

Postal Origins
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October, 2010

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Connecting one part of a network to another is crucial to an industry's success, in the case of the early American newspapers and the United States Post Service (USPS) the network stretched from then Massachusetts (now Maine) south through Georgia. Network growth is dependent on the success of connectivity, and while many networks rely on users to voluntarily adopt their system, the national government of the United States possessed the authority to create a postal network and use it as an expression of their political goals. Deliberate choices made by early leaders of the United States to advance their personal and political goals of spreading specific ideology and winning elections spurred the growth of a national postal service with the flexibility to evolve with a growing country and further the goals which created the network.

Paul Starr in *Creation of the Media* discusses the importance of “constitutive moments” as choices made by political leaders to force the movement of a medium in a particular direction¹. Early decisions that lead to the creation of a postal service began during the drafting of the current U.S. Constitution. *Notes of the debate in the Federal Convention of 1787 reported by James Madison* describes the drafting of the Constitution, and gives details of the debate which resulted in the final document. Madison's August 6th entry in *Notes* reproduces an early draft of the resulting document written by the Committee of Detail; Article VII of the draft lists eighteen legislative powers entrusted to the national government, with the seventh stating “To establish Post-offices².”

Representatives to the convention next took up the issue of the postal service on August 15th when members offered amendments to the article. Elbridge Gerry of Massachusetts, who ultimately refused to sign the Constitution, proposed an amendment to the clause giving power to national government regarding the post office. As introduced the clause read “To establish Post-offices,” Gerry's amendment offered the additional phrase “and post-roads.” Agreed to 6-5, “post-roads” is included in the current Constitution; this first “constitutive” choice made by the delegates ran counter to the earlier decision made during the drafting of the Articles of Confederation in 1777³. Article IX in the Articles states “The United States, in congress assembled, shall also have the sole and exclusive right and power of... establishing and regulating post-offices from one State to another, throughout all the United States, and exacting

¹ Paul Starr, *The Creation of the Media* (New York, NY: Basic Books, 2004). 1.

² Madison, James. *Notes of Debates in the Federal Convention of 1787 Reported by James Madison*. Bicentennial Edition. New York, NY: W.W. Norton & Company, 1987. 389.

³ Madison. 470.

such postage on the papers passing through the same, as may be requisite to defray the expenses of the said office⁴.”

Starr argues that the choices are deliberately made to advance policy objectives; in the case of the Post office those goals included connecting a large country; informing a large, spread out citizenry; creating a public information network; and democratizing mail delivery⁵. Towards these goals, Congress acted on the principle of “universal service,” a policy objective aimed at providing postal service to everyone in the country.

Early congressional debates focused on the role of the federal government, in the case of the post office everybody was able to coalesce around the creation of a postal services due to its position as an enumerated power. Newspapers in the early 19th century differed greatly from the modern mainstream press; instead of a professionalized industry devoted to unbiased reporting of information, the American newspaper industry consisted of a partisan press. Early American newspapers relied on subscriptions and espoused a partisan agenda with the support of a political party or faction in Congress or their local supporters. Richard Kielbowicz in his report to the Postal Rate Commission argued that the existence of a partisan press gave both sides an incentive to develop a postal network. Both sides’ interests lead to the postal system implemented in the first postal legislation under the Constitution, a constitutive decision in the development of a postal network. Early legislators decided on a tiered system of internal subsidy to fund the postal service⁶.

Postal tiers depended on the type of material being shipped, and the distance it had to travel. Working towards their goal of informing a large citizenry, legislators quibbled over the exact details of a system but agreed that newspapers required lower rates to spur dissemination of news. Federalists desired to connect the expanding country through a postal network showcasing the power of the National Government, and the Republicans (not related to modern day Republicans) wanted to show the abuses of the Federalists who they viewed as abusing a national government at the expense of the states⁷. To these two divergent political objectives, Congress created two zones for newspapers, and nine for letters; a newspaper traveling 450 miles

⁴ *Articles of Confederation*, 1777.

http://www.ourdocuments.gov/print_friendly.php?flash=true&page=transcript&doc=3&title=Transcript+of+Articles+of+Confederation+%281777%29.

⁵ Kielbowicz, Richard B. *Universal Postal Service: A Policy History, 1790-1970*. Prepared for the Postal Rate Commission, November 15, 2002.14.

⁶ Kielbowicz.15.

⁷ Ibid.

cost \$0.015 while a four sheet letter cost \$1.00⁸. Congress created a third newspaper rate for “newsprinters” allowing for the exchange of publications free of charge. The Act of 1792 stated: “ every 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 provide⁹.”

Post Roads, an issue settled during the Constitutional Convention of 1787, continued to influence the debate on how to connect a large country and democratize mail delivery, which was the second goal of the network. Discussions over the post roads occurred in the context of the debate on the Postal Act of 1792. Elbridge Gerry, the Massachusetts delegate to the Convention who offered the amendment regarding post roads and refused to sign the Constitution served in the House of Representatives and furthered his support for a democratic network connecting all people equally. On December 28, 1791 Gerry said:

However firmly liberty may be established in any country, it cannot long subsist if the channels of information be stopped; instead, therefore, of taking any steps that might tend to prevent the diffusion of political information, the 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 them¹⁰.

Gerry’s 1791 argument is more detailed than the one recorded by Madison in 1787; he highlights the political and national necessity of an accessible network where ideas could be exchanged freely in a time when memories of a revolution were fresh. In Gerry’s view, a public informed by the postal network would prevent tyranny. Paul Starr echoes the ideas offered by Gerry, writing that for people to be independent they needed access to information from across the country¹¹.

Newspapers in this era relied on the subsidies offered in the form of lower rates provided by the post office in their effort to create universal service for news, which according to

⁸Ibid.

⁹ “PUBLIC LAW POST-OFFICE AND POST-ROADS ESTABLISHED FEB. 20, 1792,” February 20, 1792. http://0-web.lexis-nexis.com.library.lausys.georgetown.edu/congcomp/attachment/a.pdf?_m=7c8037b2c711fedcdb5e3b08a7494042&wchp=dGLzVzz-zSkSA&_md5=037b9c4f2bfa0a92691b67ec5fd9d086&ie=a.pdf

¹⁰ “Annals of Congress, 2nd Cong. 1st session,” n.d. <http://0-www.lexisnexis.com.library.lausys.georgetown.edu/congcomp/getdoc?CONG-RECORD-ID=AC-1791-1228>

¹¹ Starr.83.

Kielbowicz meant a post road to any town who requested access¹². Over time the concept of universal service morphed from Gerry's system of post road across the country into a financial question of a self-sustaining postal network. Congressional opinion shifted towards operating the network only where postal rates would sustain their operation. After shifting from providing service to a self-sustaining service, politicians switched again to requiring that service be offered to any location that congress specified¹³. Starr's theory that all decisions are political supports the historical record that lawmakers would routinely grant requests for postal service as a means of extending their individual, and their parties' influence.

The connection the public and the partisan press is discussed in detail by Gerald J. Baldasty in *The Commercialization of News in the Nineteenth Century*. He argues that the partisan papers provided a single, unbreakable link between the party and the public. Singular in that there was one voice (the parties'), and unbreakable in that the newspaper was one of the few means of communicating with a "dispersed rural population¹⁴." The democratic network described by Gerry during the debate on the Postal Act became a self fulfilling reality. As legislators created and expanded the network by their deliberate choices, more partisan papers rose to communicate over the network thus influencing more people and creating the need for a greater network.

The postal industry's growth is an example of network effects, where the growth of the network increases its value to users, and Metcalfe's law which states: "The value of a network goes up as a square of the number of users¹⁵." While these market forces may appear to negate the impact of constitutive decisions made by legislators, it shows how legislators acting as the powerful hand controlling the market could manipulate the network so they could best take advantage of the system. Congressmen were in a position to craft legislation favorable to either a large national government or a delegating power to the states, but regardless of party affiliation both sides benefited from a strong national postal system.

The exponential increase in the value of the network was a network effect, but it did not result from free-market forces, since there was no free market in the network; legislators set the

¹² Kielbowicz.18.

¹³ Kielbowicz.19.

¹⁴Baldasty, Gerald J. *The Commercialization of News in the Nineteenth Century*. Madison, WI: The University of Wisconsin Press, 1992.

¹⁵ Shapiro, Carl, and Hal R. Varian. *Information Rules: A Strategic Guide to the Network Economy*. Boston, MA: Harvard Business School Press, 1999. 184.

rates, decided the routes, and appointed the carriers. These factors translated into a political advantage to whoever best exploited the growing system. Postal politics outlined by Starr further explains the connection between post offices and political power. For a congressman, a post office provided credibility, gave political parties a way to extend their message through the partisan press, and gave a new president many new political jobs to fill in the form of local postmasters¹⁶.

The postal system is the only constitutional monopoly in the United States. It came into existence with the Constitution and there was a large political interest behind the forced development of a mature postal network. Spontaneous existence defies Spar's stages of development, which states that there will be a controlled and predictable pattern of network growth. Her analysis provides for four predictable stages which must occur for the network to develop. They are: innovation, commercialization, creative anarchy, and rules, which together contribute to the evolution of a network¹⁷.

Legislators bypassed the first of Spar's phases and moved directly to the rules phase by including, precise postal rates in the first piece of postal legislation. There was no period characterized by individuals sending rogue letters across the frontier on a mass scale; and people did not fight over resources since roads were readily available and for distance communications the written word was the only available option. Debates in Congress over the extent, and need for universal service could characterize Spar's pattern of development, however the legislative fight conforms only to the final rules phase described by Spar.

She writes that the rules phase can occur out of place, "in some cases, the state steps in during the earliest days of anarchy, writing rules to control the new technology before it has time to develop¹⁸." That the phases can happen out of order lends credibility to the argument that the postal service did go through the traditional four phases, and, in fact, postal networks did go through stages of development in that it grew from a small network of roads to reaching almost every county seat. However in the American Republic under the 1787 Constitution those phases were skipped in favor of a constitutional monopoly. A larger history of global postal services is

¹⁶ Starr.94.

¹⁷ Debora A. Spar, *Ruling the Waves: From the Compass to the Internet, a History of Business and Politics Along the Technological Frontier* (New York, NY: Harcourt Inc., 2001). Introduction.

¹⁸ Spar. 19.

discussed by Starr, he notes that the U.S. was alone in offering discounted or free shipping to newspapers, but in each example provided all were government owned and operated services¹⁹.

Analysis of the postal network can be enhanced by looking at other national networks. Adam Thierer, in his analysis of the Bell telephone monopoly, criticizes the inevitability of a monopolized complex national communications system. Policy goals regarding the telephone were similar to those that legislators sought to achieve with the postal service, specifically the objective of universal service²⁰. The Communications Act of 1934 enshrined this goal for telephone service the same way that Post-Roads of 1814 law enshrined the principle of universal service for mail by directing the Postmaster General to carry mail from any post office to any county courthouse where mail service would not otherwise be received²¹.

“Natural monopoly”, Thierer’s phrase to describe the phone company applies to the postal network²². From the beginning legislators saw the importance of a unified national postal system and sought to exclude private carriers. The first major postal legislation, the 1792 Act, prevented private carriers from using post-roads leaving them exclusively for the use of the Postmaster General²³.

A critical decision, or “constitutive moment” in Starr’s language in 1787 in the form of Gerry’s simple motion to add “and post-roads” significantly changed the nature of the clause and expanded the power of the post office in a way that both Federalists and Republicans would use to their advantage in the early days of the U.S. under the Constitution. Choices such as these in the early days of the postal system forged a network free from market influences allowing government representatives and agents to manipulate the system to their desire. Through their choices, a vibrant system of roads grew which allowed the unencumbered flow of news and information at a low rate to create an informed citizenry during an period when letters carried by postmen was the only way for distance communications.

¹⁹ Starr, 91.

²⁰ Thierer, Adam D. “Unnatural Monopoly: Critical Moments in the Development of the Bell System Monopoly.” *The Cato Journal* 14, no. 2 (Fall 1994). <http://www.cato.org/pubs/journal/cjv14n2-6.html>.

²¹ “PUBLIC LAW POST-ROADS APR. 18, 1814 13 Cong. Ch. 75; 3 Stat. 130,” April 18, 1814. http://0-web.lexis-nexis.com.library.lausys.georgetown.edu/congcomp/attachment/a.pdf?_m=ffa193984a93c6e8ab2af7ee2f2ce584&wchp=dGLzVzz-zSkSA&_md5=b4e5a025da86b35b155f75810a6ddc24&ie=a.pdf.3.

²² Thierer.

²³ “PUBLIC LAW POST-OFFICE AND POST-ROADS ESTABLISHED FEB. 20, 1792,”

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