorial content of publications promoted these trends.

4. Ever since the advent of RFD, universal service has been a key component in the development of a truly nationwide system for marketing consumer goods. RFD brought ads on the pages of magazines to millions of rural households. Parcel post delivered the products whose sales were stimulated by those ads. Although residents of the countryside clamored for parcel post, large-scale merchandisers welcomed it, more quietly, just as well.

5. Nonpostal communication media and package delivery companies did not eliminate the need for the post office's services. A succession of new communication technologies—telegraphy, film, radio, and television—created mechanisms to distribute mass-produced information. But their messages flowed only one way. The post office, in contrast, remained an institution that facilitated the *exchange* of information. Only the telephone, and to some extent the automobile, supplemented the mails as two-way communication channels. In terms of distributing parcels, both rural residents and merchandisers insisted from the advent of parcel post up to reorganization that no private companies provided the truly universal delivery service maintained by the post office.

6. Before 1970, financing universal service always involved some combination of appropriations from the Treasury and cross-subsidies. Although the post office started with a break-even philosophy, Congress quickly altered its revenue expectations to maintain the rapid development of a postal network on the frontier. By the 1830s, universal service was financed by two types of cross subsidies: One was geographic, shifting profits from surplus-producing routes in Northeastern states to the sparsely settled West and South; the other was by mail type, with letter postage underwriting the circulation of newspapers and subsidizing the expensive routes. Those who regarded universal service components as a public service typically argued for charging their costs to taxpayers. Those who regarded them as parts of an

indivisible network instead believed they should be treated as institutional costs charged to all mail users, a philosophy first enunciated during passage of the 1845 postal reform law.

7. Lawmakers intuitively understood cream-skimming from the earliest days of the U.S. Post Office. They acted forcefully in 1845 to curtail private expresses that siphoned off revenue needed for continuing expansion of the postal system.

8. Finally, the concept of universal service often engages other key principles of communication policy—localism, marketplace of ideas, public access, nondiscriminatory treatment, and others. Sometimes these coexist comfortably with universal access; for instance, universal service and a marketplace of ideas usually complement each other. But sometimes these principles confound one another; for instance, localism and universal service can involve contradictory policies. These relationships and tensions appeared frequently in setting universal service policy. Encouraging the long-distance flow of information, for example, could undermine local outlets for expression.