
The Voluntaryist

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"If one takes care of the means, the end will take care of itself."

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"Plunderers of the Public Revenue": Voluntaryism and the Mails

By Carl Watner

Introduction

In my article "The Fundamentals of Voluntaryism" I argued that although certain services and goods are essential to human survival, it is not necessary that they be provided by coercive government. An example of this is the history of private postal communications. From time immemorial men and women have had the need and desire to correspond with one another. At first, travelers going to distant places would be enlisted to carry written messages. Ship captains, transport drivers, merchants, even itinerant preachers and peddlers were employed to perform similar functions. If no travelers were available and the message was important enough, a private messenger would be hired. From such services evolved more routine delivery systems involving regular couriers, established routes, and scheduled deliveries.

Good communications were also an essential part of maintaining rule over political territories. The far flung Persian, Roman, and Islamic empires, the monarchies of western Europe, and the republics of North and South America all created postal organizations to deliver government-generated mail within their geographic confines. In some instances government systems existed before private ones; in other cases governments usurped the private prerogative of mail delivery. The catalyst for blackmarket mail services existed wherever and whenever abnormally high government postal rates were demanded or delivery performance was unsatisfactory. From before medieval times to today's Federal Express and United Parcel Service, philatelic history attests to the existence of thriving private mail services.

Despite their often bungling attempts, practically every country in the world has claimed the postal power as a prerogative of its political sovereignty. "The principal purpose of the postal monopoly has been to compel writers to use the government post so that government officials, by reading letters, could discover and suppress communications of treason and sedition." This was true in the ancient dynasties of Persia and Rome, no less than in Stuart and Elizabethan England, and modern America. King Charles I of England, fearing for his life in 1637, practically "outlawed [all] private correspondence." An Act of 1657, passed during the Cromwellian protectorate declared that "the possibility of espionage upon private communications" was "to be one of the great benefits of the post to the state." The Postal Act of Queen Anne in 1711, still in force at the outbreak of the American Revolution, permitted "postmasters to open any letters at the order of the Secretary of State or of the Secretary of the Province."

In 1777, the Continental Congress appointed a special postal inspector to "communicate to Congress any letters which might come into his possession containing schemes inimical to the United States." Since then, the American government has censored the mail of armed forces personnel during times of war, enforced foreign exchange controls, placed mail covers on suspected tax evaders, censored the postal distribution of pornographic materials, and enforced laws against "mail fraud". Most modern governments, like the United States, use the post office to spy on and control their citizens.

Post Office History: Worldwide

Evidence of organized postal systems, both private and government, is found as far back as the twelfth Pharaonic Dynasty (circa 2000 B.C.). In the late thirteenth century, Marco Polo encountered the vestiges of the ancient Chinese postal system dating from the Chou Dynasty (1122 to 255 B.C.). The Persian postal system of Cyrus the Great (553 to 528 B.C.) was honored by Herodotus, a Greek of the 5th Century B.C., whose tribute to the ancient postal messenger is inscribed on the pediment of the New York Post Office: "Neither snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds." When the Islamic empire assumed control of large areas of the Roman Empire, including its postal system, one calif is reported to have said that "his throne rested on four pillars and his power on four men: a blameless judge, an energetic chief of police, an honest minister of finance, and a faithful postmaster, 'who gives me reliable information on everything'."

Like countries in the western world, China and Japan eventually witnessed the rise of private postal systems. In China "during the middle years of the Ch'ing dynasty (1644-1912) there were several thousand of these private post offices," although the last of them did not close its doors until 1935. The Min-Chu, or private letter companies, called hong, evolved like the private mail expresses in the United States. They had their origin "in the needs of bankers and merchants for some means of transporting correspondence, documents, and money." During the 15th Century "there were scores of letter hong in operation, some of them covering a thousand miles or more of routes." In Japan, during the Ming Dynasty (1368-1644 A.D.) private agencies began to carry both private and business correspondence. They were "extremely reliable and reimbursed the sender if valuable contents were lost in the mails. These companies were originally connected with banks or merchant's establishments but gradually made their services available to anyone willing to pay the low letter rates of 2 to 20 cents." They continued to operate until 1873, when the postal service was monopolized by the Japanese government.

"While the postal arrangements of antiquity were created by absolute governments for their official business

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and were imposed upon the people, the postal services in the Middle Ages grew with the needs of the various classes of society. Thus, instead of a centralized and uniform state post, there arose exceedingly diverse postal services made up of many hundreds of independent institutions. Princes, religious orders, and universities all created private messenger facilities. With the increase of trade and industry, independent cities, and commercial enterprises also found a need for the exchange of messages. Many of these services were placed at the disposal of the public, a development which was almost unheard of in earlier times.” Examples range from the postal service of the Hanseatic League, which tied together a great part of northern Europe, to the international service provided by the House of Taxis (originally for the members of the Habsburg Dynasty, but later open to the public) from the early 1500s to the mid 1800s, to the Butcher Post in Germany (where butchers, who travelled widely on cattle buying trips, were entrusted with private letters to carry), to the Stranger’s Post in London (where, from the 15th Century on, foreign businessmen organized their own system for sending letters and packets abroad).

The emergence of powerful nation-states, as well as the incipient industrial revolution, profoundly affected postal service all over Europe. As soon as feudal politicians consolidated their control, the official demand for rapid and reliable communications grew. “In answer to this need, ruling monarchies in Western Europe began to create royal posts, similar in many respects to those which had existed in ancient times, for the transportation of official messages. The first nation on record to make this step was France,” in 1477, where Louis XI established a Royal Postal Service. Similarly, the discovery of the printing press, the slow but steady extension of education, and spread of commerce contributed to an increasing public demand for postal service. Where few facilities for deliveries existed, such as in France after the Royal Post was started, private citizens regularly bribed the royal couriers to carry their mail. Eventually, “authorization was given to the official postal service to accept private letters.” This, in turn, usually led the political sovereign to declare the monopolization of all letter carrying. “There were two major reasons for these actions. The first was

revenue. The charges levied on private use of the royal mails proved an excellent means of subsidizing the official service. The second was security,” to assure the king that his enemies could not secretly communicate without his knowledge.

The British Post Office

The interaction of public and private forces can be seen in the operation of the Dockwra’s Penny Post established in London in 1680. Although the Crown (and later Parliament) had asserted its monopoly power over mail delivery in England as early as 1609, seventy years later there was still no regular delivery service in London. William Dockwra remedied this situation by organizing a company which collected intra-city mail, sorted it, and delivered it from four to eight times daily. The charge was one penny for every letter or packet. Other features of his system “were that letters were prepaid and stamped to indicate place of posting and the time they had been sent out for delivery.” By November 1682, his service began generating a profit, at which time the Duke of York, to whom the Post Office profits had been assigned, used his political clout to confiscate Dockwra’s business and continue the service. Some years later in 1709, Charles Povey, another enterprising businessman, set up a half-penny post in London, restricting his deliveries to the more populous areas of the city. The government instituted a law suit against him, and his post was closed within seven months of its beginning.

The English had a long tradition of bypassing the government post office because of poor government service and high rates. “Under Charles II and James II there were searchers lurking here and there who stopped suspected persons and vehicles and searched for letters just as customs officers do now for dutiable goods.” When the searches stopped during the reign of William III, the ‘bootlegging’ of letters increased. The public was so ill-disposed to cooperate that the “postal authorities were almost in despair.” The tradition of evading the government post in England continued well into the 19th Century. When Rowland Hill, the reformer of the British postal service, began his inquiries in the 1830s, he discovered that evasion of postage and the bootlegging of letters extended through all strata of society. The major ways of circumventing the government post included use of private expresses, placement of letters in bookseller’s parcels, in warehousemen’s bales, in stagecoach parcels, delivery of personal letters in weaver’s bags, and in private packages, “such as those containing food and dainties sent by country folks to their sons in the universities,” and by unauthorized use of the Parliamentary seal and franking privilege.

The British postal system’s inadequacies were the primary causes behind the widespread bootlegging. However, instead of urging postal “freedom” and abandonment of the postal monopoly, Rowland Hill suggested that two major reforms be made in the operation of the government system. His “solution was a uniform rate of postage, regardless of distance, and prepayment of postage [by the sender] by means of adhesive stamps sold by the post office.” Both steps were designed to improve the efficiency and service of the government post office. At that time, the least expensive rate of service within the country was fourpence. Hill proposed that a letter mailed and deliv-

ered in England be charged at the basic rate of one penny for each half ounce, regardless of how far it traveled. To make prepayment workable, Hill developed the world's first adhesive postage stamps, which were placed on sale on May 1, 1840 by the British Post Office. "The significance of his reforms lies not only in the fact that they brought the [official] post within the means of the mass of the people, but also in the less obvious way in which they gave the postal system the technical capacity to deal with the vastly increased demand for postal service that ensued. The radical simplification of postal organization and methods" resulted in such improved government service that private sector delivery alternatives were no longer demanded by the British public.

The Early American Posts

A similar wave of postal reform swept the United States during the following decade. Despite their ultimate defeat, the forces of voluntarism were much stronger in this country, than they had been in Britain. At one time in the early 1840s Henry Wells (later of Wells Fargo and Company fame), urged that the government's Post Office Department be eliminated, and asserted that his company, as well as a myriad of others, was more than capable of satisfying the public demand at rates which would drastically undercut the existing government postage rates. In order to understand how such a situation came about, and how the government extricated itself from such a threatening possibility, it is best to examine the origins and history of the early postal service in the United States.

After the founding of the British colonies in North America, most official correspondence travelled by government warship between Europe and the colonies. Private correspondence had to find its own way since the English Postmaster Generals refused to offer service to and from the American colonies because such mail could not be handled profitably. Consequently, an informal system evolved to accommodate overseas correspondence. It incorporated coffee houses or taverns on both sides of the Atlantic (where mail was deposited and received) and masters of merchant ships and sea captains, who carried the ocean mail on board their ships. "Those wishing to send letters placed them in bags located at these establishments or handed letters directly to the captain. On the sailing date the bag was closed and taken aboard. The captain of the vessel received a penny for each letter, collected from either the sender or the addressee."

Prior to the late 17th Century, mail originating in and destined within the colonies relied upon "a rude, slow, unsafe, but neighborly system of letter delivery." As in England, travelers, merchants, and others were enlisted to deliver the mail for private correspondents. In 1691, the British government granted a twenty-one year domestic postal monopoly to Thomas Neale, covering the colonies from Virginia to Canada. Failing to profit from his enterprise, Neale sold the monopoly back to the British government in 1707. Despite the government's attempt to reinvigorate the postal system, "the public's business invariably gravitated toward private carriers because their service was cheaper and more dependable." This was true throughout most of the 18th Century, even though improvements made by Benjamin Franklin, deputy postmaster general for the colonies (1753-1774), bettered the service and increased postal revenues. Franklin understood

that the colonial post office would never be successful through legal enforcement of its monopoly powers, but rather only through superior performance against its private competitors. Hugh Finlay, a British postal inspector in 1773, found complete disregard for the monopoly laws everywhere he travelled. At Newport, Rhode Island he reported that "there are two post offices, the king's and Peter Mumford's" - Mumford being the post-rider to Boston - and that Mumford's had the greater revenue, about one hundred pounds a year."

One month after the Battle of Bunker Hill, in July 1775, the Continental Congress established its own postal system to help it communicate with the army and the state assemblies. "A statute creating a monopoly was drafted as early as 1776, although it was not until the Articles of Confederation that the first law prohibiting the private carriage of letters for profit was passed. Under Article IX, paragraph 4 of the Articles of Confederation, "The United States in Congress assembled shall have the sole and exclusive right of ... establishing and regulating post offices from one State to another, throughout all the United States, and exacting such postage on such papers passing through same as may be requisite to defray the expenses of said office." The first American law to deal with postal matters was passed on October 18, 1782 by the Confederation Congress, and followed British precedent in several respects. "To ensure a monopoly it was provided that no persons other than specially engaged messengers, on public or private business, might carry letters or packets for hire outside of the post office." Additionally, "except in time of war, no letters might be opened or destroyed save at the express order of the President of Congress."

The authors of the federal Constitution, proposed in September 1787, gave little attention to the postal powers of the new government. In Article I, Section 8, Clause 7, Congress was given the power "To establish Post Offices and post Roads." There is no existing evidence as to why the authors of the new document deleted the reference to "sole" and "exclusive" powers. Since Congress' power to establish Post Offices is independent of any private efforts to deliver the mail, was Congress empowered to prohibit competition? There is no direct historical answer to this question, but it appears that the authors of the Constitution did intend for Congress to be able to outlaw private competition since "the first representatives to the new Congress endorsed government management and monopoly [over the post office] without debate by reenacting the 1782 postal ordinance."

The politicians of the time understood the unifying importance of a national postal system and the political clout it carried. Washington, himself, alluded to its potential for political propaganda, while some anti-federalists complained that deliberate slowness in the mails had hampered their fight against ratification of the Constitution. In the final decade of the 18th Century, Washington, "eagerly followed by members of Congress, manipulated postal operations with an undisguised intent to accumulate political power." Obtaining a new postal route for one's Congressional district, and appointing a new post master were new forms of political spoils. Samuel Osgood, the first Postmaster General (1789-1791) in his report of 1790, affirmed his belief that "new post offices and new post roads" would not only assist in the transmission of intelligence, but "were needed to facilitate the work of revenue

officers."

The rates of postage charged by the new post office remained practically unchanged from 1792 until the early 1840s. Until 1838, the Post Office Department was nearly self-supporting, but at the danger of alienating the public with its high rates. A single page letter going as far as 30 miles in the early 1790s cost 6 cents, while one going as far as 450 miles cost 25 cents. In 1843, it cost eighteen and a half cents to send a letter from New York City to Troy, New York, and only twelve cents to send a barrel of flour the same distance. The Post Office had simply become out of touch with reality when it cost as much to send a letter (ten cents) as to ship a barrel of flour by steamboat from Detroit to Buffalo. The Post Office's policy of high rates was an open invitation to Americans to avoid using the government mails. Not only did "the subterfuges practiced in all parts of the literate world to avoid paying postage" become common here, but the high rates of postage "were regarded by the majority of Americans as undesirable taxes," and a needless burden, especially when it was not at all necessary to patronize the government's service. People who had been accustomed to using private posts during the Revolutionary War continued to do so in the opening decades of the 19th Century. By the 1840s, the violation of the postal laws which had once been performed surreptitiously, was being "done openly and with gusto."

The Private Expresses

During the 1840s the private posts flourished in New England and the mid-Atlantic states for the simple reason that they were able to overtake the government post by offering better service at a much lower price. In his chapter on "The Post Office," William Wooldridge wrote that "it was estimated that private companies carried 15,500,000 of the 42,500,000 letters transported in 1845." William Harnden, often referred to as the "founder of the express business in America," was one of the earliest mail entrepreneurs. On February 23, 1839, he advertised in the Boston newspapers that he was inaugurating a mail service between Boston and New York. In his report for 1841, the Postmaster General listed eighteen private mail expresses operating out of Boston ("to every town in the vicinity"); by 1844, there were at least forty such companies. Hale & Company was among the largest, providing service from various cities in New England to Washington, D.C. Another was Lysander Spooner's American Letter Mail Company which began on January 23, 1844, with service between New York, Philadelphia, Baltimore, and Boston. Free market postage on single page letters between any of these cities was usually between five cents and 6 and 1/4 cents. By contrast, the cost of government postage for similar distances was 18 and 3/4 cents. The Philadelphia Postmaster noted in the early 1840s that he was firmly convinced that if Harnden and Adams, another well-known express company, were not stopped by legislative fiat, "they will ere long put down the Post Office Department." The New York Postmaster believed that the government had lost at least one-third of its letter business to the private expresses.

There were numerous well-known concerns that pioneered in private mail delivery for intra-city delivery. "In 1842, Alexander M. Greig and Henry T. Thomas had established the City Despatch Post in New York to carry

letters within the city." The first adhesive postage stamps issued in the United States were sold and used by this firm on February 1, 1842. (The government did not officially issue stamps until July 1, 1847.) Greig and Thomas placed boxes for the deposit of letters in public places and also provided a registry service. Their stamps were sold at the rate of 3 cents each or \$2.50 per hundred, at a time when government postage for delivering a letter originating and destined within New York City was 6 cents. It was no wonder that their business prospered. By July 1842, the City Dispatch Post was handling about 450 letters per day, while the government carriers at the New York Post Office were only handling about 250 per day. In 1844, John T. Boyd opened a rival local system in New York with improved delivery schedules. A third New York competitor was Swarts City Dispatch Post, which by 1858 was referred to approvingly by the New York Postmaster as the Chatham Square Branch of the New York Post Office, even though it was not bonded to the Government. Swarts had its own stamps and several hundred mail boxes scattered through the city. Intra-city delivery firms like these were found not only in other large cities all over the country, such as Baltimore, Washington, Philadelphia, New Orleans, Cleveland, San Francisco, and Chicago, but also existed in smaller cities like Bayonne, N.J., Easton, Pa., and Chester, N.Y. They thrived until the beginning of the Civil War, when the streets in all the larger cities were made official "post roads" by the Postmaster General.

In 1849, an anonymous author in the MONTHLY LAW REPORTER wrote that "While the rates of postage are high, private mails will be supported, and any attempt by the government to interfere in such cases would create a revolution in public opinion which would prostrate the post-office system in three months." Nevertheless, the government post office was able to survive by reducing its rates and tightening its monopoly restrictions. Before the 1840s, the government's monopoly on the postal system was based on various Congressional statutes. They were:

September 22, 1789 - Congress re-enacted the original postal act of 1782, which outlawed private letter carriage on established government mail routes.

May 8, 1794 - Congress revised the monopoly provisions to deter the carriage of letters by employees of transportation companies.

March 3, 1823 - Congress made the navigable waters of the United States post routes.

March 3, 1825 - Congress clarified and tightened the monopoly provisions of earlier laws by stating that no stage or packet boat shall convey letters over a government post route.

March 2, 1827 - Congress prohibited the establishment of a private foot or horse post over government mail routes.

July 7, 1838 - Congress subjected all mail transported on railroads to the federal postal monopoly.

By 1845, Congress concluded it must increase its share

of the market by tightening the monopoly restrictions and lowering the rates it charged. "On March 3, 1845, Congress passed a broad statute which set the parameters on the postal monopoly for years to come. The statute prohibited establishing a private express for the carriage of letters; prohibited sending a letter, carrying a letter and transporting a letter by private post, and penalized the sender, as well as the person who transported the letter." The general prohibition against private expresses (including foot posts) only applied to conveyances of letters between cities. (This loophole, which lasted until 1861, led to the establishment of private foot posts for mail delivery within city limits.)

The Act of March 3, 1845 also made a drastic reduction in postal rates. Rates which had previously ranged from 6 cents for letters under 30 miles, to 18 and 3/4 cents on letters over 150 miles but less than 400 miles, were changed to 5 cents under 300 miles, and 10 cents over 300 miles. But even this reduction in rates was not enough to stifle the competition from the private sector. As the Report of the Postmaster General for 1845 stated, in spite of the passage of the new act "plunderers of the public revenue" continued to carry letters outside the mail. Continuing agitation by the advocates of cheap postage prompted Congress to pass another law on March 3, 1851, which further reduced postal rates. Until this time, "the same amount of postage was charged whether letters were sent prepaid or collect. This act provided a lower rate of postage on prepaid letters," and extended the area in which the least expensive rates applied. The new prepaid rates were 3 cents per half ounce under 3000 miles and 6 cents per half ounce over 3000 miles, while rates on letters where the postage was paid by the recipient were 5 cents and 10 cents respectively. A year later the Post Office Department introduced prestamped envelopes and supported a Congressional act which provided an exception to the monopoly provisions of the Act of 1845. The Act of August 31, 1852 permitted private companies to deliver mail outside the government system so long as it was mailed in official prestamped envelopes. This allowed the federal post to receive compensation for a service which it did not provide, and caused the patrons of the private expresses to pay twice - once for the government's postage and a second time for the cost of private delivery. As the Post Office improved its service and lowered its rates, it, at first encouraged and then finally, mandated that its customers prepay postage. As one commentator noted, "Prepayment of postage had to be dealt with gingerly because skeptical Americans, having observed their Post Office over the years, hesitated to pay for postal service before it was rendered." Nevertheless, the Act of March 3, 1855 made prepayment of postage on all domestic letters compulsory.

By the end of the 19th Century, the federal government had eventually quashed most of the private express business. When Congress first reduced the rates of postage in 1845, it was pursuing a course of competing more cheaply and effectively with the private companies. This also provided Congress with an opportunity to avoid testing the constitutionality of the prohibition of private mails. "In the early 1840s the Post Office brought suit against several of the private expresses under the monopoly provisions of the Acts of 1825 and 1827. The results were disastrous." In Massachusetts and New York, the Post Office failed to gain convictions, although it did win cases

in Maryland and Pennsylvania. None of these cases were ever appealed to the Supreme Court.

When Lysander Spooner established the American Letter Mail Company in early 1844, he referred to the "unconstitutionality of the laws of Congress prohibiting private mails" and wanted to "prove by argument that Congress had no Constitutional power to forbid the establishment of mails, by the States or private individuals." Spooner admitted that the Constitution says Congress shall provide for the carrying of the mails, but pointed out that the Constitution does not empower Congress to prohibit private citizens from delivering their own mail or that of others in competition with the postal system set up by Congress. Spooner also pointed to the existence of private gold coins minted by the Bechtlers, which circulated throughout much of the South. The same section of the Constitution which empowers Congress "To coin money, [and] regulate the Value thereof," authorizes Congress "To establish Post Offices and post Roads." Since no one questioned the constitutionality of the Bechtler coins (whose circulation obviously competed with that of government coins), why should it be unconstitutional for the private expresses to compete against the Post Office Department? Unfortunately for Spooner, within six or seven months, he ran out of money, both to support his mail operations and to defend his carriers in court. "The government wore him down," rather than meeting his constitutional arguments. Neither he nor any other American since then has had the interest or wherewithal to carry a test case to the Supreme Court. The government certainly learned its lesson. Rather than take a chance on adjudicating constitutional doctrine, it found that the more effective way to maintain the postal monopoly was to attempt to provide reasonable service at a competitive price.

The U.S. Post Office in the West

However, there was one section of the country where the Post Office was unable to establish a satisfactory delivery service. Ernest Wiltsee, author of *THE PIONEER MINER AND THE PACK MULE EXPRESS*, pointed out that the impetus for private deliveries in California and other areas of the western United States was "the profound failure of the United States Post Office Department to provide, in any competent way, a mail service" in those areas. For example, during the time of the California Gold Rush, over 90% of the mail for the miners was delivered by private express companies. The roots of the problem were probably two-fold. First, Congress and the Post Office were totally unprepared to authorize substantial expenditures in new territories where there appeared to be little chance of initially generating sufficient postal revenues to justify the investment in postal facilities and personnel. Second, due to the gold fever it was actually very difficult to hire postal employees at the rates the Post Office was prepared to pay. Post Office service was so lax that during the first two years of the American occupation of California, beginning in 1847, the only mail that came from the East was privately handled by sea captains or by overland pioneers. It took over nine months after the discovery of gold (January 24, 1848) at Coloma before the first government Post Office was opened in California (at San Francisco on November 9, 1848).

Evidence of the extreme dissatisfaction with the government Post Office can be found in numerous newspa-

per articles of the time. "THE PLACER TIMES of August 18, 1849, wrote 'The regular mail is a regular humbug. It's stuck in the mud half the time, and might as well be the other half.'" Alvin Harlow in his book, OLD WAYBILLS, quotes from an 1853 issue of the ALTA CALIFORNIA: "It [the Post Office] has been so useless that business men place no reliance on it, but confide their business entirely to the expresses. In certain interior towns, where the stages arrive and depart daily, an express is as punctual as the sun; the [Post Office's] mail bag is not relied upon at all." The expresses won the hearts of the western pioneers by practically rescuing "the mining public from the loss of communication with the outer world. They made it possible for the business man to transact business, which the utter failure of the postal service had made little short of an impossibility. The post office was either a nonentity, or it was miserably inadequate." By contrast, "the express service was secure and swift and beyond reproach."

Probably the first express to be started in California was begun by Charles Cady in 1847, when he began delivering letters weekly between San Francisco and Sutter's fort, charging twenty-five cents per letter and making local stops on the way. Of the early expressmen, one of the most notable is Alexander Todd, who reached San Francisco in June 1849. Todd found himself unable to perform the backbreaking work of the miners in the goldfields, so he organized an express line in July 1849. He went around the diggings soliciting patrons at a \$1 each, who could sign up on his list to receive mail. He then returned to San Francisco, and was sworn in as an official U.S. postal clerk, in charge of all the letters addressed to his clients, which ultimately numbered nearly 2000. For delivering each letter, he charged an ounce of gold dust, worth \$16 at the time. Besides actual transportation expenses he had to pay the San Francisco postmaster 25 cents per letter as a rakeoff to take the letters out of the post office, and 40 cents per letter in government postage. Todd's Express also delivered and sold newspapers at one-half ounce of gold per copy, mailed outbound letters for the miners, and transported their gold dust back to San Francisco for a 5% fee. When other Californians saw how profitable the express business could be, they soon joined ranks with Todd, confirming Harlow's statement that after 1850, "express companies sprang up like mushrooms after a rain." New settlements appeared so fast that the Post Office Department could not establish post offices quickly enough. A special agent sent out to investigate reported that he found "several postmasters doing a thriving business, though they had never been appointed by the Government, nor were their post offices recognized officially!"

In the larger cities, especially San Francisco, two types of private mail service were demanded. What were known as "locals" provided mail delivery for letters originating and destined within San Francisco. Additionally, the local expresses would deliver locally written letters and packages with destinations beyond San Francisco to the Post Office, and would twice daily distribute inbound mail from the San Francisco Post Office to those on its subscription lists. Since the Post Office performed no local delivery service (all mail had to be picked up or delivered to it), the locals were much in demand. The largest of them was known as the Penny Post, and was started in June 1855 by H. L. Goodwin of San Francisco. He opened branch offices in Benicia, Coloma, Nevada City, Grass Valley, and

Mokelumne Hill. Another type of local service was provided by the "letter bag operators," which were common only in San Francisco because of its position as the primary ocean port. These operators were individuals, who for a small fee, would deliver a citizen's mail to any steamer on its sailing date. The motivation was to get the mail sent off to the East as rapidly as possible. The most notable letter bag operator was Charles P. Kimball, who just before ship sailing time would walk the streets "announcing his mission in a powerful baritone voice - and collecting the letters." This presently earned him the nickname of the Noisy Carrier, which he adopted for use as a postmark during his years of business.

Wells Fargo Co.

There were probably close to one thousand different companies and individuals that expressed mail in the western half of the United States during the 19th Century, but Wells Fargo Company is in a class by itself. One of the most important services rendered by Wells Fargo was the carrying of the mail. "Its record demands the use of superlatives. Its success was legendary, its honesty and reliability were proverbial. The miners and merchants swore by it. Entering the California scene in 1852, by the mid-1860s it was the most important express agency in the West, the richest bank, the farthest-ranging stage line, and one of the largest freighting agencies. Almost every town in California had a Wells Fargo building, a combination bank and stage agency. Its green mail boxes stood alongside the red U.S. postal boxes, and became the largest depositories of mail because of an awareness that Wells Fargo could and would provide better mail service than the United States postal system. It had agents in Mexico, Panama, Hawaii, and other foreign nations. Within 15 years of its founding in San Francisco, it had absorbed every one of its major rivals, and was the most powerful institution in the West." Its over one hundred offices throughout California and the other western territories served as gateways to the outside world for news, mail, and banking transactions. One traveler observed that the Company was the "omnipresent, universal business agent" of the West. In his book, BEYOND THE MISSISSIPPI, published in 1869, Albert D. Richardson wrote that Wells Fargo "illustrates the superiority of private enterprise. When its messengers run on the very steamer, or the same railway carriage, with those of the United States mail, three-fourths of the businessmen intrust it with their letters, which are invariably delivered in advance of the Government consignments.... To found and systematize a great enterprise like this, extending over half a continent, new, thinly-settled, with poor means of communication, along routes infested by robbers and Indians, requires more capacity than to 'run' the Government of the United States in ordinary times. ... The uniform charge for delivering letters is twelve and a-half cents. The company carries them only in stamped envelopes, thus paying a Government tax of three cents on every half-ounce. Yet the post office department constantly endeavors to suppress it. ... When the operations of the Wells-Fargo company were confined to the Pacific coast and the steamers between San Francisco and New York, it transported 2,300,000 letters annually. [Nearly] two and a-quarter million writers paid nine and a-half cents not to have their letters pass through the Circumlocution Office!"

As it had done in the East, the Post Office Department did everything in its power to curb the competition. Although the Congressional Act of August 31, 1852 had legitimized the use of private expresses, it required the patrons of private posts to use prepaid government envelopes, thus making them pay twice for the same service. The law of March 3, 1855 expressly outlawed unstamped or collect letters as of January 1, 1856. An editorial in the San Francisco DAILY ALTA CALIFORNIA newspaper of July 18, 1855, summed up the outlook of many Californians:

[T]he present Post Office system is the most outrageous tyranny ever imposed upon a free people. It forbids us from sending letters by such conveyances as we may prefer, without paying an odious and onerous tax to the government. A private individual cannot carry letters because it would interfere with the government monopoly, and so the Post Office charge must be paid, whether the service is rendered or not.

[T]he Post Office system, so far as California is concerned, is a humbug and a nuisance. It does not facilitate intercourse between different parts of the State but impedes it. It subjects correspondents to an onerous tax, if they select a more speedy and sure conveyance for their letters than the mail, and it benefits no one save office holders and contractors.

In order to more easily comply with the Post Office demands, and to reduce its losses on letters that were sent collect, in the autumn of 1856, Wells Fargo initiated a policy of carrying letters only when enclosed in its own prepaid envelopes, provided that the envelopes also had the correct amount of government postage affixed. Louis McLane, the general agent for Wells Fargo in California, is generally credited with the idea of having his company purchase government-stamped envelopes in large quantities, and having them imprinted on one end: "Paid, Wells Fargo & Co., over our California and Coast Routes." The success of the Wells Fargo franked envelopes was spectacular. By 1863, the company was buying well over 2,000,000 government envelopes and 100,000 extra stamps every year.

The Wells Fargo mail service persisted for nearly 50 years, during which it operated the famed Pony Express in 1861. By the 1890s, the officials of Wells Fargo & Co realized that its mail service was no longer profitable. The Post Office had become efficient enough that Wells Fargo was losing business. On October 1, 1893, the company stopped selling franked envelopes east of the Missouri River. Customers in the west were no longer willing to pay Wells Fargo five cents for what the Post Office would actually deliver for two cents. "Accordingly, on May 24, 1895, the bright-green Wells Fargo mailboxes in the streets of San Francisco, Sacramento, and Portland [Oregon] were taken down and the privately run service was terminated."

Conclusion

In discussing the activities of Wells Fargo, Edward Hungerford noted that war between the express companies and the Post Office lasted throughout most of the 19th Century. The express companies won most of the battles, but the Post Office finally won the war of attrition when it was able to drive its major competitors out of

business. The Post Office has always had the full "faith and credit" of the United States government on its side. Not only has the Post Office always been assured support via government taxation, it has also been successful in avoiding any frontal attacks on its constitutional powers.

The government might not ever go so far as to say that a man could not write letters, or that once written he could not carry and deliver them himself, but it has certainly acted as if it owned or rightfully controlled private correspondence. An example of such effrontery is the recent Congressional efforts for the "Interception of Digital and Other Communications" (H.R. 4922 of 1994) that requires every public and private communication carrier to maintain equipment and facilities that enable the government "to intercept... all wire and electronic communications... concurrently with their transmission...; delivering intercepted communications and call-identifying information to the government..." Although seemingly right out of 1984 such a demand stems directly from the roots of the postal monopoly and the reasons why governments find such a monopoly attractive.

The American government's motivation in these matters is the same as every other government's. Protecting itself by conducting espionage and spying on private communications has always been the first and foremost reason for bringing the mails under State control. Practically none of today's postal customers understand the reasons behind government control of the post office. Nevertheless, we can bet that many of them are voluntarists at heart. As postal history demonstrates, it's natural for customers to patronize private alternatives when government service gets too slow or too expensive. ▣

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One
basic
truth can
be used as
a foundation for
a mountain of lies,
and if we dig down deep
enough in the mountain of lies,
and bring out that truth, to set it
on top of the mountain of lies; the entire
mountain of lies will crumble under the weight of
that one truth, and there is nothing more devastating to a
structure of lies than the revelation of the truth upon which
the structure of lies was built, because the shock waves of
the revelation of the truth reverberate, and continue to
reverberate throughout the Earth for generations to
follow, awakening even those
people who had no
desire to be
awakened
to the
truth.

—Delamer Duverus

[Frontpiece to Milton William Cooper's, BEHOLD A PALE
HORSE, Sedona: Light Technology Publishing, 1991.]

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