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\*\*\* START OF THE PROJECT GUTENBERG EBOOK SELECTED ARTICLES ON THE PARCELS POST \*\*\*

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[i]

## PARCELS POST

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ON THE  
PARCELS POST

COMPILED BY  
EDITH M. PHELPS

MINNEAPOLIS  
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**EXPLANATORY NOTE**

[v]

The plan of this volume is very similar to that of the others of the series to which it belongs. It contains a brief, a bibliography, and reprints of articles containing the various arguments for and against the parcels post; also, information in regard to the present status of the parcels post in this and other countries. For the convenience of the reader, the articles have been arranged in three main divisions: the General, Affirmative, and Negative Discussions. The bibliography is similarly divided. It is believed that debaters and others wishing material on this subject will find this book both convenient and helpful.

September, 1911.

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## BRIEF

[ix]

Resolved, That the Federal Government should establish a Parcels Post.

### INTRODUCTION

- I. It has been claimed that
  - A. Our postal rates on third and fourth class matter are exorbitant as compared with those in foreign countries.
  - B. Foreign parcels post systems afford many conveniences which we do not have.
- II. An extension of our present parcels post system is demanded.
  - A. Bills providing for it have been presented to Congress.
  - B. Postmasters-General Wanamaker, Meyer, and others have tried to secure it.
  - C. It has been recommended in presidential messages, in conventions, by postal officials and by the people.
- III. The plan which has received most favorable attention is that of Postmaster-General Meyer, providing for
  - A. A general parcels post at the rate of 12c a pound, with a limit in weight of eleven pounds.
  - B. A rural parcels post at the rate of 5c for the first pound, 2c for each additional pound, limit of weight eleven pounds.

### AFFIRMATIVE

The Affirmative is in favor of the Parcels Post, for

- I. The United States government would benefit financially.
  - A. The receipts from the increased volume of business would more than repay the loss from the reduction in rate.
  - B. Increased receipts from rural routes would be clear profit.
    1. Rural routes are already equipped for this service.
  - C. If the post with foreign countries pays now, the government ought to make a profit from a similar domestic service.
- II. The general public would benefit by this service.
  - A. Present transportation charges would be reduced.
    1. The express companies would have to reduce rates.
  - B. Greater convenience in sending merchandise would result.
    1. The express companies would have to improve service.
  - C. The cost of living would be reduced.
- III. Rural communities would be benefited.
  - A. The local dealer would profit.
    1. He could do a larger business with less expense, and with increased facilities for delivery.
    2. He could meet the competition of mail-order houses and city merchants.
  - B. Country towns and villages would have cheap transportation which is so essential for favorable growth.

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- C. The parcels post would turn the tide of civilization from the cities back to the land.
- D. The farmer would be benefitted.
  - 1. He would save time and expense in driving to market.
  - 2. He could have more of the comforts and conveniences of city life.
  - 3. He would have better market facilities for his products.
- IV. A parcels post would not be class legislation.
  - A. Mail-order houses and city department stores would not benefit unduly.
  - B. Express companies would not be seriously injured.
    - 1. Their present rates are excessive.
- V. The parcels post has been successful in other countries and is practicable. [xi]
  - A. It has paid
    - 1. Financially.
    - 2. In comfort and convenience.
  - B. In nearly every country the rates are lower than in the United States and the limit in weight is much higher.

### NEGATIVE

The Negative is opposed to the Parcels Post, for

- I. The present postal deficit would be increased rather than diminished.
  - A. The cost of the increased service would not be covered by the increased traffic.
    - 1. The government cannot compete successfully with the express companies.
    - 2. There would be a continual demand for more and better equipment.
    - 3. Government undertakings are always more costly than those under private management.
  - B. The inconsistencies between our present foreign and domestic rates are not as great as has been claimed.
- II. The general public would not be benefitted by it.
  - A. It would have little influence on express rates.
  - B. It would increase the centralization of wealth, population, and manufactures.
  - C. The demand for it has been artificially created.
- III. Rural communities would be injured by it.
  - A. Retailers and local dealers would suffer.
    - 1. Orders would be sent direct to manufacturing centers.
    - 2. Mail-order houses would obtain most of the trade.
  - B. Rural towns and villages would be injured.
    - 1. Trade would be drawn to the larger cities and population would follow.
  - C. The farmer would not be benefitted. [xii]
    - 1. He would not use it nearly as much as has been claimed.
    - 2. The market for his products would be largely destroyed by the removal of population to large cities.
    - 3. The rural parcels post alone would be merely an entering wedge.
- IV. Legislation for a parcels post would be discriminating and unnecessary.
  - A. Dealers, wholesalers and jobbers in heavy merchandise could not use it.
  - B. Mail-order houses and department stores would benefit at the expense of the retailers and consumers.
  - C. The Interstate Commerce Commission already has the power to correct excessive express rates.
  - D. The rural post alone would increase the business of the express companies.
- V. That the parcels post is in operation in foreign countries at very low rates and high weight-

limits is no argument for its extension in the United States.

A. Conditions vary so widely.

1. Distances are greater in the United States.
2. The population is more scattered.
3. The railroads are privately owned, and the government must pay heavy rates for service.

B. It is claimed that the system is run at a loss in England and Germany.

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# ***SELECTED ARTICLES ON THE PARCELS POST***

## **INTRODUCTION**



The parcels post is not a new question. It has been the subject of popular discussion for years, and several of our postmasters-general have recommended an extension of our present system, sufficient, at least, to put it on an equal basis with our foreign service. Those who are familiar with the parcels post systems of other countries, and those who believe that the express companies should not be permitted to monopolize so large a part of the parcels-carrying trade, are in favor of these recommendations. On the other hand, those who believe that the government should not enter into any commercial undertaking, and those who fear that the change will be detrimental to the country communities and will result in the centralization of our population in the large cities, are strongly opposed to any increase in our present rates, or in the size of the package to be accepted.

There are several organizations who are actively engaged at the present time in supporting or opposing all attempts to enact parcels post legislation. The Postal Progress League, with headquarters at 125 East 23d St., New York City, has for its aim the improvement of our postal service, and is at present actively promoting the cause of the parcels post. This organization is made up of manufacturers, wholesalers, publishers and importers, and is supported by many of the state Granges. The Postal Express Federation is a new organization, formed for the express purpose of urging a reform of our parcels post service, and is supported by many of the same organizations which are back of the Postal Progress League. The American League of Associations (headquarters at Room 343, Rand-McNally Building, Chicago, Ill.), is composed of wholesalers in all lines of merchandise. Its object is to promote the welfare of the small towns and country communities, and to oppose the centralization of population in cities. It is at present actively engaged in fighting the parcels post. [2]

These organizations as well as several others, named in the bibliography given elsewhere in this volume, publish and distribute literature for and against the parcels post, and the student of this subject will find it profitable to get into communication with them.

Hearings on the subject of a parcels post have been held before the House Committee on the Post-Office and Post Roads, at two different times, in April, 1910, and in June, 1911. At these hearings, have appeared representatives of the associations named in the preceding paragraph and of others who approve or oppose the recommendations for an enlarged parcels post. Among those who have appeared in favor of the parcels post are the various state Granges and farmer's organizations, the American Dyers and Cleaners Association, the Manufacturing Perfumers Association, the Associated Retailers of St. Louis, the Pennsylvania State Federation of Labor, the Society of American Florists and Ornamental Horticulturists, and the National American Woman's Suffrage Association. Other societies opposing the parcels post are the National Retail Hardware Association, the United Commercial Travelers, the National Association of Implement and Vehicle Dealers' Associations, the National Associations of Retail Druggists and Grocers, and various Oil, Paint, and Varnish Clubs and Associations.

Postmaster-General George von L. Meyer recommended that our present parcels post system, which is now limited to parcels weighing four pounds or less, be extended to include all parcels of eleven pounds or less, and that the rate be reduced from sixteen to twelve cents a pound. He also recommended that a similar post be established on the rural routes for all parcels of eleven pounds or less, with a rate of five cents for the first pound and two cents for each additional pound. Various bills have been introduced into Congress embodying part or all of these suggestions. Other measures that have been presented provide that the government be given a complete monopoly of the parcels-carrying trade. One bill of this kind introduced by Representative David Lewis of Maryland, provides that the government shall take over the business of the express companies and have complete control of the carrying business in parcels under a given weight. This bill also provides that the zone-system of rates, now in operation in Germany, be adopted. [3]

The General Discussion, following this Introduction, contains data in regard to our present parcels post systems both foreign and domestic, also similar data concerning the systems of other countries. It also contains information regarding many of the recommendations that have been made for an enlarged parcels post and the measures that have been presented to Congress. The student is advised to familiarize himself with the facts given in this discussion before proceeding to take up the arguments for and against the parcels post. [4]

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## GENERAL DISCUSSION [5]

### Up to Members of Congress.

D. M. Carr.

Bills have been introduced in the present Congress, by Senators Burnham and Kean, with a view of further improving the postal service. These measures are for the purpose of enabling the postal department to extend its parcel delivery service, commonly designated as the "parcels post."

There is a large percentage of citizens who strongly advocate an enlargement of the parcels carrying service performed by the government. A number of foreign countries have for years maintained parcels post systems on broad gauge plans; in fact, in Great Britain, in Germany and

a few other countries, the parcels post is conducted in a manner so as to almost monopolize the express business. But in these countries conditions, both geographically and commercially, are vastly different from conditions that obtain within the United States. In the old countries, there is greater density of population, and distances which mail matter traverses are about one-thirteenth the distance that the average piece of mail matter is carried in the continental United States.

In considering any postal innovation, it is essential that not alone the operation and the revenue of the postal department be taken into consideration, but also what the effect of the innovation will be upon the industries located in various districts of the United States. Some of the bills introduced in Congress, chief among them, that introduced by Congressman Hearst during a former session, and the one by Congressman Henry of Connecticut, during the present session, have elements that mark them as undesirable and thoroughly impractical under prevailing conditions, or any possible conditions that may arise in the United States during the next quarter century.

The postal department is not conducted for the purpose of profit; rather it is conducted to perform a special service, which governmental function can best perform for the people. But the department should be self-sustaining. The revenue derived for the services rendered the people should be sufficient to cover all expense of operation economically performed. Any legislation involving the performance of this service for less than cost to the government does not appeal to the economist as wise or desirable. Yet the postal department does perform certain services at a loss, although there are compensating circumstances which more than overbalance the expenditure. In the carrying of newspapers and periodicals, under the present system, there is probably a loss, but at the same time the people receive a general benefit far outweighing the cost to the government by having cheap and good literature and such information as the press of the country conveys and this at the minimum of expense. The second class rate, a subsidy granted the press, has been instrumental to a degree impossible of estimation in improving the intelligence of the people and raising the standard of citizenship. [6]

The proposals set forth in the Henry bill, involving the establishment of a parcels post system with a maximum weight of 11-pounds and the maximum charge for maximum weight 25 cents from one postoffice in the United States to any other postoffice or where mail is delivered, are objectionable from an economic view. In the first place, such service would entail heavy losses annually to the department; these losses possibly reaching \$150,000,000 or \$200,000,000 annually. Then again this system of parcels post would be a wonderful factor in increasing the unequal distribution of business throughout the nation. Geographical and other conditions greatly vary throughout the states of the United States. In the thickly populated districts, where manufacturing is carried on, the cost of labor and the cost of production of articles of manufacture, ranges from 20 to 50 per cent less than in other sections, principally in the agricultural regions. A parcels post that allows the transportation of merchandise at as low a rate as that provided for in the Henry bill, would enable consumers residing in agricultural districts, where wages are high, to purchase their goods in the lowest priced markets in the United States, and the results of this system would be to concentrate industries in the large cities and densely populated districts to the detriment of agricultural and other sections now undergoing commercial and manufacturing development. This would retard the growth of towns and the upbuilding of manufacturing industries in those sections. Thus it can be seen that there would be no compensating effects to justify the installation of a parcels post of this character. [7]

The exorbitant charges made by the express companies and other carriers have caused the people of the United States to demand that the package carrying machinery of the United States postal department be enlarged. Recognizing this demand, Postmaster-General Meyer in his annual report made the recommendation that the parcels carrying service of the government be broadened and that the parcels post be extended so as to make the maximum weight of a package carried 11 pounds with a graduated rate up to one pound and a pound rate of 12 cents, making the maximum rate for the maximum weight \$1.32. He also recommended that a parcels post be established over rural delivery routes, starting from the post-office where the route emanates and ending upon a rural route. For this service he recommended that the limit of weight be 11 pounds and the charge 5 cents for the first pound and 2 cents for each additional pound, making the maximum charge for an 11 pound package 25 cents, and that this service be limited to bonafide merchants and others residing along the line of a rural route.

In making his recommendation as to parcels post enlargement, it is evident that the postmaster-general well considered not alone the welfare of the department as to revenues sufficient for proper maintenance and the installation of a more efficient service, but as well carefully weighed the economic aspects as they relate to geographical and commercial conditions throughout the Union.

A careful study into Mr. Meyer's plan will show that it does not contemplate any revolution in commercial methods. Notwithstanding the charges made to the contrary, by those opposed to his views, it does not appear that should his system be adopted by Congress that the large houses doing an exclusive mail order business would have any advantage over the merchants of the smaller cities and towns. The rural parcels post would certainly be not alone advantageous to the twelve or fifteen millions of people residing in agricultural districts, who are now served by more than 38,000 rural carriers, but would be of great value to the live merchants in the smaller towns who at a minimum of expense could utilize the rural service for the delivery of goods to their patrons in the country. [8]

The bills introduced, respectively by Senators Burnham and Kean, are in perfect harmony with the recommendations of the postmaster-general.

With the diversion of small packages from the express companies to the mails, the revenues to the postoffice department would be proportionately greater than the increased cost occasioned by the greater tonnage of matter carried.

During the past fiscal year, the expense of maintaining the rural delivery routes was in excess of \$26,000,000. The installation of a parcels delivery over the rural routes would most likely during the first year place the rural delivery on a self-sustaining basis. There are 38,253 rural routes. Should each carrier over a route on his daily trip carry only 88 pounds of merchandise from the local stores to the patrons on his route, it would give the government a revenue of approximately \$24,000,000 annually, and this service can be performed without other carrying equipment than rural carriers now have.

When every phase of the recommendations of Postmaster-General Meyer be carefully weighed, it becomes apparent that his plans are based upon soundest business judgment.

Opposition to Mr. Meyer's recommendations comes from three sources, namely:

Large manufacturers, jobbers and other classes of business men who annually spend enormous amounts for letter postage.

Country merchants who are unduly alarmed over the growth of the catalogue houses, and who fear that a parcels post extension will increase the mail order business to their detriment.

Express companies, whose revenues would be decreased by operation of the system.

[9]

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### Data Relative to Proposed Extension of Parcel Post. pp. 1-6.

OFFICE OF THE POSTMASTER-GENERAL,  
*Washington, D. C., March 4, 1908.*

MY DEAR SENATOR: It affords me great pleasure, in compliance with your request, to place at your disposal the data which are available relative to the proposed extension of the parcel post.

It does not appear to be generally appreciated that a comprehensive system of parcels post is already in satisfactory operation in most foreign countries. Exhibit No. 1 gives detailed information on this subject. I show here the limit of weight which has been fixed in a number of instances:

	Pounds.
Great Britain	11
Germany	110
France	22
Italy	11
Chile	11
New Zealand	11
Austria	110
Belgium	132
The Netherlands	11
Cuba	11

The rates in the countries mentioned are much lower than those shown in Exhibit No. 2, which have been recommended for the general parcel post in the United States.

The present rate on the general parcel post is 16 cents a pound for people in our own country, the limit of weight being 4 pounds, while the rate from the United States to 29 foreign countries is 12 cents a pound and the limit of weight to 24 of these countries is 11 pounds. In other words, our own people must pay 4 cents a pound more for the privilege of dispatching packages to each other than when destined to residents of a foreign country. I have therefore urged a rate of 12 cents a pound for packages forwarded through the mails to post-offices in the United States and its possessions, subject to the same regulations as exist at the present time, with the exception of increasing the weight limit to 11 pounds. The service can be rendered at a cost well within the rates recommended.

[10]

According to the report of the record of weight of second-class mail matter, transmitted by the Post-Office Department to the House of Representatives under date of February 1, 1907, the average haul of all second-class matter was 540 miles.

Of the total receipts of the Post-Office Department 69 per cent are expended for labor and supplies, and 7 per cent for conveyance charges other than those paid the railroads for transporting the mail. A general rate for parcel post of 12 cents a pound would produce a revenue of \$240 a ton. Even on the basis of a 540-mile average haul, I find the debit and credit sides of 1 ton of parcel post to be as follows:

By postage	\$240.00
To railroad transportation, 540 miles, at 5½ cents	\$29.70
Other transportation charges	16.80
Labor and supplies	<u>165.60</u>

Total cost  
Profit

212.10  
27.90

A local parcel post confined to rural delivery routes is also advocated at the rates given in Exhibit No. 3. The Department favors the establishment of this special service because of its ability to render it with great advantage to the farmer, the country merchant, and other patrons of the routes, as the necessary machinery (over 38,000 routes now regularly covered by rural carriers) is in operation. There are some 15,000,000 people living on these routes, which shows the vast possibilities of the rural service. It has been estimated that if but three packages of the maximum weight were handled each trip on the rural routes now established the resulting revenue, even at the low rates given, would more than wipe out the postal deficit. The increased cancellations would automatically advance the salaries of postmasters of the fourth class, and the remaining revenue, which would be clear gain, would be of great assistance in making the rural service self-sustaining. The rural service will, in all probability, cost the government this year \$34,000,000, an increase of \$10,000,000 over last year.

[11]

The history and advantages of the rural delivery should be understood by our people. There is a feeling in many quarters that it is an extravagance and an unnecessary drain upon the postal revenues. The first rural route was established in the latter part of 1896, \$14,840 being expended for rural delivery during that fiscal year. At that time the postal deficit was \$11,411,779. During the fiscal year ended June 30, 1907, the expenditures for rural delivery aggregated \$26,671,699, while the postal deficit showed a decrease, as compared with 1897, of \$4,800,000, the deficit amounting to \$6,653,282. This would seem to show that while the expense incurred for maintaining rural delivery is great, yet the rural delivery has been instrumental in increasing the general postal receipts. However, its benefits to our people can not be measured in dollars and cents.

That a local parcel post would be of material advantage to the retail merchant in competition with mail-order houses is seen at once when it is pointed out that the latter, at the proposed general parcel post rate of 12 cents a pound, would be obliged to pay \$1.32 for sending an 11-pound package to a rural route patron, a difference in favor of the local storekeeper of about 10 cents a pound, or \$1.07 on an 11-pound package.

Letters and petitions for the extension of the parcel post are being received from all sections of the country. Many commercial bodies formerly opposed to any action of this kind are on record as being heartily in favor of it.

On the other hand, objections have been raised to the measures the Department is advocating. Although no sound argument has been advanced in opposition, the contentions which have been made are not without interest. I mention the more important of them, at the same time giving the replies which they have elicited:

It has been stated that the Department is not equipped to deliver 11-pound parcels received in the general mails. The present postal regulations provide that where a package is of undue size or weight a formal notice shall be sent the addressee requesting him to call for it. This practice, would continue were the weight limit increased to 11 pounds, in the case of offices having free delivery. Nor would it work a hardship, for under the present limit of 4 pounds the average weight of parcels sent through the mails is but one-third of a pound. Increasing the weight limit would not have nearly as great an effect on the average weight of parcels mailed as seems to be commonly supposed. Where packages were addressed to persons living on rural routes they would, of course, be delivered to the boxes of the patrons by rural carriers, who would not thereby be inconvenienced.

[12]

The claim that the special local rate recommended for the parcel post on rural routes would eventually be extended to include the entire postal service has been given considerable publicity. The impossibility of this becomes apparent when attention is directed to the cost of railroad transportation, which has no part in the former service. About \$45,000,000 were paid last year for mail transportation and \$6,000,000 for postal cars.

Others have said that large mail-order houses would, under the proposed law, utilize the special parcel post or rural routes through agents to the great disadvantage of the country merchant, first assembling their orders and despatching them by express or freight to suitable distributing points. The Department has recommended provisions which will prevent any such use of the routes. It should be remembered, too, that even in the absence of a specific prohibition of this nature, any systematic attempt upon the part of a mail-order house to thus distribute its wares would necessitate the employment of many thousands of local representatives. The catalogues of these concerns indicate in no uncertain way that they attribute their success, in large measure, to their low selling expense, and that the absence of any sort of agents is the principal feature of their argument in accounting for the supposedly low prices of their goods.

The cry of "class legislation" has been raised. There is, of course, no discrimination involved, for all who can be reached by rural carriers will be accommodated. It would be as reasonable to decry the laws which permit the delivery of mail to patrons living on rural routes, while persons differently situated are obliged to make a trip to a near-by post-office to obtain their letters.

[13]

Those who claim that an increase in the weight limit would work an injury to country merchants appear to have the impression that mail-order houses now deliver their goods extensively through the postal service, and that this practice would largely increase if the recommendations which have been made become law. Upon a moment's reflection it will be perceived that the present rate of 16 cents a pound (\$16 per hundred-weight), as well as the

proposed rate of 12 cents a pound (\$12 per hundred-weight), are alike prohibitive on practically all lines of merchandise. Mail-order houses make their shipments usually by freight or express and would continue to do so.

Antagonism to the proposed measures, when analyzed and found not to be the result of selfish motives, appears to be based upon inaccurate or insufficient information. In illustration, I desire to invite attention to a communication of the Richmond Commercial Club, of Richmond, Ind., which appeared in the Congressional Record of January 4, 1908. In this letter the statement was made that a certain mail-order house would save \$40,000 a year on the mailing of catalogues alone. Catalogues are rated as third-class matter, whereas the Department's recommendations with respect to parcel post relate to fourth-class matter only. Catalogues are now mailable at 1 cent for 2 ounces, or 8 cents a pound, 4 cents a pound less than the rate proposed for the general parcel post. The mail-order house referred to, therefore, would gain nothing under the proposed law in the mailing of its catalogues.

With the adoption of new conveniences of life by urban residents, and the ever-increasing attractions of the city, especially potent in their influence upon the younger generation, the importance of affording farmers and ruralites generally every legitimate advantage becomes more and more apparent. The free rural delivery has improved materially and intellectually the life of great numbers of these people. Is it too much to ask that the Department shall make a further use of this important system; a use which, while adding appreciably to the postal revenues, will directly and vitally benefit every man, woman, and child within reach of a rural route? The countryman would have the necessities of life delivered at his gate at an average cost of 2 cents a pound, thereby facilitating and increasing consumption. This would mean augmentation of the trade of thousands of country merchants. The commercial traveler should appreciate the advantages of this system; it would increase his orders because the country merchant buys from the jobber or the wholesaler. Every component part of our commercial system would feel the effects of an increased prosperity.

[14]

It would inevitably tend toward the improvement of the roads. Better roads and improved postal facilities in the rural districts would result in increased values of farm lands. The rural service as now organized has accomplished something in this direction; its enlargement will add to the good attained.

Believe me, faithfully yours,

G. v. L. Meyer.

Hon. Henry E. Burnham,  
*United States Senate, Washington.*

#### Exhibit 1.

Parcel Post Rates in the Domestic Service of the Countries Named.

Great Britain.—Postage rates for the first pound, 3 pence (6 cents), and for each additional pound, 1 penny (2 cents); maximum weight, 11 pounds; greatest length, 3 feet 6 inches; greatest length and girth combined, 6 feet.

New Zealand and the States Composing the Commonwealth for Australia.—Limits of weight and size, same as in Great Britain. Postage rates, 6 pence (12 cents) for the first pound, and 3 pence (6 cents) for each additional pound.

Germany.—Greatest weight, 50 kilograms (about 110 pounds); no limit of size. Postage rates: For all parcels conveyed not more than 10 geographic miles, 25 pfennig (6 cents), and 50 pfennig (13 cents) for greater distance; if a parcel weighs more than 5 kilograms (11 pounds av.), it is charged for each additional kilogram (2 pounds) carried 10 miles, 5 pfennig (1 cent); 20 miles, 10 pfennig (3 cents); 50 miles, 20 pfennig (5 cents); 100 miles, 30 pfennig (8 cents); 150 miles, 40 pfennig (10 cents); and more than 150 miles, 50 pfennig (13 cents). Unwieldy parcels are charged in addition 50 per cent of the above rates.

Austria.—Greatest weight, 50 kilograms (110 pounds); except that parcels containing gold or silver coin may weigh up to 65 kilograms (143 pounds). Postage rates: Parcels up to 5 kilograms (11 pounds) in weight are charged 30 heller (6 cents) for the first 10 miles, and 60 heller (12 cents) for greater distances. A parcel weighing more than 5 kilograms (11 pounds) is charged for each kilogram (2 pounds) in addition to the above rates, for the first 10 miles, 6 heller (1 cent); 20 miles, 12 heller (2 cents); 50 miles, 24 heller (5 cents); 100 miles, 36 heller (7 cents); 150 miles, 48 heller (10 cents), and more than 150 miles, 60 heller (12 cents).

[15]

France.—Greatest weight 10 kilograms (about 22 pounds); no limit of size. Postage rates: Up to 3 kilograms (7 pounds), 60 centimes (12 cents) delivered at the railway station, and 85 centimes (17 cents) delivered at a residence; from 3 to 5 kilograms (7 to 11 pounds), 80 centimes (16 cents) at a station, and 1 franc 5 centimes (21 cents) at residence; from 5 to 10 kilograms (11 to 22 pounds), 1 franc 25 centimes (25 cents) at a station, and 1 franc 50 centimes (30 cents) at a residence.

Belgium.—Greatest weight 60 kilograms (about 132 pounds); no limit of size, but unwieldy parcels are charged 50 per cent in addition to the following rates for any distance: Parcels up to 5 kilograms (11 pounds), 50 centimes (10 cents)—or if by express trains, 80 centimes (16 cents); up to 10 kilograms (22 pounds), 60 centimes (12 cents)—or if by express trains, 1 franc (20 cents); for each additional 10 kilograms (22 pounds), 10 centimes (2 cents)—or if sent by express trains, 50 centimes (10 cents) additional. Fee for delivering at residences, 30 centimes (6 cents).

Italy.—Greatest weight, 5 kilograms (11 pounds). For ordinary parcels, greatest size in any direction, 60 centimeters (2 feet), except rolls which may measure 1 meter (40 inches—3 feet 4 inches) in length by 20 centimeters (8 inches) in thickness. Postage rates for a parcel not exceeding 3 kilograms (7 pounds), 60 centimes (12 cents); and 1 franc (20 cents) for a parcel exceeding that weight. A parcel which exceeds 60 centimeters (2 feet) in any direction, but does not exceed 1½ meters (5 feet), is admitted to the mails as an "unwieldy" parcel and is charged, in addition to the above rates, 30 centimes (6 cents) if it does not weigh more than 3 kilograms (7 pounds), and 50 centimes (10 cents) if it exceeds that weight.

The Netherlands.—Greatest weight, 5 kilograms (11 pounds); greatest size, 25 cubic decimeters (1,525 cubic inches), or 1 meter (3 feet 4 inches) in any direction. Postage rates: 15 (6) cents (Dutch) up to 1 kilogram (2 pounds); 20 (8) cents from 1 to 3 kilograms (2 to 7 pounds); 25 cents (10) from 3 to 5 kilograms (7 to 11 pounds).

Chile.—Greatest weight, 5 kilograms (11 pounds); must not measure more than 60 centimeters (2 feet) in any direction. Postage rates: 30 centavos (10 cents) if a parcel does not weigh more than 3 kilograms (7 pounds); 50 centavos (17 cents) if it weighs more.

Cuba.—Greatest weight, 11 pounds; greatest size, 3 feet 6 inches in length by 2 feet 6 inches in width. Postage rates: 10 centavos (10 cents) a pound up to 5 pounds; and 6 centavos (6 cents) for each additional pound.

**Exhibit 2.**

Rates recommended by the Postmaster-General in his annual report (year ended June 30, 1907) for packages forwarded through the mails to post-offices in the United States and its possessions, subject to the regulations which exist at the present time, with the exception of increasing the weight limit to 11 pounds.

	Cents.
One ounce	1
Over 1 ounce and not exceeding 3 ounces	2
Over 3 ounces and not exceeding 4 ounces	3
Over 4 ounces and not exceeding 5 ounces	4
Over 5 ounces and not exceeding 6 ounces	5
Over 6 ounces and not exceeding 8 ounces	6
Over 8 ounces and not exceeding 12 ounces	9
Over 12 ounces and not exceeding 16 ounces	12

**Exhibit 3.**

[16]

Rates recommended by the Postmaster-General in his annual report (fiscal year ended June 30, 1907) for packages covered by the special local parcel post on rural delivery routes.

	Cents.
For the first pound	5
For each additional pound, up to 11 pounds	2
For fractional parts of a pound:	
Two ounces or less	1
Over 2 ounces and up to 4 ounces	2
Over 4 and up to 8 ounces	3
Over 8 and up to 12 ounces	4
Over 12 ounces and up to 1 pound	5

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**Our Postal Express.**

James L. Cowles.

The United States post-office has always been an express service, although Congress long confined the business to sealed parcels of very small weights—not over 3 pounds—and at very high rates graduated according to distance, with no insurance whatever against loss or damage in the mails. In 1874, however, the business was extended over all kinds of merchandise in unsealed parcels at a common rate of one cent each two ounces, regardless at once of distance and of the volume of a patron's business. This placed the humblest citizen in the most out of the way postal district of the country on a par with the biggest corporation in our greatest metropolis as to the cost of the transportation of his produce and of his supplies in parcels up to four pounds, and, though still with no insurance against loss or damage, the new postal express immediately became a dangerous competitor to the private express company with its distance rates based on what the subject will bear and always discriminating in favor of the big town against the little town, the big corporation against the ordinary citizen.

The private express interests got quickly to work, therefore, and Congress soon checked up the growing postal express business by increasing the postal rate one hundred per cent—from eight to sixteen cents a pound. Later Congress bowed to the powerful book and seed interests of the country and reduced the rate on their merchandise to the old rate of 1874, and now, for many years, the post-office and the public have been subjected to two sets of rates on matter indistinguishable both in character and as to the cost of their transportation.

[17]

The evil of this absurd postal classification, continued these twenty years by Congress, becomes decidedly evident when our domestic service is compared with the foreign parcels post services established by President Taft and Postmaster-General Hitchcock, with their common 11 pound weight limit at 12 cents a pound, on all merchandise posted from the United States to foreign countries and from those countries to the United States:

From Austria:	
4½ pounds	.35
11 pounds	.86
From Italy:	
7 pounds	.39
11 pounds	.79
From Norway:	
2½ pounds	.16

11 pounds	.96
From Germany:	
4½ pounds	.33
11 pounds	.81
From Belgium:	
4½ pounds	.35
11 pounds	1.10
U. S. Foreign Rates:	
2¼ pounds	.36
7 pounds	.84
11 pounds	1.32
U. S. Domestic Service:	
2¼ pounds	.36
4½ pounds (2 parcels)	.72
7 pounds (2 parcels)	1.12
11 pounds (3 parcels)	1.76

Under the English post-American express arrangement English postal parcels now come to New York three pounds for sixty cents; seven pounds for 84c; eleven pounds for \$1.08, and these parcels are forwarded by the American express company throughout the country at a common rate of twenty-four cents a parcel, eight cents a pound on a three-pound parcel; about three and a half cents a pound on a seven-pound parcel, and less than two and a half cents a pound on an eleven-pound parcel. Meantime the express company taxes domestic merchandise of the same weights from 25 cents to \$3.20, according to the distance traversed, while Congress taxes the public for a similar domestic postal service, three pounds, forty-eight cents; seven pounds, 2 parcels, \$1.12; eleven pounds, 3 parcels, \$1.76.

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**Data Relative to Proposed Extension of Parcel Post. pp. 8-14.**

[18]

From The Boston Herald.

Ernest G. Walker.

Postmaster-General Wanamaker first actively urged the establishment of a parcels post on a large scale. He summed up the situation epigrammatically in his 100 reasons for it and only 4 reasons against it—those 4 being the express companies. Others after him, especially the late Postmaster-General Bissell, made like recommendations. But Mr. Meyer now has an advantage in his campaign which none of his predecessors had in the rural delivery routes. Every one of the many thousands of routes would be a little parcels service in itself, aside from being a line of communication, by which small packages could be conveyed from all parts of the country or to any part of the country. Mr. Meyer is building much upon that fact. The local service at cheaper rates will also protect the local store-keepers, to which the big department stores and mail-order establishments are bogeys.

Ever since he announced his intention of urging a better parcels post service for the United States, the Postmaster-General has been the recipient of many letters. These come from various classes of people. Most of them commend his plan, but the retail associations, such as the associations of hardware men and grocers, come out in bold opposition. It is such people as these that the Postmaster-General hopes to convert when they are brought to understand the details of what he wants to do. Some of these critics, besides claiming that the legislation would favor the catalogue houses, argue that the government should not go into a general freight business and that if the express companies are charging exorbitant rates, the Interstate Commerce Commission, which now has authority over them, should step in and require that the rates be lowered.

The operations of parcels post in other countries make a very interesting transportation chapter. They are conducted on a gigantic scale and, apart from what J. Henniker Heaton, long an English member of Parliament from Canterbury, and a great advocate of postal reforms, calls "grandmotherly regulations," have worked with practically world-wide success. Shopping by mail is made easy, whether one in the country would trade with the local draper or the big metropolitan merchant.

[19]

Great Britain's conservative enactments will likely be a model for any extension of the parcels post service by Congress. The service is almost twenty-five years old over there. It has become one of the most important and highly appreciated postal features. Its growth has been continuous and phenomenal. The scope has frequently been broadened. There was an early clamor for an agricultural parcels post. The owners of small farms in remote localities wanted it. The growers of spring flowers in Kerry said it would enable them to compete with the south of France and the Scilly Isles. Eventually the agricultural parcels post was authorized and also spacious dimensions for packages. Flower growers can now send full length orchid spikes and long-stemmed roses by post, where formerly only simple blooms were admissible.

The produce of the culturists goes forward to London and other big English cities in tremendous volume. Fresh fish, dispatched from seaport towns to the large hotels, are delivered with celerity. Meats, cheese, fruits, vegetables, and freshly laid eggs in mail packages under the 11-pound limit form a very considerable factor in the commerce of the Kingdom.

The general rates are low. A 1-pound parcel takes a three-penny stamp. That is 6 cents in our money. For 2 pounds an 8-cent stamp is required; for three pounds, a 10-cent stamp; for 5 pounds, 12 cents; for 7 pounds, 14 cents; 8 pounds, 16 cents; 9 pounds, 18 cents; 10 pounds, 20 cents, and 11 pounds, 22 cents. Four-pound parcels cost as much as five pounds, and 6 pounds cost as much as 7 pounds. For inland parcels 3 feet 6 inches is the maximum length; 6 feet the maximum measurement for length and girth. These have been adopted as standard dimensions in the services of numerous other countries. Parcels should not be posted at a letter box, but presented at the counter of a postoffice. The government virtually guarantees the sender against loss up to \$10. Payment of a registry fee of 4 cents, in addition to the regular postage, insures the parcel for \$25; a 25-cent registry stamp carries an insurance of \$1,000. There have been demands, not yet conceded, for the cash on delivery system that several European countries have adopted.

[20]

The big retail stores of London avail themselves extensively of the parcels service for delivery of goods. The rates, ranging from 6 to 22 cents, are not prohibitive. In many cases the government service is cheaper and quicker. Laundries return washing by parcels post. In Germany, where the rates are even cheaper, lads away at school send their soiled linen home by mail to be washed and it is returned to them by the same conveyance.

Sidney Buxton, the postmaster-general of Great Britain, in his last report, statistically demonstrates the continuous growth, and consequently the popularity, of the parcels post in the United Kingdom. The number of parcels delivered in the country districts of England and Wales in 1896-97 was 41,512,000, and increased annually by from 3 to 6 per cent, till in 1905-6 the number was 66,277,000. In the London district for the same ten-year period the increase was from 11,229,000 parcels to 18,167,000. A similar increase was shown for Scotland from 6,802,000 to 10,725,000 parcels, and for Ireland, where the increase was from 4,172,000 in 1896-97 to 6,513,000 in 1905-6.

The gross amount of revenue the government collected increased from £1,445,126 for 63,715,000 parcels in the United Kingdom for the first year of the decade to £2,138,673 for 101,682,000 parcels in the last year of the decade. The post-office's share of these collections increased from £763,307 to £1,142,224. The average postage per parcel decreased during the period from about 11 cents to 10 cents. The postmaster-general undertakes to deliver both letters and parcels at every house in the Kingdom. They are delivered by the same postman, except in the large towns, where there is a special staff for parcel work.

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### ***Call Swiss Service Best***

Because of competition from private agencies, that have charges graduated on a basis of distance, there is a tendency for an unduly high proportion of long distance parcels and parcels for delivery in rural districts, which are the least remunerative. The post-office has met this competition by establishing, for comparatively short distances, a large number of horse and motor parcel van services, as road conveyance for these distances makes possible an economy as compared with conveyance by railway at the charge of 55 per cent of the receipts.

The Swiss is cited much as one of the most efficient and satisfactory in Europe. The mountain villages and resorts of that industrious little country receive a large portion of their supplies by post, as a maximum weight of 110 pounds is carried within a radius of 62 miles. The conditions there are somewhat the same as with the dwellers in the Appalachian and Blue Ridge mountains, to whom it has been declared that a parcels post would be a great boon because there is no prospect that either the railroads or the express companies will ever approach their hamlets and villages.

This Swiss law includes an agricultural parcels post and likewise a passenger post, agitation for both of which has generally followed the establishment of parcels post in most countries. The passenger post of Switzerland is something like the mail coaches in the United States before the coming of railroads, except that the coaches are owned by the state and the fees are prescribed by the same authority. A very large business is done in sending parcels through the mails. A treasury official, who was traveling in Switzerland during the past summer, saw at one railroad station several enormous baskets filled with hams and provisions. They were samples of mail parcels under the 110-pound limit.

### ***Cash on Delivery Plan***

The general rates are more liberal than in any other country. A parcel weighing 1 pound is carried anywhere within the boundaries of the Federation for 3 cents, a 5-pound parcel for 5 cents, a 11-pound parcel for 8 cents, a 22-pound parcel for 17 cents, a 33-pound parcel for 23 cents, and a 44-pound parcel for 33 cents. Parcels weighing as much as 110 pounds are carried within a radius of 62 miles for 60 cents, which enables many of the peasants to market much of their light produce by mail. The rates are so adjustable that housewives can secure anything by post from a paper of pins to a bag of flour. The V. P., or value payable, system is a part of the Swiss postal arrangements, so that purchaser can pay for his goods on delivery, and there is but

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one financial transaction connected with the purchase as far as he is concerned. A provision for delivery makes the service all the more attractive.

Belgium's parcels post has even a higher weight limit than Switzerland, for it accepts articles of 62 kilograms, or about 132 pounds, in one package, and puts no limit upon the size, except that unwieldy packages are subject to an extra charge of 50 per cent. But up to 5 kilograms, which is the conventional 11-pound limit of a majority of the parcels post countries, the charge is 50 centimes, or 10 cents; for 10 kilograms 12 cents, and two cents extra for every additional 10 kilograms (22 pounds). A higher charge is made in Belgium, as in several other European countries, if the parcel is to be carried on an express train. It amounts to six cents for five kilograms. The fee for delivering at residence is six cents additional.

Germany and Austria maintain the 50-kilogram limit. The first named country enforces the 50 per cent extra charge for unwieldy articles. It also has what is called the zone system. For conveyance 10 geographic miles the charge is six cents (25 pfennigs), and 13 cents (50 pfennigs) for greater distances. If the parcel weighs more than 11 pounds there is a charge of one cent (five pfennigs) for each additional kilogram carried 10 miles, 10 pfennigs for 20 miles, 20 pfennigs for 50 miles, 30 pfennigs for 100 miles, 40 pfennigs for 150 miles, and 50 pfennigs, approximately 13 cents, for more than 150 miles. The same rate of charges applies in Austria.

### ***A Table of Charges***

The French parcels post law requires presentation at the railroad station. Some other European countries, like Great Britain, require it to be delivered at the postoffice. The French maximum weight is 10 kilograms (22 pounds) without any restriction as to size. The postage rates are 12 cents up to 3 kilograms; 16 cents up to 5 kilograms, and 30 cents up to 10 kilograms. These rates are for delivery at a railroad station. An extra fee of 25 centimes (5 cents) is charged for delivering the parcel at the residence of the addressee.

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Certain elementary items of cost enter into the service of European countries that would not be identical with the maintenance of a similar service in the United States. In Germany a considerable mileage of the railroads is state owned. They carry certain parcels in the mails without compensation. In large sections of Europe there has never been anything like adequate service by express companies, and in the absence of business enterprises in establishing such transportation the people have been compelled to look to their governments for relief. The cheap rates for parcels post there were originally, in some part, intended as an accommodation for the poorer classes.

The distances for transportation are less and the population is denser. The United States is 225 times larger than Switzerland, 60 times larger than England, 17 times larger than Germany, 12 times larger than the three countries combined. In England the average distance a letter or mail package travels is 40 miles; in Germany it is 42 miles; in the United States it is said to be 542 miles.

### ***Difficult to Estimate Cost***

No accurate information is available as to whether the European parcels posts are in reality self-supporting. They certainly are nearly so, and in some instances are regarded as profitable government ventures. Everywhere the service is characterized by prompt transmission and prompt delivery. The percentages of loss are very small. The several national constituencies that have a parcels post system would no more relinquish such privileges than American cities would relinquish electric lights or automobiles. One European enthusiast pronounced the establishment of the parcels post "a service to mankind only less splendid than that of the transmission of thought."

In England it is claimed that the parcels post service would be a source of profit but for the amounts paid to the railroads for transportation, the share of 55 per cent of the receipts being regarded as exorbitant. Generally the parcels post is so joined with the rest of the mail service that its entire cost can not be counted.

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The international business has grown to enormous proportions. The figures collected at Berne for 1904, in connection with the Postal Union, show that the parcels mailed across the frontiers of 36 nations and colonies that year numbered something like 38,000,000. The small percentage of that total, where the value was declared, showed an aggregate of about \$162,000,000 worth of property. In that list the United States would have stood about eleventh on the showing for the fiscal year of 1906, when 264,438 parcels of an average weight of 2 $\frac{2}{3}$  pounds were sent from this country abroad. Tunis sent more according to the figures than the United States. Germany, leading all other nations both in the dispatch and receipt of parcels in international mails, sent a total of 11,675,385, of which 11,343,516 were classed as "ordinary," and 331,869 were "with a declared value" of \$23,352,378. Austria, enjoying close postal relations with Germany, dispatched 10,659,300 parcels to other countries, of which 1,082,430 had a declared value of \$68,396,578.

### ***Has Become Great Factor***

The totals of "receipts" and "dispatches" of course balance for the 36 countries in question, but are not the same for each country represented. The rank in parcels dispatched runs: Germany,

Austria, France, Hungary, Great Britain, Switzerland, Italy, Belgium, Netherlands, Tunis, British India, Bosnia-Herzegovina, Russia, Denmark, Luxemburg, Japan, and Egypt; in parcels received the order is: Germany, Hungary, Austria, Switzerland, France, Italy, Great Britain, Belgium, Russia, Netherlands, Denmark, Roumania, Spain, Bosnia-Herzegovina, Sweden, Norway, Luxemburg, Tunis, and so on. Switzerland in 1904 received across her borders 2,788,406 parcels by post, of which 2,635,090 were "ordinary" and 133,316 were declared of a value of \$9,863,886. Of 6,352,360 parcels that came over the Austrian frontier, 778,380 had a declared value of \$64,788,927. Germany received 7,337,404 parcels in international mails, of which 482,472 had a declared value of \$35,901,435. The parcels received by post in the United States during the fiscal year 1906 from abroad were recorded as 131,064, of an average weight of 2.73 pounds. Probably the actual number was much larger, perhaps twice as large.

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Sufficient figures have been given to indicate what a great factor the parcels post has become in the trade of the world. The value of the merchandise thus transported can only be roughly estimated, but it will probably exceed half a billion dollars annually.

This business is transacted across frontiers, causing little or no friction with customs officers. Boxes with declared value are subject to the legislation of the country of origin or destination as regards payment of stamp duties on articles exported and as regards the control of stamp and customs duties on articles imported. The stamp duties and charges for examination by customs officers involved in the importation are collected from the addressees when the articles are delivered.

### ***Provision for Insurance***

Practically the same rules apply for all parcels post. There is provision for insurance and also for "trade charges," which latter term means that goods can be sent c. o. d., the maximum value being f.1000. The limit of weight is 5 kilograms, or 11 pounds. The cost of conveyance comprises a charge of 10 cents for each country participating in the territorial transit, a graduated distance tax for sea conveyance and extra rates for cumbersome parcels, and may be increased under certain conditions by delivery fees and, in case of declared values, by insurance fees. Weights under 2 pounds, however, are transported for a maximum of 1 franc. Special forms are provided for registering for customs declaration, for certificate of prepayment, when that is desired, and for trade charges.

The United States is not a party to this comprehensive parcels post convention, by which a vast quantity of merchandise is carried to different parts of the world annually, but Argentina, Bolivia, Chile, Colombia, Guatemala, Uruguay, and Venezuela are among the signatories. But the United States has parcels post conventions with 33 different countries on somewhat different but fairly liberal terms. It keeps the postage for parcels it sends to other countries and they in turn retain the postage on parcels sent here. That saves in bookkeeping and has been found economical, whereas the more comprehensive convention, under which most of the European and Asiatic countries operate, divide the postage receipts pro rata. The United States will not transmit through its mails parcels en route from one foreign country to another. Among the latest parcels post conventions the President has ratified under statute authority are those with Sweden, Peru, Denmark, Ecuador, and Bermuda.

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### ***Customs Easily Collected***

The popularity in this country of the parcels post is well demonstrated by the great growth in the use of international facilities. The dispatches from this country for the fiscal year ending June 30, 1905, amounted to 560,228 pounds and for the year ending June 30, 1906, was 721,164 pounds, an increase of 28.73 per cent. Only one-fifth of the dispatches of the last mentioned fiscal year went to Europe, which indicates that a good share of the parcels business was with Mexico and Central South America. Parcels for Germany, Hongkong, Japan, Norway, Belgium, Great Britain, Sweden, and Denmark are accepted only for a maximum weight of 4 pounds and 6 ounces, where the maximum weight for the other countries with which the Postoffice Department now has conventions is 11 pounds.

The customs officials say that the parcels post business with foreign countries is increasing by leaps and bounds. Within recent months better facilities for the collection of customs dues have been inaugurated, with the result it is said, that many packages which hitherto passed without being noted are now being examined and recorded. There are offices of exchange, so called, in several of the larger post-offices of the United States where customs officials are stationed to attend to the collection of duties on these parcels from abroad. In the Washington City post-office this foreign parcels post business is said to have increased 300 per cent within the last twelve months. The Treasury Department keeps about 25 customs employees now on duty at the New York City post-office to attend to the foreign parcels post business which goes through that office. Dutiable packages to minor offices are handled from exchange offices. Such mail addressed to Plymouth, Mass., for instance, would be held till the addressee had forwarded to the postmaster at Boston the amount of duty required.

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MR. CHAIRMAN: In connection with this subject I take pleasure in submitting the following views of the Postal Progress League:

***The Post-Office, Our Mutual Express Company***

From the foundation of our national government, the people of the United States, through their representatives in Congress, have always determined the scope of their postal service, the pay of their mail carriers, their own postal rates; and from the first they seem to have provided for the postal transport of merchandise in very small sealed parcels at very high rates—by the act of 1792, 24 cents an ounce for distances up to 30 miles, higher rates for greater distances. In 1810 they fixed the postal weight limit at 3 pounds, and it so remained for many years. In 1863 the postal rates were made uniform regardless of distance, and since 1863 Congress has definitely provided for the transport of merchandise in unsealed parcels, but still with a weight limit so low and rates so high as to be practically prohibitive.

In the old era of household industries when the peddler, with his pack on his back, or driving his own team, was the chief agency of commercial intercourse, these postal limitations worked little harm, but their continuance in our day, when every industry needs a continent for its development, is no longer endurable. The common welfare demands the widest possible extension, the most efficient and economic administration of our great mutual express company.

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In its report of January 28, 1907, the Postal Commission of the Fifty-ninth Congress declared that: "Upon the postal service, more than upon anything else, does the general economic as well as the social and political development of the country depend." And yet the United States merchandise post of to-day is limited to 4-pound parcels at rates: Sealed parcels 2 cents an ounce, 32 cents a pound, with no insurance against loss or damage unless registered; and unsealed parcels, with no insurance under any conditions, at rates:

***Third-Class Matter***

Some specific kinds of merchandise; printed books; Christmas cards printed on paper; advertisements on ordinary paper; seeds, bulbs, etc., for planting, 1 cent for 2 ounces, 8 cents per pound.

***Fourth-Class Matter***

General merchandise; blank books; Christmas cards of any other substance than paper; advertisements on blotting paper; seeds, bulbs for food, etc., 1 cent per ounce, 16 cents per pound.

In 1874 third-class matter covered all merchandise at one-half the present general merchandise rate.

The Postal Report of 1904, pages 593-595, shows the effect of these limitations on the free rural service. In its daily 24-mile course, visiting over 100 families, the average rural post-wagon handles less than 26 pounds of mail per day, collected and delivered; it collects less than 1 pound. The average rural family posts hardly one merchandise parcel a year. Its total merchandise traffic dispatched and received is less than 10 parcels a year. The postal revenue from its entire merchandise traffic is less than 50 cents a year. The total cancellations of the average carrier in 1904 amounted to only \$10.64 a month; to less than \$132 a year. With the same limitations in 1909, his postal income must remain practically the same. Meanwhile the 4,000,000 families on the rural routes go to and from their post towns and their homes, carrying their supplies and their produce at a needless expense—estimated at only 50 cents a week per family—of over \$100,000,000 a year.

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And the postal weighings of 1907 disclose a similar state of things in the general-merchandise traffic of the post-office. Of the general postal business, the merchandise traffic represents:

	Per cent.
In number of parcels	1.12
In weight	4.79
In revenue	4.44

The weight of the average merchandise postal parcel is 5.45 ounces; its average haul is 687 miles. The merchandise tax, 1 cent per ounce or fraction thereof, amounts in practice to 17.23 cents per pound. The average family posts less than 9 parcels a year—less than 3 pounds—and pays for the service about 50 cents a year.

The local merchandise mailed in October, 1907, at 17 representative post-offices of Alabama weighed only 65 pounds, at 16 representative post-offices of Arkansas only 14 pounds, at 18 representative post-offices of Iowa only 116 pounds, at 16 representative post-offices of New Hampshire only 27 pounds, at 16 representative post-offices of North Carolina only 30 pounds, at 14 representative post-offices of Oregon only 1 pound, at 14 representative post-offices of Montana only 1 pound, at 14 representative post-offices of Nevada only 4 pounds, at 12 representative post-offices of South Dakota only 15 pounds, and at 14 representative post-offices of Wyoming only 1 pound.

The weight of the parcels posted in October, 1907, by the 4,000,000 people of New York City in their local traffic amounted to only 55,918 pounds, less than 1¼ ounces per family, and in their total traffic to only 469,111 pounds, about 8 ounces per family.

The post-office is the most important department of our national government. Its system of rates—regardless of distance, regardless of the character or volume of the matter transported, rates determined by the representatives of the rate payers in Congress assembled on the basis of the cost of the service rendered—its system of uniform rates places our whole country on a plane of the most perfect commercial equality. Up to its limits there can be no possible discriminations either as to persons, places or things. Up to its limits, the humblest citizen on the most out-of-the-way rural route is guaranteed the transport of his supplies and his produce at the same rates as the biggest corporation in our greatest metropolis. These rates moreover, may be steadily reduced with the improvement of our transport machinery and its administration. And yet by our own limitation of this mighty service we deny ourselves its use almost altogether in local traffic, and in through traffic confine it to parcels of less than 6 ounces. [30]

Meantime we pay private express companies what “the traffic will bear” for the transport of our large parcels, and in our local traffic cheerfully carry our small parcels in our pockets or hand bags or dispatch them by private messengers or private vehicles. Such petty work is beneath the notice of our great private express companies. In many small places they have no offices. Even in our great cities they have no regular daily courses, save in a few business districts. If the ordinary city resident would dispatch a parcel by express, he must go after an express wagon on foot or by telephone. The post-man—our public expressman—comes to our doors one, two, three, four times a day, or oftener. We have but to substitute a machine post for our overburdened foot post and, with a perfected system of collection and delivery of insured parcels at reasonable rates, we shall have a postal express at hand, ready and competent to do our bidding on our own terms and conditions.

The possibilities of such a service were illustrated some years ago, when James L. Cowles, of the Postal Progress League, dispatched an 11-pound suit case from New York City to New Haven, Conn. Prepaid as a sealed parcel, with a special-delivery stamp affixed, the suit case was mailed at a branch post-office on Fifth avenue about 5 o'clock in the afternoon; it was delivered at its address in New Haven before 10 o'clock the same evening. On another occasion Mr. Cowles telegraphed from Philadelphia about noon for a parcel of stationery to be sent him from his office, 361 Broadway, New York City. The Philadelphia postman delivered the parcel at Mr. Cowles' hotel before 8 o'clock the same evening. [31]

In his testimony before the congressional committee on railway mail pay, in 1898, Mr. H. S. Julier, of the American Express Company, testified that the weight of the average express parcel is 25 pounds; its average charge is 50 cents; its average haul in the eastern states is 100 to 125 miles; in the central states a little more; in the western states from 175 to 200 miles. In local traffic the ordinary express charge on the smallest merchandise parcel is 15 cents; in general traffic, 25 cents. The private express service is chiefly confined to traffic between cities. To be successful, a business requiring express service must be located in a large city, where the different express companies have their headquarters; otherwise their parcels will often be subjected to two or three express charges before they reach their destination. The private express company, with its rates based on the value of the service rendered and determined according to volume of business, is deadly to the small place and the small dealer.

Under the growing differentiation of industry there is a steadily growing demand for a door-to-door express service of parcels ordered by telephone, telegram, or by mail. The business can not be done by private express companies to the public satisfaction. Their machinery does not reach the rural districts. An extended postal service is the only public choice.

As long ago as December 6, 1898, the Merchants' Association of New York issued the following statement to the merchants, manufacturers, and shippers of the State of New York:

A very large part of every dollar paid by you for express charges is exorbitant and exacted to pay a monstrous profit to an unrestrained monopoly.

Many of you are compelled by present conditions of competition to use the express service on a large part of your shipments, and to pay express charges which are from 300 to over 20,000 per cent of corresponding freight charges. The express charges on many classes of goods average from 5 to 15 per cent of the value of the merchandise transported.

These are the charges that you pay. But many of your strongest competitors are favored by discriminating rates and pay much less.

The express companies are now uncontrolled by law and you have no recourse against exorbitant charges; you must ship by express and must pay whatever the express companies see fit to charge. [32]

On the 10th of February, 1909, the Merchants' Association of New York again returned to their attack upon the express companies. Note their charges:

### ***Exorbitant Rates***

Rates so high in the case of the Adams Express Company as to enable them to pay dividends of over 80 per cent a year on the amount actually invested in their business. In 1907 they made a

dividend of \$24,000,000.

Excessive charges for collection and delivery varying, on 100-pound parcels, from 27 cents to \$7.79 for similar services.

Unreasonable restrictions of free delivery service.

Unreasonable regulation as to size of parcels.

Unreasonable regulation as to packing.

Delays in delivery.

Failure to notify shippers of nondelivery.

Delays in settlements of claims.

Delays in returns of undelivered goods.

Marking parcels 1 to 5 pounds over actual weight, and compelling consignees to pay for the fictitious increase.

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## **System of Postal Express.**

David J. Lewis.

MR. CHAIRMAN: In December the government issued its first annual report on the statistics of express companies for the year 1909, which developed the fact that the average pay of the express companies to the railways for carrying express matter was about three-quarters (0.74) of a cent a pound, while the postal reports show that the government paid for its letter or mail transportation about 4 (4.06) cents a pound, barring the weight of equipment in both cases. It was apparent to me at once that the parcels function could not be successfully or economically discharged by the government on the basis of letter-transportation rates. And then the economic significance of another fact developed: It was that the express companies' service was at a disadvantage, even greater than that of the post office, in regard to the nonrailway transportation of its parcels. The express companies have no agency and at present rates can not secure an agency to reach nonrailway or rural points. In short, it appeared that the express companies had exclusive control of one of the absolutely essential conditions of fast package transport, the express rate of three-quarters of a cent a pound, while the post office had equally exclusive possession of the other great agency of necessary service—the rural delivery system. Common sense indicated what the solution must be; these two advantages, the railway express transportation rate and the rural delivery system must be made cooperative; must be united under one control. The express railway transportation rate would, if the government parcels amounted to but one-fourth of the express business, save it, if in its control, at least \$50,000,000 a year, while the addition of rural delivery to the express business would add to this great service the farming population of our country at practically no cost to them or the country. The bill I have introduced for postal express is the result of these conditions.

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### ***Principal Provisions of the Postal Express Bill***

As I have said, the idea of the bill is to unite in one service the two great instrumentalities above named, in order that a greatly cheapened and an even more extended service to the public may be had. For this purpose the bill provides for the compulsory purchase by condemnation of the railway-express company contracts and franchises, as well as the equipment and property devoted to the express business per se, and their subsequent employment by the postal department in connection with rural delivery and the postal system. The express-railway transportation privileges are all the subjects of contracts between the railways and express companies. They constitute the primary condition of the express service, and while the equipment and other facilities are only immediately necessary to a running plant, and their acquisition is provided for, it is the contracts which constitute the conditions sine qua non of the service. Happily, there can be no legal question as to the right of the government to acquire these contracts and other facilities upon providing just compensation.

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### ***Necessity for Postal Express***

In addition to those grave needs for such a service, which the majority of national communities have recognized, as commending its adoption domestically and internationally, there exist in the United States supplementary reasons which it is believed render the institution uncommonly necessary.

Briefly summarized, they are:

(a) The greater area over which our population is distributed and correlatively greater transportation distances which consume so much time by freight that a fast or express service needs to be resorted to in a larger number of instances than if the journey were short.

(b) The 100-pound minimum and corresponding charge in railway practice and the inadaptability of railway methods to diminutive consignments.

(c) The prohibitive minimum charge of the express companies in respect to small consignments.

(d) Absence of railway "collect and delivery" service and absence of "collect and delivery" service by express companies as to our farming population and a large portion of our urban population.

(e) Incalculable waste of transportation effort, so far as made, in movement of necessities of life from the farms to points of consumption, a serious factor in our high cost of living.

Of course, the need for fast service will depend upon the greatness of the distance, when demand is immediate, as much as upon the valuable or perishable character of the shipment. In our country, with an average haul for freight of 251 miles, from three to ten times as long as in Europe, the demand for speed to overcome the obstacle of the time lost in distance, the time-element necessity for an express service is correspondingly increased; and so the disadvantages of inadequate or ineconomical express service are vital. The railway organization of America and its system of practices does not seem adapted to meet this great need; while its refusal, upon adequate grounds, to accept a smaller payment than the rate for its minimum shipment of 100 pounds precludes it from this service even if speed were not prerequisite. The minimum charge of 25 cents (average 27 cents) imposes an equally substantial and serious restriction upon the express service as now conducted; so that when it is considered that the farmers or nonurban, about half of our population, are virtually excluded from the service of this great agency, and the express rates by their prohibitive costliness substantially minimize the service for the urban population, it is apparent that instead of possessing an express service commensurate with its needs, the United States has both unexampled necessity for, and unexampled deficiency in, its dispatch or express agencies. Add to this situation the tremendous waste and corresponding costliness of the unorganized country-to-town transportation of our necessities, and such almost equally wasteful and quite equally costly express service as we have, and have we not put a finger on one of the big leaks which swallow so much of the unprecedented productiveness of our country?

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### ***Prohibitive Express Charges***

We should expect express charges to be higher per ton here than abroad, as much higher as our freight-per-ton charges. But no necessary economic cause is known which justifies a substantially higher proportion or ratio of the express to the freight charges here as compared with other countries. The average express charge per ton here is shown to be \$31.20, while the average freight charge is \$1.90 per ton, giving a ratio of the express charge to the freight charge of 16 (16.42) to 1. This express charge includes the cost of such collect and delivery service as is rendered, covering, it is thought, about 90 per cent of the traffic. In the table now inserted this element of the expense of the express companies for collecting and delivering, amounting to 11.50 per cent, is excluded, because many of the European countries and other data do not include this factor of cost. The table embraces 10 countries, while the specific data upon which the ratios are based are set forth in Appendix B. All countries have been included where the express data is clearly distinguishable from general freight statistics.

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### ***Ratios of average express charges to average freight charges in 11 countries.***

Countries	Average express charge per ton.	Average freight charge per ton.	Ratios of average express and freight charges.
Argentina	\$6.51	\$1.95	3.2-1
Austria	3.77	.74	5.0-1
Belgium	[A]4.92	.53	[A]9.3-1
Denmark	5.49	.87	6.3-1
France	6.88	.95	7.2-1
Germany	3.80	.76	5.0-1
Hungary	3.68	.93	3.9-1
Netherlands	2.43	.67	3.6-1
Norway	1.90	.49	3.8-1
Prussia	4.32	.86	5.0-1
Average for 10 countries			5.23-1
United States	27.61	1.90	14.53-1

[A] Belgium delivers parcels.

From this table it appears that while Argentina charges three times, Austria five times, Belgium nine times, Denmark six times, France seven times, Germany (including Prussia) five times, Hungary, the Netherlands, and Norway, about four times as much for carrying a ton of express as of freight, the express companies of the United States charge nearly fifteen times as much.

No further statement need be made to show that the charges of American express companies are prohibitively excessive, and such as to disqualify this service as a national economic agency. The instances given represent merchandise carried by passenger trains in all instances, and while higher charges for both the express and freight tonnage in America are justified by the

longer haul, there is no necessary economic reason for a higher ratio of express charges to freight charges. The presence of the "express company" is the only circumstance distinguishing express transportation here from that of the instances cited. In those the "express company" has no part; the work is done exclusively by the railways. As we shall see later, the deficiencies of the express companies are constitutional, not gratuitous merely, and are such as can not be remedied through corporate agencies.

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### ***Inadequacy of Various Proposals—Regulation***

We have seen that the present express fails to reach the farm, in itself a fundamental objection to its adequacy. It may be suggested that where its high charges are such as to inhibit the traffic, they might be corrected by appeals for reductions to the Interstate Commerce Commission. A glance at the express report for 1909, it is true, will show that the profits of the companies are clearly out of normal proportion to the investment. But it will also show that such profits amount to but 8.44 per cent of the gross receipts, i. e., to only 8.44 per cent of the rates charged. So that even if all the profits were taken away, the modified rates would show but a wholly inadequate reduction; so that the desired relief could not thus be obtained. As a matter of course, no such reduction would even be asked. No one would wish that they conduct the business without a profit. But in practice even when the justification for a reduction is present, and the power and purpose active, the regulating board will always hesitate to even substantially reduce a rate in the fear of unduly trenching on private rights.

It was this principle which Bismarck had in mind when in connection with a similar subject he spoke of—

The attempts to bring about reform by (regulatory) laws have shown the futility of hoping for a satisfactory improvement through legal (regulatory) measures, without trenching materially on established rights and interests. (Parsons, *The Railways and the People*, p. 318.)

With a margin of but 8 per cent of the rate to work on, the board would feel this constraint in a marked way; for under substantially reduced rates a very slight perturbation of the customary traffic might place in danger the whole net return. Substantial relief in the way of regulation is thus shown to be wholly impracticable.

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### ***Various Parcels-Post Schemes***

There remains to discuss the numerous proposals for limited carriage of parcels up to 11 pounds, and so forth, by the postal department. These all concern the present railway status quo of the post office. It is apparent that such proposals can only result in two things—the express companies taking the major portion of the short-haul, profitable traffic and the postal department getting the long-haul and losing traffic. But there is another fact recently disclosed by the express report—a fact rendering any of these proposals, so far as they involve railway transportation, wholly untenable.

The Post Office Department pays an average of 4 (4.06) cents per pound to the railways for carrying the mail, excluding equipment.

The express companies pay an average of three-quarters (0.74) of a cent per pound for carriage of express matter, excluding equipment.

It is manifest that not even the government could render substantial service under conditions so utterly unequal. It could not pay—what we shall see when we come to consider the length of the express and the mail hauls amounts to—about three times as much as the express companies pay to the railways for carrying its parcels. One is mail service, which is naturally more costly; the other more closely resembles a fast freight service, which lies midway between the mail and the freight in the weight cost of railway movement.

Other difficulties in such proposals, based on the status quo of the post office, need only be suggested:

(a) The government would have to install urban delivery wagons at a cost its traffic might not justify.

(b) The express companies still in the field, the wastes of service would merely be increased by the entrance of the Postal Department, and the people would have to pay it all.

(c) The government, being a moral agent with the inelastic rate proposed, would be at the mercy of its unrestrained competitors.

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(d) The express companies' contracts with the railways permit them to reduce their compensation to the railways to the point of 150 per cent of the freight rate—i. e., from the present ratio of about 8 (7.80) to 1 of the freight rate to about 1½. Of course, they could not go to this extreme without destroying their own profits, but their contracts permit them to go as far as they might wish. Thus, while the government in the beginning might have to pay about three times as much to the railways for its parcels per pound, in a struggle the express companies could exaggerate this disparity to any point they wished for the purpose of destroying the postal department as a competitor.

### ***Essential Elements of an Adequate System***

For the sake of brevity we state these elements categorically:

(a) Fast service.

(b) Greatest economically feasible extension of delivery and collect service, necessitating coordination with both urban and rural free delivery systems.

(c) Express railway contracts to secure the relatively low railway rates.

(d) Cheap capital charges.

(e) Reliable public-service motive.

(f) Economies of single organization, in which all existing serviceable plants should be merged.

With regard to the element of fast service, discussion is unnecessary. It is now commonly rendered by the railways for the express companies in connection with the passenger service. It seems worthy of suggestion, however, that a single organization like the post office might on the strong lines of traffic, where carload lots might be regularly obtainable, employ for certain kinds of matter the fast freight service, profiting enough on the carload rate reductions to fully cover the expense of delivery and collection, the regular railway 100-pound charges to be paid to the postal express by the shipper. It is further suggested that in this way agricultural products might be received through the rural free delivery in small allotments from the truck gardeners and farmers, consolidated into carload lots and conveyed on the trunk lines to the branch lines and distributed over the branches to destination by passenger trains. The Prussians do, in fact, have this latter service, for which the charge is based on a tariff of twice the freight rate, the regular service by passenger train calling for a charge of four times the freight rate. The railways would now perform such service if, of course, the collect service existed to gather the shipments from the country and assemble them. [40]

It is obvious that the element most wanting is the service described as "collect and delivery," necessary between consignor and railway at the beginning and railway and consignee at the conclusion of the act of transportation. Our country is utterly deficient in this respect as to the "country" or farming population. In towns of about 3,000 or 4,000 population up the present express companies do render this service for such traffic as their rates permit to move; but what is required is a service as extensive as the postal agency, which reaches cities, towns, and country with the degrees of efficiency of the urban and rural deliveries, conceded to far excel such delivery as the express companies give.

There can be no doubt that with regard to this collect and delivery the postal department is the only agency to which we can look for a service sufficiently extensive to be really efficient. It only remains to observe that with regard to the farming part of the country the service already exists in the form of rural free delivery, equipped and paid for, and actually waiting with empty wagons to receive and execute the work.

### ***Advantages of Postal Express***

In three years under a postal administration it is believed that the reformed system will produce:

(a) A minimum charge of 7 cents for the first pound, graduated to 17 cents for a 11-pound package, for average distances.

(b) General reductions of about 28 per cent in all merchandise charges.

(c) The extension of the service to the out-of-town and agricultural population. [41]

(d) The elevation of the employees to the plane of the postal service.

(e) The coordination of country supply of the vital necessities with urban demand by a cheap and regular collect and delivery service.

(f) As a result, a greater attractiveness in rural life and improved highways.

(g) In 10 years' time, with the development of the traffic, a reduction of rates to about one-half of the present rates.

It is as difficult to describe in detail the manifold economic and social results of a great agency like this as to give a bill of particulars of the benefits of the postal system. And in this connection it seems not irrelevant to suggest that a proper coordination of the railway mail with the railway express service may indeed render penny postage feasible. As things are now the rural free-delivery agency does not bring a direct fiscal return to pay for itself. In a few years, as the traffic develops in parcels and agricultural products, the proposed system would enable it to do so. This would assure a considerable financial gift to the account of penny postage.

### ***The Agricultural Post***

In the present state of things the truck farmer must devote a large part of his time to marketing; that is, to the transportation of his product, however little it may be, to the place of demand. He must also for this purpose provide himself with transportation facilities, however small his business. These involve a horse, and its maintenance and care, and a barn; and the expense of both during the unproductive seasons. And yet in a socio-economic sense his work and expense of transportation is the smallest element in his service to the public, although it requires the maximum of upkeep work and expense, if not of capital. The proposed postal collect and



delivery eliminates all these, and would enable the truck farmer to enter into the business on a minimum of capital, and pursue it on a minimum of labor and expense. The field service of a horse he could hire as occasion might require. Thus the truck-farming industry would receive a necessary impetus and the cost of such foods be greatly reduced to the consumer, saying nothing of the advantage in quality coming from a speedier forwarding to the market by daily allotments instead of the delays now incurred to garner a worth-while load.

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This application of postal express, with its thoroughly articulated service and regular schedules, may be taken as illustrative of the close relations which may be established between the rural producer and town consumer, as well as between producers and merchants generally.

It is manifestly unfair to the proposition to judge its social value on a mere computation of the savings in rates which may be made. While this saving would amount to some \$35,000,000 a year on the traffic of 1909, and from seventy to a hundred millions a year when the traffic reaches its normal dimensions, yet as large benefits will follow in clearing the prohibitive rate clogs from this necessary conduit of commerce that it may freely discharge its normal output, in placing the 50,000 express employees on a postal basis, in rendering it easier to engage in and market food production, to relieve the towns and cities of high prices for necessities of life, and relieve them, too, of the overplus of labor, and, perhaps, too, in aiding in reversing that tendency of population movement from the country to urban centers to which is due the most aggravated and most discouraging social problems of our time.

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### **Hearings before the Committee on the Post-Office and Post-Roads. April 20-29, 1910. pp. 296-7.**

Postal Savings Bank and Parcels Post.

Letter of Dr. Barth.

Whilst the postal savings-banks system became firmly established some time ago in Belgium, France, Great Britain, Italy, Holland, Austro-Hungary, Russia, and Sweden, all efforts have failed to introduce the system into the German Empire. In the year 1885 the draft of a postal savings-bank law was laid before the Reichstag. The draft never came out of the committee. The principal reason of this opposition lay in the competitive interest of the many local savings banks existing in Germany, which are generally under the control of commercial boards of directors. Since the frustration of the plans for the law in the year 1885 no further serious efforts have been made to introduce postal savings banks.

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All the greater has been the development of the parcels-post traffic with us. This traffic dates in Prussia back to the eighteenth century. Under Frederick William I there already had been introduced a postal monopoly (the exclusive right of the mail to forward packages) for packages up to 20 pounds. Under Frederick the Great this monopoly was increased to 40 pounds. By a postal law of June 5, 1852, it was again reduced to 20 pounds, and only entirely abolished by the law of March 20, 1860. This postal monopoly has never been revived in Germany; nevertheless, the parcel postal traffic has developed tremendously without the protection of a monopoly. In Germany the weight for postal parcels has now been set at 50 kilograms (110 3-10 pounds); while, as is well known, there has also existed since 1885 European international parcels-post traffic with a maximum weight limit of 5 kilograms (about 11 pounds). Only very few articles within the aforementioned weight limits are excluded from the postal traffic. Even live singing birds, fish, crabs, fresh flowers, grapes, etc., are sent by us in postal parcels. The parcels-post service in Berlin employs about 1,000 officials. The rate within the postal territories of Germany and Austro-Hungary is 25 pfennigs (6 cents) for packages up to 5 kilograms (about 11 pounds) in weight and 10 geographical miles in distance; at 50 pfennigs (12 cents) for further distances. With heavier parcels the rate increases rapidly for every kilogram (2½ pounds) in excess of 11 pounds with the growing distance, so that, for instance, at a distance of 150 geographical miles every kilogram over 5 costs 50 pfennigs (12 cents) more. This rate proves that the post lays its principal stress on receiving parcels up to 5 kilograms (11 pounds) in weight.

The parcels-post traffic in 10-pound packages is therefore the normal one. For many trades and producing branches a very strong direct traffic between the producer and the consumer has grown up in these 10-pound packages, and many articles which in the locality in which they were produced were either not utilizable, or forced to sale at a very low figure, have found a market which without the cheap 50 pfennig (12 cents) postage they would never have attained. Mushrooms gathered in the forests of Masuren near the Russian frontier come to Berlin in postal parcels. Large crabs caught in the waters of western Prussia come even to Paris. We ourselves, for example, obtain for our household through the parcels post meat from Silesia, butter from eastern Prussia, eggs from Mecklenburg, melons from Hungary, etc. For the household this is not only cheaper but also more convenient than the purchase in the market halls, for the post brings the parcels (for delivery sum of 15 pfennigs; 3½ cents) to the door, also calls for parcels, cashes in the amount in c. o. d. deliveries, in short, makes it extremely convenient for the order. It is clear that this postal traffic forced out many middlemen; the retailers especially in small places have been made to feel very keenly the competition of the large forwarding houses in the capital cities. Their complaints therefore were formerly directed very actively against the cheap parcels postage. But since the flat land in turn could derive benefits for its agricultural products, such as fruits, meats, butter, eggs, etc., from these self-same cheap rates, the complaints of the retailers

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became silenced after awhile as far as the question refers to the cheap parcels rates. They now turn so much the livelier against large warehouses and forwarding businesses for whom one is seeking through all sorts of lawful tricks to make the competition more difficult. The parcels-post traffic has meanwhile become so firmly rooted that it seems impossible to upset it. Considered from a politic-economic viewpoint it presents itself as a most important and very beneficent branch of the whole system transport.

Following the German example in the United States would, I believe, be of enormous advantage, particularly for the agricultural districts surrounding the large cities. For the producer of eggs, poultry, butter, vegetables, fruits there would develop, with a cheap parcels-post rate, entirely new market possibilities; also the decentralization of many branches of industry would to a certain degree become a possibility.

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**Monthly Consular and Trade Reports. No. 329. pp. 104-6. February, 1908.**

German Parcels Post.

Consul W. T. Fee, of Bremen, states that the parcels post system of Germany, as well as most of the railroads, is owned by and is under the control and operation of the Imperial government. He adds:

The express companies in Germany are less developed than those in the United States, where the largest part of parcels forwarded are handled by these companies. Under the German parcel-post system, parcels are divided into five classes namely: (1) Parcels with value declared; (2) registered parcels; (3) common parcels, value neither declared nor registered; (4) collect-on-delivery parcels; and (5) urgent parcels. Each shipment of parcels must be accompanied by a waybill called "packet addressee"; and no more than three packages which must be of the same class, and which must bear the same address, are to be entered on one waybill. Each c. o. d. or urgent package, however, must have its own waybill.

Forms of waybills, with the respective postage stamp of the amount of the charge printed thereon, are furnished by the postoffices at the price of the postage charge, while waybills, without this stamps imprint, are sold by the postoffices at the price of 1.19 cents for five pieces. Forms of waybills, which are purchased from other sources, must conform in every respect with those furnished by the postoffice department. There are two different kinds of waybills in use, foreign and domestic.

At times of increased postal traffic, before Easter, Whitsuntide and Christmas, a waybill for each package is required. The prices charged by the postoffice for forwarding parcels vary according to the weight of the packages and distance. The fees charged are shown in the following statement:

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	For distance up to— over				
	46 miles	92 miles	230 miles	461 miles	702 miles
For parcels weighing up to—	cents				
11 pounds	5.9	11.9	11.9	11.9	11.9
15.4 pounds	7.1	14.2	16.6	19.0	23.8
17.6 pounds	8.3	16.6	21.4	26.18	35.7
19.8 pounds	10.7	21.4	30.9	40.4	59.5
22 pounds	11.9	23.8	35.7	47.6	71.4
additional 2.2 pounds	1.1	2.38	4.76	7.1	11.9

The maximum weight for parcels to be forwarded by post is 110 pounds.

For registered packages an additional fee of 4.76 cents is charged, while the insurance fee for packages with declared value is 1.19 cents for each \$71.40 or fraction thereof. For "not-prepaid" parcels up to 11 pounds a collection fee of 2.38 cents is levied. Besides this, in places where there is delivery to the house, an extra fee of 3.5 cents is charged for packages weighing up to 11 pounds.

Packages may be sent c. o. d. in the German Empire if the amount to be collected does not exceed \$190.40. These c. o. d. packages, if payment is not made at presentation, will be held for seven days. Meanwhile another request will be made on the consignee to pay the amount charged, and then if payment is refused the package is returned to the consignor. The fee charged for c. o. d. packages in addition to the ordinary postage is 2.38 cents, and the fee for the postal money order, by means of which the amount collected is returned to the consignor is charged. The charges for these money orders for amounts not exceeding \$1.19 are 2.38 cents; not to exceed \$23.80, 4.76 cents; \$47.60, 7.14 cents; \$95.20, 9.52 cents; \$142.80, 11.9 cents; and \$190.40, 14.28.

Printed matter, samples without value, newspapers and business cards do not come under the heading of parcels or packages, different rates of postage and also different limits of weight and measure being provided for these classes.

In case of loss the postoffice refunds for common packages at the maximum rate of 71.4 cents

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per 1.1 pounds, and for a registered package at least \$10.

Parcels are handled by the postoffice entirely separate from letters and other mail matter. A request may be sent to the postoffice on an unfranked postal card to call for a package, whereupon the parcelpost wagon will call at the place designated in the request. An extra charge of 2.38 cents is made for this service, regardless of the size or weight of the package.

Under ordinary circumstances, a package sent from Bremen to Munich, Bavaria, a distance of 470 miles, thus crossing Germany from north to south, will be delivered on the evening of the second or on the morning of the third day. If it weighs up to 11 pounds, it will cost 11.9 cents. If it is a c. o. d. package for \$142.80 it will cost 11.9 cents for postage, 2.38 cents for collection fee, 11.9 cents for return money order, and 1.19 cents for delivery charge for the money order, in all 27.37 cents. The same package could be sent at the same rate from Bremen to Königsberg, a distance of 579 miles.

There is no restriction as to the size of the packages to be shipped within the German Empire, as long as they are not cumbersome, but the size of packages to foreign countries, as a rule, must not exceed 23.6 inches in each dimension. Exceptions from this rule are made for goods like umbrellas, canes, charts, furs, plants, etc., which may measure 39.37 inches in length, if they do not exceed 7.87 inches in breadth and height. Besides this there is a space limit of 25 cubic decimeters (1 cubic decimeter = .035 cubic foot) for packages destined for Algiers, Tunis, Santo Domingo, and the French colonies, and 20 cubic decimeters for packages to Bolivia, Brazil, and Canada, while packages for Great Britain and nearly all its colonies may measure one meter in each dimension, with a space limit of 54 cubic decimeters. Packages to foreign countries, exceeding the before-mentioned limit in weight and measurement, may be shipped as "postal freight." The rates for such shipments, however, vary too much to be quoted here, and they are, in most instances, subject to contracts of the postoffice department with prominent forwarding agents.

For packages to the United States—that is New York, Jersey City, and Hoboken—the charges are from 30 cents for 2.2 pounds up to 64 cents for 11 pounds. To all other places in the United States, Alaska excepted, the rates are 55 cents for 2.2 pounds up to 88 cents for 11 pounds.

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According to a postal treaty between the United States and Germany, which is in force since October 1, 1907, packages, which for any reason cannot be delivered will not be returned after a period of thirty days, as heretofore, but the consignor will be informed of this fact by the postoffice in order to give him a chance to dispose of the package in some other way. If the consignor has not disposed of the package within two months it will be returned to him as undeliverable.

For special delivery of a package 5.8 cents is charged, and for urgent packages, which will be forwarded by the fastest mail facilities, a charge of 23.8 cents is made, in addition to the regular postage and the special delivery fee collected for each package.

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## AFFIRMATIVE DISCUSSION

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### Our Postal Express. pp. 1-6.

William Sulzer.

MR. SPEAKER: I am in favor of a parcels post. I believe the people of the country generally favor it, and I feel confident its establishment will be of inestimable benefit and advantage to all concerned. The post-office is one of the oldest of governmental institutions, an agency established by the earliest civilization to enable them to inform themselves as to the plans and movements of their friends and foes; and from the dawn of history the only limit upon this service has been the capacity of the existing transport machinery.

The *cursus publicus* of imperial Rome—the post-office of the Roman Cæsars—covered their entire business of transportation and transmission, and with its splendid post-roads, swift post-horses, and ox post-wagons the Roman post-office was a mechanism far wider in its scope than that of our modern post-office; and except for the use of mechanical power, the old Roman post was far more efficient in its service of the Roman rulers than is our modern post-office in the service of the American citizen.

The evil of the Roman post-office and of the royal postal services that succeeded it was their common restriction to the enrichment of the ruling powers. They were the prototypes of our modern private railway and express companies, which have for their chief end the enrichment of their managers rather than the promotion of the public welfare. In this country the citizen owns the post-office and wants to use it as his transportation company. Its end is to keep him informed as to what his representatives are doing at the centers of public business, to make known to them his wishes, and to provide means by which he may communicate with his fellow-citizens for their mutual benefit, and to supply his wants and dispose of his wares at the least possible cost, in the shortest possible time, and with the greatest possible security.

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The postal system of rates, regardless of distance, regardless of the character of the matter transported, and regardless of the volume of the patron's business, eminently fits it for this great service. That it will sooner or later be greatly extended over the entire field of public

transportation, is absolutely certain; and the people will duly appreciate the aid of those who assist in its extension and development. As far back as 1837, Rowland Hill, of England, promulgated to the world the law that once a public transport service is in operation, the cost of its use is regardless the distance traversed upon the moving machinery by any unit of traffic within its capacity, and upon this law he established the English penny-letter post of 1839.

Instead of a taxing machine, a contrivance for making money, the post-office should be an agency for good, reaching out its multitudinous hands with help and comfort into all the homes in our widespread land.

Without the post-office where would be that national unity, with its guaranty of equal rights to all, which is the glory of the sisterhood of states?

The postal savings system and parcels post was inaugurated in England largely through the efforts of the great Commoner, William E. Gladstone. Near the close of his life he made the following statement about it:

The post-office savings bank and parcels post is the most important institution which has been created in the last fifty years for the welfare of the people. I consider the act which called the institution into existence as the most useful and fruitful of my long career.

It is because we realize these truths so keenly that we are so persistent in urging favorable consideration of a parcels post. Its only fault is its conservatism. What this country now needs, what Congress should give it, is a parcels post covering much of the business of public transportation.

In April last representatives of at least 10,000,000 American voters, including the great agricultural associations of the country, National Grange, the Farmers' Union, the Farmers' National Congress, Retail Dry Goods Association of New York, the Associated Retailers of St. Louis, the manufacturing perfumers of the United States, the American Florist Association, and others, appeared before the House Postal Committee, demanding a domestic express post as extended and as cheap as that provided by the Postmaster-General in our foreign postal service. The argument in behalf of this legislation, with its 4-pound weight limit, had then been before the committee for many months, but the bill was not up to the demands of these friends of the post-office. The report of the hearing showed that the public wanted an 11-pound service at least. Seldom, if ever, has any proposition received a stronger public support, and it seemed as if the House Committee on Post-Offices would be obliged to report at least some legislation back to the House for its consideration.

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Their answer finally came on the 27th of May in the shape of H. R. 26348, introduced by Chairman John W. Weeks, which provides:

That all mail matter of the fourth class shall be subject to examination and to a postage charge at the rate of three-fourths of 1 cent an ounce or fraction thereof, to be prepaid by stamps affixed—stamps of the following denominations:

	Cents.
1 ounce	$\frac{3}{4}$
2 ounces	$1\frac{1}{2}$
3 ounces	$2\frac{1}{4}$
4 ounces	3
5 ounces	$3\frac{3}{4}$
6 ounces	$4\frac{1}{2}$
7 ounces	$5\frac{1}{4}$
8 ounces	6

On the 1st of June Mr. Weeks wrote to the secretary of the Postal Progress League as follows:

It does not seem to me likely that any other parcels-post legislation than possibly the bill which I introduced last week—this bill—providing for the reduction in rate on fourth-class matter, will be considered at this session of Congress.

This means that for at least two years more the American people are to be left subject to the extortions of the rich and powerful express companies, while we have in the post-office a well-equipped service of our own through which much of the people's business now carried on by these companies could be done quicker and at infinitely less cost.

Mr. Speaker, if the powers arraigned against the post-office continue their efforts to limit its functions in behalf of private interests, they will soon find themselves confronted with a Congress pledged to extend the service of the post-office to a much larger degree of the public transmission business; and hence, I think it wise that my bill should now be brought before the House for immediate consideration.

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Of all the arguments against a parcels post by far the most venerable is that of financial disaster; and even April 1911 finds many an opponent of a parcels post uttering gloomy prophecies of the enormous losses which the system would entail, losses which would have to be met, as he takes pains to point out, by an already bankrupt post office department.

On the other hand, the men best acquainted both with the problem of transportation and its cost and with the parcels post as it has been worked out abroad, go so far as to say, that so far from being an expense, a parcels post would probably be the most profitable business venture into which the United States government ever embarked. In fact a private parcels post, in certain of the metropolitan districts at least, would probably be started by private capital were it not for one thing—the growing agitation for a government parcels post which would render valueless the plant of the private company.

The plan of this private parcels post, in direct competition with the present express companies is no chimera.... Every thinking person marvels at the economic waste in the present day methods of city delivery. By your house in Yonkers, for instance, if you happen to live in Yonkers, there now rattles, once or twice daily, the wagons of your butcher, your baker, your laundryman, your milkman, and your grocer, as well as those of the various butchers, bakers, laundrymen, milkmen, and grocerymen of your neighbors, all covering in staggeringly wasteful duplication, the same route. Besides them, up from the city come, in further duplication and longer distance waste, the wagons of the nine different New York department stores that deliver in Yonkers, the wagons of the four local express companies that divide the "independent" business, and those of the two general express companies which do the high-priced long distance business. Yet, when you think of it, one wagon could come to you three times a day and do the work of all these people, more effectively and at one-tenth of the present total expense.

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You buy a dollar's worth of groceries of John Jones, the grocer. The whole package, bread, milk, eggs, butter, and vegetables, weighs, perhaps, ten pounds. A company doing all the delivery business of a town, centralized, complete, without waste labor or waste mileage, stopping its motor wagons two or three times a day at every house on every street, can make money delivering that ten pounds for six cents. It now costs Jones, sending out his boy and wagon to a dozen odd houses scattered all over town, two or three times that amount.

But such a private parcels post will not be undertaken because of the fear that the government may enter the field. Yet so far at least, although in the post office the government has most of the plant necessary to carry on such a business, it cannot be persuaded to go into it.

The most exasperating reason for this inactivity is the legislative assumption that our present "parcels post" approaches perfection. The fact is, of course, that the United States has no parcels post in the sense in which the term is in accepted international use. The present fourth class rate is but little used in this country simply because it is prohibitively high. To send ten pounds of merchandise from New York to Philadelphia involves, not merely the indefensible nuisance of separating it for mail transportation into three packages, but a charge of \$1.60. Naturally, instead, the merchandise is sent in one parcel by express for fifty cents. As the work done by the express company, it is needless to note, gives them a very handsome profit indeed, it is evident that by far the larger portion of the government's \$1.60 in this case would be sheer profit—if the post office were as efficiently conducted as the express company.

The express company, however, does not attempt to carry a ten pound package from New York to Seattle for fifty cents. Such long and profitless hauls they leave for Uncle Sam. Yet, even so, with all the cream of the parcel business continually and inevitably going to the express companies, the Post Office Department according to its reports makes a profit in its "parcels post" business.

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Of course were the post office rate from New York to Philadelphia a real parcels post rate, that is, for example, 20 cents for ten pounds instead of \$1.60, there would be 1,000 pounds of merchandise so sent where there is one sent today. People will use a parcels post when it becomes cheap enough to be an economic possibility, and they will use it enormously, as experience elsewhere has abundantly and conclusively proved. Until then they will use the fourth class postal rate only for the occasional cross continental parcel on which the express rate soars out of all reach, or for the small parcel under a pound in weight on which the fourth class rate is less than the express companies' minimum charge.

The four vital arguments (the four great express companies) against a parcels post, once so succinctly enumerated by Mr. Wanamaker, and the other hoary arguments sampled above, have, however, of late years been bolstered by another—the welfare of the "small country retailer"; and round the great fear of a vague but very horrible something called "trade centralization" the battle for parcels post is at present being waged.

It has been taken for granted that the small country retailer will be put out of business by the parcels post with its low delivery charges—yet there are stores in Yonkers, Plainfield, etc., in spite of the fact that the New York department stores deliver in these places free.

Let us examine another aspect of this death-of-the-small-retailer-fattening-of-the-mail-order-trust-bogey a minute, and see whether a parcels post means really a more centralized basis of distribution, or a less.

Speaking very roughly, there are in the world two great tides of merchandise traffic: one of raw

materials, of which food products is the most important, from the farmer to the urban consumer; one of manufactured products—to wear, to use, or to eat (as refined sugar or prepared breakfast food)—from the urban maker to the farmer consumer.

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Surprising as it may seem the parcels post argument has dealt almost entirely with the latter tide: of the former tide, even more important, as I think I can show, very little has been said.

Let us look for a moment into our existing high cost of transportation, and therefore, decentralized distribution of farm products.

In New York the farmer sells his milk for—these figures are quoted very roughly and without elaboration but they will give my point—2 cents a quart. He sells it, usually, to one of two or three—there is considerable evidence that they all act in agreement as one—gigantic milk companies (of which Borden's is the largest) which bring it into the city and distribute it. The ultimate consumer—again I give a rough figure—pays 10 cents a quart. The other 8 cents is the "distributing cost"; and in each case it goes, mind you, to two great corporations, a milk company and an express (or a rail-road) company. Is this that decentralized distribution that the defenders of the express companies in and before our Committee have eulogized.

Take almost any other farm product, strawberries, for example. The farmer, who grows them, gets 3 cents a basket. Then begins a long line of tolls: the express company, 3 cents; the commission merchant, 2 cents (he claims, and often with reason, that his "spoilage" is high); the jobber 1 cent; the small retailer—delicatessen store, corner grocery or street cart vendor—3 cents (it "costs 25 per cent. to do business" he says, and it does too). The ultimate consumer pays 12 cents a basket, sometimes more, sometimes, when the market is glutted, a little less. Here is 9 cents of "distributive costs" of which but 3 went to our friend, the "small retailer." The rest went to more or less centralized distributing agencies. Now suppose on the other hand that the farmer could send his products direct to his list of regular customers in the city. It would be perfectly feasible with a parcels post. Strawberries, which the farmer would get 6 cents a basket for (double what he gets now) could be delivered at your breakfast table the next morning after picking instead of two or three days old in the triple transit of commission merchant and his storage place, jobber and his trans-shipment, retailer and his store, and finally to you. And for this infinitely better article you would pay only 8 cents (2 cents for the parcels post) instead of the former 12.

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There are only three factors, the farmer, the government parcels post, and you! This is not theory: it is being done in England, in Germany, in Japan, and in almost every other civilized country in the world every day; and has been done for years.

And as for the mail order business bogey, it would not be a bogey in the country districts because every farmer would be running a little mail order business of his own, shipping his eggs and butter pats and comb honey and fresh fruit and vegetables by mail right to his customers, on their standing or postal card orders, getting enough for his produce to make small farming worth while, but giving the consumer better goods at a big saving. Cost of living! There is no other revolution in the methods of distribution that would make so much difference in the cost of living as a thoroughgoing parcels post would work. And instead of greater centralization it would be almost the ultimate of trade decentralization.

Or, let us look at the thing the other way round. What is the chain of trade from urban producer of manufactured articles to the country retailer and consumer? Is there any decentralized purchasing now except by mail? The farmer buys of the small retailer. But the retailer buys of the lesser jobber and he of the main jobber and he of the manufacturer; and this is true whether the product be canned goods or dry goods. Freight shipments in bulk can underbid single shipments by mail or express; and the present system of distribution, cumbersome and expensive as it is to the ultimate consumer, is nevertheless cheaper than direct single shipments at the present mail or express rates. The moment that you introduce bulk shipments into any distributive system you necessarily introduce a middleman somewhere to divide up that bulk shipment for individual consumers; and the greater the bulk economically shipped the more middlemen there will be between producer and consumer.

Now where the parcels post could afford a cheaper way of doing the distributing than the machinery at present in use, the people ought to have the benefit of it; but in spite of the obvious benefits of a parcels post it is not wise to jump to the ultimate conclusion. No one would be rash enough to say that the present system of retail selling is entirely wrong. Even if the flat-rate, "zoneless" parcels post were established there are certain kinds of goods—books, for example, in which every article is a "novelty" which must be personally handled before choice and purchase, in which a local retailer with a display is, if not essential, at least a great convenience.

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But so far we have been considering an ideal, flat-rate parcels post, without that "zone" provision which is an important provision in the bills and proposals for a parcels post which are now being most actively agitated.

The zone system of parcels post proposes, roughly, a flat rate per pound and per additional pound within the limits of any delivery office (that is a service which involves no transfer from one post office to another) and a rate considerably heavier (but still much less than the present fourth-class mail or express rate) for delivery elsewhere in the United States. This would furnish the cross-roads store with a most convenient delivery system and furnish it at a cheaper price than its city rivals could secure it. The local retailer would have the advantage of the difference between the two charges. To give this advantage to the local retailer is probably wise from the standpoint of general public policy. The small retailer in the country does the public a very actual

and very valuable service. To have a stock displayed for selection is often an assistance in purchasing; there are certain things which cannot in any case, be bought by mail; there are other things which may sometimes preferably be bought direct, just as most people like, occasionally at least, "to shop"; there is a welcome personal touch in retailing which is lost in the long distance purchase. For these and other reasons the retail store will remain, stripped of overcompetition and non-essential distributive agents, competing with the parcels post, not in price so much, as in the kind and quality of service. That is the way the small retailer in Germany had adapted himself to the parcels post; and although in his case there is no zone preferential to aid him, he has made good.

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After all, there is the gist of the answer to those who oppose a parcels post on anti-centralization grounds. They speak as though there were but one factor in retailing—price. As a matter of fact there are many factors, and the best students of retailing methods consider service one of the most important. With a parcels post established the public would be getting value for its money in cheapness or service, as it chose; with the present express system it gets neither.

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## **Congressional Record. 46: 1941-7. February 3, 1911.**

Star Routes and Rural Parcels Post.

F. W. Mondell.

I do not want to put the entire blame for the hidden, circuitous, and indirect opposition to parcels post upon the express companies. There is another class of people who are opposed to parcels post who do not directly show their hands. They are the firms and corporations who send out a very large letter mail, upon which they pay 2 cents for every half ounce. The average citizen who only writes an occasional letter does not realize how heavy the burden 2-cent letter postage is to people who send out great numbers of letters.

There are many large concerns, like the mail-order houses for instance, promoters, jobbers, and dealers in special extensively advertised lines, whose actual letter postage amounts to many thousands of dollars a year. Such people naturally oppose any change in the postal service which might increase the postal deficit, even temporarily, because of their anxiety to have the letter rate reduced. The yearly income of the Post Office Department from letter postage is about \$132,000,000, and it is said that some mail-order houses pay several hundred thousand dollars a year for letter postage. A reduction of that by half would be well worth working for.

It would not be fair in the discussion of this subject to overlook the fact that there are arguments against the establishment of a general parcels post which are advanced in perfect good faith and which are entitled to serious consideration. Those local merchants who have some misgivings about the matter are entitled to have their views carefully considered, but as I have indicated, it is my opinion that in the main their fears are not well founded, and arise largely from the fact that they have not had an opportunity to give the matter their personal consideration, and therefore have been inclined to accept the arguments of interested parties. There are also a considerable number of people who are honestly opposed to the parcels post in the belief that it is an unwarranted extension of government activities into a field which ought to be satisfactorily covered by private enterprise, and who still hope that the express service may be so cheapened and improved as to very largely satisfy the demand for a parcels post. There are also those who feel that owing to the vast area of our country it would be difficult to adopt a system of parcels post which would be generally satisfactory and at the same time self-supporting.

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The argument is also made that the handling of a large amount of merchandise by the postal service would make delivery difficult where city delivery is provided, and delay the transmission of letters by the loading of the mails with merchandise.

These arguments do present problems which must have serious consideration. They are none of them, however, in my opinion, problems which are insurmountable, but a consideration of them, as well as of that character of powerful opposition exerted indirectly to which I have referred, leads thinking people to the conclusion that the outlook for the establishment of a general parcels post in the country in the near future is far from promising. With this as with all progressive legislation, little progress will be made until the people as a whole become thoroughly interested in the subject, quite generally make up their minds what they want, and in no uncertain tone make their wants known.

So long as only those who are opposed to the extension of the parcels post are generally heard from by members of Congress, there is not much likelihood of definite action being taken, and the probability is that in any event a general parcels post in this country can only be secured through the medium of a modest and limited and more or less experimental beginning in the way of a local or rural parcels post.

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### ***Local Parcels Post***

President Taft in his last annual message recommended a parcels post limited to rural free-delivery lines. This recommendation was made on the ground of economy, to meet the opposition aroused by the argument that a general system would create a great deficit in the postal revenues, for a time at least. The local system would also have the virtue that it would furnish an

object lesson in a partial and limited way, which might be valuable in determining the propriety of further extending the system. There is, furthermore, an argument for rural parcels post which does not apply in the same degree to a general parcels post, and that is that while the dwellers in cities and towns have ready access to stores and opportunities of express service, the dwellers in rural communities do not have these advantages, and therefore a rural parcels post which would enable them to have articles delivered on local routes or to local post offices would be of great benefit and advantage to them. As we do not have many rural free-delivery routes in our sparsely settled intermountain country, I am of the opinion that a rural parcels post, if established, should also operate over the star routes which supply our country offices and our people in boxes en route, and therefore the bill which I introduced provides for such a service.

Such a rural parcels post as is thus proposed would unquestionably be helpful in building up the trade of the merchants in the small cities and towns and of very great value and advantage to the people who get their mail at the country post offices and along country routes. This being true, I supposed I would avoid much of the storm of opposition which those who have advocated a general parcels post have heretofore encountered. Much to my surprise, however, the onslaught against this very modest proposition, intended to help the local merchant and the people of the country, has been even more terrific than the outburst against the general proposition; all of which makes one fact as clear as the noonday sun, and that is that the opponents of a parcels post realize that the local parcels post, if it works well and is generally satisfactory, will be the entering wedge for the general parcels post. It also illuminates quite as clearly another fact, and that is that the opponents of parcels post believe that the rural parcels post will work well and be generally satisfactory. Another important fact emphasized by this opposition is that the opponents of parcels post believe that the agitation for a local parcels post is much more dangerous than the agitation for the general parcels post, because it is more likely to be successful. The gentlemen who have been spending their money so liberally in opposition to the local or rural parcels post have thus made clear three important facts:

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First. They believe that there is a strong probability of a local parcels post being established.

Second. They believe that such a system will work to the satisfaction of the people.

Third. They believe that, the local system having proven satisfactory, it would lead to the establishment of a general system.

In this condition of affairs it would seem that it is the duty of the friends of a parcels-post system to get behind the President's suggestion of a local parcels post enlarged so as to include star routes and country offices.

Some one is spending a lot of money to defeat the rural parcels post. One way they are doing it is by sending out petitions by the tens of thousands, which they ask the local merchants to sign and send to their Congressman. I have received hundreds of these petitions. They have various sorts of headings printed in various kinds of type, but they are nearly all alike.

After having in the first paragraph drawn a dreadful picture of the awful disaster and destruction which the rural parcels post will bring to the farmers and to the country towns, in whose behalf they weep and wail—a destruction compared with which the devastation of Sodom and Gomorrah would be as the passing of a summer zephyr—they tell us how all these direful calamities are to come, as follows:

In every town catalogue agents of mail-order concerns would establish themselves. They would need no stores, pay no rent, employ no clerks, require no credit and give none, and carry no stock. Their whole time would be devoted to soliciting orders from catalogues. The merchandise would be shipped to them by express or freight from the retail mail-order houses in the large cities. When received it would be deposited in the local post office and the packages delivered by the rural carriers.

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The only trouble with this lovely piece of sophistry is they fail to explain to us why the very game they describe can not be worked just as well now as it could after a rural parcels post had been established. There is nothing in the world to prevent just the sort of a plan, which is thus held up to our horror and execration, from being carried out now, except that it would not pay. The mail carriers on rural and star lines not only have the authority, but they would be very glad to have the opportunity of delivering packages along their routes which solicitors for catalogue houses might deliver to them. And, furthermore, they can now, no doubt would be glad to, take packages of any size; whereas a rural parcels post only provides for packages up to 11 pounds. So, when you come to analyze it, this "local-solicitor-of-the-mail-order-trust" bugaboo is found to be just another one of the strawmen, the poor miserable scarecrows, that the express companies are trying to terrify us with.

The mail-order houses claim they can sell cheaper than the local merchants because they do not have any local expense. The moment they are called upon to pay for the services of a local agent their expenses are greater than those of the local merchant. I think this disposes of the "local-agent bogey." He is the most transparent of all the scarecrows the express companies have raised.



Mr. Speaker: In view of the great interest in the parcels post question, I submit herewith the views of the Farmers' National Congress:

***A Brief for a Modern Parcels Post for the United States***

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[By John M. Stahl, legislative agent Farmers' National Congress.]

It has been said, and not without justice, that because of greater density of population parcels can be carried at a less cost in the domestic mails of Germany or Belgium than in the domestic mails of the United States, because the average haul would be shorter in Germany or Belgium. But the disparity between the domestic parcels post of the United States and of foreign countries is greater than is warranted by the length of the average haul. No fact is better established in the science of transportation than that the cost of transporting an article bears little relation to the distance transported. But if the density of population should fix the rate of postage and the limit of weight in a domestic parcels post, then surely we should have a lower rate of postage and a higher weight limit than those countries in which the population is not so dense as is ours. For example, the area of the Commonwealth of Australia is 2,974,581 square miles, and the present population is 4,300,000. The area of the United States, excluding Alaska and the islands, is 3,025,600 square miles. Alaska and Hawaii would add a shade less than 600,000 square miles. The area of the Philippine Archipelago is 832,968 square miles, and the population, according to the 1908 census, is 7,835,436. It is certain that, including all our territory and all our population, we have an average population of more than 20 per square mile. Australia has a population of less than 2 per square mile. If the argument of the opponents of a modern parcels post for the United States, founded on the density of population of Belgium, Germany, etc., is a good argument, then the rate charged in our domestic parcels post should be much less and the weight limit should be much greater than in the domestic parcels post of Australia. But the postage rate in the domestic parcels post of Australia is as follows: Intrastate, 1 pound, 6 pence (12 cents); 2 pounds, 9 pence (18 cents); 3 pounds, 1 shilling; and 3 pence (6 cents) for each additional pound up to and including 11 pounds, the postage rate for an 11-pound parcel being 3 shillings (72 cents).

The interstate rate in the parcels post among the six states of Australia is as follows: One pound, 8 pence (16 cents); 2 pounds, 1 shilling 2 pence; 3 pounds, 1 shilling 8 pence; and 6 pence additional for each additional pound up to and including 11 pounds, making the charge for an 11-pound parcel 5 shillings 8 pence (\$1.36).

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New Zealand is 1,200 miles from Australia and extends for 1,100 miles. It has a population of only 1,000,000. Yet the rate in the parcels posts between the States of Australia and New Zealand is just the same as it is among the States of Australia, and the weight limit is the same.

Now, if the people of Belgium and Germany should have a less postage rate and a higher weight limit in their domestic parcels post than we have because the population of Germany and Belgium is denser than our population, then we should have a much less postage rate and a much higher weight limit in our domestic parcels post than have the people of Australia, because our population is more than ten times as dense as the population of Australia. But, on the contrary, the average postage rate in not only the intrastate but also in the interstate parcels post of Australia is less than in our domestic parcels post, and the weight limit is 11 pounds, as compared with 4 pounds in our domestic parcels post. The rule laid down by the opponents of a modern parcels post for the United States must apply to Australia as well as to Belgium and Germany, and by this rule the rate in our domestic parcels post should certainly be less than 8 cents a pound and the weight limit should certainly be far above 11 pounds.

The postage rate in the domestic parcels post of New Zealand is 4 pence (8 cents) for the first pound and 2 pence (4 cents) for each additional pound. The population of New Zealand is less than one-half as dense as our population. The weight limit in the domestic parcels post of New Zealand is 11 pounds. If the argument of the opponents of a modern parcels post for the United States, founded on the density of population is correct, then the rate in our domestic parcels post, instead of being several times that of New Zealand, should be less, and the weight limit, instead of being only about one-third that of New Zealand, should be greater.

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Our parcels post with foreign countries shows beyond argument that the postage rate in our domestic parcels post should be not more than one-third of what it is, at the utmost, and that the weight limit should be several times what it is. The domestic parcels posts of other countries and of Australia and New Zealand show also beyond argument that the postage rate in our domestic parcels post should be only a fraction of what it is and that the weight limit should be several times greater.

Whether or not the railways are owned by the government does not touch the argument founded on the parcel post of other countries. If government ownership of railways lessens the cost of the postal service, it may be an argument that our Post-Office Department pays our railways too high a rate for transporting mail matter, but it has nothing to do with the character of the mail service our government should give our people.

As a matter of fact, government ownership of railways has no apparent effect on the parcel post of foreign countries. Both those in which the railways are in large part owned by the government and those in which the government does not own any railway mileage have a parcel post much

superior to ours.

Possibly our government should not conduct a parcel post at any considerable loss, although it should be borne in mind that the object of our Post-Office Department is to serve the people and not to make money. It might be successfully argued that fundamentally there is no greater reason why the Post-Office Department should be a source of revenue than that the War Department should be a source of revenue. The mails have become so very important in the transaction of business, in the communication of intelligence, and affect so many of the operations of our daily life, that each year it becomes apparent that the test of our Post-Office Department should be the excellence of the service it gives our people; and the relation of expenditures, so long as they are judiciously and economically made, to receipts is of less and less importance. But we would not advocate any parcel post that, when fully established and on a normal basis, would add much, if any, to the net cost of our Post-Office Department. However, it is apparent from a study of the profits of our express companies that our Post-Office Department could carry parcels in our domestic post at a much less rate than 16 cents a pound without increasing the net cost of the Post-Office Department. Further, a study of the profits of our express companies show clearly that we are being charged altogether too much by these express companies for the service they give us, and that their charges should be subjected to that most effective of all control—the competition of a modern parcel post. This study shows with equal plainness that the present weight limit on parcels in our domestic post, which compels us to send by express all parcels weighing more than 4 pounds, should be raised to a much higher figure, probably 25 or even 100 pounds. Recent investigations and revelations have shown that our express companies are really subjecting us to extortion.

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The competition of a modern parcels post may not prove sufficient of itself to make the charges of the express companies what they should be, but it would certainly be most effective in accomplishing this result. We are subjected to overcharges by express companies as are the people of no other country on the face of the earth. In fact, the most important countries of Europe, as well as Australia, New Zealand, etc., are not subjected to any overcharges at all by express companies for the reason that in those countries and colonies there are no express companies of the nature of those existing in this country. On account of the overcharges of our express companies we have a very good reason, indeed, for a modern parcels post in this country; and this very good reason is in addition to those that so many other countries have found amply sufficient to warrant a modern parcels post.

And it should not be forgotten that the enormous profits of our express companies on the capital they actually have invested in the express business show conclusively that our government could give us a modern parcel post without increasing the net cost of the postal service after that parcel post had been established and its business had reached normal proportions.

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In an honest endeavor to arrive at a correct conclusion as to the features of our domestic parcel post we can not do better than to study the parcel post of Australia and New Zealand, for the dominant elements in the population of Australia and New Zealand are the same as in ours, the people of Australia and New Zealand have obtained their ideas of government and the functions of government from the same source that we have, their institutions and conditions approach ours nearer than those of other countries, and they have the same problem of adapting the government service to a wide expanse of territory in the settlement and development of a new country. This problem, though much greater than ours at this time—the area of Australia is nearly the same as that of our states, while the population is only about one-twentieth as much—is the same in its nature.

Another reason is that the postal service of Australia and New Zealand is so satisfactory in every way. On page 25 of "L'Union Postale" for 1909 it is stated in regard to the New Zealand postal service: "The financial results of the administration were very satisfactory. The receipts increased by 9.04 per cent and the expenditure by 7.22 per cent over the preceding year."

It will be seen that the postal business of New Zealand conforms to the rule of good business management that as a business increases in volume the receipts should increase faster than the expense.

In the last published report of the postmaster-general of New Zealand it is pointed out that notwithstanding several important reductions in the postage rate the revenue of the postal service had during the preceding sixteen years increased by a considerably larger amount than the expense. "From December 16, 1907, the postage on inland post cards was reduced to one-half penny. From January 1, 1908, the rates for inland letters were made 1 penny for the first 4 ounces and one-half penny for each additional 2 ounces. From January 1, 1908, the commission chargeable on money orders within New Zealand is 3 pence for each 5 pounds sterling or fraction of 5 pounds. Owing to the reduction in postal rates made the year before, the number of parcels increased 81.57 per cent." "The rate of postage for inland parcels was reduced from 6 pence for the first pound and 3 pence for each additional pound to 4 pence for the first pound and 2 pence for each additional pound. The public, moreover, has by the change been induced to send by parcels post articles which were previously forwarded as packets." "The reduction in postal rates may be practically referred to as having resulted in a great increase in parcels-post business." There was a handsome net balance to the credit of the postal business. "The net balance on the year's transactions would be much higher if the value of official correspondence dealt with were taken into account." "The expansion of the business has necessitated large additions to the staff. The increase of the staff was, however, below the percentage of increase of the receipts. An amendment to the post-office act contributed to improve the financial condition of the postal

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service." The experience of New Zealand and the Commonwealth of Australia in postal service is well stated by the colonial treasurer, Hon. Sir J. G. Ward, in one of his recent financial statements, as follows: "Experience has shown that every concession in postal rates creates a new class of business which is ultimately to the profit of the post-office."

Of course, in the official publications of the Commonwealth of Australia and of New Zealand one hears nothing to the effect that the government should not engage in any competitive business—one hears that only in the United States. If that were put into effect, our national government would be compelled to stop building war ships in the navy-yards, to close up altogether the government printing establishment, to stop at once all its irrigation projects, to close up all the land-grant colleges, to stop at once casting cannon and making small firearms and ammunition, etc. As a matter of fact, when our Constitution was framed there was no question among those that framed it that it should give to the national government the power to do certain things, in competition with private enterprise, that would be for "the public welfare;" and there was never any intimation that the national government should not engage in any competitive business. On the other hand, those that helped to frame the national Constitution and to secure its adoption participated in and sanctioned legislation by Congress that put the national government into several lines of competitive business.

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The publications of the labor officials of Australia and New Zealand are decidedly numerous, and show plainly that the working people of these colonies, as well as the other elements of their population, are heartily in favor of a modern parcel post. It may truly be said that the parcel post of Australia and New Zealand has the hearty and universal approval of the people of those colonies. The officials and the rank and file of the labor organizations of these colonies are among the heartiest supporters of their parcel post. And it is certain that the very large majority of the rank and file of our labor organizations and the very large majority of our city people, as well as of farmers, heartily favor a modern parcel post.

As for the relation of a modern parcels post to the so-called catalogue houses: In his official reports the postmaster-general of both Australia and New Zealand frequently emphasizes that for years a thoroughly modern colonial, intercolonial, and foreign parcels post has been enjoyed by the people of those colonies, even in "the most remote districts to which the mail service penetrates." Notwithstanding this, in all of the many publications on Australia and New Zealand, or by the officials of those colonies, there could not be found a sentence to the effect that the local merchants of those colonies have been in the least injured in their business by catalogue houses.

This fact certainly merits being emphasized. In all the countries in which there is a modern parcels post the catalogue house is unknown. In our country, which is the only enlightened country that has not a modern parcels post, the catalogue house exists and, to some limited extent, flourishes. Hence the fact is plain that instead of a modern parcels post aiding catalogue houses the very opposite is true. If the universal experience of humanity counts for anything, then the antiquated parcels post, such as we have, aids the catalogue house and the modern parcels post puts it out of business and keeps it out of business.

The rural delivery service has grown to more than 20,000 routes. Official reports show that the average weight of mail delivered by each team or single-horse wagon in the rural delivery service is only 25 pounds. On nearly all the trips the carrier could practically as well take 500 pounds in his wagon. The more than 40,000 rural carriers make more than 12,480,000 round trips each year. If a parcels post on the rural routes earned \$2 for each round trip the gain would be, in round numbers \$25,000,000 a year, and this, with some little reforms that all agree should be and easily could be made, would wipe out the postal deficit. Now, if the rate on the pound packages in a rural route parcels post was 5 cents a pound the carrier to earn the \$2 per round trip would be compelled to carry not the 500 pounds that he could, but only 20 pounds additional going and coming or a total load of only 45 pounds.

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This is a fair calculation as to profit to the government, for the expense for the rural carrier service would not be any greater whatever, and the small expense for handling the additional 20 pounds at the terminal post-office would be more than covered by the increased first-class mail (handling which is very profitable) resulting from the parcels post.

As, on the average, about 100 families are served by each rural route, if, on the average, each family had delivered or sent each trip only one-half pound of parcel, taking into account that a good many parcels would weigh less than 1 pound and that every parcels-post bill proposes for them a higher rate than for heavier packages, the rate could be made much less than is proposed and yet the postal deficit would be wiped out altogether!

And this would be of very great benefit to the 4,000,000 families served by the rural mail delivery. The rural carrier passes the farm every week day, yet if the farmer wants a package from the town he must go after it—each of the 100 farmers must hitch up and drive to town and back for packages that the one carrier could have brought them as well as not with the outfit that he already has. Or these 100 farmers must hitch up and take to town packages that the carrier could have taken for them with the outfit he already has. The time and labor saved the 4,000,000 families on rural routes would amount to many times the present postal deficit.

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It is only natural that farmers should be especially desirous of a modern parcels post, because, as already stated, the express service stops with the railway station. Hence the farmer has no express service that reaches to him as have the people of towns and cities. The express companies have never cared to carry their business to the farmer, and this must convict them of only the most reprehensible motives in opposing a parcels post limited to rural routes, which

would extend the equivalent of an express service to the farmers. As bearing on the farmer's need of a modern parcels post, the following from a letter just received from Hon. W. L. Ames, Oregon, Wis., a practical farmer and a leader of national reputation in all agricultural movements, is of interest:

"One of the things we most need is better and prompter transportation facilities for rather small articles. I recently needed a small but important repair for a machine. It weighed 4¼ pounds. It cost 55 cents. The express company charged 45 cents to bring it to Oregon—200 miles. The charge was altogether too high, but what I felt most disposed to complain about was that it took a week to bring the repair to me. Mail matter moves promptly; but the express company knew that it was certain of the job of carrying that repair to me, hence no need of haste on the part of the express company. We need better and added facilities for the prompter moving of such merchandise. Present delay is a serious handicap, and undoubtedly a parcels post would give us prompt service at a less rate, as it would not be expected that the parcels post would do more than make a moderate profit for the government, whereas the express business is a constant 'melon-cutting' business. We must not forget, also, that all the equipment for a parcels post on rural routes is already installed.

"If the government would take charge of what it already has and add rules to fix charges for carrying parcels on the rural routes, it would relieve us of much unjust charge and also much annoyance and loss of time. Under the rulings of the Post-Office Department prohibiting rural carriers from acting as agents for anyone to obtain business, carriers are afraid to carry parcels to any extent. But what cuts a yet greater figure is that no rule can be established to fix the charges for carrying parcels and make them the same for all. Each person on a rural route and the carrier cannot dicker for the transportation of each article. That would soon lead to great dissatisfaction, as some would think that others were being favored. And to dicker on each parcel would take so much time and be so much trouble that the carrier could not be expected to do it. All we need to put into effect a modern parcels post on the rural routes is a law fixing a reasonable and proper rate for the transportation of parcels and making it the business of the rural carrier to handle parcels as well as the mail matter he now carries."

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### **Cosmopolitan. 36: 497\*-9\*. March, 1904.**

Who Will Be Benefited by a Parcels Post?

John B. Walker.

Those who have been appointed to defend the Post-Office Department in the sacrifice it has made of the American people in the matter of postal parcels delivery have replied to the argument in the last issue of *The Cosmopolitan* by claiming that but very few people will be benefited by a parcels delivery equal to that of Germany. It is therefore necessary to consider this question: "Who are the people who will be benefited?"

First. There will be a gross saving amounting to more than two hundred and fifty millions of dollars per annum. This annual addition to our national wealth constitutes an economic factor of the highest importance.

Second. While this sum will be distributed equally among the people in proportion to their purchases—especially among those who make small purchases—the direct benefit will be first appreciable in the business of the following classes:

1. *The Small Storekeepers of the Country Towns and Villages.* One of the arguments used by those who have been placed in the Post-Office Department for the protection of special interests, is that a parcels post would injure the country storekeeper. The very slightest consideration of the problem, however, would have shown that no one is so likely to be its beneficiary as he. The chief difficulties with which the small merchant has to contend are these:

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1. Insufficient capital.
2. Distance from wholesale centers.
3. Cost of expressage on small parcels.

The country merchant has the acquaintance of his customers; he knows their wants and enjoys their good-will, and would have their patronage if he could be placed in a situation where he could give them equal, or approximately equal, advantages with a merchant who buys on a large scale. If one of his customers is driven to go elsewhere, it is not only because the merchant cannot afford to keep in stock the particular class of goods desired, but because he cannot afford to ship these goods in small quantities, on account of the prohibitive rates of the government's postal parcels charges of sixteen cents per pound, or the almost equally prohibitive rates of the express companies.

The country storekeeper has the experience of his customer's wants, and he has a knowledge of the best goods, knows what is a fair price for an article. He is in a position to advise his customer as to his needs, and if he were not handicapped by lack of capital and cost of transportation for parcels, he could, in nine times out of ten, supply the wants of the customer.

In addition to the trade he has now, the country storekeeper would, with the advantage of a first-class postal parcels system, be able to keep in touch with all the great wholesale distributing

agencies of the country. He would earn a reasonable commission on all goods ordered, and would be in a position to secure, within a very brief time, by postal parcels, the goods which the customer, after looking over the catalogues and receiving the advice of the merchant, should decide to order.

There would be no investment and no risk, such as is involved in carrying a stock of goods which may become unsalable. Without large capital, he is now handicapped by being compelled, on account of the discrimination against him as a shipper, to lose the sale of all those articles which he cannot carry in stock in quantities, and which may, under present arrangements, only be shipped in bulk. If he attempts to use the mails, the rate of sixteen cents per pound is prohibitive, while the fact that the bulk is limited to four pounds is almost equally so; and the express companies' charges are so high that in the majority of cases he cannot utilize their services.

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Let us suppose that, instead of the United States' charges for postal parcels being six thousand per cent. greater than Germany's they were on a par, and that the country merchant could receive parcels weighing from one ounce to one hundred and eleven pounds for a quarter of a cent a pound. *It is not even necessary that the rate should be so low. Let it be made four times as great as that of Germany*, or one cent per pound, and let us see what advantage the country merchant would have. One hundred and ten pounds covers nine-tenths of the articles which he would be likely to sell. Instead of a store equipped with comparatively few articles, the country merchant would be able to carry, in addition to his regular stock, an extensive line of samples. He would familiarize himself with the best that there is in the market, be able to advise his customer to his advantage, and then, receiving the order, could, within a brief time, have the goods sent by parcels post directly to the customer's home, saving the expense of handling two or three times—making more money by a small commission than he does now by the larger margin on the goods which he is compelled to carry constantly in stock.

Good organization is the trend of modern business, and this is good organization—saving two or three handlings, truckage, some bookkeeping, et cetera.

II. *The Manufacturers.* Next to the country merchant, the manufacturer will be the largest beneficiary of the postal parcels delivery. Take, for instance, the hardware business. The manufacturer is obliged, under the existing conditions of trade, to maintain large stocks in an endless number of cities scattered over the country, or do what is the equivalent of directly maintaining the stocks—that is, to give extended credit. This is because there is no way of handling small parcels of hardware without a cost that is so excessive as to force shipments of hardware to be made in bulk. With a one-cent-per-pound rate, more than fifty per cent. of the stocks now carried could be eliminated and orders sent by the hardware merchant directly to the manufacturer to be shipped by package. One hundred and ten pounds would cover the greater portion of the trade, and leave only nails, barbed wire, and similar articles, for bulk handling.

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In cotton goods, instead of shipping from the Mills to New York, trucking them there through the streets, breaking bulk, repacking, retrucking and reshipping to the merchant there would be but one operation. A single piece of goods would go direct from the factory by parcels post at a total cost for handling not to exceed twenty per cent. of the charges now engendered by our clumsy, costly and inconceivably stupid method.

The same thing would happen in the grocery business. A factory in Rochester or Pittsburg, manufacturing canned articles, must ship in bulk to New York, or Chicago, or St. Louis. There the car-load, after being hauled to a warehouse, is broken up and transshipped. There is no reason for this transshipment, no possible excuse for this waste of money, except that the ownership of the express by a few private companies has prevented the organization of a parcels post upon lines which have long been recognized as absolutely successful in Europe.

The question here will be asked: Would this shipment direct from the factory interfere with the business of the wholesale merchants whose task it is now to repack and reship? On the contrary, it would simplify their work and reduce expenses from every point of view. Their business primarily is one of distribution of credits. They have certain customers who receive from them certain lines of credit. They furnish the capital between the manufacturer and the retail dealer. If tomorrow they could order by letter or telegraph, directly from the factory, for shipment to the retail dealer by postal parcels, their business would be greatly simplified and their profits increased.

III. *The Merchants in Large Cities.* Perhaps to no class will the boon of a parcels post be greater than the merchants in the large cities. All the way from four cents to fifty cents is now paid for the delivery of a parcel within a radius of thirty miles around the leading cities of this country. Experiments have shown that it is possible, where the interests of a considerable number of merchants are combined, to deliver an average dry-goods parcel, thirty miles out, at a cost not to exceed four cents.

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As conducted today, the business of delivering parcels consists in sending the wagon of one dry-goods house to follow another into a city block, and deliver each its parcel; then each wagon goes off to another block, and delivers its parcel. In New York city thousands of wagons meander through the two or three thousand miles of streets, each firm doing its work independently of the others, and each wasting money by lack of cooperation.

It is altogether probable that with thorough organization city delivery could be conducted, within a radius of thirty miles, upon a basis not to exceed one half cent per pound. This would mean but two cents per package for the average four-pound dry-goods parcel, including, of

course, the large number which are transported but a few blocks. But that is not the only advantage. It would take from the merchants the constant effort which the maintenance of good delivery systems involves. I have personally studied the delivery systems of nearly all the leading merchants in New York, Philadelphia, and Boston, and have spent a day in the delivery department of Marshall Field in Chicago. Everywhere I heard the same complaint—that the brains consumed in managing the parcels delivery was one of the most expensive items in the cost of operating a great establishment.

IV. *Book Publishers.* The cost of delivering a book by mail is now eight cents per pound. This, for a four-pound book, means a tax of thirty-two cents. Just how far this retards the development of intelligence in the people is not difficult to estimate.

V. *Stationers' Supplies.* The large class of manufacturers and wholesalers who are engaged in supplying the stationery trade would find the parcels post a great convenience in receiving supplies and in delivering to customers; a matter of lessened capital, lessened trouble, and greatly increased profits. [77]

VI. *The Railways.* At first sight it might appear that the interests of the railways would not be favored by a postal parcels law. But the briefest analysis of the problem shows that the benefit to them would perhaps be greatest of all.

To-day vast numbers of freight-cars stand idle, waiting carload shipments. These bulk shipments are necessarily made at the very minimum of cost. In the low price of bulk shipments, American railways lead the world. Even at existing prices, however, water transportation carries off a large part of the burden.

The benefits to the railways, by transferring freight from the class of bulk to parcels, would be:

1. Goods being shipped in a constant stream of packages, instead of intermittently by car-load or train-bulk;

2. A higher price would be obtained from shipments of the same freight in parcels as compared with the previous cost in bulk;

3. The large increase in traffic due to better, cheaper, speedier and more direct, and in every way infinitely more convenient, facilities;

4. The additional prosperity which a saving of anywhere from two hundred and fifty to six hundred millions of dollars per annum would mean to the country at large.

There are to-day far-seeing railway officials who have given this problem serious consideration, and who have arrived at the conclusion just stated.

VII. *The Farmer.* Last, but not least in importance, comes the farmer. To-day, cut off from parcel delivery, he is the victim of bad government, both in his bad roads and lack of postal facilities. The one step of progress that the United States post-office has made of recent years, that is worthy of respect, is the rural postal delivery. As proposed, however, it is ridiculous. The idea was advanced by some politicians for the purpose of creating additional patronage. Merely to deliver letters and newspapers to the farmer would, of course, be to operate a service without hope of placing it on a profitable basis. It would be as if the New York merchants would keep a thousand wagons traveling around the streets of New York to deliver nothing but kid gloves and lace veils—nearly empty, while other wagons would be carrying the burden of the goods sold. [78]

Rural free delivery is absolutely impossible unless accompanied by a postal parcels law. Giving a rate even four times as high as that of Germany, the entire rural delivery could be put on a paying basis to-morrow.

Here again would be an advantage to the country merchant. The farmer to-day, when he wishes to buy, hitches up a pair of horses, drives four or five miles, and makes a few purchases. If the United States had the postal parcels law of Austro-Hungary, the farmer would draw a postal check, mail it free, the merchant would deliver the goods to the post-office, and a few hours later they would be in the hands of the farmer.

The life of the farm, which has so many drawbacks, would thus be made vastly more comfortable. It is impossible to estimate in dollars how great the saving to the country would be in this one particular.

It would be easy to show the endless ramifications of this beneficial service; but space need not here be taken up for that purpose. Sufficient has been indicated to show that there is no man or woman, however poor, however rich, who would not be vastly benefited and inconvenienced by a government postal parcels system.

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## Craftsman. 14: 592-4. September, 1908.

More Efficient Postal Service. Gustav Stickley.

Speaking of the success of the rural routes, of which there are more than thirty-eight thousand already established in this country, Mr. Meyer says: "The isolation which existed in many parts of the country has been overcome; the people are in daily communication with their friends in the rest of the world; the daily papers and magazines come to the door of every farm house on the rural routes, and enlightenment and information are being spread broadcast through the land. [79]

Medical men have said that already the establishment of the rural service is having its effect upon the mentality of our country patrons, and that because of it insanity is on the decrease. The extension of the rural routes to include a parcel post," he asserts, "will be a boon both to the rural population and to the store-keeper as the latter can receive his orders by mail or telephone and despatch the desired merchandise by the rural carrier. The farmer will be saved from hitching up his horse and losing the time he needs for planting or harvesting his crops, and it will enable the store-keeper to increase his sales and meet the requirements of modern trade."

Much of the opposition to this measure has come from the country store-keeper, who very naturally dreads that such largely increased facilities for delivery by mail would simply extend the already wide domain of the department store and drive him completely out of business. But this objection has been met by the plan for a special postal service for the rural routes, which would be given at a much lower rate than that prevailing throughout the general system of parcel post. This special rate as advocated by Mr. Meyer would be five cents for the first pound and two cents for each successive pound up to the limit of eleven pounds, thus enabling any one along the line of rural route to use the mails for delivery of packages at a charge of twenty-five cents for the maximum weight, as opposed to one dollar and thirty-two cents for the same weight if sent at the regular rate of twelve cents a pound,—which regular rate would necessarily have to be used by department stores unless they should go to the trouble and expense of maintaining a large system of rural agencies throughout the country.

The result of such a system in bringing about the general dissemination of business throughout the country by fostering small individual enterprises is almost beyond calculation, especially as a secondary result would be the growth of small villages and settlements throughout the thinly settled farming districts. And these two changes in the present state of affairs would go far toward solving the whole problem of the possibility of turning the tide from the city back into the country. The hardships and discomforts of many of the conditions of city life, particularly among people of limited means, and the uncertainty of the wage-earner's means of livelihood, are now endured chiefly because of the greater disadvantages that are attached to farming in remote parts of the country or to undertaking the responsibility of working independently of any large commercial or industrial organization. For months, the Craftsman has been urging the establishment of rural settlements and the introduction of handicrafts in connection with small farms. Nothing that is likely to be done in the way of legislation to this end seems to us to make so possible a general change for the better along these lines as the postal measures recommended by the Postmaster-General, supported by the President and now recognized by Republicans and Democrats alike as a reform that will not be downed, no matter how powerful are the interests opposing it. Given the postal savings bank as an encouragement to thrift, and transportation facilities that will not only bring all necessary merchandise within reach of the farmer, but also take the products of his own industry and a great part of the output of the village workshops to the nearest market at a reasonable rate, and the rest will follow almost as a matter of course. When a man has a fund of several hundred dollars, there is hardly any question as to what he will do with it if he has a chance. The desire to own a home and a little patch of land is universal with civilized mankind and when to the possibility of gratifying this desire is added facilities that render life in the country as interesting and as much abreast of the times as life in the city, the tenement question in cities will soon cease to be the serious problem it is now.

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### **Independent. 70: 105-7. January 12, 1911.**

#### Parcels Post Once More.

Proportional rural population is not diminishing. We do not know what the present census will say, but we do know that from 1890 to 1900 the country gained enormously on the city in its proportion of new settlers. The old record of 65 per cent. for the city tumbled down to a little over 30 per cent., and we know of no reversal of this tendency. Back to the country has become a universal cry. Lands are rising in value steadily, and deserted farms are a myth. At least, Governor Hughes in one of his speeches said that he should like to know where they were in New York State, for he could not find them. Country churches have often died, to be sure; but they were killed seventy-five years ago, and they do not note at all any decadence of farm prosperity. They went out when railroads began to be built. Crossroads stores have not been run to any extent for half a century, any more than crossroads taverns. They do not belong to advanced stages of country life, and are not needed.

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Never was country life more progressive, better organized or more lifeful and hopeful. The crossroads has been displaced by the village store, and this village store must deliver its goods. It wants the parcels post. The trolley is reaching its fingers up into the valleys and touching the farmyards with its carrying capacity. The automobile is doing even more to reach the isolated farmhouse. We might as well forbid these forces and conveniences as to deny the farmer a parcels post. The same argument lies with intense force against rural free mail delivery in every form. It destroys many post offices; it keeps the farmer at home; it dissolves hamlet life: but it aids in the great movement of distributing the blessings of a complete life all over the country.

We are quite willing to face the frightful proposition which is offered us, of a community with no business institutions except the post office and the freight depot. We have seen the tens of thousands of district schoolhouses blotted out without a qualm, for we have seen the union schools gloriously taking up the work in their place. We have seen the little stores and taverns

that used to be convenient for watering horses vanish, because we find a substitute in department stores, almost invariably within reach, by aid of the trolley and automobile. We are not worried at all when we contemplate a picture involving a more substantial country home, with its isolation abolished, hidden among the hills, but visited daily by the rural free delivery carrier, even tho he shall have in his automobile a ten-pound package for the housewife.

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Without parley, we believe that the American people, almost without dissent, demand a parcels post service; and that if put to popular vote, this demand would be exprest by a majority of 90 to 1 the country over. The people are growing impatient over delay, and they are expressing this impatience very loudly. We believe that the coming Congress will hardly find it possible to ignore this desire. We quite agree with one of our contemporaries who says that the next step of social and economic progress in the United States is unquestionably bringing the producer and consumer closer together by reducing the cost of carrying small parcels.

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**People Demand a General Parcels Post. pp. 7-12.**

William Sulzer.

Absence of a parcels-post law enables the railroad companies, through subsidiary companies called express companies, to eliminate all competition and prevent all regulation in one branch of transportation and to escape compliance with the laws that are being enforced against them in other branches of transportation by the several state commerce commissions and the Interstate Commerce Commission.

That the owners of the securities of these express companies have made enormous profits is a recognized fact. One hundred per cent, even 200 per cent, profit when an express company "cuts a melon" no longer excites surprise when found in the news columns of our evening paper.

No one objects to a fair profit for good service, but conditions seem to indicate that the transportation companies are not satisfied with the first and are not giving us the second, while developments before commerce commission hearings indicate that their backwardness in adopting economical and scientific business methods causes a tremendous unnecessary expense. This they are meeting by maintaining and even increasing already exorbitant rates for service that many believe are discriminatory, and that grave injury and injustice to business and to the general public results.

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As an example, W. P. Dickinson, of the Burlington Railway, is quoted in the Railway Record as saying at a public hearing that the expenditures of the Burlington traffic department for printing and stationery in the fiscal year 1910 was \$222,000. Assuming that they are typical for all the railways in the United States, the cost of printing railroad tariffs alone under present methods, is \$6,000,000 to \$10,000,000. In modern transportation methods, as, for instance, those in vogue in Germany, this expense is so trifling as to be scarcely worth considering. Freights move in Germany on a uniform tariff, based entirely upon bulk, weight, and distance, discrimination is impossible, and any shipper can learn in a moment, by referring to the table, the exact freight charge to any point, and can ship knowing that his competitors must pay the same price for the same service.

In the United States the shipper can not know all the tariffs that are published or how they affect rates. He is supplied with a few easily understood tables, but it is not within human possibility for him to even read, to say nothing of comprehending, the millions that are filed with the commission every year and how they affect the cost of the transportation he buys.

So it seems this extraordinary printing expense of millions, whatever its purpose may be, operates to keep the average shipper ignorant about rates. Ignorance is always dangerous, and particularly so in transportation matters.

Harrington Emerson, the expert, testified at the hearing before the Interstate Commerce Commission at Washington last November, that \$300,000,000 annually in railroad operating expenses in this country would be saved if the railroads adopted better business methods of management.

To save for the consumers that enormous sum, no better beginning can be made than for the government to establish a satisfactory parcels post and adopt scientific business methods in its management.

That the interests that control our railroads also own and control the express companies and that their separate incorporation is merely a device to cover extortion and discrimination by complex contract relations is indicated by Senate Document No. 278, pages 53, 54, and 55:

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Stock held by railways in express companies	\$20,668,000
Railway securities held by express companies	34,542,950
Holdings of express companies in the stock of express companies	11,618,125
Total intercorporate ownership express companies June 20, 1906	66,829,075

***Express Company Rates Cause Loss to Shippers—Express Company Methods Cause Loss***



The peculiar, graduated, increasing rate for small-weight parcels is absolutely prohibitive for express transportation except at an actual loss for a considerable proportion of business. Most express shipments are in small parcels. They therefore pay the higher scale. This increased rate is exacted for both terminal and haulage service and is as high as 37½ times the first-class freight charge.

The express companies take from the Post Office Department the profitable business and pocket millions of profits, but leave the unprofitable for the Post Office Department. The profits from a parcels post would stop the post-office deficit and give us a 1-cent letter rate. The annual surplus of the British post-office department about equals our annual postal deficit. The British have a serviceable parcels post.

The men in the mail service have a record of one error in 18,000 pieces handled. Compare that with your experience with the express companies.

### ***The Parcels Post Not Openly Opposed by the Beneficiaries of Present Methods***

The opposition to the parcels post at the late congressional hearing was made by persons who appeared in the name of American Hardware Manufacturers' Association, Illinois Retail Merchants' Association, National Association of Retail Druggists, National Association Retail Grocers, National Retail Hardware Association, National Federation of Retail Implement & Vehicle Dealers' Associations, Wholesale Dry Goods Association, Paint Manufacturers' Association of the United States.

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There was no direct opposition by the express companies to the parcels post.

### ***Misdirected Energy Benefits Express Companies and Catalogue Houses***

Since the members of the above commercial associations can not to any important degree be beneficiaries of the present confiscatory and restrictive system that has a monopoly of the transportation of merchandise in packages of 4 pounds to 20 pounds, some other reason for their opposition to the parcels post must be found, and in that connection the testimony given by these gentlemen at the hearing is interesting.

The main objection to the parcels post was that it would build up catalogue houses to the injury of retail businesses.

In reply to questions by members of the congressional committee, however, some of their specific objections applied only to the rural free delivery now firmly established and which nobody dreams of abolishing.

The other objections advanced were also to conditions already in existence, some of which at least it would seem would be less objectionable if we had a serviceable parcels post.

For instance, the mailing of catalogues by the catalogue houses. That can be done now to the farmer's door for one-half cent an ounce, but even that low rate does not always get the business. I have seen the catalogue of Sears, Roebuck & Co. and the Chicago House Wrecking Co. that were sent by each of these firms to addressees who did not specify how he wished them sent. They were received since the date of the hearing; both catalogues came by prepaid express.

Had we a parcels post competing with the express companies and reducing their extortionate charges the express companies would be less able to deprive the government of that revenue by underbidding the Post Office Department rate on catalogues.

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### ***Catalogue Houses Don't Need the Parcels Post, and Oppose It***

At the congressional hearing so much was said by the opponents of the parcels post about the catalogue houses, how they were behind the parcels post—that it was for their sole benefit, etc., etc.—that I went to Chicago and succeeded in getting an interview with Mr. Julius Rosenwald, president of Sears, Roebuck & Co. He declined to support the parcels post. He said they were very well satisfied with conditions as they are, under which they had built up their immense business, which was done entirely by catalogue and without salesmen or commission. He explained that only an insignificant amount of their sales went by mail, that what did was unprofitable, as it cost as much to make ready and handle such little sales as larger shipments, jewelry being the only exception, and even for that they advised express.

Evidence that catalogue houses do not want or need, and do oppose, the parcels post was not lacking at the hearing.

For example: Marcus M. Marks, of the Merchants' Association of New York, after stating that the Merchants' Association is not in favor of a general parcels post and has frequently placed itself in opposition thereto he quoted one of the large Chicago catalogue houses as in opposition, and for this reason: "The result would be that instead of shipping goods in large bulk it would tend to create a demand for small shipments, which would increase his expense of doing business." Marshall Field & Co., one of the largest concerns in this country, were referred to by both J. G. Baker, president National Federation of Retail Implements, etc., and H. L. McNamary, of the Hardware Dealers' Association, as opposed to the parcels post.

All the opponents of the parcels post at the hearing, mostly retailers in heavy-weight goods, were very insistent to impress upon the minds of the committee the great injury that is being done their business by the big catalogue houses, who, they claimed, are underselling them and are doing a very large and increasing percentage of the business that belongs to and should go to the retail dealer. But is it correct to charge to the parcels post this great loss of trade which has occurred while we have no parcels post and that has been brought about by conditions that can claim no assistance from a parcels post? Is it reasonable to say that a parcels post would produce such conditions when no such conditions do exist as above noted where the parcels post has been in operation for many years?

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### **Hampton's. 26: 261-4. February, 1911.**

#### **Let Us Have a Parcels Post.**

There would be some shadow of excuse for refusing to accept so great a convenience as the parcels post if, in accepting it, we would destroy a large investment in the business of the express companies. But, in fact, we would not destroy any legitimate values in these companies. They own practically nothing on which they would lose a dollar. Most of their money is not in the business of transporting freight, but in banking and investment enterprises. These would not be interfered with. Their tangible property actually used in transportation would be required, and would undoubtedly be taken over at good figures by the government, when it established a parcels post business. Their investments in stocks, bonds and banking business would be undisturbed. The express companies would lose nothing except their graft—the privilege of charging outrageous rates for the service they render. In morals and equity that ought to be ended as soon as possible.

The truth is that it is not the political and financial influences of the express companies which keeps Congress from giving this nation a parcels post. It is the pathetic and benighted ignorance of a considerable section of our own people, who have been led to believe that the parcels post would injure them. It is well-nigh impossible to believe that there can still be millions of intelligent Americans who doubt that national prosperity must be promoted by every increase of the facilities and cheapening of the cost of transportation. Yet there is such a section of the American public. Misguided and ignorant, it has permitted itself to become the chief bulwark of protection to the express companies' graft. It persists in believing, in the face of nearly a century of world experience to the contrary, that there is danger in too easy, too cheap and too universal transportation!

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#### ***Unwise Opposition of the Small Merchant***

Reference, of course, is had to the fears which the merchants of the country towns entertain as to the effect of the parcels post upon their business. The country merchant has come to accept on this point the sophistical, disingenuous and dishonest arguments of the express lobby, skillfully put out through agencies whose real purpose is concealed.

The argument that cheap transportation of parcels will injure the country towns is exactly as reasonable as the contention that London and New York, Hamburg and Liverpool, Seattle and Sidney, must be injured by the railways and steam-ships which, bringing all parts of the world into close and easy communication, would make it impossible for great and dominating centers of population, commerce and industry to exist. Everybody can see how absurd such an argument would be. The best possible transportation facilities constitute the first requisite to making a great city. Commercial centers are prosperous and important, in proportion as they have adequate, efficient and cheap transportation. This is as true of the country town with a single railroad line as it is of a continent's metropolis with half a hundred great railroad systems pouring their tonnage into its terminals and with the ships of all the seven seas unloading their cargoes at its wharves.

It is an axiom that good, ample and cheap transportation actually makes commerce. The country town which has no railroad always wants one. The hamlet which has no post-office is forever riding the neck of its congressman until it gets one. Great cities vote millions to build artificial harbors, to provide wharfage, and to increase every possible facility for cheap and rapid transportation.

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There are no communities which need improvement of transportation so much as the country towns which have been misled into opposing the parcels post. The country merchant has been made to believe that the parcels post would take his business away from him and give it to the mail-order house in the great city. It would do nothing of the kind. On the contrary, it would give the country merchant the one facility which he does not now have: it would place him on a parity with the merchant in a great city.

Quick, cheap transportation would enable him to buy better and cheaper. He could sell many articles from catalogues instead of having to carry them in stock. He could create a mail-order business of his own in his surrounding territory. The local merchant who conducts his business well has nothing to fear from the mail-order house. Farmers and citizens prefer dealing with the home man, and the parcels post will give him many advantages that will enable him to increase his trade to proportions which are now impossible.

Of course, this does not apply to the country merchant who buys his goods badly or at high prices, and who gives long credits and sells at long prices. Parcels post or not, his day is doomed. More alert men, with better business ideas, will soon occupy his place. The alert, hustling merchant will use the parcels post so effectively that the old sleepy head's day will end just that much sooner.

The proof of the pudding is in the eating. Every enlightened country except the United States has a parcels post. No country would think of abandoning it, any more than it would think of disestablishing its letter postal service. In the experience of all the world the argument about injuring the country town is sweepingly and completely refuted. The small town would gain vastly more than the large town by this tremendous increase and improvement of its transportation facilities. The whole public would benefit, for precisely the same reason that it benefits by having fast steamships instead of sailing vessels, limited passenger trains instead of stage coaches, two-cent letter postage instead of five-cent.

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### ***Part Played by the Express Companies***

The people who oppose the parcels post are the innocent and unwitting dupes of the express monopoly. This is the one point in the parcels post argument that cannot be too constantly emphasized. When the dupes are brought to understand their true interests, Congress will not dare stand for a single session as the protector of express graft.

Small wonder that the express companies are fighting with every resource against the parcels post. They constitute one of the greatest groups of financial power in the country. They are united firmly. Most of the companies are large stock-holders in the others. Thus the United States Express Company was shown by the report of the Public Service Commission of New York, issued in 1908, to be capitalized at \$10,000,000. Of this, the Adams Express Company owned nearly \$1,000,000, the American Express Company exactly \$1,000,000, and the Southern Express Company, \$70,000. How tremendously profitable the business of the United States Express Company has been is shown by the fact that whereas the company claimed an investment of only \$2,042,000 in real estate and equipment, it had \$7,464,000 in investments, \$895,000 in cash holdings, and \$2,000,000 in collateral and other loans! That is to say, while this company had very little more than \$2,000,000 invested in its transportation business, it had more than \$10,000,000, representing surplus and undivided profit, in general investments!

It has accumulated such vast profits because it has been for many years charging unconscionable and scandalous rates for its service.

The Adams Express Company is shown by the current number of Moody's Manual to have \$12,000,000 capital. After paying large regular dividends and numerous extra dividends for many years, the company in 1907 found itself with such a tremendous surplus that it actually paid a special dividend of 200 per cent in 4-per-cent bonds! Every holder of a one-hundred-share of stock was presented with two hundred dollars' worth of 4-per-cent bonds! The present, of course, represented in part the excessive charges which the company had been permitted to collect from the public.

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But the most startling statistics of express accumulations are the financial statements of Wells Fargo and Company. For many years this company's capital stock was \$8,000,000. Its most recent statement, as published in Moody's Manual, listed these assets: Real property, \$4,100,000; equipment used in transportation, \$2,044,000; stocks owned as investments, \$3,211,000; bonds owned as investment, \$3,750,000; loans, \$17,165,000; cash on hand and in the bank, \$5,459,000.

Such were the accumulations of this company whose own statement admitted that the equipment actually used in its transportation business represented only \$2,044,000. The company has always paid large dividends. Its star performance in this line was the payment, early in 1910, of a cash dividend of 300 per cent. Every holder of a one-hundred-dollar share of stock was given three hundred dollars cash!

This was not all. The stock of the company was worth in the market exceedingly high prices. In addition to giving this 300-per-cent cash dividend, the company increased its stock from \$8,000,000 to \$24,000,000, and gave the holders of the original \$8,000,000 the right to subscribe at par for two shares of the new issue for each share of their previous holding.

### ***Enormous Profits of the Express Companies***

These figures suggest the profits express companies have been making. They have been making them because our government is the only government which permits such a monopoly. It is a monopoly which not only extorts millions upon millions every year from the people, but which enables railroad companies, through their intimate business and financial relations with the express companies, to conceal a very considerable part of their earnings. The express companies are large holders of one another's stock, and also of railway stock; in turn, the men who control the great railway combinations are themselves big owners of express-company stocks and bonds. The express companies lease from the railroads the right to transport freight over the railroad lines. The terms of these leases represent, not a reasonable and fair charge for the service, but an elaborate project of covering up excessive earnings and extortionate charges in a maze of complicated intercorporation transactions.

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The worst penalty that the American public pays in order that the express grafters may make

these huge profits and conduct these manipulations, does not lie in the excessive charges. It lies rather in the stunting and depressing effect upon general business, which is a necessary and manifest result of a policy that denies the freest and cheapest transportation facilities to the entire community.

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## **Good Housekeeping. 53: 2-10. July, 1911.**

Housekeeping by Parcels Post.

Isabel G. Curtis.

What would a parcels post mean to the American housekeeper? The suburban or rural family could receive the bulk of its supplies by mail—clothing, food, even eggs and butter and fresh meat. And the country household that had something to sell could, by availing itself of the parcels post, eliminate the expensive middleman and ship direct to the consumer. Thus the city housekeeper could receive eggs, butter and other things by mail at much less than she pays now. In scores of ways the parcels post would tend greatly to decrease the cost of living, for it would revolutionize the present cumbrous and expensive methods of retail business.

The United States Postoffice authorities will accept a package of not more than twelve pounds in weight and not more than three and one-half feet wide by six feet long for delivery at any postoffice in England, Germany or in any one of the thirty-nine foreign countries blessed with the parcels-post system, at a rate of twelve cents a pound. But you are denied the privilege of sending the same package to any destination in your own country at any price. A four-pound package sent to a local point will cost the sender sixty-four cents while the same package can be sent to New Zealand or Costa Rica for forty-eight cents.

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The parcels-post rates in foreign countries are very moderate. In Germany, for instance, weight and distance determine the amount of the charge. The distance charge is fixed by means of zones, the first zone having a radius of ten geographical miles from the sending point, the second twenty, etc. The charge for an eleven-pound parcel is six cents within the first zone and twelve cents for every greater distance. For parcels weighing more, the charge is the same for the first five kilograms, but varies proportionately for each additional kilogram. In Germany, the weight limit is one hundred pounds, in England eleven, in France twenty-two and in Belgium one hundred and thirty-two pounds. That there is no good economic reason why any civilized community cannot have a parcels post seems to be proved conclusively by the earnings of the postal departments of the governments that have tried it. The postoffice departments of Germany and France each has a yearly surplus of more than \$14,000,000, and England enjoys a surplus of more than \$20,000,000—a striking contrast to our own Postoffice Department, with its annual deficit of millions.

“Then why don’t we have a parcels post?” you ask. The answer given to this question many years ago by Mr. John Wanamaker, when he was Postmaster General, means just as much today as it did then.

“There are just four reasons against the establishment of a parcels post,” said he. “They are the American, the Adams, the United States, and the Wells Fargo Express Companies.”

It has been said by some congressmen and postoffice officials that there is no parcels post because the public has not demanded it. Why not demand it now? Let every woman write to her husband’s congressman and speak her mind!

As pointed out by an Englishman recently in New York, one of the great advantages of the parcels post is its celerity. “Before it came into vogue,” he said, “customers often had to wait days for their goods. Now, within the London radius, it is a case of only a few hours, for the parcels post makes several deliveries daily. By paying a small additional fee, ‘immediate delivery’ is secured.

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“The great retail houses, in increasing numbers, employ the parcels post for sending home the purchases of customers, instead of using their own delivery wagons. They find the government does the work for them cheaper and better than they can do it for themselves. The price charged, which is paid, of course, in postage stamps, varies from two cents for a parcel weighing under two pounds to twenty-two cents for a parcel not exceeding eleven pounds. Many of the London laundries now send home the week’s washing by parcels post for the same reason that the big stores are taking to it. The service cost less than that which they had previously provided themselves.”

This gentlemen dwells upon the importance of the fact that goods thus conveyed by the government are virtually insured up to the value of most packages sent.

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## **Housekeeper. 31: 11-35. August, 1908.**

Parcels Post. George E. Miller.

Now what are the advantages and disadvantages of the parcel post? The advantages can perhaps best be illustrated by reference to the work done by the parcels post abroad. There,

especially in Germany and Great Britain, this great modern convenience has been brought to the greatest perfection. And there it is worth studying.

In the first place, it has been demonstrated there that the parcels post is the greatest stimulant of domestic trade ever devised by man. In the next place, it has made life in the country, in both Germany and England as comfortable and convenient as in the city. And lastly, it has proven so great a blessing in the cities, towns and villages that in many instances merchants have disposed of their delivery wagons and they depend upon the parcels post exclusively for the delivery of merchandise to their customers, except in the matter of goods of too much weight or bulk to go through the mails.

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In London the government runs motor wagons in all directions into the country for many miles for the delivery of parcels, and this service is being extended until presently it will cover the country. Parcels up to the weight of eleven pounds are carried through the British mails, while in some other countries the limit is much higher, Italy, Chile, Cuba, the Netherlands, and New Zealand are the only other countries holding the weight to the same maximum as Britain. In Germany and Austria packages weighing one hundred and ten pounds are received, and in Belgium the limit is one hundred and thirty-two pounds. In France it is thirty-two pounds. In the United States alone the limit is as low as four pounds while the rate with us is so high, sixteen cents a pound, as to make the service prohibitive for ordinary use. Abroad the rates vary, but they are always aimed to be not much above cost, and they are materially lower than the rate now charged here, and much lower even, than the rate proposed by the president, which is twelve cents a pound.

No more enticing tale is told by the traveler returned from abroad than that relating to the parcels post. In England, Germany, and some of the other countries, the housewife particularly luxuriates in the joint convenience of the telephone and the liberal mail service. Does she want a spool of thread of a certain color and texture, or a bottle of medicine, or a cake or loaf of bread from the bakery, or any one of a thousand small needs, the necessity for which may come with all too much suddenness, she simply steps to the phone and makes her request and by the next visit of the postman she receives that which she ordered. And yet, she may be ten or twenty miles from the nearest town.

The farmers of those countries likewise receive untold benefit from the same service. Not long ago a gentleman called at the post-office department in Washington to relate a circumstance coming under his observation.

"I saw a Yankee demonstrating an American potato digging device to a farmer in Germany," he said. "Suddenly one of the parts of the machine broke. It looked like bad business for the Yankee, but he, with real American resourcefulness, sprang to the telephone and ordered a duplicate part from his repository in a village two miles away, and in twenty minutes the postman delivered it to him and the demonstration of the digger proceeded to a successful conclusion. Of course, this was an exceptional instance. Everything connected with it happened luckily for the man selling the digger. His agent in the repository happened to be right on the spot when the telephone message came, and the postman happened to be just on the point of starting in the right direction to make a speedy delivery. But it seemed to me to tell an eloquent story of the parcels post, and its effectiveness."

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A red-headed, freckled, vivacious manufacturer from Detroit was in Germany not long ago and he also brought back a fund of parcels post stories. But his most significant statement was in regard to the effect of the service upon the country merchant.

"No man," he said, "can study this question abroad and retain the belief that the parcels post will ruin the country merchant. On the contrary, it has been the making of him. The country merchant of Germany is far more solid and substantial since the introduction of the parcels post than he ever was before. It has made him a permanent, fixed cog in the industrial scheme of that country and given him an opportunity which he never had before of making himself indispensable to the community in which he does business.

"How did this happen? By the natural evolution of events. Nothing else. The wholesale houses of Germany simply stepped into the field themselves and issued catalogues as fine as any the mail order houses could produce. And these they placed with the country merchants in every town and village in the empire. The result was that each merchant had several dozen catalogues upon his counters for the benefit of his customers. He was authorized to say to all who came: 'Here I am. You all know me. You know whether I am responsible. If you give me your order and the goods do not prove to be exactly as represented, you need not take them and I will refund your money. If you want goods of the same grade as those sold by the mail order houses, I can sell them to you, and at the same price. And I also have better goods which will cost you more. But I can give you exactly what you want, and as cheaply as any one.'

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"In the meantime the country merchants have been able to greatly reduce the stocks carried in their stores. This reduced the amount of capital tied up in their business. And yet, by means of the catalogues, their customers were able to select from as large an assortment as they could in the largest stores, in Berlin.

"And this latter fact is amply recognized by the people of Germany. They step into a store in the most remote village of the country, and make their selections and place their orders, securely confident that they have seen all they could have seen if they had made the journey to one of the large cities. And they are all satisfied. They regard their mercantile system as the very best on earth, and I think it is. I had occasion, while visiting at a house out in the country one hundred

miles from Berlin to need a dress suit, and I didn't have one on that side of the Atlantic. I rode to the nearest village one morning, stepped into a little store, was measured by the storekeeper, and by mail that afternoon received a very fair ready-made evening suit. I was both pleased and surprised but the circumstance was a matter of course to the people I was visiting."

These are some of the advantages of the parcels post. Now, about the disadvantages. These would, in this country fall exclusively upon the express companies. These unaccommodating friends, who have been with us so long, and who deliver nothing at your door unless you chance to live in a large city, would doubtless suffer the fate of the German mail order houses if the government of the United States were to inaugurate a parcels post upon the same scale as that in Germany. They would have to go, for who would pay the higher price to have a parcel sent by the nondelivering express company when the mails would be both cheaper and would deliver the parcel at your door in city or country?

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As for the country merchant, of course, he would demand the German system, and equally, of course, he would get it. Otherwise, he also might have to walk the plank and the wholesalers of the United States would never permit that. They could not afford to.

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## NEGATIVE DISCUSSION

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### Perils of Parcels Post Extension. pp. 13-31.

George H. Maxwell.

#### *A Heavy Deficit Inevitable*

The commercial advocates of larger bulk and lower rates by domestic parcels post for the shipment of merchandise by mail do not want either a distance rate or a system limited by territorial zones. They want the privilege of shipping from any factory or central store or warehouse, wherever located, anywhere in the United States, to any customer or consumer, at any postoffice, however remote or inaccessible, in any state or territory. The rate desired is a flat rate of so much per pound without regard to distance.

It is urged that the same rate should be charged by Uncle Sam for carrying merchandise by parcels post from a New England factory to the distant mountain mining camps in Idaho or Oregon, or to the prairie towns of Texas, as would be charged for delivering the same package from the same factory by local trolley car service to a nearby postoffice in the immediate suburbs of the New England city where the factory happened to be located.

#### *Government Bears the Burden*

The national government in each and every case would pay the full actual cost of transportation and delivery to the point of destination, whether it were by trolley, railroad, stage-coach, wagon, pack-horse, mule, sled or snowshoes. Of course it is not contended that the government could secure an average or flat rate for the cost to it of transporting merchandise by mail, the same to all points in the United States, as it is urged that it should charge. On every package mailed the government would of necessity pay the full cost of carrying it from the point of shipment by mail to the place of delivery to the consignee, no matter how great the distance or how costly the character of the transportation.

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In other words, while the government is expected to and of course must itself pay the full distance cost of transportation and delivery in every case, and could not give the service unless it did so, it is expected to look for reimbursement wholly to an average flat rate, like the rate for letter postage, or the present rate of the existing domestic parcels post for small parcels—a rate that is the same everywhere, without regard to the distance from point of mailing to point of destination.

#### *Averages Are Misleading*

The argument of averages is relied on to meet this insuperable objection. It has been suggested that the average haul of all second-class matter (which comprises only regularly entered publications, periodicals and magazines) was 540 miles in 1907, as shown by the report of the Postoffice Department, and on that as a basis it was estimated that an average rate of 5½ cents per pound or \$29.70 per ton for other transportation charges, and \$165.00 for labor and supplies, a total of \$212.00 a ton, would leave a profit to the government of \$27.00 a ton from a general parcels post rate of 12 cents a pound, which would produce a revenue of \$240 a ton.

The estimates given above were embodied in an address by the Postmaster General before the Union League Club at Philadelphia on October 26, 1907.

For reasons based on facts that are undeniable and unquestionable, these averages and the estimates based on them, would prove utterly delusive and misleading when put to the test of a practical application of the proposed extension of the domestic parcels post to include merchandise in larger bulk and at lower rates than those now authorized by the postal laws. It is

not necessary that the proposed extensions should be actually tried to demonstrate the deceptiveness of these average estimates. The conditions are before us and arise from facts so clearly known and established that he who runs may read.

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### ***The Average Haul***

The average haul of second-class mail matter, made up of printed reading matter, for every copy of which a regular subscription must be paid, is fixed by and is in proportion to the average density of the population.

To illustrate this, take the city of New York as a starting point. It is the leading publication center in the country, and a larger number of publications entered as second-class matter are issued from the city of New York than from any other one city of the country.

The population of New York state in 1906 was estimated to be 8,226,990. The population of the state of New York alone is as large as that of the whole western half of the United States, and yet that whole western half of our territorial area contains only about one-tenth of the entire population of the country.

The average number of subscribers receiving regular publications through the mails as second-class matter in proportion to population is as large in the one state of New York as in the entire western half of the United States. So the Postoffice Department would serve in New York state, within an area of 48,204 square miles of closely settled territory, as many subscribers for second-class mail matter as it would be compelled to serve over a sparsely settled region in the west covering 1,513,394 square miles, that being the area of the western half of the United States, not including Hawaii and Alaska.

### ***Second-Class Mail Matter***

An average length of haul of second-class mail matter now carried by the national government would be much greater if limited to the one state of New York and the western half of the United States, than if applied to the entire country; for the very simple reason that the vast sparsely settled area in the west would comprise one-half of the total number of subscribers served; whereas if the whole United States were included, then the western half with its sparse population would embrace only one-tenth of the whole number served, and nine-tenths would be located in the more closely settled eastern half of the United States.

In other words, in averaging the length of haul of second-class matter, nine-tenths of the people served are in closely settled territory, where they are reached by the short haul, and only one-tenth in the thinly settled western half of the country, to be served by the long haul, and oftentimes by the most difficult and expensive methods of transportation.

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### ***Conditions That Control Are Reversed***

The principle that controls the average in estimating the length of the haul of second-class matter is that as the proportion of density of population increases the average length of the haul is decreased.

It is naturally assumed that the same principle would control in fixing the average haul of transporting merchandise by mail if the movement for an extension of the domestic parcels post should prevail; but strange as it may seem at first thought, the exact contrary would happen. The principle that controls the average haul in the case of second-class matter would be reversed in the case of parcels post extension. The greater the distance the more remote the territory, the more sparse the population the larger would be the proportion of merchandise shipments by mail as compared with the whole volume of such shipments.

The reasons for this are, first, because the express companies with their flexible distance rate system would practically surrender the distant territory and make a rate on nearby points so much lower than the government rate that the short haul service would go to them, leaving the long haul shipments for the government; and, second, because it is the distant market that merchants and manufacturers desiring to trade by mail wish to reach by the parcels post system of delivery and which they would exploit if the opportunity were created.

### ***Impossibility of Adjustment***

Every effort of the national government to readjust an average flat rate so as to meet this condition, and command for the parcels post the desired proportion of nearby business, would simply be to get out of the frying pan into the fire. To lower the average flat rate so as to compete with express companies in nearby territory and on the short hauls would stimulate the volume of long distance shipments and still keep the balance on the wrong side of the ledger. To raise the average flat rate, so as to secure a larger revenue from the long distance shipments, would widen the circle within which the express companies would be able to command the business by a lower rate and reduce the government revenue by taking away from it more of the short haul business.

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It has been urged that one reason why the proposed extension of the domestic parcels post should be adopted is that it would lower the express rates. If that should occur the rates would, of course, be lowered in the territory, where by lowering their rates the express companies could

command still more of the short haul business, and thereby increase the proportion of long haul business that the government would have to carry at a loss. Every time the express companies lowered their rates it would increase the annual deficit that would be incurred by the government. No business proposition could be more simple. The government would be in the position of having entered into a competitive business. It would have done this after adopting at the start a system that made it impossible for it to cope with its competitors. Whatever flat rate the government established would be met by a lower distance rate by the express companies that would take the short haul business from which the government could earn a profit, leaving to the government the long haul business that it could only conduct at a loss. Nothing that the government could do would prevent this, because it would make the conditions worse one way or the other every time it either lowered or raised its flat rate. If the flat rate were lowered, the proportion of long haul business would be increased, and the losses be as great as ever. If the flat rate were raised the proportion of short haul business would decrease, and the average cost would still create a heavy deficit.

### ***Act With Open Eyes***

The fact is, the United States government cannot carry merchandise by parcels post without having to meet an enormous annual deficit for conducting the service, and the service should not be undertaken by the government unless such a deficit is to be deliberately and knowingly created and assumed by the people at large. The government is asked to undertake an impossibility, if it is expected to make the service pay for itself, when it is asked to adopt the proposed extensions of the domestic parcels post.

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A flat rate system of charge cannot, in the very nature of things, be operated in this country without loss. The only way to avoid such loss would be the adoption of a distance tariff by the government, just as is charged by the express companies. The proponents of domestic parcels post extensions do not advocate such a distance tariff system and it will be time enough to consider its merits if it ever comes before the people for serious consideration. The fatal defect in the reasoning of the advocates of the proposed parcels post extensions is that they disregard the fact that we live in a country as broad as a continent and extending for over three thousand miles from ocean to ocean, and that in all that vast territory we have a population of only something over eighty million people.

### ***A Subsidy to a Favored Class***

Should the mail trade have a government subsidy?

That is a very plain and simple question, and the answer to it will also answer the question whether the shipment and delivery of merchandise by mail should be facilitated and undertaken by the government as advocated by the proponents of domestic parcels post extension.

If there is any good reason why the mail trade should be encouraged by government subsidy, it has never been set forth by any advocate of parcels post extension.

And yet, that is exactly what the proposition amounts to in its practical application. It would not be a subsidy that would create new business where there was none before. If it would do that it might be an argument in its favor. Instead of doing so, it would take the trade from the merchants, both wholesale and retail, who are now doing it, and transfer it to new and wholly different agencies, who would be enabled to secure the trade because of a direct advantage given to the new agencies by the national government at the expense of the general public.

### ***Who Are the Favored Class?***

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Whether the seller or the consumer, under this system of a government subsidy for the mail trade, were to be regarded as the favored class, the result would be the same. A favored class would be benefited at the expense of the people at large, and without any advantage to the general public that would warrant it.

For many reasons the consumer in the long run would be injured more than benefited by the establishment of such a system for doing the business of the country, and ought for this reason to be eliminated in defining the favored class. Temporarily, and considering only immediate cheapness of needed merchandise, the consumer might imagine himself benefited, and probably would, but that benefit would be involved and submerged in far greater indirect losses in the future.

So the favored class, in the last analysis, would be the great catalogue concerns, and manufacturers who desire to eliminate the jobber and the retailer and country merchant and sell direct to the consumer, using the mail as the agency of transportation and delivery to the purchaser.

Without regard to any of the many serious objections to this system of trading, based on social and economic reasons, there is no possible ground upon which a subsidy for the encouragement of this mail trade should be given out of the United States Treasury and at the expense of the people at large.

### ***Effect of a Subsidy***



And when the effect of that subsidy would be to break down long established commercial customs, and divert the trade from institutions now successfully and satisfactorily conducting it, there is no more justification for such a mail trade subsidy than there would be for the government to carry some new brand of flour cheaper than the old established brands—in order to enable the manufacturer of the new brand to introduce and sell the product of his mills.

The growth of the mail trade, under its present limitations, has been stupendous, and multitudes of retail and country merchants have been injured, and many driven to the wall by it. But its future growth would sweep over the country with an irresistible force and wipe out of existence many thousands of now prosperous retail and general merchandise stores, if a subsidy were granted to the mail trade in the form of the proposed extensions of the parcels post. [106]

There are many manufacturers who are doing business along the regularly established lines, selling goods to the jobber or the retailer, who are not now seeking or advocating any change in the channels of trade, but those manufacturers would change their system and enter the field of the mail trade if the advantages advocated by others were gained for it. If the avalanche of mail shipments that would follow the inauguration of such a mail trade system were ever once started no one could foresee the end or define the limits of the evils it would ultimately accomplish.

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### **Independent. 70: 72-3. January 12, 1911.**

Objections to the Parcels Post. Allan W. Clark.

There are probably a hundred really national organizations of dealers, and several thousand state and local organizations—generally affiliated with some of these national bodies. These embrace practically every line of retail merchandising and the ramifications of various interests among them. The individual, due paying membership in some of these larger organizations, like the National Association of Retail Grocers, the National Retail Hardware Association and the National Association of Retail Druggists, is from 50,000 to more than 100,000 each. I have never heard of any association of retail dealers that is not on record against the extension of the domestic parcels post in any form, especially the R. F. D. “entering wedge,” except the organized department stores in one or two cities (such as “The Merchants’ Association of New York”), who want this practical government subsidy for the benefit of their mail order departments and for cheaper local and suburban delivery. [107]

I have mentioned only retailers’ organizations, whose resolutions on this subject, during the convention season, crowd the pages of all the trade journals. Nevertheless, practically all the organizations of wholesalers and manufacturers, besides many local commercial and civic associations, are opposed to the parcels post, and like the retailers, have been fighting it for years. Conspicuous among these is the Chicago Chamber of Commerce, the leading members of which, thru the “American League of Associations,” are pushing a national campaign “to assist the retail merchant and to co-operate with other associations in the protection and development of home trade, and (the italic emphasis is theirs), *specifically, this organization is now opposing the proposed parcels post legislation.*”

These dealers, jobbers, manufacturers and others interested in the maintenance and the improvement of the local stores and the local community, and who oppose any extension of the domestic parcels post, vie with its advocates in denunciation of the extortionate charges of the express companies. But they go further—their associations are fighting in many states to secure state regulation of express rates and classification; and they are making practical progress, with every prospect that their appeals for national regulation will be recognized by the Interstate Commerce Commission, which has just won its fight to regulate sleeping car charges. The opponents of parcels post want lower and equitable rates for the transportation of small packages of merchandise, but they believe that these rates, like those on the transportation of larger packages, should be investigated and regulated by the Interstate Commerce Commission, especially as various state railway boards have recently demonstrated the fact that the express companies are chiefly owned by the railroads and are merely vehicles to bring into the coffers of the railroads larger profits than can be secured thru government regulated freight rates.

That any one can find an example for the United States in the parcels post systems over government owned railways in European countries, the largest of which is smaller than Texas, is incomprehensible to the average business man who is not asking for a government subsidy to arbitrarily annihilate distance and the natural local advantages of thousands of local business communities in order to increase the present \$200,000,000 mail order business; and this in a nation that maintains a high tariff wall that may or may not “protect” the American manufacturer, farmer and workman, but the chief effect of which, so far as the distributor, the dealer, is concerned is to place him between the upper and nether millstones—the butt of criticism, the subject of Congressional inquiry on the high cost of living! [108]

The mail order houses want a general parcels post; the general business community is opposed to it. Suppose that both are actuated by selfish reasons, one to gain an arbitrary advantage and the other to prevent it—where do the people come in, those besides the mail order men and the million retailers and their families?

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## Further Thoughts on Parcels Post pp. 3-5.

Charles W. Burrows.

Postmaster-General Meyer in an address to the New England Postmasters' Association, Boston, October, 1907, and elsewhere, made recommendations urging legislation giving to the Postal Department a greatly extended parcels carrying service. The recommendations made were mainly two.

First. That the present rate of sixteen cents per pound for the mail carriage of merchandise with a weight limit of four pounds per parcel as the maximum shall be changed, reducing the rate to twelve cents per pound (with fractions at rates from one cent up) and increasing the weight limit to eleven pounds. The recommendation was that this should be, like the letter charge, a flat rate to prevail anywhere within the United States and its possessions irrespective of distance or accessibility.

In support of this, his first proposition, he calls attention to certain inconsistencies now existing in the service. He states that an individual entering any post office in the country with a parcel weighing four pounds, addressed to New York city will be obliged to pay sixty-four cents for its carriage by post. If on the other hand it is to pass through New York city to any one of the thirty-three foreign countries with which we have postal conventions, the charge will be but forty-eight cents. Further, should the package weigh more than four pounds, it will be denied admission to the mails in this country while it will be accepted and forwarded to any of these foreign lands if it weighs up to four pounds six ounces, and in the case of some, twenty-four of the countries it will be accepted even if it weighs so much as eleven pounds, and it is on account of these inconsistencies that he urges his legislation. [109]

Let us first examine this point. General Meyer is quite correct in his statement that it does cost more to send, for example, a pair of shoes weighing just four pounds from Brockton, Massachusetts, to New York city, than it would cost to send the same pair of shoes through New York city to any one of the thirty-three foreign countries with which we have postal conventions.

General Meyer, however, fails to state that while there is this large number of foreign countries with which we have postal conventions, yet not a single one of the twenty-four countries with which we have an eleven-pound convention is on the map of Europe. They are all of the nature of Jamaica, the Windward Isles, Venezuela, Barbados, Costa Rica, Danish West Indies, etc., countries with which we do not do any great volume of business.

It may further be stated that the weight limit with the remaining nine countries, most of which are European, is in reality intended to be the nearest approximation to our own domestic four-pound limit, that is, it is two kilograms—about four pounds six ounces—and the European countries all closely scrutinize this weight limit as the business is one that involves a loss in its operation. Germany, for example, for a number of years recognized an eleven-pound limit but changed to the two kilograms about three years ago.

It should be borne in mind, moreover, that the exchange of parcels between these countries and our own is made as a matter of comity or international courtesy, and is permitted because the amount involved is small. The work is done, too, in connection with the carriage of first-class mail which produces a large profit. [110]

To illustrate this matter, Great Britain carried in her parcels post last year 104,819,000 parcels. Of these only 2,575,000 (less than 2½ per cent) went out of the country to all foreign countries, her own colonial dependencies included, and to the United States she sent only 61,000 and we sent to her 89,000 only. The difference which is after all what we make or lose upon, was some 28,000, and that was but a fraction of a tenth of 1 per cent of the whole business. With some of the other countries in question, we exchanged less than 1,000 parcels in the last fiscal year, and with one of them it was less than 100, while with all of them aggregated it was a total of but 330,000 parcels dispatched and 181,000 received; so when we examine this question of inconsistencies microscopically we find that it is truly of microscopic proportion only, and may be disregarded as having no important bearing upon the general question.

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## One Cent Letter Postage, Second Class Mail Rates, and Parcels Post. pp. 14-22.

Charles W. Burrows.

Paternalistic, socialistic legislation does not diminish the expense account, but simply transfers it from one person's shoulders to those of others. It is with a people as with a person. If a father gives to his boy a pair of shoes, the shoes cost the lad nothing, they are to him as if they had descended from the skies, but the cost is a charge upon the father, unless he stole them, and even if acquired dishonestly the cost has simply been moved back upon the shoulders of the merchant. The compensation for the labor of producing the pair of shoes and of transporting them to the place where they are put to service is just as much a charge upon the community whether one individual pays for them or another. Similarly if the users of any governmental service do not pay a high enough tariff for that service somebody else must foot the bill.

Now to endeavor to demonstrate that whether the rates imposed for such service be high or [111]

low the government will inevitably be a loser and in large amount. To this end let us examine for a moment the parcels post systems of foreign countries.

In Germany a zone system prevails, but the tariff is always low. In England, a flat rate prevails, and this also is extremely moderate. And low rates prevail in other foreign countries.

But circumstances alter cases, and with other things we should bear in mind that the total area of Germany is but 208,000 square miles, while the area of the one state of Texas is 265,000; in other words, Germany is but four-fifths the size of Texas. The area of France is almost exactly that of Germany, again but four-fifths the size of Texas. The area of England is 50,000 square miles, less than one-fifth the size of Texas. We have 26 states, any of which is larger than England, and several many times larger. The area of Switzerland is just under 16,000 square miles, and you can put nearly seventeen Switzerlands into the one state of Texas. The area of Belgium is but 11,000 square miles; you can put 24 of it in the state of Texas. Again the density of population in England is over 550 to the square mile; that of Belgium, more than 600 to the square mile; of Germany nearly 300 to the square mile.

Moreover, no haul in England can be long and but few hauls in the United States would be short. You may perhaps be able to take 550 parcels from a central originating point like London, carry them for an average haul of 41 miles, which is the case in that country, and deliver them all within one square mile of territory at a small tariff per parcel without material loss, though even England is losing money upon this service with all conditions favoring.

But remember that the density of population of the United States by the last census was under 25 to the square mile, and that the parcels post service would not be mainly operative in densely populated Rhode Island and near the large cities like Boston, New York, Philadelphia, etc. If we imagine that 550 parcels are sent from New York city over a long haul of more than 1,500 miles to the state of Wyoming, where the density of population is one to the square mile, and have to be distributed to 550 distinct individuals resident in 550 separate square miles of territory, no sane business man can doubt that at any tariff likely to be imposed the government would be a heavy loser. [112]

According to one expert's estimate, it is possible to carry the second-class mail matter for short distances on dense traffic routes, and in quantity lots to one address, that of a news dealer, for example, as is done for the average daily paper for the part of its circulation that goes by mail, up to 45 miles with little loss even at this low 1c a pound rate, though first-class mail at the rate paid by it can be transported nearly 5,000 miles before the service shows a loss, and post cards over 11,000 miles.

Now let us suppose a parcels post statute to be enacted, and that the rate be put at anything you please from 5c per pound to 10c per pound. Even at the low rate of 5c per pound the express companies will do the nearby business. If the rate be 10c per pound, the government will have less to do, but it will still have much with the weight limit considerably increased over the present amount. And if the rate be put at 12c per pound, still the government will not make money, not on a single parcel that it carries. All service that can be rendered at a cost of less than the government charge will be handled by the express companies.

We cannot have as does Germany a zone system. But without the operation of a zone system, or a monopoly as on first-class matter, the government will get all of the losing business and none of the remunerative.

A friend of mine made a visit a few years ago to the state of Washington. First he took from Cleveland a 2,000 miles railroad ride. He then had a day and a half steamboat ride up the Columbia river, following that a two days' stagecoach ride to the remote locality that he was visiting.

He remarked to me in connection with this trip that he should like to see the government handle a parcels post service for that country at a profit, even at a rate of 25c a pound, and added that every pound of anything that went in there would most assuredly be handled by the government were a parcels post service in operation, for it would be the cheapest method of getting things there.

Now, the only reason we can have a flat rate upon first-class mail is because the government makes that a monopoly, and you can send your letters in no other way than through the post office. Hundreds of millions of profitable short haul letters carried between the largest cities of the country where traffic is very dense take care of the proportionately small number of expensive long hauls. [113]

To show how necessary this may be, permit me to inform you that the first batch of letters the government sent to Circle City, Alaska, though each was carried upon a 2c stamp, cost the department some \$450 per letter. And it is solely due to the fact that the carriage of first-class mail is a monopoly that inheres in the government that, in spite of such expensive occasional service as this to Alaska just cited, a large part of the receipts from first-class mail are net profit.

Now, even at the low 1c per pound rate accorded to the monthly magazines and other periodicals, not all of their wares are sent by mail. There is you know no monopoly of carriage. The publisher can send packages of his magazine ahead of time by slow freight at less than the 1c per pound tariff, this freight service being used for the large lots going over main transportation lines between the great cities and without expensive changes of route. But upon the quarter hundreds and half dozens and single copies that go for long distances by expensive changes of route and to remote rural localities from back of Portland, Maine, to back of Portland, Oregon, from the upper peninsula of Michigan to the everglades of Florida, and to the crossroads

and rural free delivery customers of Ohio, New York and other states of the Union, the government gets the losing job of carrying the periodicals.

I have endeavored in the explanation above to show that the difference in social condition, density of population, length of haul, ability to inaugurate a zone system, etc., will operate against our doing at a profit what may be attempted though even there unsuccessfully, in Great Britain, Germany, etc.

In Great Britain they pay for transportation but 55% of the charge, having thus automatically 45% left for other expenses, and if anybody can do the work at a profit they certainly are in position to attempt it.

Again the average pay of a British postman is only one-half what we give our carriers, which is another feature that must be reckoned with. [114]

The first year they had this service in operation, it showed a heavy loss. They were keeping account of the business, so much in detail that if a man worked in two different branches they divided his salary. The eminent gentleman who fathered the system, then said: "Oh, well, you can't expect that it should be profitable the first year. This year we will make it profitable." The next year the loss was more than doubled. "Well," said he, "bookkeeping is expensive, let us discard bookkeeping." And since that time they have kept no expense account on the parcels post system.

Now let us examine what would result in the United States if we were to enact parcels post legislation and attempt to get it in successful operation.

I wish to make a quotation from the "Catholic World" of June, 1905, describing the operation of the parcels post system of Germany by a writer who favors its establishment here. He says:

"Anyone who has stood in a German post-office, and has seen the constant stream of men, women and children, pouring in through the doors with packages of all descriptions and sizes, and lining up in never-ending rows before half a dozen and more receiving officials; who has watched heavy wagons driving up to the doors and depositing hundreds of packages, and who has noticed the mountains of parcels heaped up in rear rooms of the post-office, cannot but have been forcibly struck with the magnitude of the parcels post system of transportation in Germany."

Does it not occur to the most casual thinker that if a comparable service were enacted in this country the postal facilities of every city would be inadequate to the work? Why, you would have to have in New York city one hundred times as great an amount of space at your disposal as the Post Office Department has or can readily get at present. It would involve a thorough readjustment and enormous expansion of the post office facilities in every large and small city of the United States, involving an equipment expenditure which would run to hundreds of millions of dollars—this irrespective of the question whether it would produce a profit or a loss in operating expenses.

There are in the United States more than 50,000 fourth-class postmasters of these 50 per cent get \$100 per annum or less, and 25 per cent of them get less than \$50.00 per annum. How long would it be before they would demand an increase of salary to something like \$75.00 per month or more? [115]

The Vice-President of the J. F. Stevens Arms and Tool Co., told me that if such a service were inaugurated as that of Great Britain, it would change entirely the methods of distribution of his own house. They would be obliged to discontinue their present freight shipments of arms in carload lots to the Pacific Coast at a rate of \$3.00 per hundred pounds upon a twenty-day time schedule for transportation, and take advantage of the pound rate that the government would give to them upon a six-day time schedule; that while it would involve increasing their office force from less than 50 to more than 500 to handle the work, the savings would be so large that they would have to do this and to inaugurate many other most radical and far-reaching changes in organization.

If this meant that the service was going to be reduced in cost, while at the same time shortening the time schedule by more than two-thirds, always an important factor in increasing rather than in diminishing expense account, we should all of us find it our duty to welcome the innovation, great a wrench as it might give to our business connections. But the costs of the service will not be changed, simply it will be a different set of people who pay them and no longer would all the costs be paid by the proper parties—the manufacturer and his customer, the consumer—but a large proportion by the public at large in some way or other.

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### **Parcels Post. pp. 6-15.**

John A. Ordway.

I question whether there is a man in this hall who actually believes that one cent of benefit will come to the farmer through reduction in his cost price of anything he buys because of postal delivery. Each one of us knows from practical experience that even should the method of distribution be shifted, still the expense of reaching the consumer would increase by the methods advocated, which combined with the profits of inevitable monopoly would cause the poor farmer [116]

to wonder whether this alluring vision of substantial comfort had vanished. Yet this sham shibboleth of benefit to the farmer has other advocates besides this small percentage of theorists. The most persistent, continuous, noisy clamor has proceeded from those whose selfish self-seeking is as plain to the searcher for motives as the printed types upon their pages. The editors of various magazines and newspapers not in touch with the cost and expenses of mercantile life have almost universally used their columns to create a public sentiment to accomplish this commercial revolution. Their solicitude for the farmer, their keen distress at what they term his unfortunate dilemma in being forced to supply his present needs through present channels, would wring the stoutest heart, were it not for the perhaps uncharitable suspicion that their tears were of the crocodile variety, and their anguish a thin disguise for rank cupidity. "The poor farmer," more advertisements; "the unfortunate farmer," for more advertisements; "we love and would protect the farmer," still more advertisements; "we will organize and preach of deliverance," for more advertisements; and so on and so forth shall be our cry until the jobbers' percentage and the retailers' narrow margin shall be diverted into "more advertisements," has been the wailing but insistent note everywhere. "No matter if the actual cash loss of second class matter in 1909 did show a grand total of \$64,128,000, what care we? Still shall our cry be, 'Help the poor farmer.'" Shame on such transparent hypocrisy from a public press that should lead and inspire by truth untainted by the virus of debased commercialism.

### ***The Consumer Will Buy Goods No Cheaper***

I may be wrong, but I firmly believe that the development of the mail order house or the increased adoption of direct selling by manufacturers, aided by governmental postal delivery, would not confer one benefit on the consumer in cheapened prices, because of these facts. The change in the method of distribution would be merely the shifting of the final price from one shoulder to the other. The margin between the actual net cost of manufacture and the price paid by the ultimate consumer is at present divided in varying proportions into the profits of the maker, the percentage allowed the jobber for economical distribution, and the final profit of the retailer in completing this distribution, and in each case competition, that most effective friend of the consumer, has forced these margins down to a low general average. Assuming that the jobber and the retailer have been eliminated and that the manufacturer sells direct, is there any possible advantage that the consumer or the farmer would obtain? Decidedly not. The manufacturer would, of a necessity, be compelled to make and hold a stock of goods ready to respond to instant call. His cost of manufacture would immediately increase for the reason that his quantity would be wisely restricted, awaiting the edict of whimsical fashion, and his sole dependence for the sale of his product would be that obtained from extensive advertising. I do not believe there is a man here tonight who has any knowledge of the expense of an advertising campaign, but will admit that the usual profits of both jobbers and retailers combined would fall far short of the expense necessary to continuously maintain any general range of articles of fashion or utility by advertising alone, and every large advertiser, even if this stock be protected by trademark or patent, will bear testimony that not only does the expense of advertising continuously increase, but also that any cessation of publicity results in immediate suspension of sales.

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The second argument or sham pretext for action is that advanced relating to express companies.

### ***The Interstate Commerce Commission Now Has Power to Adjust and Regulate Express Rates and Will Regulate Them***

I am aware, and expensively so, that this monopoly is a menace both to our pocketbooks and to the general prosperity of the community. Their course of action is guided by those who fully exemplify the modern greed and relentless clutch of soulless corporations. Personally, in their private homes, or in open contact in social gatherings, these organizers and executives of express companies are attractive as friends or companions, but officially, and as part of their corporations, their individuality is lost and the Golden Rule is locked away to be used only on Sunday or in the imminence of death.

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The dangers that confront a free people when monopoly obtains a stronghold have been freely discussed during the past few years, and wise restrictions have been placed among our laws. At this very moment the rates and methods of express companies are being considered by the Interstate Commerce Commission, and from them we may expect the same fair-minded decision as recently shown in railroad matters. The laws are on our books. It is for us to urge, argue, even threaten that they be obeyed, but the appeal of the proponents of the parcels post bill that we punish the express companies by starting a government monopoly in opposition has about the same force to me as an invitation to jump from the frying-pan into the fire. The power is always ours to regulate by law, and the law is already ours. One-half of the same energy in letters, telegrams and petitions asking and insisting on the immediate action of the law, as has been shown in the propaganda for the novelty of the parcels post, would have produced results long ago. If this association, if the various boards of trade, or chambers of commerce, should manfully and persistently follow this line of action, results would follow, and thus avoid the dangerous expedient of increasing the already formidable list of government officials.

### ***Objections to Parcels Post***

Passing from the consideration of these elusive and mendacious appeals by self-seeking

interests, I ask your attention to what in my judgment are positive objections to the parcels post, objections that are not based wholly on dollars and cents, but on the broader principles of humanity that are above the fleeting tribulations of our little hour, and whose laws of action create or destroy states or nations as they are applied wisely or unfortunately.

### ***Will Injure Country Communities***

John Stuart Mill, one of the strongest reasoners in political economy, stated in an incisive sentence that "The community that contains the greatest diversity of industries will always be the most prosperous and intelligent." It would seem as if his vision were prophetic of our loved New England, where towns and villages contain within their borders the farmer, the manufacturer, the merchant, the teacher, living in useful harmony, and by their diversity of thought and action producing men equipped to accomplish the destiny of this wonderful land. Such environment, such healthy conditions, produce the character of Americans that the country needs, and the practical benefit from the New Englander reared in such communities is impressed upon all sections of this great land. It is to wither and destroy these safeguards of national security that the proponents of the parcels post intend. In their infinite wisdom they would sweep the village aside in their zeal for the mail order octopus and the magazine advertisements. A great city whose water supply is polluted is in serious danger; a great community that stems or hinders the growth and influx of healthful men is short-sighted, and decay will follow. Totally aside from personal gain, I believe we should steadfastly oppose any attempt, open or concealed, to sap the vitality of the New England town. Boston exists because of New England, and Boston should protect its own.

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### ***It Will Increase the Horde of Government Employees***

Another objection to the parcels post is that its operation will add a tremendous force of government officials to the already swelling list. Excepting always that human hog who never votes, never reads, never thinks, but roots and grubs along, grunting out one single word, "Dollars," which happily die with him, this objection should be considered by all thinking men. The stronger the entrenched force of the party in power, the more difficult will it be to effect needed reforms when stagnation in office produces disease.

### ***It Limits the Field of the Individual***

Another objection is that our government of free men was never intended to block or hinder the pathway of individual endeavor. Rather was its function to be that of aid or protection to insure equal opportunity under sane restriction. Following this connection and not to be lightly regarded, is the assumption that is clearly foreshadowed, that should the government engage in the transportation of merchandise the inevitable result would be the national ownership of the railroads, thereby still further increasing the centralization of power, which is diametrically opposed to the conception and scope of our general system of representative government.

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### ***Extravagance Will Be Augmented***

Again a serious objection is that the transfer of conditions of transportation with its accompanying word paintings of alluring advertisements would tend to increase general extravagance, particularly in those sections where prudence is necessary for happiness, or precaution for old age. A distinguished writer has said that more discord and misery are caused in this country by our national extravagance than from any other source, not excepting the results from alcohol.

Still again, it is closely argued with logical coherence that the various monopolies that now practically control many branches of trade would welcome the development of large distributors at the expense of the present countless individuals, because of the greater ease of organizing in combination. The tremendous sales and enormous profits of one mail order house are the subject of daily comment, and should the government lend its aid to still further increase these figures, the time would not be distant when similar institutions would start into life in other sections. Backed by ample capital, and equipped with the experience regarding methods, their success would doubtless become immediate, until such time as competition among themselves endangered profits.

It is no fanciful assumption that when that point is reached combination or absorption will add another impregnable monopoly to the already threatening list.

The present monopolies have produced such colossal and unwieldy fortunes that the employment of their surplus is a constant thought, and so rich a plum would not escape.

Finally, for I have detained you gentlemen long enough, is the rank injustice of this proposed measure. If by taxation of the people as a whole, some permanent benefit be obtained, two blades of grass be grown where one existed, or even one section developed through the agency of the whole country's help, no one would more eagerly advocate such action, for I realize that a healthful growth spreads its benefits everywhere. But this measure does nothing, creates nothing, carries with it no lifting of burdens, but simply takes from A to give to B, without assurance or guarantee of betterment of service or conditions. As all dry goods retailers know, not one article sold by mail order houses, in their line, but is daily and usually sold by them at the

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same or lower price, without any special fuss or feather about it, and all of us understand, without possibility of contradiction, that the advertised brand, in nine cases out of ten, does not depend on its intrinsic merit for its sales, but instead relies on the credulity of a thoughtless purchaser.

Again, what justice is there in any law that proposes government aid to the man whose product weighs eleven pounds, or measures within certain cubic inches, and denies the same relief to another citizen and taxpayer whose product necessarily exceeds these limits? If this is not special legislation bestowing subsidy or patronage on the few at the expense of the many, then what is it?

For these reasons, and many more, my friends, I oppose the parcels post as today presented. I believe it unwise and manifestly unfair. I believe its passage would cause tremendous initial loss, without subsequent compensating gain. I believe it is a move in the wrong direction as it affects the government. I believe that the people, through their representatives, and under the constitution, should have and should use the power to regulate the channels of trade, and I strongly deprecate any additional departure from the simplicity, the directness of our form of government, and especially if such action should hinder or usurp the zeal or ambition of any citizen in his wage earning capacity, conducted under the law. If an express company violates the law treat it under the law with the same justice as would be given a second story burglar, but no more consider the opening of governmental lines of express in opposition than you would consider the governmental employment of other second story burglars as punishment to law breakers.

The fewer that we have the better, but as self-respecting citizens let us strive to maintain their standard of even justice, regardless of special interests or our own personal discomfort. [122]

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### **Journal of Political Economy. 16: 417-35. July, 1908.**

Shall the Scope of Governmental Functions Be Enlarged so as to Include the Express Business?

Albert N. Merritt.

In the nature of things the local dealer cannot compete with the mail-order houses on equal terms. He cannot afford to issue the expensive catalogues, or to keep so large an assortment of goods. Moreover, the immense volume of business of the catalogue concerns enables them to quote cheaper prices on many commodities. Frequently they are able to secure, on private contracts with manufacturers, large stocks of goods at prices even lower than the jobber is required to pay. Furthermore, their expense of doing business is proportionately much lower, as practically their entire expense of distribution consists of the outlay in issuing the catalogues and in packing and shipping the goods when ordered. No experienced force of salesmen is required to display the goods and argue their merits. Moreover, it is often the case that the glowing terms in which goods are described in these catalogues cause the credulous to believe them superior to what they really are. Distance always seems to lend enchantment, and abundant opportunities are offered for deception as to the quality of the goods.

The local dealer, on the other hand, in order to fill orders promptly, must keep a stock of goods which, in proportion to the amount of business he does, is vastly greater than that of the catalogue houses. In order to purchase his goods to advantage, he must lay in a stock in the fall sufficient for six months or a year, while few, if any, of the larger mail-order houses would have at any time sufficient goods in stock to enable them to fill orders for a fortnight. Naturally, therefore, where the turnover of capital is slower, the percentage of profit upon individual transactions must be higher, and competition upon an equal basis becomes impossible. [123]

But quite apart from a theoretical exposition of causes, the facts show that the local dealers are rapidly losing trade to the catalogue houses, and in many districts the local retail business has become so unprofitable that the number of retail stores is decreasing, and their volume of business less instead of greater as might be expected with the normal growth of population.

Not only do the mail-order houses excel in the volume of business, and in the greater assortment of goods, but they are able to effect the most efficient and economical management by the employment of the most able managers and department men, which is rarely or never the case in the ordinary country store, owing to the natural scarcity of men of that grade. In fact the business management of the ordinary country store is lamentably weak. From the economic standpoint, therefore, one is compelled to admit that, in accordance with the laws of competition and of the survival of the fittest, the catalogue houses have already demonstrated their superiority.

Admitting, therefore, that the economic position of the mail-order houses is stronger, are there not important social arguments against permitting the absorption of local business by the rapidly expanding catalogue concerns at our large trade centers?

In the first place, it should be noted that the rapid consolidation of our manufacturing industries makes it more difficult every day to conduct such enterprises in small communities in competition with the large plants in the large communities. The result has been that for a long time the proportion of the manufacturing business done in small communities has been growing smaller. With the gradual and necessary elimination of the manufacturing business in smaller communities, the mercantile business is about all that is left as an economic basis for the

existence of such communities.

These forces tend to a rapid concentration of business in the large trade centers, and the resulting congestion of humanity at such points. In one generation the proportion of the population of the United States living in our large cities has more than doubled, and just at present is increasing more rapidly than ever before.

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It may well be doubted whether this tendency will ultimately be beneficial to the race. Vice, crime, and disease are rampant in the slums of our great cities. Human life, under such conditions, becomes cramped. The unfolding process is impossible. The exigencies of the situation cause sporadic and abnormal development. The moral and physical culture of the individual is almost wholly neglected, and the intellectual development resulting is nearly always one sided, and too frequently resolves itself into the attainment of solely those qualities which make for greater acquisitive power. The social superiority resulting under the questionable standards prevailing in such centers may be obtained only with the sacrifice of much that is higher and nobler in human nature.

A large proportion of the population is compelled to lead a sedentary life. It may well be asked whether the conditions prevailing in our large mail-order houses and department stores make for the good of humanity. From 8:00 a. m. till 6:00 p. m. the many children and young girls employed are kept at close, confining work, frequently straining every nerve far beyond the limit of safety and human endurance, in order to make themselves independent, and to meet the conditions which city life imposes upon them. During the fall rush these girls are often asked to remain at work till 9:00 or 10:00 p. m. They realize that it is necessary for them to acquiesce in such unreasonable and brutal demands or lose their positions during the dull season immediately following the holidays.

An eminent physician not long ago remarked that it was his personal opinion, based upon long practice, that less than 10 per cent. of the girls in our large cities are as strong and healthy as their mothers were at a corresponding age. This he plausibly explained by the fact that nearly all of the latter had come from the country where they lived close to nature, with plenty of fresh air and sunshine, and with plenty of hard work too, but of the kind which upbuilds and strengthens the health rather than destroys it.

Furthermore, the wages paid in such institutions are seldom high enough to enable the individual to live at the prevailing social standards, and only too frequently the female employees are compelled to piece out their salaries by questionable means. It is inevitable that the future generation of the city-bred population should be as much beneath the present, as the present is beneath the last, unless radical reforms take place. Such progressive degeneration must be regarded as a tremendous social calamity.

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Without trespassing too far upon the field of the sociologist, it may safely be assumed that an increased concentration of industry and population is far from desirable. Why then should the government take active steps to promote it? Would it not be better to allow the mail-order houses and local retailers to fight out their own battle for trade supremacy upon equal terms, on the basis of the survival of the fittest? The retailer would then at least be able to cling tenaciously to the few natural advantages which he does possess, and would necessarily retain a considerable portion of the business. In establishing the parcels-post the government would be taking action to crush the local dealer, and would thus take away the last economic basis for the rural community, and accelerate the concentration of industry in great cities.

By the elimination of the smaller towns the easiest and most natural market is taken away from the farmer. His small produce would then have to be shipped to the large cities, where he would almost certainly become the prey of commission-house agents, whose methods of operation are well known. Legitimate competition which means the lowest prices in view of the quality of the goods offered would be eliminated. The only competition would then be that of advertising. The one capable of producing the most attractive advertisements would win in the end. The American public is so great and so credulous that the house which has once fooled the public can again under another name and perhaps with different customers work off the same class of worthless or inferior goods.

Furthermore, the nearby location of a small country town gives to the farmer and his family immense social, educational, and cultural advantages, which would be almost wholly inaccessible if it were not for the existence of such communities. Take away the business and economic support of such a community, and immediately it becomes stagnant. Its ambitious and progressive citizens immediately migrate to other fields, and the town is left to decay.

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No parcels-post could be established which would be self-supporting. The innate desire of the people to get something, as it were, for nothing, would soon express itself in a demand for a reduction of rates. No administration could be popular and at the same time effectively resist such a demand. It has been proved over and over again in history, that wherever a democratic body politic has undertaken to conduct a commercial enterprise of a public-service character, the demand for rates far below the cost of doing the business has seldom or never been successfully resisted. If this has proved true of local governments, how much more is it likely to be true of the federal government which, nearly everybody seems to think, already has a revenue so great that the principal problem with regard to it is the determination of the best method of turning it back into the channels of trade. Even at present with a nominal postal deficit of from \$11,000,000 to \$14,000,000, but with an actual deficit as will be subsequently shown of much more than that amount, it seems that the demand for penny postage and for the increase of salaries of certain classes of postmasters and of almost the entire clerical force is too strong to be resisted



effectively.

The real issue is, therefore, Can the government expect successfully to compete with the express companies, on a business basis? If it can be shown that the government would be utterly unable to compete it follows that the government should not undertake the service.

Mr. H. A. Castle, former auditor of the Postal Department of the United States, has shown in its true light the many defects of our present postal system, and how far it comes from being that which should be expected of a private enterprise of like character. Speaking upon this point he says:

The protracted postal investigations of 1893 revealed to thinking men the disquieting fact that our national mail system, which is now the greatest business enterprise in the world, is entirely destitute of logical, coherent, business-like organization.

Among many other striking defects, he points out that there is utter lack of business methods in the accounting department. Of the one billion and a quarter dollars of transactions represented in the accounts of the 70,000 postmasters all over the United States, less than 10 per cent. have the double audit required by law. Fraud, peculation, and embezzlement of third- and fourth-class postmasters have become common occurrences and are exceedingly difficult to detect. As the salary of these postal officials depends upon the number of cancellations at their respective offices, all sorts of fraudulent schemes are continually being practiced to swell the number of cancellations beyond the legitimate amount. [127]

Furthermore, there is no method of auditing the number of cancellations, and the department must accept the word of the postmaster, which may or may not be true. Several cases have been unearthed where an agent of a manufacturer has secured a nominal position of postmaster at some out-of-the-way point, and by drawing a salary based upon the number of cancellations has practically been able to secure a rebate amounting to about 75 per cent. on all matter mailed, the mailable matter being shipped to said point by freight. Absolutely no account is kept or record made of the number of stamps issued by the Bureau of Printing and Engraving, and no one has any means of knowing how many disappear before official record of the stamps issued is made by the Postal Department.

The weighing of mail matter handled by the railroads takes place only at stated intervals of four years. As the payment of the railroads depends upon the average tonnage during the period in which the weighing goes on, it is charged that all sorts of fraudulent schemes are continually being practiced by the railroads to increase the weight of the mail during this period.

There is no auditing of railroad accounts. Forty million dollars is annually paid out by the department merely on the statement of the railroads that the service has been performed. There is no effort made to ascertain the truth or falsity of the allegations.

There is no method of accounting for the actual amount of cash received by postmasters in payment for second-class mail. The amount of cash turned in by the various postmasters may or may not bear any relation to the actual amount of such mail received at their respective offices. It is impossible to detect dishonest returns except in some of the most aggravated cases. The average mercantile house which should practice such methods would be forced out of business in less than six months. [128]

The slowness of the Postal Department to adopt modern business methods is strikingly illustrated by the fact that till quite recently the only method of checking the money-order accounts of postmasters was by a hasty examination of the stubs of order books turned in. No account was made or reference taken to the actual receipted orders. Imagine a bank attempting to settle accounts with its customers by the examination of the stubs of their check-books, rather than by reference to the actual checks!

We are driven to the conclusion, therefore, that the Postal Department as now organized and operated would be utterly unable to compete with express companies upon purely a business basis.

Furthermore, it should not be expected that the express companies would quietly drop out of business. They would make a tremendous fight for existence, and would at all events retain such portions of the business as they are now doing at less than the lowest postal rates. The equipment for the express service would, therefore, have to be duplicated in every town and village of the United States. It is folly to presume that the public would not in the end be required to pay for the enormous loss which would be involved in such an uneconomical procedure.

Would it not, therefore, be better to place the proper safeguards around the existing organizations which are fitted to perform the transportation service by the best and most economical means, rather than that the government should undertake the impossible, i. e., competition with private companies upon a purely business basis?

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### **Parcels Post Problem. p. 20.**

Parcels Post in England.

One of the most concise and yet comprehensive reviews of the operation of the parcels post

system in England is that of I. A. Fleming, taken from an exchange, and it is as follows:

“American friends of so-called ‘postal reforms’ point to the absence of express companies in the Kingdom of Great Britain as one of the good results that have been obtained, and say this is entirely due to the existing postal laws. But if there are no express companies in Great Britain, there are scores and hundreds of forwarding agents that perform the functions of our American express companies. The railroads are themselves engaged in the forwarding business, making low rates for service by fast express, exceeding in limit of weight and size of packages received by the limitations of the postal service by many pounds even by hundreds of pounds.

“Any attempt at comparison between carrying methods in Great Britain with those in vogue in the United States is useless, because of the very short distance between points in the former.

“I asked the managers of some of the leading stores in Ireland, Scotland and England if parcels post offered great opportunities for them to send business into the country, and without exception they admitted that the business by post was decreasing, while the express by rail and by forwarding agents looking for assignments was increasing.

“Eleven pound packages and under are but a small quantity of package shipments.

“From the best information at hand, it is evident that the big carriers have nullified parcels post in Great Britain, and what they have left the railroads have picked up. These carriers receive all manner of parcels, put hundreds in baskets, and thus get the very lowest rates of transportation. They give their patrons lower rates than they could otherwise obtain, and because of their concessions charge them four cents on each consignment, a ‘booking charge’ which gives the carrier a very fair return for his kindness to the shipper. Little packages go by parcels post as a rule, and many of the larger department stores use the mails for delivering goods to out of town customers. [130]

“These rates but add to the burdens of the merchants of the interior. The independent retailer in the country has few friends. Cheap rates, co-operative stores, chain stores, mail-order houses by the thousand, fares paid entirely, special excursions (such as Harrods of London are now running to the sales) with fares paid and ‘tontine’ establishments tend but to make the independent merchant, be he a grocer or ‘draper’ as they call dry goods dealers, only a small potato of the kind that are many in the hill.

“Our mutual friends, the English general merchant, the independent grocer, and the small retailer, have been almost completely relegated to a parsimonious living by co-operation, mail-order retailing, the carrier or forwarding agent, and last but not least, by cheap excursions to the cities.

“That these same evils will, if they obtain a foothold in the United States accomplish the same results for the American general merchant and retailer I firmly believe.”

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### **A. B. C. of Parcels Post. pp. 4-5.**

C. W. Spofford.

Q. What is the plan of the rural parcels-post proposed by Postmaster-General Meyer?

A. It proposes to carry packages originating at a local office of a rural route for 5 cents for the first pound and 2 cents for each additional pound, with a limit of 11 pounds. Thus, an 11-pound package would be carried to any point on a rural route for 25 cents. It is significant that the rates are the same as those proposed by advocates of a parcels-post applicable to distances within the United States and its insular possessions. This proposal seems to be but an entering wedge for general parcels-post.

Q. Why was rural parcels-post proposed?

A. It was proposed by the Postmaster General as a special favor to country merchants. [131]

Q. Have country merchants asked for any such special favor?

A. No. On the contrary, they are opposed to it on the following grounds:

1. They do not seek class legislation.
2. The plan would be impracticable in its operations.
3. It would discriminate between towns, favoring the town with the greatest number of rural routes, regardless of its trading advantages.

Q. Would rural parcels-post be of any benefit to the farmer?

A. No. For the following reasons:

1. The farmer can now arrange with the rural carrier for the delivery of packages over 4 pounds at rates mutually satisfactory.
2. The proposed rates would be prohibitive on groceries, machinery repairs and on the bulky merchandise most likely to be delivered under this new arrangement.
3. To secure the rural parcels-post service, the farmer would be compelled to buy his goods at the particular town where he gets his mail, when he might prefer to buy elsewhere.

## Parcels Post. pp. 3-9.

F. E. French.

I have the distinguished and pleasing honor of being here today upon your invitation as a representative of the American League of Associations, which includes representative wholesalers in nearly every important city in the United States. The creation of this League has for its object the development and advancement of the general welfare and mercantile interest of retail merchants in the smaller communities. The relations of its members to all retail merchants are intimate and personal. The retailers desire to buy merchandise from the wholesaler. The wholesaler desires to sell merchandise to the retailer. In short, whatever conserves, promotes and advances the merchandising ability and success of the former, is a direct proportionate benefit to the latter. Whatever relaxes the intimacy between these interests, deprives the retailers of their truest and best facilities as merchants and money makers. The thoughtful and progressive wholesaler and retailer believe that any rural parcels post bill will unmistakably impair, curtail and finally dissolve this relationship, which in reality is a partnership between the wholesaler and the retailer. The proposed parcels post legislation will gradually eliminate the country store and the very heart and pulse of country life. Believing this to be absolutely and unmistakably true, we should stand as a unit in opposition to any extension of the parcels post system, upon rural routes, even upon an experimental basis. If the country merchants will cooperate with the wholesalers in an unyielding resistance to any congressional action that would in any way interfere with the present system of rural deliveries, the proposed legislation will be defeated. [132]

In official words, it is contended that rural parcels post will enable local merchants to hold and increase their trade. On the contrary, the well informed wholesaler, manufacturer and retailer contend, and the entire orthodox system of trade distribution replies, that any parcels post, whether it be a general parcels post law or a rural parcels post law, although intended to be of benefit to the retailers and a boon to the rural population, would, in reality, be a great detriment to both.

Mark well how the camel enters the tent: First his head, next his neck, and last his huge and unwelcome body. First on a few routes only and in experiment only, a local parcels post; next a complete rural parcels post; and finally a general parcels post. Let us beware of the beginning lest in the end we be overcome. During the inauguration of the first and experimental stage, those interests most to be profited by this perilous innovation will remain silent, while from the experiment no safe deductions could perhaps be made which would indicate the effect of parcels post extension upon your prosperity and posterity. Finally you will discover that the currents of trade are running past your door rather than through it, and in that day your elimination becomes a certainty. In that day also every wholesaler who has so long found in the country merchants a sure and steady outlet will know even better than he knows now that rural parcels post, and, much more, the general parcels post is a dangerous blow to country life. [133]

At the risk of telling you much that you know, let me state some of the factors of this great problem so that we may think as one man over its solution.

The mail order houses, some of the farmers, and various other people who reason narrowly, even with generous intent are sustaining the government in its purpose to go into business in behalf of a class of the American people at the expense of the whole American people, and through a bill in Congress they ask all of the people to sanction a trial of this new species of government aid in certain selected places. Our government reasons that if it is made more practicable for rural free delivery routes to become shipping lines between their own termini, everybody depending for income and outgo on such routes will profit by this enlarged service. On the contrary, the American League of Associations holds that everybody will eventually suffer.

The great problem about which we are all trying to think clearly and think together, has been summarized so effectually by a retail merchants' paper in the central west, that I do not hesitate here to quote its protest against parcels post, endorsed by thousands of retail merchants in every section of America. The protest reads as follows:

"Parcels post is wholly unnecessary, since rural delivery carriers are authorized to carry parcels weighing over 4 pounds, and the matter of compensation is decided by carrier and merchant or by carrier and farmer. Merchants and farmers generally have not availed themselves of this service, for the very good reason that there is no need for it.

"If adopted, parcels post will be immediately seized upon as a delivery outlet by mail order houses which would ship orders by freight or express in bulk lots to local agents for deposit in the post office to be forwarded by the rural deliveries. The catalogue houses have already many of these agents selected, and they have been busily engaged in distributing catalogues for weeks past. As soon as a rural parcels delivery became effective, these agents would become active in the solicitation of business in unfair competition with home merchants, as these agents would have no taxes, no rent, no salaries, etc., to pay. [134]

"Rural parcels post is admittedly merely an entering wedge for extension along European lines. That would mean severe demoralization of our country towns which are dependent almost wholly upon the farmer trade for existence, and which afford the farmer a good home market for every dollar's worth of products he has to sell. If he does not buy his supplies where he sells his products, he not only demoralizes the business of his home town, but he also deprives himself of

his home market. If his home market town dwindles into insignificance through the gradual loss of trade, necessitating the closing of stores and the emigration of merchants and clerks, then the income will shrink so seriously that there will be insufficient funds to provide for schools, churches, libraries, hospitals, good roads, etc.

“Every farming community and its market center are interdependent. It is impossible to injure one without injuring the other. The parcels post would injure both farmers and country merchants. We protest against it as being designed to further the formation of a mail order trust that could eventually control all important channels of distribution and thus levy upon the people any desired tribute.”

Today the people’s problem is to conserve our natural resources and keep the farmer on the farm. Will the gradual impoverishing of the village storekeeper keep the farmer on the farm? Will the decline of the social center, the decline of the schools and the decline of the church facilities keep the farmer on the farm? Will long distance shopping do more for isolated communities than the sight of real goods and the warm touch of living people? Will the picture catalogue or the hearty salesman do more to keep vital the currents between seller and buyer? Would a heavily laden parcels post messenger, running between a mail order agency and a distant farm, often through a foot or two of mud or snow, compensate for the disappearance of the mart and congress of our country’s rural life—the independent, thriving, hospitable store?

Fellow merchants, it is our duty to sustain that store, and to do it now. That store is imperiled by pending legislation, whether by the institution of a local or a general parcels post. If this new service be established by the government, even with the best of motives, we must admit that: [135]

The postal deficit will be increased,

The country’s commercial system revolutionized,

The delivery of legitimate mail delayed,

The population of rural communities depleted, and their progress retarded.

And that the government will promote class legislation, for in seeking to favor the farmer who needs no such preferment, it will subsidize a commercial interest whose basic business principle is hostility to the best trade distribution.

Every thinking individual agrees that rural free delivery has been of great benefit, but the masses of the people do not agree that a financially unprofitable service shall be put upon its feet at the cost of the man who has been the mainstay of the farmer in season and out of season—the country storekeeper.

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## Why Parcels Post Is Not a Good Thing for This Country. pp. 1-5.

W. P. Bogardus.

Parcels post is a scheme in which it is proposed to utilize the post office facilities to carry merchandise. Packages under the proposed bills up to 11 pounds are to be carried in the mails for that sum varying according to weight, from 2c to 25c. It is claimed by the friends of parcels post that by adopting the measure the deficit in the Post Office Department will be wiped out, and a handsome surplus will result. Claims are easily made. But facts have more value in a discussion like this. We are cited to the results in Germany as a substantial proof that post parcels is a paying proposition. They forget to mention that in Germany there are 340 people to the mile and an average haul of mail of but 41 miles, while in this country the average haul of mail is 540 miles and there are less than 23 people to the mile, and they ignore the difference of conditions in the two countries. [136]

But let us look at the report from the German budget. For the year ending March 31st, 1910, the income, in round numbers, from the Post Office Department was \$168,000,000 and that included the revenue from the telegraph business. The expenditures were \$148,000,000. This on the face shows a surplus of \$20,000,000, but in the statement of expenditures there is no account taken of the cost for transportation, on the ground that the government owns the railroads. In this country it costs 20 per cent. to transport the mails. That is, one-fifth of the cost of the Post Office Department is for transporting the mails. Now add 20 per cent to the expenditures and you have \$177,600,000, or a deficit of \$9,000,000. In England, the friends of parcel post claim that there is a surplus of \$24,000,000 in the Post Office Department. But that includes the receipts from the telegraph messages. In England the average charge for packages is 9.8c per pound. In this country it is proposed to send parcels post packages over a territory 30 times larger than England at an average of not quite 3c per pound to a population only about twice as large as there is in England.

When the blind Postmaster General of England first introduced post parcels he reported the results of the measure, but found that there was an increasing deficit each year, and the reports were discontinued. It does not seem possible to get exact figures as to the cost of the system in England, but the presumption is that if there was a large profit in the plan they would parade the fact. As it is, can we expect to make parcels post in this country a profitable scheme? With an average haul of 540 miles to a population of but 23 to the mile, is it possible to carry goods at less than 3c per pound at a profit, if it cannot be done in those thickly settled countries at a much higher rate?

If it cannot be done at a profit, why should the government undertake a scheme that will result in a loss? Rural free delivery is costing the country \$28,000,000 more than it is getting for the service, and only about one half of the rural population is supplied with the service.

If the government enters into the plan, it must needs have a monopoly, if successful, of the carriage of packages up to the limit of 11 lbs., else the express companies will take all the short haul packages and leave the long haul packages for the government to carry. Such conditions prevail at present. The express companies take all the short haul packages for less than the government charges and leave the long haul packages for the government to carry, with the result that there is no profit in the business to the government.

[137]

If there is a monopoly established on packages up to 11 pounds, what is to hinder the government raising the limit of weight?

Are we prepared to let our government enter into competition with private enterprise? Is it a function of the government to transport freight? Is it a province of the government to correct abuses of private corporations, in transportation and other lines, by entering into competition with them, and using the power the entire people has given it, to force corporations to be less greedy? It would seem that the recent decisions by the Supreme Court would justify us in believing that there is power enough in the laws of the land to protect the people's rights.

Perhaps in Australia the government enters into more radical schemes than in any other country. And this fact is being developed. That the extension of the control of industry and business, and the activities in every field of production and distribution is but an incentive for a greater demand on the government for further movements in the same direction. The outcome of such policies is a final ending up in complete socialism. Do we want our government to be a paternal one? Are we ready to look to it for our transportation facilities? If we are is there any reason to feel that the government will stop at transportation? Will there not be other avenues of commercial enterprise taken over by the government? One of the great dangers to us, as a people, is the tendency to a centralization of power in the government at Washington and a willingness of a great many people to lean on the government for a solution of many problems that they should solve without the aid of the government.

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## **Parcels Post and Postal Savings Banks, pp. 1-2.**

[138]

Gilbert N. Haugen.

MR. CHAIRMAN: I want to direct attention to the suggestions made in a very able and interesting address delivered by Mr. Meyer, Postmaster-General, at a banquet of the New England Postmasters' Association, Boston, Mass., October 12, 1907, a part of which I will read:

To illustrate the incongruities that exist: Any individual entering the post-office here in Boston or in any other city or town in the country, with two parcels, each weighing 4 pounds, can send one parcel to New York for 64 cents, while for the other parcel, which is addressed to some one in a foreign land and goes via New York, he will have to pay but 48 cents, for the reason that the rate to foreign countries is 12 cents a pound, while the rate to our own people is 16 cents a pound.... Therefore I assume that our Representatives in Congress will realize that they can not afford to stand for a policy that compels our own people to pay 4 cents more on packages to people living in the United States.

This statement is indeed misleading: not that I charge the Postmaster-General with any intent to deceive or mislead, for I regard him as a gentleman of integrity, intelligence, ability, and actuated with the highest motives and with a determination to do justice to all, and I am not questioning his motives, but will endeavor to present the facts in the light that I see them. When we have all of the facts, I will venture to assume that Representatives in Congress will realize that they can afford to stand for a policy that compels people living in foreign lands to pay more than people living in our own country. The Postmaster-General's statement as to the sending of two pieces, each weighing 4 ounces, is correct in some cases, and the domestic rate in some cases is higher than the foreign; but in the majority of cases foreign rates are the highest. In his excellent address to enlighten members of the New England Postmasters' Association and the country, he might have gone further by saying: "To illustrate the incongruities that exist, any individual entering the post-office here in Boston, or in any other city or town in the country, with two parcels, each weighing 1 ounce, can send one parcel to New York for 1 cent, while for the other parcel, which is addressed to somebody in foreign lands via New York, he will have to pay 12 cents, for the reason that the rate to foreign countries is 12 cents per pound or fraction thereof, while the rate to our own people is only 1 cent per ounce. Therefore the rate on the parcel addressed to somebody in foreign lands is 12 times as great as is the rate on the parcel addressed to New York." And he might have referred to the report of the Second Assistant for the year ending June 30, 1907, pages 25 and 26:

[139]

Or he might have said: "If the two parcels referred to, weighing 4 pounds each, or 64 ounces each, or 128 ounces for the two, had been divided into parcels of 1 ounce each, and one-half of them directed to parties in New York, the rate on the sixty-four parcels would have been 64 cents to New York, and the postage on the sixty-four parcels addressed to London would be \$7.68." According to the Second Assistant's report, rates on parcels addressed to foreign countries are

not uniform. The rate to Bermuda is 12 cents per pound, and the rate to Ecuador is 20 cents per pound. The rate to Sweden, Peru, and Denmark is 20 cents per pound or fraction of a pound for parcels which require the use of the expensive transit across the Isthmus of Panama, and 12 cents per pound or fraction of a pound for parcels which do not use that expensive transit. So we find that rates on parcels weighing 1 ounce addressed to Sweden, Peru, or Denmark which require the use of the expensive transit across the Isthmus of Panama is 20 cents, or twenty times as high as the rate on parcels weighing 1 ounce addressed to New York. Why this incongruity in rates? Rates on mail matter between the United States, Canada, Cuba, Mexico, and Panama are fixed by treaty with each country and with all other countries by conventions of the Universal Postal Union. The last convention was held at Rome, 1906, and took effect October 1, 1907. The acts of these conventions are binding on these countries, but have nothing to do with domestic rates, they being fixed by Congress and the Department. The conventions are simply agreements as to international mail matter. The rate on parcels post is fixed with each country, or in thirty-five parcels-post conventions. The rate is generally 12 cents per pound or fraction thereof, the pound being the unit of weight. The rate is 1 cent per ounce. The rate on 5 ounces to the Philippine Islands is 5 cents and to London 12 cents.

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**Parcels Post. pp. 8-11.**

[140]

S. C. Smith.

***In Foreign Countries***

The sentiment in favor of this new governmental service has been built up in this country chiefly by holding up to view more or less highly painted pictures of what is being done along a similar line in the countries of Europe. Any fair comparison of the postal service in those countries and in ours must take into consideration density of population, expanse of country or length of transportation routes, and the ownership of the means of transportation. The density of population and the relative size of the United States and of the principal countries of Europe having a cheap parcels post are shown by the following table:

Country.	Area.	Ratio of size.	Population.	Population per square mile.
	<i>Sq. miles.</i>			
United States	3,602,990	100	84,154,009	23.35
Great Britain	121,391	3.36	41,976,827	345.79
Germany	208,860	5.79	60,641,278	290.34
France	207,054	5.74	38,961,945	139.87
Belgium	11,373	.31	7,074,970	622.08
Italy	110,550	3.06	32,475,253	293.76
Switzerland	15,976	.44	3,315,443	207.73

These figures are extremely interesting and important in connection with this subject. We constantly lose sight of the immensity of this country and its "magnificent distances," as compared with the nations of Europe; but in considering a question of transportation, distances and density of population stand in the foreground. Let it be observed, for instance, that while our country is over 300 times as large as Belgium, the latter has a population of 622 people to the square mile, while we have but a fraction over 23. Yet we will hear it argued that "Belgium carries 132-pound parcels by mail; why can not we?" or, "If Switzerland can carry 110 pound parcels, why not the United States?" entirely ignoring or forgetting the fact that our country is 250 times as large as Switzerland and has about one-tenth the population in a given area. Postal authorities have estimated that the average distance traveled by a piece of mail, including letters, papers, and parcels, is 40 miles in Great Britain, 42 miles in Germany, and 540 miles in the United States. Of course it is still less in the smaller countries of Europe. The admission of paper mail to this calculation greatly reduces the average, since newspapers circulate chiefly in the vicinity of the city of their publication. Parcels of merchandise or produce would certainly move much farther on an average, because they would chiefly flow to and from the great cities. If one is going to trade by mail, and the cost of delivery is the same, why not go to "headquarters," which, in the popular mind, means one of the larger cities in the country?

[141]

The maximum parcel carried by the principal nations is as follows:

	Pounds.
United States	4
Great Britain	11
Germany	110
France	22
Belgium	132
Switzerland	110
Italy	11

### ***Railroad Ownership***

Another factor of equal importance is the nature of ownership of the means of transportation. In this country all routes are privately owned and operated. The railroads—the chief means of transporting the mails—have been constructed for the most part by private capital, without the aid of the government, and the government, like individuals, must pay a rate for its service which will yield a fair return to the owners. The roads in the foreign countries used in this comparison are largely owned by the governments, in which case it matters little whether merchandise and produce move by mail or by freight. In some of the countries, as in France, the government guarantees the interest on the capital invested in the roads, and in return has its mails carried free or at a nominal rate.

The English writer above referred to says of the mail-carrying situation in Germany:

[142]

The German post has no occasion to enforce heavy rates. It can impose its own terms on the railway companies. By law these have to carry free all parcels under eleven pounds in weight. Thus the mistake which has crippled the activity of the British parcels post has been avoided.

Of course there can be no just comparison between a service carried on under such conditions and ours, for the basic conditions are so fundamentally dissimilar.

The matter of railroad ownership lies at the very foundation of this question. If this government owned the roads and operated them, it would matter little what went forward as mail and what under another designation. But that is not the case now and it is to be hoped never will be. From this standpoint, as well as from those hereinbefore mentioned, it is manifestly unfair to argue that because other countries do so and so in their mail service, therefore we should do the same.

It is significant that no country giving a large service of the kind under consideration undertakes to say that its receipts equal the cost of the service. I have not been able to find any report showing the cost of the parcels department. It is stated by some pretty high authority that the general belief among these nations is that they are rendering it at a loss. It is hard to reconcile that condition of the business with any idea of fairness. We may properly carry on the educational feature of the mail service, in part, out of the general revenue of the government; but who will say that we may fairly carry the individual's produce to market or his merchandise home for him at public expense in whole or in part? Why should all the people be taxed to pay a postal deficit created by moving freight for the people at less than cost of service? Is there any reason why this branch of pure business should be conducted at public expense which would not justify the performance by the government of any other department of business?

\*\*\* END OF THE PROJECT GUTENBERG EBOOK SELECTED ARTICLES ON THE PARCELS  
POST \*\*\*

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