

POST OFFICE REFORM.

Memorandum by Mr. ROWLAND HILL.—13th June, 1839.

ON THE COLLECTION OF POSTAGE BY MEANS OF STAMPS.

In the Third Report of the Select Committee on Postage (pp. 35—43), it is shown that payment in advance, by means of stamps, would be convenient to the public; would simplify, facilitate, and economize, the operations of the Post-office, would especially expedite the delivery of letters, without rendering it in any degree less secure; and would tend to the security of the revenue, by preventing the errors and frauds, which cannot be altogether guarded against under the present arrangements. Also, that there are no practical difficulties either in distributing the stamps, or guarding against their forgery.

In this paper it is intended to consider more fully than has hitherto been done, the different kinds of stamps which public convenience will require, to ascertain their cost, and to compare that cost with the expense of collecting postage by money payments, as at present.

I have been understood by many to recommend the exclusive use of stamped covers, but a glance at my evidence will show that such is not the case. The exclusive use of covers would be objectionable on two grounds: first, their cost, if they were supplied at the charge of government, would form a serious and unnecessary subtraction from the Post-office revenue; and, secondly, they would prevent the Post-office stamp from being struck on the letter itself, which, as shown by Mr. Moffatt (Ev. 4342—6), is frequently of importance.

As stamped covers would for many purposes be very convenient, and as, unless exclusively used, they need not, as I shall shortly show, be supplied at the cost of government, it will be important to allow the use of them, but I am of opinion that it will also be important to adopt the suggestion of Mr. John Wood, late Chairman of the Board of Stamps (Ev. 2129), and allow the public to send letter paper in sheets to the Stamp-office, there to be stamped in the part used for the address; and, in addition to this suggestion, in order to meet the wants of all, to supply small stamped detached labels—say about an inch square—which stationers and others may paste on sheets of letter paper, envelopes, &c. or which may be wafered to letters previously written, or, if prepared with a glutinous wash on the back, may be attached without a wafer.

These labels, if made of some paper difficult to imitate,* and, like the medicine stamps, printed from complex plates with various colours in the same impression, thus requiring the combined ingenuity of the paper-maker, the engraver, and the printer, would be secure against forgery. The cost would be a mere trifle (only 1d. for 200, even including the expense of distribution through the Post-office—see the subjoined estimate—Appendix A), while their extreme lightness—1,000 weighing only an ounce—would be such, that every one might easily carry a stock in his pocket-book; and, to avoid the inconvenience of keeping labels of various prices, two of the penny labels might be used for an ounce letter, three for an ounce-and-a-half, and so on.

It had been objected to the use of these labels, that damp or friction might detach them from the letters while in the mail bags. This, however, would be of no consequence. All that is necessary is, that the label should remain attached until the letter shall have received the stamp of the post-office at which it may be posted. This post-office stamp must be such, that when struck across the label, it shall extend a little on one side, so as not only to prevent the label from being used a second time, but to mark the letter itself and thus to show that it has been properly franked, even though the label should afterwards become detached.

I would recommend that these labels should be printed on sheets, each containing twenty rows of twelve in a row; a row would then be sold for a shilling, and a whole sheet for 1l.

I propose that it shall be made the duty of all postmasters throughout the kingdom to keep the stamped labels, and to sell them to all applicants at one penny each; precautionary measures, which need not be stated in detail, being taken to prevent the stock from being exhausted.

As the trouble of selling labels would probably not exceed that of receiving money, under the present system, for post-paid letters—for the labels would generally be sold several at a time—it would perhaps be unnecessary to allow the postmaster any poundage. It would, however, be desirable to make it his interest to extend the sale of the labels. I would therefore recommend, that a poundage be allowed the postmasters, at least as high as that now allowed distributors and sub-distributors of stamps (from 1 to 3 per cent—Ev. 2173—say the maximum, or 3 per cent on all,) and that they should be put under the same regulations as to the examination of stock, mode of payment, &c.

Having thus secured a means by which any one may, if he think proper, purchase a single stamp, and thus for one penny frank his letter written on any kind of paper in any part of the kingdom where it can be posted (an arrangement which is very important to the poor man), I conceive the distribution of stamped letter paper and stamped covers may safely be left to the ordinary commercial channels. It does not appear necessary to require either the stamp distributors or the postmasters to keep letter paper or covers on sale, nor, on the other hand, to allow so great a poundage on labels, as to induce stationers to keep labels on sale—There would, of course, be no objection to permitting the sale of labels by stationers, or of stamped letter paper and covers by stamp-distributors and postmasters; the terms being, as nearly as practicable, the same for all, and thus the very appearance of a monopoly avoided.

With regard to letter paper sent to be stamped, in sheets (which of course must be sent in large quantities at a time), the Stamp-office would charge the nominal value of the stamps (a penny a sheet for penny stamps, twopence per sheet for twopenny stamps, &c.)—It would not be necessary to allow any poundage, nor need the cost of carriage, which would, of course, be the same whether the paper were stamped or unstamped, be borne by the state. The only cost to the government would be that of applying the stamp, keeping the necessary accounts, parking, &c. which Mr. Wood estimates at 1s. per thousand sheets, or a penny for about eighty. (Ev. 2122).

With regard to stamped covers, I would recommend that they should be made of the same paper as the labels, and of two sizes,—one, that of half a sheet of letter paper, the other, such as would be required for making up into the little bags called envelopes. The latter would be little more than half the size of the former. They should be sold to the public in large quantities only, at prime cost (say at the rate of one penny for eleven of the larger, or twenty of the smaller covers,) plus the value of the stamps; and the lower price of the smaller covers would probably enable the stationers to make them up into envelopes, and sell them as such, at the same price with the larger covers, which latter would require no manipulation. Here, as in the case of the stamped letter paper, no poundage need be allowed, nor would the carriage be at the cost of the state. With respect to covers, therefore, the government need be at no cost whatever.

The prices to the consumer of the stamped letter paper and cover would, under this arrangement, be regulated by competition, as that of unstamped letter paper and covers now is. In most places, they would probably

* Whether the paper to be employed shall be Dickinson's or that of any other manufacturer, would of course be best determined by inviting all paper makers to send specimens and tenders, and adopting that which appears most advantageous—this would put all on a perfect equality.

Excerpted 11/1/64

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(REPRINT)

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The prices to the consumer of the stamped letter paper and cover would, under this arrangement, be regulated by competition, as that of unstamped letter paper and covers now is. In most places, they would probably

1	2	3	4	5
C.F.F.S.				
				2
				1
M.S.				

not exceed 1½d. for a sheet of common letter paper, and 1d. for a cover or envelope, postage included.*

It would be convenient to the public in saving the necessity for weighing letters, if the letter-paper were made of definite weights, as 1, 1½, and 2 sheets to the half-ounce, with an allowance for the seal, and marked accordingly, but this would of course be left with the paper-makers and stationers.

Subjoined is a table drawn out for the purpose of exhibiting, respectively, the cost of collecting the post-office revenue by means of stamps, and by means of money payments on delivery. The latter cost is so mixed up with other expenses, that it is impossible to determine it with any thing like precision, but the subjoined estimate (Appendix B), which makes it, under the conditions of a fivefold increase of letters and uniformity of rate, the tenth of 1d. per letter, is certainly not too high

	Cost to the state		Price to the vendor Cost to the state of collecting the postage	Vendor's profit each week on the cost to him	Profit (retail) to the public
	d.	d.			
Stamped labels	2	000†	0	00	00
Stamps on letter paper	014	1	014	0	14
Stamped covers	00	100‡	011	09	10
Stamped envelopes	00	100‡	011	09	10
Average per letter, assuming the consumption of each kind to be equal			014		14
Total, assuming the first and second to be one-third of the whole			014		14
Money payments					

It appears, then, that the cost of collecting postage by stamps even at the higher estimate of the two, would be less than one sixteenth of a 1d per letter; while the cost of money payments on delivery would be at least one-tenth of a penny, or six times as great.

In the plan here submitted, however, it is proper to remark, that the most economical arrangement as to stamps, rather than the most convenient is proposed. It would certainly facilitate the distribution of stamps, if a greater poundage were allowed on labels, so as to induce stationers to sell them, and it might be advisable to extend the poundage to all descriptions of stamps. These steps, however, need not be taken in the first instance. I would advise the adoption in the first place of the plan here laid down—there will be no difficulty in increasing and extending the poundage, if it be found expedient so to do—such a step would be *pro tanto* a still further reduction of postage, at least as respects all who would purchase their stamps in large numbers. And it is manifest that the poundage might be advanced to any amount not exceeding nine per cent on the average of all stamps, without making them equally expensive as a mode of collecting postage, with money payments, as shown by the table.

It may be necessary to add that although I strongly recommend the use of stamps I still adhere to the opinion expressed in my evidence, that as a temporary measure (to be got rid of as soon as the transition from

* Envelopes are now sold at one shilling and sixpence per hundred, or less than one fifth of a penny each.
 † This includes distribution.
 ‡ Say one fourth or 25 per cent on the cost of paper and stamp.
 § The carriage would probably average about 1 per cent.
 ¶ Because the exact cost of making the envelopes is unknown—the profit would probably be at least 14 per cent.

In May, 1839, Rowland Hill was informed that the Government had decided to adopt his plan. This relieved him from the necessity of fighting any longer for the principles of his Reform, and gave him time to attend to the smaller details, and the MANNER of carrying it into effect. It was probably with that view that this Memo was drawn up, or perhaps it was prepared to meet the fears of the Stationers, who supposed (erroneously) that a monopoly of stamped covers was to be given to Dickinson (see "Life of Sir Rowland Hill, and History of Penny Postage, Vol. I., p. 348). The use of postage stamps adhesive and non-adhesive, was proposed by Rowland Hill, in his first evidence given before the Commissioners of Post Office Inquiry, 13th February, 1837. See Ninth Report, p. 32-33.

It is important to notice that the date of this paper (13th June, 1839) is two months' earlier than the Treasury Minute of 23rd August, 1839, inviting suggestions from the public—showing that Rowland Hill's scheme for stamps was all made out long before the several plans were sent in by other people—Pearson Hill, 1834/88.

the old to the new system shall have been completed—say at the end of three or six months), an option must be allowed the sender of the letter to frank it by means of a stamp, or to leave the postage to be collected on delivery, making such postage 2d per half-ounce, instead of a 1d.—that is double the price of stamps—in order to indemnify the post-office for the expensive machinery it would be necessary to retain.

ROWLAND HILL.

Bayswater, June 13th, 1839.

APPENDIX (A)
ESTIMATES OF THE COST OF STAMPED LABELS.

Mr. Dickinson has offered to contract to supply twelve half-sheets of letter paper for covers, printed with a large stamp for one penny, paying half the paper duty (Ev 2408/44). But in order to put the trade on a footing of perfect equality, I would recommend that the full duty be paid, in which case eleven half-sheets might be supplied for one penny.

These eleven half-sheets measure about 730 square inches, consequently they would make 730 labels of one inch square. But as the cost of printing labels would be greater than that of printing covers, sheet for sheet, and as a glutinous wash would be required at the back, say 300 labels (instead of 730) would cost 1d. then 1,000 would cost

Total cost of 1,000 labels, including the distribution through the post office would be charged ad.	1
say the cost to the state would be one-half	1
Allow for expenses at the stamp-office in making up parcels, keeping the accounts, &c.	1
Total cost of 1,000 labels, including the distribution	5
Or, per letter	180

APPENDIX (B)
ESTIMATE OF THE COST OF COLLECTING POSTAGE BY MONEY PAYMENTS AS AT PRESENT.

At page 13 of the notes to the report, the present average cost of distributing a chargeable letter is shown to be seventy-six hundredths of a penny, of which cost of the transit is about one-fourth, or nineteen hundredths of a penny, and the cost of receipt and delivery about three-fourths, or fifty-seven hundredths of a penny

If the number of letters were increased fivefold, and a uniform rate of postage established the cost of the receipt and delivery of each letter would undoubtedly be reduced, even though the postage were collected as at present; say the cost would then be only three-tenths of a penny

For our present purpose, it is necessary to determine what portion of this cost would result from the collection of the postage by money payments as at present. There are no data for deciding this with accuracy, but considering the cost of keeping the accounts and of checking the payments and the delay in receiving money at each door, we should probably not over-estimate the portion at one half, or fifteenth hundredths of a penny, but say it is only one-third, and it follows that—

The cost of collecting postage by money payments as at present would be per letter

or one tenth of a penny.