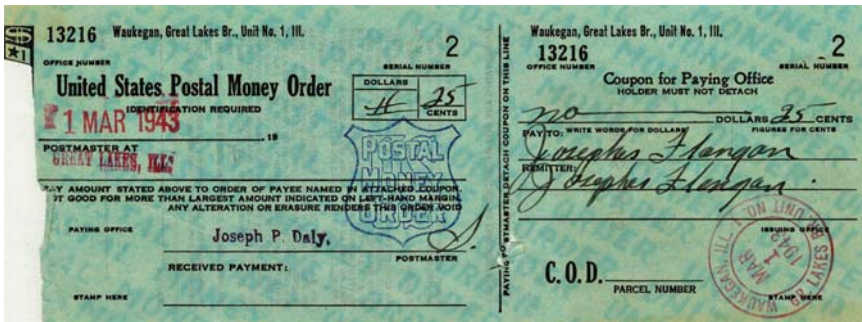


“The Duty of Government” The Politics of the Domestic Postal Money Order, 1837–1911

Christopher W. Shaw

During the late 19th century, actors, circus performers, and other entertainers who made their living traveling from town to town contended with stretches of unemployment. In order to survive these periods, they made use of a widely available federal service: the post office money order. These workers periodically purchased postal money orders payable to themselves and mailed them to post offices in towns on their future itineraries for safekeeping.¹ Postal money orders were secure because the federal government backed them, and they could be redeemed for currency only by the designated recipient at the specified post office. Prior to November 1864, when the postal money order system commenced operations, entertainers would not have been able to employ this ingenious financial strategy.



The post office branch in Great Lakes, Illinois, issued this money order in March 1943 payable to its purchaser.

Although the postal money order's debut during the Civil War appears of slight consequence against the background of that epochal struggle, it is a neglected facet of the flurry of legislation enacted during the war that expanded the national government. Through such landmark laws as the Homestead Act, Morrill Act, National Banking Acts, Pacific Railroad Acts, and Revenue Acts federal agencies

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¹ "The Savings of Showmen," *New York Times*, October 16, 1882, 5.

exerted a larger role in national life.² During the war, the federal presence also extended into American society in more modest ways. Congressional action to create the domestic postal money order, for example, has allowed millions of Americans to safely send funds throughout the nation.³ The money order expanded the Post Office Department's role beyond its utility as a communications medium. This innovation enhanced the postal infrastructure's role in promoting commercial and economic development.⁴

The creation of the postal money order was an official response to a troublesome practice. Prior to the introduction of the money order, Americans used the postal service to transfer money by mailing envelopes containing currency. Sending cash by U.S. Mail was common in the mid-19th century. In addition, businessmen seeking to send and receive funds securely were vocal advocates of postal money orders and helped to raise the profile of the issue. Importantly, postal innovation was a cause that motivated antebellum social reformers. Participants in such movements as abolitionism and temperance often supported postal reform. The push for low postage rates was the era's most prominent postal issue, but the impetus for postal money orders emerged from this background of social reform as well.⁵

² Nathan M. Sorber, *Land-Grant Colleges and Popular Revolt: The Origins of the Morrill Act and the Reform of Higher Education* (Ithaca, NY: Cornell University Press, 2018); Richard C. Edwards, Jacob K. Friefeld, and Rebecca S. Wingo, *Homesteading the Plains: Toward a New History* (Lincoln: University of Nebraska Press, 2017); Heather Cox Richardson, *The Greatest Nation of the Earth: Republican Economic Policies during the Civil War* (Cambridge, MA: Harvard University Press, 1997); Leonard P. Curry, *Blueprint for Modern America: Nonmilitary Legislation of the First Civil War Congress* (Nashville, TN: Vanderbilt University Press, 1968); Richard Franklin Bense, *Yankee Leviathan: The Origins of Central State Authority in America, 1859–1877* (New York: Cambridge University Press, 1990).

³ For accounts of the postal money order system's operation, see Cameron B. Blevins, *Paper Trails: The U.S. Post and the Making of the American West* (New York: Oxford University Press, 2021), 119–39; James W. Milgram, "Money Order Business: A Philatelic History of Postal Money Orders," *American Philatelist* 125, no. 10 (2011): 924–36; Terence M. Hines and Thomas J. Velk, "The United States Post Office Domestic Postal Money Order System in the 19th Century" (Postal History Symposium, Bellefonte, PA, 2011); Diane DeBlois and Robert Dalton Harris, "Rural Vermont Money Orders in the Great Depression," *Postal History Journal*, no. 140 (2008): 36–40; Diane DeBlois, "Money Order," *P.S.: A Quarterly Journal of Postal History* 7, no. 2 (1985): 36–56.

⁴ Jon C. Rogowski, John E. Gerring, Matthew Maguire, and Lee L. Cojocaru, "Public Infrastructure and Economic Development: Evidence from Postal Systems," *American Journal of Political Science* 66, no. 4 (2022): 885–901.

⁵ David L. Straight, "Cheap Postage: A Tool for Social Reform," in *The Winton M. Blount Postal History Symposia: Select Papers, 2006–2009*, ed. Thomas Lera (Washington, DC: Smithsonian Institution Scholarly Press, 2010), 155–64; Peter A. Shulman, "Ben Franklin's Ghost: World Peace, American Slavery, and the Global Politics of Information before the Universal Postal Union," *Journal of Global History* 10, no. 2 (2015): 212–34; Hugh H. Davis, *Joshua Leavitt, Evangelical Abolitionist* (Baton Rouge: Louisiana State University Press, 1990), 213–14; Mark Wyman, *Immigrants in the Valley: Irish, Germans, and Americans in the Upper Mississippi Country, 1830–1860* (Chicago: Nelson-Hall, 1984), 144; Merle E. Curti, *The American Peace Crusade, 1815–1860* (Durham, NC: Duke University Press, 1929), 157, 163–64.

The Civil War crisis created the legislative opportunity for the United States to adopt the postal money order. Many southern members of Congress prioritized the postal system's financial self-sufficiency and thus opposed expanding post office services that would potentially produce deficits.⁶ The absence of southern legislators following secession created an opening to secure this reform. In addition, the election of President Abraham Lincoln brought supportive leadership to the Post Office Department. Montgomery Blair's energetic tenure as postmaster general, 1861–1864, provided the stimulus for important innovations that included the Railway Mail Service and free city delivery, as well as the postal money order system.⁷ Significantly, the war also made the question of money orders a pressing one because soldiers and sailors lacked safe, affordable means of exchanging funds with family and friends back on the home front. The concern for the welfare of servicemen foreshadowed political developments that would establish extensive services for Union veterans, including medical care, pensions, and retirement homes following the Civil War.⁸

While the domestic postal money order was a wartime measure, the service came into its own after the surrender of the Confederacy.⁹ In 1867, the *Brooklyn Daily Eagle* observed that due to this reform “small sums of money can be sent through the post office with almost absolute safety.”¹⁰ Over the following decades, patrons of the money order system primarily used these instruments for safely transferring money to family and friends and for purchasing the numerous items that catalog houses and other mail-order retailers sold.¹¹ The initial maximum for any single

⁶ On the postal deficit, see Wayne E. Fuller, *The American Mail: Enlarger of the Common Life* (Chicago: University of Chicago Press, 1972), 63–66; Jane Kennedy, “Development of Postal Rates: 1845–1955,” *Land Economics* 33, no. 2 (1957): 107–9. The Confederate postal system operated under a mandate to be fiscally self-sufficient, which harmed its effectiveness and hastened its collapse. See John Nathan Anderson, “Money or Nothing: Confederate Postal System Collapse during the Civil War,” *American Journalism* 30, no. 1 (2013): 65–86.

⁷ William Ernest Smith, *The Francis Preston Blair Family in Politics*, 2 vols. (New York: Macmillan, 1933), 2:90–111; Rita Lloyd Moroney, *Montgomery Blair, Postmaster General* (Washington, DC: Government Printing Office [GPO], 1963), 19–25.

⁸ Patrick J. Kelly, *Creating a National Home: Building the Veterans' Welfare State, 1860–1900* (Cambridge, MA: Harvard University Press, 1997); Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge, MA: Harvard University Press, 1992); Stuart C. McConnell, *Glorious Contentment: The Grand Army of the Republic, 1865–1900* (Chapel Hill: University of North Carolina Press, 1992); Mary R. Dearing, *Veterans in Politics: The Story of the G.A.R.* (Baton Rouge: Louisiana State University Press, 1952).

⁹ DeBlois, “Money Order,” 37–42.

¹⁰ “The Postal Money Order System,” *Brooklyn Daily Eagle*, February 13, 1867, 2.

¹¹ On the development of the mail-order business, see Daniel J. Boorstin, “A. Montgomery Ward's Mail-Order Business,” *Chicago History* 2, no. 3 (1973): 144–50; Boris Emmet and John E. Jeuck, *Catalogues and Counters: A History of Sears, Roebuck and Company* (Chicago: University of Chicago Press, 1950), 18–22; Rae E. Rips, “An Introductory Study of the Role of the Mail Order Business in American History, 1872–1914” (Master's thesis, University of Chicago, 1938), 8–21.

money order was set at only \$30, illustrating that this service was intended for the use of ordinary citizens as opposed to businesses. In 1866, postal officials emphasized this point to postmasters in the service's operations manual, which stated that money orders "promote public convenience and . . . insure safety in the transfer through the mails of *small sums* of money."¹²

In aggregate, these small sums helped fuel significant economic and social changes over the late 19th and 20th centuries. The new federal service facilitated the transmission of money nationwide, including by supporting the rise of mail-order retailing that transformed consumption practices through those decades. As the service matured, postal officials adjusted the policies governing money orders to better adapt them to emerging conditions. Introduced to meet the basic needs of individuals to convey small sums of money securely over distances, the postal money order had the broader consequence of bolstering government efforts to promote economic development.

The Problem of Money in the Mail

By offering money orders, the Post Office Department embraced a longstanding financial role of sending funds that the public had already thrust upon the federal government. In 1802, Postmaster General Gideon Granger noted that "the mail has become the channel of remittance for the commercial interests of the country."¹³ Over the following decades, an expanding network of turnpikes, canals, steamboats, and railroads slashed transportation times and expenses, promoting a dramatic extension of settlement and markets. New agricultural techniques and industrial technologies, plus developing financial and legal infrastructures, further contributed to the era's strong economic growth.¹⁴ The market revolution

¹² Post Office Department, *Money-Order System of the United States* (Washington, DC: GPO, 1866), 5.

¹³ Walter Lowrie and Walter S. Franklin, eds., *American State Papers: Post Office Department* (Washington, DC: Gales and Seaton, 1834), 22.

¹⁴ George Rogers Taylor, *The Transportation Revolution, 1815–1860* (New York: Rinehart & Company, 1951); Carter Goodrich, *Government Promotion of American Canals and Railroads, 1800–1890* (New York: Columbia University Press, 1960); Alan L. Olmstead and Paul W. Rhode, *Creating Abundance: Biological Innovation and American Agricultural Development* (New York: Cambridge University Press, 2008); Ross D. Thomson, *Structures of Change in the Mechanical Age: Technological Innovation in the United States, 1790–1865* (Baltimore: Johns Hopkins University Press, 2009); Richard E. Sylla, "U.S. Securities Markets and the Banking System, 1790–1840," *Federal Reserve Bank of St. Louis Review* 80, no. 3 (1998): 83–98; Morton J. Horwitz, *The Transformation of American Law, 1780–1860* (Cambridge, MA: Harvard University Press, 1977); Peter H. Lindert and Jeffrey G. Williamson, *Unequal Gains: American Growth and Inequality since 1700* (Princeton, NJ: Princeton University Press, 2016), 96–139.

of this period greatly increased the volume of commercial transactions.¹⁵ Postal bags during the antebellum period accordingly transported significant sums of money. One business in upstate New York mailed not only “drafts, checks, and other representatives of money,” but also “bank-notes, whenever convenience required.”¹⁶ While businesses frequently transmitted money in comparatively secure forms, such as checks and letters of credit, ordinary people were more likely to send currency through the U.S. Mail. At a time when check writing had yet to take a firm hold, businesses often received mailed payments of cash.¹⁷ The editor of Tennessee’s *Southern Agriculturist*, for example, instructed delinquent subscribers to settle their accounts by mailing the requisite past due amount in banknotes.¹⁸

Like business mail, personal letters transmitted currency. The affluent father of a Scottish immigrant regularly aided his son in the 1840s by enclosing banknotes in their correspondence. At a time when foreign currency was commonly used in the United States, the banknotes that he mailed from Britain made their way west to the Wisconsin frontier.¹⁹ Precious metal flowed through the postal system as well. Prospectors who had left their families behind to join the California Gold Rush mailed home envelopes containing not only banknotes but also gold dust.²⁰

The possibility of theft was a risk to postal users who placed currency in the mail system. The creative ways that letterwriters in this era found to disguise such contents included concealing coins in the wax used to seal envelopes.²¹ Another method that senders employed to safeguard against potential financial loss was

¹⁵ Charles Grier Sellers, Jr., *The Market Revolution: Jacksonian America, 1814–1846* (New York: Oxford University Press, 1991); John Lauritz Larson, *The Market Revolution in America: Liberty, Ambition, and the Eclipse of the Common Good* (New York: Cambridge University Press, 2010).

¹⁶ J[ames] Holbrook, *Ten Years Among the Mail Bags: Or, Notes from the Diary of a Special Agent of the Post-Office Department* (Philadelphia: H. Cowperthwait, 1856), 136–37; David R. Nevin, *The Expressmen* (Alexandria, VA: Time-Life Books, 1974), 23.

¹⁷ Fritz Redlich, *The Molding of American Banking: Men and Ideas*, 2 vols. (New York: Hafner, 1940–1951), 2, pt. 2:3–4. On the use of checks in early American banking, see Fritz Redlich and Webster M. Christman, “Early American Checks and an Example of Their Use,” *Business History Review* 41, no. 3 (1967): 285–302.

¹⁸ Donald L. Winters, *Tennessee Farming, Tennessee Farmers: Antebellum Agriculture in the Upper South* (Knoxville: University of Tennessee Press, 1994), 89.

¹⁹ David A. Gerber, *Authors of Their Lives: The Personal Correspondence of British Immigrants to North America in the Nineteenth Century* (New York: New York University Press, 2006), 154. Foreign currency, especially coins, occupied a sizable role in the nation’s monetary system. See David A. Martin, “The Changing Role of Foreign Money in the United States, 1782–1857,” *Journal of Economic History* 37, no. 4 (1977): 1,009–27; Stephen Mihm, *A Nation of Counterfeiters: Capitalists, Con Men, and the Making of the United States* (Cambridge, MA: Harvard University Press, 2007), 108, 245.

²⁰ David M. Henkin, *The Postal Age: The Emergence of Modern Communications in Nineteenth-Century America* (Chicago: University of Chicago Press, 2006), 125.

²¹ Gerber, *Authors of Their Lives*, 157.

cutting banknotes in two and mailing each half separately.²² In 1840, the Post Office took steps to guard against potential theft within the mail system by forming an internal police force—the predecessor of today's Postal Inspection Service.²³

The Post Office also contended with the external threat of burglars who targeted post offices and armed bandits who waylaid contract letter carriers.²⁴ In Florida, the *Pensacola Gazette* warned of the prevalence of this danger and urged contractors to better protect the mail by arming themselves.²⁵ During the 1850s, resourceful thieves crafted duplicate keys to open locked mailbags. Congress took this threat sufficiently seriously to make involvement in the manufacture of such keys a felony. Anyone convicted of this crime faced 10 years in prison.²⁶ In addition to losses through theft, there also were items of value that never reached their destinations due to bad addresses and other problems that made delivery impossible. Over \$60,000 in undeliverable currency was removed annually from letters that concluded their journey through the mail at the Dead Letter Office in Washington, DC.²⁷

The Money Order Offers a Solution

Postal officials recognized that the large quantity of currency in the nation's mail presented a problem and looked to foreign postal systems for potential solutions. Innovations inspired by English educator and tax reformer Rowland Hill were the subject of much interest internationally during the middle of the 19th century and influenced postal policy in the United States.²⁸ American postal officials who had traveled across the Atlantic Ocean to study these reforms provided new insights on how money orders allowed funds to be transmitted with reduced risk of loss or theft. In 1840, the postmaster general commissioned a study of European postal

²² Lynn Willoughby, *Fair to Middlin': The Antebellum Cotton Trade of the Apalachicola/Chattahoochee River Valley* (Tuscaloosa: University of Alabama Press, 1993), 66; Carl H. Scheele, *A Short History of the Mail Service* (Washington, DC: Smithsonian Institution Press, 1970), 70.

²³ Karl H. W. Baarslag, *Robbery by Mail: The Story of the U.S. Postal Inspectors* (New York: Farrar & Rinehart, 1938), 306–7; John N. Makris, *The Silent Investigators: The Great Untold Story of the United States Postal Inspection Service* (New York: E. P. Dutton, 1959), 65–66; Rae Foley [Elinore Denniston], *America's Silent Investigators: The Story of the Postal Inspectors Who Protect the United States Mail* (New York: Dodd, Mead, 1964), 29–30.

²⁴ Marc Cibella, “The Purlloined Letters: A Collection of Mail Robbery Reports from Ohio Papers, 1841–1850,” *Nineteenth-Century Ohio Literature* 1 (2018): 1–14; Baarslag, *Robbery by Mail*, 306.

²⁵ James M. Denham, “A Rogue's Paradise”: *Crime and Punishment in Antebellum Florida, 1821–1861* (Tuscaloosa: University of Alabama Press, 1997), 92–93.

²⁶ Fuller, *The American Mail*, 247.

²⁷ Pliny Miles, *Postal Reform: Its Urgent Necessity and Practicability* (New York: Stringer & Townsend, 1855), 66. On the Dead Letter Office, see Henkin, *The Postal Age*, 158–65.

²⁸ Howard Robinson, *The British Post Office: A History* (Princeton, NJ: Princeton University Press, 1948), 371–84.

systems that reported on the money order system that Britain had introduced in 1838 for the transmission of small sums.²⁹ A similar study, conducted by an assistant postmaster general in 1847, generated a report that observed approvingly that money orders were “used in Great Britain to an enormous extent.”³⁰

Although Britain’s money order system attracted attention in the United States, political obstacles impeded the adoption of such a service. Proposals to expand the postal system aroused opposition on budgetary grounds from politicians and postal officials who agonized over the potential for deficits.³¹ Advocacy for postal money orders was part of a broader push that centered on Hill’s ideas, which revolved around reducing postage rates. He believed that a more affordable system of uniform, prepaid postage would increase mail volume to such an extent that postal revenues would rise as well.³² When Congress enacted postal reform legislation in 1845 and 1851 that reduced postage rates, opposition from southern legislators exposed a sectional divide.³³ Many mail routes in the thinly populated South did not pay for themselves. Southerners who objected to postal reforms that potentially increased expenses or decreased revenues foresaw financial losses placing their region’s mail service in jeopardy. They worried that budget deficits would prompt postal officials to trim service on the South’s existing money-losing routes and deny requests for future improvements in the region.³⁴

The postage rate reductions that Congress enacted—facilitated by the nation’s expanding railroad network—made possible a massive increase in the use of the

²⁹ Senate, *Report of George Plitt, Special Agent of the Post Office Department*, 26th Cong., 2nd sess., 1841, S. Doc. 156, 3. Money orders became an official service of the British Post Office in 1838. They had been a sanctioned private enterprise within the institution dating back to the 1790s. On the postal money order in Britain, see M. J. Dauntton, *Royal Mail: The Post Office since 1840* (London: The Athlone Press, 1985), 84–92.

³⁰ House, *Reduced Postage*, 30th Cong., 2nd sess., 1848, H. Doc. 17, 22.

³¹ Fuller, *The American Mail*, 66, 70, 97–98; M. Clyde Kelly, *United States Postal Policy* (New York: D. Appleton, 1931), 52–54, 67–69; Gerald Cullinan, *The Post Office Department* (New York: Frederick A. Praeger, 1968), 56–59, 69–70.

³² Rowland Hill, *Post Office Reform: Its Importance and Practicability* (London: Charles Knight and Co., 1837); Colin G. Hey, *Rowland Hill: Victorian Genius and Benefactor* (London: Quiller Press, 1989), 64–85. Due to differences between the British and American postal systems, Hill expressed uncertainty about low postage in the United States. See Pao Hsun Chu, “The Post Office of the United States” (Ph.D. diss., Columbia University, 1932), 54–55.

³³ Richard B. Kielbowicz, *News in the Mail: The Press, Post Office, and Public Information, 1700–1860s* (New York: Greenwood Press, 1989), 83–86; Kennedy, “Development of Postal Rates,” 96; Cullinan, *The Post Office Department*, 58; Fuller, *The American Mail*, 94.

³⁴ Conrad Kalmbacher, “The Postal Service as a Source of Sectional Controversy” (Master’s thesis, University of Texas, El Paso, 1972), 9, 175–76; Fuller, *The American Mail*, 63; Le Roy R. Hafen, *The Overland Mail, 1849–1869: Promoter of Settlement, Precursor of Railroads* (Cleveland: Arthur H. Clark, 1926), 289.

postal system: between 1845 and 1855 mail volume more than tripled.³⁵ More letters in the mail meant that more money was in the mail, which made the question of transmitting funds safely still more pressing. Demands to increase the security of the U.S. Mail grew louder over the course of the 1850s. Congress first took action to make conveying funds more secure by establishing a system of registered mail for letters in 1855.³⁶ But this reform was designed to meet the needs of businesses that could afford to pay extra charges for special handling, not ordinary citizens who needed a safe and affordable way to transfer small sums of money. Meanwhile, Americans were becoming increasingly aware that money order systems in other nations provided a safe means for transmitting such funds. “What the community wants is a money order system similar to that which has been adopted in England,” a New Hampshire newspaper observed.³⁷

By the late 1850s, money order legislation was a matter of serious discussion in Congress. In early 1857, the chairman of the House Committee on the Post Office and Post Roads asked the postmaster general to draft a blueprint for a money order system. Although the Post Office Department responded to this request, it issued no appeal for the implementation of such a service, and Congress took no further action.³⁸ Still, the treatment of the issue in the press reveals rising public interest in postal money orders. The *New York Daily Tribune* appraised Britain’s money order system positively, adding “there are many reasons why this system should be introduced in this country.”³⁹ In upstate New York, the *West Troy Advocate* agreed with this sentiment: “If something of this kind were authorized by our own Government it could not do otherwise than prove advantageous.”⁴⁰

Many businessmen favored a postal money order system, and their social and economic prominence ensured that their opinions received attention from lawmakers. In 1856, for example, a “large number of merchants and other citizens” of New York City met to address the question of postal reform.⁴¹ Pliny Miles played

³⁵ Alfred D. Chandler, Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, MA: Harvard University Press, 1977), 195–96; Henkin, *The Postal Age*, 31–34; Cullinan, *The Post Office Department*, 66.

³⁶ David L. Straight, “‘Holding a Light for the Depredator’: The Initial Failure of Registered Mail in the United States, part I,” *Postal History Journal*, no. 153 (2012): 2–20; Scheele, *A Short History of the Mail Service*, 77–78; Chu, “The Post Office of the United States,” 88–89.

³⁷ “Registration of Valuable Letters,” *Farmers’ Cabinet* (Amherst, NH), May 24, 1855, 2.

³⁸ “Post Office Money Orders,” *Indiana American* (Brookville, IN), February 23, 1855, 2; Senate, *Report of the Postmaster General*, 35th Cong., 1st sess., 1857, S. Doc. 11, 967.

³⁹ *New York Daily Tribune*, March 11, 1857, 5.

⁴⁰ “Money By Mail,” *Daily National Intelligencer* (Washington, DC), April 7, 1857, 3.

⁴¹ “Postal Reform Meeting,” *New York Daily Times*, March 25, 1856, 1.

a conspicuous role at this gathering. A prolific writer, Miles promoted the cause of lower, uniform postage rates and advocated such innovations as free home mail delivery and postal money orders.⁴² In 1855, Miles estimated that \$100 million was sent through the postal system annually.⁴³ This large sum of money would have been still greater were it not for the emergence of private express companies in the 1830s.⁴⁴ Miles served as secretary of the New York Postal Reform Committee, an organization that wanted a more thorough application of reforms that Hill had popularized, including further reductions in postage rates and mail delivery in cities for no additional charge. The organization also supported the establishment of a money order system. “Let us have a safe and convenient system of transmitting money through the mails,” urged one member. “There has been no improvement in this respect since the Government was launched.”⁴⁵

When Miles recommended a series of postal reforms to Congress in 1857 that included a provision for money orders, his proposal was printed as a Senate document at public expense.⁴⁶ In 1860, congressional interest in postal money orders was further demonstrated when Senator David Levy Yulee (D-FL) introduced a resolution directing the Committee on the Post Office and Post Roads that he chaired to study how “the plan of Post Office money orders can safely be ingrafted upon the postal system.”⁴⁷ Yulee generally was in accord with southern objections to expanding the postal system. During his tenure as the committee’s chairman, Yulee stressed the need to reduce the Post Office Department’s expenditures.⁴⁸ By declaring the need for money orders to “safely be ingrafted,” the resolution that he offered underscored the financial side of the question.

⁴² “Pliny Miles, Esq.,” *New York Herald*, May 4, 1865, 5; Henkin, *The Postal Age*, 82–84.

⁴³ Miles, *Postal Reform*, 62.

⁴⁴ Taylor, *The Transportation Revolution*, 139–40; Noel M. Loomis, *Wells Fargo* (New York: Clarkson N. Potter, 1968), 3–9; Edward Hungerford, *The Modern Railroad* (Chicago: A. C. McClurg, 1911), 370–72. For a period of the 19th century, express companies delivered letters in addition to freight. See Fuller, *The American Mail*, 162–65; Robert J. Chandler, “An Uncertain Influence: The Role of the Federal Government in California, 1846–1880,” *California History* 81, no. 3/4 (2003): 243–46; Kelly B. Olds, “The Challenge to the U.S. Postal Monopoly, 1839–1851,” *Cato Journal* 15, no. 1 (1995): 1–24; Richard R. John, Jr., “Private Mail Delivery in the United States during the Nineteenth Century: A Sketch,” *Business and Economic History* 15 (1986): 135–47.

⁴⁵ New York Postal Reform Committee, *Proceedings of a Public Meeting and Address of the New York Postal Reform Committee* (New York: Baker & Godwin, 1856), 18–19.

⁴⁶ Senate, *Communication of Pliny Miles, of New York, in Favor of a Reform of the Postal System, Accompanied by a Bill*, 34th Cong., 3rd sess., 1857, S. Doc. 50.

⁴⁷ *Congressional Globe*, 36th Cong., 1st sess., 1860, 29, pt. 1, 449.

⁴⁸ Joseph G. Adler, “The Public Career of Senator David Levy Yulee” (Ph.D. diss., Case Western Reserve University, 1973), 127–32; Kalmbacher, “The Postal Service as a Source of Sectional Controversy,” 131; Kelly, *United States Postal Policy*, 65.

A Wartime Reform

Prior to the Civil War, the Post Office Department and Congress had granted the question of postal money orders only intermittent attention. But during the war, the absence of southern legislators who opposed expanding postal services and the emergence of a dynamic postmaster general made several postal reforms possible, including money orders.⁴⁹ In February 1862, less than a year after the attack on Fort Sumter, Representative H. G. Blake (R-OH) advanced legislation to establish postal money order service. A longtime advocate of temperance and abolition—he served as a conductor on the underground railroad—Blake also took interest in postal reform. Observing that there was a “great necessity. . . for some safe, practicable method whereby small sums of money can be transmitted,” Blake insisted that providing such a service “is the duty of Government.” When Blake urged this reform to Congress, he introduced a significant new consideration: namely, that money orders would provide “the best and cheapest facilities for our soldiers to forward money to their families and friends.”⁵⁰

The linking of postal money orders with the needs of servicemen gave the issue an imperative that it had lacked previously. “I had thought of sending my money home in a letter but the mail seems too uncertain to risk,” one Union soldier explained to his father.⁵¹ Much of the money that soldiers remitted home traveled via privately owned express companies. One veteran recalled that “express companies . . . followed us in the field, and were new institutions to practically all of us.”⁵² Payday was a busy one for express agents. They spent the day wrapping currency in parcels, sealing them shut, and issuing the senders receipts.⁵³ Yet the



A postal money order receipt issued in Menomonie, WI, November 19, 1908.

⁴⁹ Wayne E. Fuller, *Morality and the Mail in Nineteenth-Century America* (Urbana: University of Illinois, 2003), 195.

⁵⁰ *Congressional Globe*, 37th Cong., 2nd sess., 1862, 32, pt. 1, 950–51; Albert Munson, “Harrison G. Blake,” in *The Western Reserve*, by Harriet Taylor Upton, 3 vols. (Chicago: Lewis Publishing, 1910), 3:1,524–26; Mark J. Stegmaier, “An Ohio Republican Stirs Up the House: The Blake Resolution of 1860 and the Politics of the Sectional Crisis in Congress,” *Ohio History* 116 (2009): 62–87.

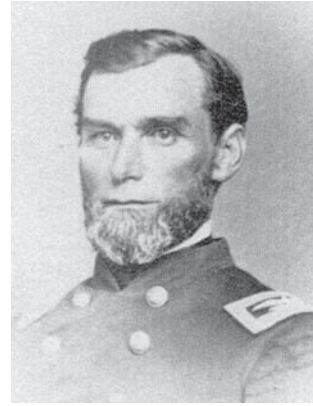
⁵¹ Robert F. Engs and Corey M. Brooks, eds., *Their Patriotic Duty: The Civil War Letters of the Evans Family of Brown County, Ohio* (New York: Fordham University Press, 2007), 96.

⁵² Charles Beneulyn Johnson, *Muskets and Medicine, Or Army Life in the Sixties* (Philadelphia: F. A. Davis Company, 1917), 198. On the express companies, see Peter Z. Grossman, “The Dynamics of a Stable Cartel: The Railroad Express, 1851–1913,” *Economic Inquiry* 34, no. 2 (1996): 220–36.

⁵³ John R. Colter, “The Express in Civil War Days,” *Wells Fargo Messenger* 5, no. 6 (1917): 89.

fact that soldiers and sailors frequently sent currency through the mail reveals that express companies could not satisfy their need for a secure and affordable means to transmit money. Critical attention resulted from instances when servicemen had been unable to transmit their pay home safely. In 1863, one correspondent informed the *New York Times* of a Union Army private who had mailed his mother \$14 that failed to arrive with the rest of the letter. When informed of what had occurred, Brooklyn's postmaster acknowledged that there was an average of 30 similar complaints each week.⁵⁴

Blake's bill passed the House of Representatives easily in February 1862, amid serious concerns about the ability of servicemen to transmit money—and in the absence of southern legislators.⁵⁵ But the measure then failed to advance in the Senate. Senator Jacob Collamer (R-VT), chairman of the Post Office and Post Roads Committee, was a voice of caution in the upper chamber. "Conservative in his nature," one colleague recalled, "he was sure to advise against rashness."⁵⁶ Moreover, having served a brief stint as postmaster general under President Zachary Taylor, Collamer had entrenched opinions on postal policy. Among these convictions was his belief that the Post Office Department should cover its own expenses. The "Green Mountain Socrates" worried about the potential for untested services—such as postal money orders—to operate at a deficit.⁵⁷ With Collamer in control of postal legislation in the Senate, the measure made no further progress. His committee reported the legislation "adversely."⁵⁸



Representative H. G. Blake sponsored legislation establishing a postal money order system in 1862 prior to leaving Congress to serve as a colonel in the Union Army.

Although postal money order legislation had stalled in Congress, Abraham Lincoln's new postmaster general lent the proposal his influential backing. The

⁵⁴ Charles E. Rankin, *Toward a More Perfect Union: The Civil War Letters of Frederic and Elizabeth Lockley* (Lincoln: University of Nebraska Press, 2023), 163–64, 244–45; "Plundering Soldiers' Letters—Needed Postal Reform," *New York Times*, February 21, 1863, 2; Candice Shy Hooper, *Delivered Under Fire: Absalom Markland and Freedom's Mail* (Lincoln, NE: Potomac Press, 2023), 138.

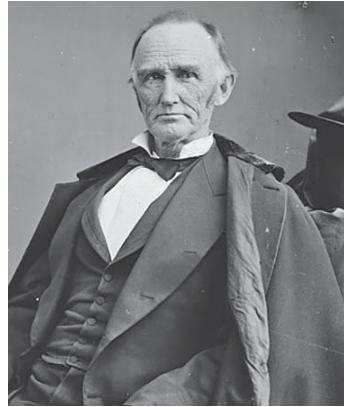
⁵⁵ *Congressional Globe*, 37th Cong., 2nd sess., 1862, 32, pt. 1, 951.

⁵⁶ Walter Hill Crockett, *Vermont: The Green Mountain State*, 5 vols. (New York: Century History Company, 1921–1923), 4:8.

⁵⁷ Kelly, *United States Postal Policy*, 64; Hafen, *The Overland Mail*, 129–130; Allen F. Davis, "Why Jacob Collamer?" *Vermont History* 27, no. 1 (1959): 46.

⁵⁸ *Congressional Globe*, 37th Cong., 2nd sess., 1862, 32, pt. 2, 1,094, 1,564.

former mayor of St. Louis, Montgomery Blair had served as Dred Scott's attorney in the landmark Supreme Court case and was an early supporter of the Free Soil and Republican Parties.⁵⁹ Upon assuming office in 1861, Blair initially declined to advocate postal money orders because of his "conviction, founded on the experience of the British Office, that the money-order system will not prove self-sustaining during the first year of its adoption, and perhaps for a longer period." At the outset of the war, Blair deemed this consideration paramount due to "the present condition of the finances of the country." But Blair wanted to curtail the practice of sending currency through the mail and recognized that money orders offered a safe alternative for transmitting small sums.⁶⁰ The fact that the average amount of money enclosed in dead letters was only around five dollars supported the contention that the money order offered a suitable substitute.⁶¹ When Representative Blake sponsored legislation in 1862, Blair told him, "I am in favor of such a system for the purpose of excluding money from the mails." Blair added that in order to limit the service's potential financial losses it "should . . . be restricted, in the beginning, to a small number of post offices." He also thought "the maximum amount of any money order should not exceed \$30." Blair hoped that "such restrictions would promote the success of the experiment on a limited scale, which might afterwards be gradually extended, if deemed expedient."⁶²



Montgomery Blair served as postmaster general during the Civil War and oversaw innovations and improvements that included introduction of the postal money order.

Later that year, First Assistant Postmaster General John A. Kasson traveled to Europe on still another postal fact-finding expedition. Yet again, the resulting report on money order programs was favorable.⁶³ In that year's annual report, Blair observed that "money contained in the mails creates the temptations to the robberies committed." He presented postal money orders as the solution to this

⁵⁹ Moroney, *Montgomery Blair*, 4–9.

⁶⁰ Montgomery Blair to Harrison G. Blake, February 4, 1862, vol. 77, Letters Sent, October 3, 1789–December 31, 1952, Records of the Post Office Department, Record Group (RG) 28, National Archives Building (NAB), Washington, DC. On federal finances, see Paul Studenski and Herman E. Krooss, *Financial History of the United States* (New York: McGraw-Hill, 1952), 137–46.

⁶¹ Post Office Department, *Annual Report of the Postmaster General of the United States, 1864* (Washington, DC: GPO, 1864), 24.

⁶² Blair to Blake, February 4, 1862, RG 28, NAB.

⁶³ "Ex-Postmaster-General Blair," *New York Times*, October 3, 1864, 4.

problem and declared that the Post Office Department recommended “adoption of a money order system.”⁶⁴ The *Philadelphia Inquirer* seized this opportunity to promote the idea, registering its support for early favorable action. “It is not to the credit of our Government that it has not adopted such means of protection to money letters passing through the mails as have been sanctioned by the experience of other civilized countries.”⁶⁵ But despite such declarations of support—and Blair’s advocacy—Congress did not act on the matter.

In the department’s 1863 annual report, Blair again endorsed the introduction of postal money orders. “I beg leave to renew the recommendation made in my last annual report that a postal money order system be established to facilitate the transmission of small sums of money through the mails,” he urged, “which I am confident would not only prove a great convenience to civilians and soldiers, but would almost entirely obviate the loss of money letters, the great majority of which enclose small remittances.”⁶⁶ Representative Blake had not sought reelection in 1862, and Representative Sydenham E. Ancona (D-PA)—an accountant at the Philadelphia & Reading Railroad Company—became the measure’s chief legislative sponsor.⁶⁷ Once again, passage in the House was swift. “It has been reported from the Committee on the Post Office and Post Roads in accordance with the recommendation of the Postmaster General in his annual report,” the committee’s chairman, John B. Alley (R-MA), explained to a receptive House.⁶⁸

Two years had passed since postal money order legislation failed to advance in the Senate. The argument that money orders would aid soldiers, sailors, and their families had only strengthened as the war progressed. Moreover, Postmaster General Blair had declared his support for the reform in both 1862 and 1863. In addition to the Post Office Department’s endorsement, a number of large-circulation urban newspapers editorialized in favor of the proposed new service, which reflected the ongoing public interest in the reform.⁶⁹ Furthermore, with unremunerative southern mail routes no longer accumulating financial losses

⁶⁴ House, *Report of the Postmaster General*, 37th Cong., 3rd sess., 1862, H. Doc. 1, 138–39.

⁶⁵ “Failure of the Postal Money Order Bill,” *Philadelphia Inquirer*, January 30, 1863, 2.

⁶⁶ House, *Report of the Postmaster General*, 38th Cong., 1st sess., 1863, H. Doc. 1, 18.

⁶⁷ *Congressional Globe*, 38th Cong., 1st sess., 1864, 34, pt. 1, 95; “Resolutions to Grand Old Man,” *Reading (PA) Times*, June 21, 1913, 1. After leaving Congress, Blake served as a colonel in the Union Army (Department of War, *Official Army Register of the Volunteer Force of the United States Army for the Years 1861, ’62, ’63, ’64, ’65* [Washington, DC: GPO, 1865], 5:380).

⁶⁸ *Congressional Globe*, 38th Cong., 1st sess., 1864, 34, pt. 2, 1,659–60.

⁶⁹ “Postal Reforms,” *Hartford (CT) Daily Courant*, February 11, 1864, 2; “Postal Money Orders,” *Trenton (NJ) State Gazette*, February 6, 1864, 2; “Postal Reforms,” *Daily National Intelligencer* (Washington, DC), February 3, 1864, 3; “Post Office Money Orders,” *Chicago Tribune*, January 23, 1864, 2; “The Postal Money Order System,” *New York Herald*, December 16, 1863, 6.

due to secession, the Post Office Department was virtually self-supporting for the first time in over a decade.⁷⁰ In this changed context, Collamer put aside his prior reservations and guided the legislation to passage in the Senate without debate.⁷¹ On May 17, 1864, President Abraham Lincoln signed the measure into law.⁷²

Postal money orders worth as much as \$30 could be obtained for a fee that ranged between 10 cents and 20 cents, depending on the value purchased.⁷³ A multistep procedure guarded against fraud. Patrons specified the individual who could redeem a money order and designated the post office where it would be paid. Upon issuing a money order, the postmaster sent a separate form identifying its amount and recipient to the paying post office. Absent this corresponding form, post offices did not redeem money orders.⁷⁴ The federal government had assumed the responsibility of providing a secure means to transmit small sums through the mail.

A New Federal Service

The new postal money order system began to function on a limited basis on November 1, 1864.⁷⁵ The *New York Times* lauded this development as a sign of national progress even before the service was operational.

The security of the mode of transmission, the perfect arrangement that can be made for sending remittances along the whole vast range of territory embraced in the operations of the Post Office, the speed with which mail matter is carried from the most distant opposite points, and above all, the reasonable rate of the charges for the services rendered—assure us of the early growth of a vast business.⁷⁶

The *Times*' prediction proved to be on the mark, as the service was an immediate success. Although it was initially available in only 142 post offices, servicemen purchased approximately \$400,000 worth of postal money orders during the

⁷⁰ Fuller, *The American Mail*, 70; Moroney, *Montgomery Blair*, 22–23. The federal government's financial situation improved over the course of the war. See Studenski and Krooss, *Financial History of the United States*, 147–55.

⁷¹ *Congressional Globe*, 38th Cong., 1st sess., 1864, 34, pt. 2, 1,861–62.

⁷² *Statutes at Large* 13 (1864): 76–79.

⁷³ For a schedule of postal money order fees, see Post Office Department, *United States Domestic Postage Rates, 1789 to 1956* (Washington, DC: Post Office Department, 1956), 43.

⁷⁴ "The Postal Money-Order System," *United States Mail and Post Office Assistant* 5, no. 1 (1864): 1–2; "The Money Order System," *United States Mail and Post Office Assistant* 5, no. 2 (1864): 1. In 1914, postal money orders became payable at any money order post office (*Statutes at Large* 38 [1914]: 280).

⁷⁵ "The Money Order System," *New York Times*, November 1, 1864, 2.

⁷⁶ "The Money-Order System," *New York Times*, June 2, 1864, 4.

system's first eight months of operation.⁷⁷ The *Chicago Tribune* reported that in Nashville, Tennessee, over half of all the money orders issued to soldiers were made payable to their wives.⁷⁸ "No recent financial arrangement is giving more satisfaction to the people than the Postal Money Order System," declared a West Virginia newspaper. "It grows in favor every day."⁷⁹

Gen. Ulysses S. Grant was one of the new service's advocates. "I fully approve the system," he declared, "and I believe it will be highly advantageous to the soldier in the transmission of his money to his family and relations."⁸⁰ Before the introduction of money-order service at Grant's headquarters at City Point, Virginia, Lt. David B. Parker, deputy postmaster, distributed an explanatory circular throughout the camp. The morning after payday, Parker recalled, "we found a long line of officers and soldiers at the [post] office desiring to purchase money orders." One of the first patrons was a former prisoner of war at Andersonville, attempting to send his back pay home to Pennsylvania. In addition to the \$30 limit per order, however, each remitter was permitted only two money orders a day payable at any single post office. "According to regulations you can only send \$60 in one day," Parker instructed. "You will have to come back another day." The patron explained that he "may be in battle to-morrow." Parker agreed to issue him more than two orders but advised that "your people may have to wait a little to get all the money." The soldier appreciated Parker's willingness to bend the rules, replying "that's all right[,] . . . it will be in a place of safety." Parker then proceeded to issue money orders to others on the same basis.⁸¹

Upon learning of this circumvention of policy, Charles F. Macdonald, superintendent of the Money Order Division, reprimanded Parker for evading regulations. In response, Parker stated that he intended to maintain his existing practice and "congratulated the Superintendent . . . on the fact that the soldiers were availing themselves of the privilege to such an extent that would advertise the Money Order Service throughout the whole country." Following Blair's September 1864 resignation, William Dennison, Jr., had assumed the duties of postmaster general.⁸²

⁷⁷ Post Office Department, *Annual Report of the Postmaster General of the United States, 1865* (Washington, DC: GPO, 1865), 75–76.

⁷⁸ "From Nashville and Below," *Chicago Tribune*, December 1, 1864, 4.

⁷⁹ "Post Office Matters," *Daily Intelligencer* (Wheeling, WV), December 20, 1864, 3.

⁸⁰ Hooper, *Delivered Under Fire*, 138.

⁸¹ David B. Parker, *A Chautauqua Boy in '61 and Afterward* (Boston: Small, Maynard and Company, 1912), 27–28. Having sufficient currency to redeem money orders on hand at paying post offices was one of the challenges of administering the system.

⁸² Smith, *The Francis Preston Blair Family in Politics*, 2:284–92; Dorothy Ganfield Fowler, *Cabinet Politician: The Postmasters General, 1829–1909* (New York: Columbia University Press, 1943), 122–25; Allan Nevins, *Fremont: Pathmarker of the West*, 2 vols. (New York: Frederick Ungar, 1961), 2:581–82.

When notified of Parker's actions, Dennison demonstrated the department's ability to adapt the new service to meet public demands. "You had better let him alone," Dennison instructed Macdonald. "It would not be a popular thing to stop his work and require those soldiers to carry their money in their pockets into battle."⁸³

Following the war, patronage of postal money orders continued to increase as the service matured and expanded. A Vermont newspaper expressed the opinion of many Americans when it editorialized: "The Post Office department could have devised no system better calculated to promote public convenience and to insure perfect safety in the transfer through the mails of small sums."⁸⁴ In 1866, Congress increased the maximum value of the money order to \$50.⁸⁵ Money order receipts at Des Moines, Iowa, rose more than 100 percent in the following year. The city's *Daily State Register* praised "the success of the system, which promises as it is extended to render the mails an entirely safe means for sending money."⁸⁶

Since postal money orders competed with their highly profitable currency shipping business, private express companies did not join those who extolled the service. Instead, this postal innovation pushed express companies to introduce their own money orders. The American Express Company did so in 1882; Wells Fargo & Company entered the business in 1885; and the Adams Express Company lagged behind, selling its first money order in 1893.⁸⁷ Express money orders presented consumers with additional options, but postal money orders were more heavily patronized.⁸⁸ Bankers disliked money orders regardless of their issuer because they eroded profit that banks netted through the sale of checks and other instruments of exchange.⁸⁹ In 1895, Louisiana banker Egbert B. Rand called money orders a "rapidly increasing evil which threatens to absorb our exchange business."⁹⁰

Yet the money order also secured praise from the region that had been most doubtful of the reform. Shortly after the end of the Civil War, southern voices

⁸³ Parker, *A Chautauqua Boy*, 28–30.

⁸⁴ "Post Office Money Order System," *Bennington (VT) Banner*, August 16, 1866, 2.

⁸⁵ *Congressional Globe*, 39th Cong., 1st sess., 1866, 35, pt. 3, 2,740; *Statutes at Large* 14 (1866): 60.

⁸⁶ *Daily State Register* (Des Moines, IA), January 26, 1868, 1.

⁸⁷ Alden Hatch, *American Express: A Century of Service* (Garden City, N.Y.: Doubleday & Company, 1950), 83–86; Robert J. Chandler, *Wells Fargo* (Charleston, SC: Arcadia Publishing, 2006), 64; *Express Gazette* 17, no. 12 (1892): 268.

⁸⁸ Contemporary observers celebrated the inclusive nature and diverse patronage of post offices. See, for example, Greg Gaut and Marsha Neff, "Downsizing the Public Realm: Building and Razing Winona's Grand Post Office," *Minnesota History* 63, no. 6 (2013): 251.

⁸⁹ George L. Anderson, "Banks, Mails, and Rails, 1860–1915," in *The Frontier Challenge: Responses to the Trans-Mississippi West*, ed. John G. Clark (Lawrence: University Press of Kansas, 1971), 285–86.

⁹⁰ "Bankers in Session," *Times-Democrat* (New Orleans), October 5, 1895, 8.

touted the postal money order system that had commenced operation in their absence. Only six months had passed since the surrender of Gen. Robert E. Lee at Appomattox Court House when a Georgia newspaper eagerly anticipated the extension of money order service to the former Confederacy. “It is to be hoped this convenient regulation will soon be introduced in the South.”⁹¹ In 1869, as the service maintained its nationwide expansion, Postmaster General John A. J. Creswell boasted of its “utility as a safe, convenient, and expeditious mode of making small remittances . . . that is steadily increasing in favor with the public.”⁹²

The Money Order System’s Maturation

For almost 30 years, the administration of Superintendent Charles F. Macdonald worked painstakingly to ensure that the service was financially self-supporting. Macdonald’s study of the operation of foreign money order systems helped him establish a fiscal record that shielded the service from potential political attacks on the grounds of inefficiency or budgetary deficits. Money orders gradually became more widely available as Macdonald incrementally introduced the service at those post offices that generated sufficient revenues to protect against financial loss.⁹³ Under Macdonald’s stewardship, the number of money order post offices rose exponentially over the service’s first quarter-century of operation, from 419 to 9,382.⁹⁴ In 1883, Congress doubled the maximum value of a money order from \$50 to \$100.⁹⁵ Postal money orders assumed a notable role during the era’s recurring banking crises. When banks suspended payments during the Panic of 1873, for instance, the number of money orders issued increased 48 percent in comparison to the prior year.⁹⁶

President Benjamin Harrison’s 1889 appointment of John Wanamaker as postmaster general ushered in changes at the Post Office Department that further

⁹¹ “The Post Office Money Order System,” *Macon (GA) Daily Telegraph*, September 13, 1865, 2; “The Money-Order System,” *Daily Phoenix* (Charleston, SC), January 10, 1866, 2. At the service’s inception, a handful of money order post offices operated in Union-controlled areas of the Confederacy.

⁹² Post Office Department, *Annual Report of the Postmaster General of the United States, 1869* (Washington, DC: GPO, 1869), 29. On the international money order, which was introduced in 1869, see DeBlois, “Money Order,” 54–55.

⁹³ Blevins, *Paper Trails*, 126–27; Parker, *A Chautauqua Boy*, 275; “Dr. C. F. Macdonald Dead,” *Boston Globe*, July 9, 1900, 5.

⁹⁴ Post Office Department, *The United States Postal Money-Order System* (Washington, DC: GPO, 1915), 19.

⁹⁵ *Congressional Record*, 47th Cong., 2nd sess., 14, pt. 4, 3,675; *Statutes at Large* 22 (1883): 527.

⁹⁶ Samuel Rezneck, *Business Depressions and Financial Panics: Essays in American Business and Economic History* (Westport, CT: Greenwood Press, 1971); Donald Sham, “The Origin and Development of the United States Postal Savings System” (Ph.D. diss., University of California, Berkeley, 1942), 133; Post Office Department, *Annual Report of the Postmaster-General of the United States, 1873* (Washington, DC: GPO, 1873), xxv–xxvi.

expanded the availability of postal money orders. A pioneer of the department store and a notable Republican Party donor, Wanamaker called for major postal innovations during his term, including free delivery of mail in rural areas, a parcel delivery system, postal operation of the telegraph and telephone, and a post office savings bank.⁹⁷ Although money orders had reduced the amount of currency traveling through the U.S. Mail, Wanamaker wanted to curtail this practice still further. He thought it posed an unwarranted risk to senders and an unfortunate temptation to postal workers and contractors. In his initial annual report, Wanamaker proposed to solve this issue through an expansion of the money order system. “In the interest of the public as well as the postal service,” he stated, “the employment of money-orders for the remittance of small sums of money by mail should be extended as widely as possible.”⁹⁸

In 1891, Wanamaker again declared his support of “a very general extension” that would make postal money orders more widely available. Noting the money order’s introduction during the Civil War, he observed that “the same patriotic purpose should cause the Government to extend these advantages to communities now destitute of means to transmit money.”⁹⁹ The Post Office Department adopted the practice of extending money order service to any post office where the postmaster received \$200 or more in annual compensation. As a result, the number of money order post offices increased 50 percent in the year following this reform.¹⁰⁰ Under the new policy, the issuance of postal money



Philadelphia’s “Merchant Prince” John Wanamaker promoted an expansive vision for the postal system as postmaster general from 1889 to 1893.

⁹⁷ Robert Sobel, *The Entrepreneurs: Explorations within the American Business Tradition* (New York: Weybright and Talley, 1974), 94–100; Nicole C. Kirk, *Wanamaker’s Temple: The Business of Religion in an Iconic Department Store* (New York: New York University Press, 2018), 54–55; Herbert Adams Gibbons, *John Wanamaker*, 2 vols. (New York: Harper & Brothers, 1926), 1:278–93; Richard B. Kielbowicz, “Testing the Boundaries of Postal Enterprise in the U.S. Free-Market Economy, 1880–1920,” in *More than Words: Readings in Transport, Communication, and the History of Postal Communication*, ed. John Willis (Gatineau, Quebec: Canadian Museum of Civilization, 2007), 85–100.

⁹⁸ Post Office Department, *Annual Report of the Postmaster-General of the United States, 1889* (Washington, DC: GPO, 1889), 27.

⁹⁹ Post Office Department, *Annual Report of the Postmaster-General of the United States, 1891* (Washington, DC: GPO, 1891), 62.

¹⁰⁰ Post Office Department, *Annual Report of the Postmaster-General of the United States, 1892* (Washington, DC: GPO, 1892), 6.

orders rose more rapidly than express money order sales did (see Table 1). For bankers, increasing use of both postal and express money orders was a source of complaint, even prompting a push for banks to refuse to cash money orders. Although money orders constituted a sizable portion of the funds that the public transacted, the transmission of small sums involved only a sliver of the financial sector, so the efforts of bankers were comparatively muted.¹⁰¹ By the close of the 19th century, over \$200 million of domestic postal money orders were issued annually.¹⁰²

Table 1: Share of Money Orders Issued, 1890 and 1907

	Share of money orders issued (1890)	Share of money orders issued (1907)	Average value of money orders issued (1907)
Adams Express Company	N/A	2.9%	\$9.38
American Express Company	13.2%	7.7%	\$9.90
Other express companies	4.2%	3.4%	\$11.57
United States Express Company	5.0%	3.0%	\$10.57
United States Post Office	71.4%	80.9%	\$8.57
Wells, Fargo & Company	6.2%	2.1%	\$13.47

These figures are for both domestic and international money orders.

The Adams Express Company includes its subsidiary the Southern Express Company. See Adams Express Co., *The Adams Express Company: 150 Years* (Baltimore: Adams Express Co., 2004).

Source: Bureau of the Census, *Express Business in the United States, 1907* (Washington, DC: GPO, 1908), 15.

The use of postal money orders expanded further after the political victory for Rural Free Delivery. At the turn of the 20th century, rural letter carriers sold money orders along their routes, spreading the service through the countryside.¹⁰³ “The people are quick to take advantage of every postal facility the Department sees fit

¹⁰¹ “Express Companies and Banking,” *Bulletin of the American Institute of Banking* 12, no. 9 (1909): 509–16; North Dakota Bankers Association, *First Annual Session* (Fargo, ND: Walker Bros. & Hardy, 1903), 20–24; Michigan Bankers Association, *Fourteenth Annual Convention* (n.p., 1902), 58–60; Minnesota Bankers Association, *Thirteenth Annual Meeting and Convention* (Minneapolis: H. Crawford Co., 1902), 95–109; “Money Order Business,” *Indianapolis News*, August 17, 1901, 5; “New Banking Feature,” *Los Angeles Daily Times*, June 28, 1899, 14. For examples of bankers promoting their interests aggressively, see Christopher W. Shaw, *Money, Power, and the People: The American Struggle to Make Banking Democratic* (Chicago: University of Chicago Press, 2019).

¹⁰² Post Office Department, *Annual Report of the Postmaster-General of the United States, 1899* (Washington, DC: GPO, 1899), 879.

¹⁰³ Wayne E. Fuller, *RFD: The Changing Face of Rural America* (Bloomington: Indiana University Press, 1964); Emmet and Jeuck, *Catalogues and Counters*, 86; James H. Bruns and Donald James Bruns, *Reaching Rural America: The Evolution of Rural Free Delivery* (Washington, DC: Smithsonian Institution, 1998), 77.

to extend them,” observed First Assistant Postmaster General William M. Johnson in 1901. “This is shown by the fact that during the fiscal year just ended 175,744 money orders were issued through rural carriers.”¹⁰⁴ By 1905, a majority of post offices offered the service and the total value of money orders issued surpassed \$400 million.¹⁰⁵ The service’s public benefits were apparent in the aftermath of the Great 1906 San Francisco Earthquake: funds conveyed through postal money orders were an important factor in aiding victims of the disaster.¹⁰⁶

Postal money orders were integral to the expanding mail-order business that transformed the consumption practices of households throughout the nation at the turn of the century. Chicago was home to the largest catalog houses—namely Montgomery Ward & Company and Sears, Roebuck and Company. The thick, illustrated volumes that presented these giant retailers’ wares allowed even the most isolated Americans to peruse a vast array of consumer goods. Montgomery Ward and Sears, Roebuck each received over 15,000 orders daily, placed by consumers writing from across the country seeking to purchase everything from a pair of tweezers to a piano. Postal money orders were the most common means of paying for such items. Montgomery Ward alone handled more postal money orders than entire major cities such as Buffalo, Cleveland, Pittsburgh, and San Francisco. The Chicago post office transacted more money orders than the post offices of both New York City and Philadelphia combined, even though in 1900 they had 2.8 times more inhabitants than Chicago did.¹⁰⁷

¹⁰⁴ Post Office Department, *Annual Reports of the Post-Office Department, 1901* (Washington, DC: GPO, 1901), 128–29.

¹⁰⁵ Post Office Department, *United States Postal Money-Order System*, 19; Richard J. Margolis, *At the Crossroads: An Inquiry into Rural Post Offices and the Communities They Serve* (Washington, DC: GPO, 1980), 49.

¹⁰⁶ Post Office Department, *Report of the Postmaster-General, 1906* (Washington, DC: GPO, 1906), 285.

¹⁰⁷ William Cronon, *Nature’s Metropolis: Chicago and the Great West* (New York: W. W. Norton, 1991), 333–40; Robert F. Rose, “System in Correspondence,” *System* 1, no. 12 (1901), [9]; “The Mail Order Business,” *Geyer’s Stationer* 36, no. 872 (1903): 21; “Buying by Mail,” *Agricultural Advertising* 13, no. 3 (1905): 199; New York World, *The World Almanac and Encyclopedia, 1905* (New York: Press Publishing, 1904), 391.

Table 2: Postal Money Orders—Availability, Number, and Value, 1865 to 1905

	Money order post offices	Number of domestic money orders issued	Value of domestic money orders issued
1865	419	74,277	\$1,360,123
1875	3,404	5,006,323	\$77,481,252
1885	7,056	7,725,893	\$117,858,921
1895	19,691	22,031,120	\$156,709,090
1905	36,832	53,722,463	\$401,916,215

Source: Post Office Department, *United States Postal Money-Order System*, 19.

At a time when bank failures occurred frequently, Americans had confidence in the federal government, and therefore postal money orders. “Just so long as there are bank failures,” observed Motley H. Flint, postmaster of Los Angeles, “just so long will the postal money order system continue to grow.”¹⁰⁸ In 1899, the Post Office Department eased the process of securing money orders payable to oneself. Prior policy had presumed that upon purchase, money orders would be mailed elsewhere, instructing that “a postmaster must not draw a money order *payable at his own office*.” Under the new policy, Postmaster General Charles Emory Smith authorized the redemption of money orders at the issuing post office. The practice of using money orders to protect one’s earnings thereby ceased to be a distinctive trait of touring entertainers and other itinerant workers. Smith called this innovation “a mild and very convenient adaptation of the European postal savings-bank system, without the payment of interest.”¹⁰⁹

Advocates for establishing the United States Postal Savings System, which operated from 1911 to 1966, pointed to the postal money order as a precedent for this reform. When promoting postal savings in 1907, the *Labor World* of Duluth, Minnesota,

¹⁰⁸ Marshall Cushing, *The Story of Our Post Office* (Boston: A. M. Thayer, 1893), 207; Chu, “The Post Office of the United States,” 96; M. H. Flint, “Postal Orders,” *Bulletin* 7, no. 6 (1906): 1,230. On late-19th-century bank failures, see Weldon Welpling, *Mutual Savings Banks: The Evolution of a Financial Intermediary* (Cleveland: Press of Case Western University, 1968), 58. On suspensions in Southern California, see Ira B. Cross, *Financing an Empire: History of Banking in California*, 4 vols. (Chicago: S. J. Clarke, 1927), 2:618–20, 622–24; Lynne Pierson Doti, “Banking in Orange County: Early Years,” *Orange Countiana* 2 (1980): 34, 36. After leaving federal service to become a banker, Flint played a leading role in a 1927 stock scandal. See Jules E. Tygiel, *The Great Los Angeles Swindle: Oil, Stock, and Scandal during the Roaring Twenties* (Berkeley: University of California Press, 1994).

¹⁰⁹ Post Office Department, *The Postal Laws and Regulations of the United States of America* (Washington, DC: GPO, 1893), 424; Post Office Department, *Annual Report of the Postmaster-General of the United States*, 1899, 20. On European post office savings banks, see Senate, *Notes on the Postal Savings-Bank Systems of the Leading Countries*, 61st Cong., 3rd sess., 1910, S. Doc. 658. Mobile workers—such as prospectors in remote areas—continued to feature prominently among those who purchased money orders payable to themselves. See “Use Post Office as an Emergency Bank,” *Journal of the Knights of Labor* 27, no. 8 (1908): 11.

observed that the purchase of money orders for oneself already constituted “a little postal savings system.”¹¹⁰ During the politically contentious debate over a post office savings bank, postmasters general who supported the idea argued that this use of money orders demonstrated the need for such an institution.¹¹¹ The 1911 introduction of savings accounts at local post offices marked a new chapter in the financial history of the Post Office Department.¹¹²

Conclusion

Since its founding during the American Revolution, the United States Post Office conveyed written communications throughout a vast, expanding nation.¹¹³ In 1864, this arm of government’s official functions broadened to encompass the transmission of money as well. Economic and social developments created demands for the postal system to extend its duties and assume this new financial mission. The United States experienced remarkable economic growth in the decades following the introduction of the postal money order.¹¹⁴

Government policies promoted this period of rapid expansion, and the postal money order is an overlooked facet of the federal government’s role as an agent of the era’s economic development.¹¹⁵ From its earliest period of operation forward, postal administrators enhanced the system’s utility, astutely adapting the service to better meet the needs of patrons. By providing a means for Americans to transmit modest sums of money safely and affordably, the money order facilitated commerce nationwide.¹¹⁶ In 1909, a former postal official observed that the system “has grown to proportions beyond the dreams of its most enthusiastic friends.”¹¹⁷

¹¹⁰ “Postal Savings on Small Scale,” *Labor World* (Duluth, MN) 13, no. 25 (1907): 1.

¹¹¹ Post Office Department, *Report of the Postmaster-General, 1908* (Washington, DC: GPO, 1908), 13; Post Office Department, *Report of the Postmaster-General, 1909* (Washington, DC: GPO, 1910), 19.

¹¹² Christopher W. Shaw, “‘Banks of the People’: The Life and Death of the U.S. Postal Savings System,” *Journal of Social History* 52, no. 1 (2018): 121–52; Donald B. Schewe, “A History of the Postal Savings System in America, 1910–1970” (Ph.D. diss., Ohio State University, 1971).

¹¹³ Jeffrey L. Brodie, “A Revolution by Mail: A New Post Office for a New Nation” (Ph.D. diss., George Washington University, 2005).

¹¹⁴ David S. Landes, *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor* (New York: W. W. Norton, 1998), 307. On growth and well-being not being synonymous during this period, see Dora L. Costa, “Health and the Economy in the United States from 1750 to the Present,” *Journal of Economic Literature* 53, no. 3 (2015): 503–70.

¹¹⁵ Richard Franklin Bensel, *The Political Economy of American Industrialization, 1877–1900* (New York: Cambridge University Press, 2000); Charles A. Beard and Mary R. Beard, *The Rise of American Civilization*, 2 vols. (New York: Macmillan, 1927), 2:294–95.

¹¹⁶ Blevins, *Paper Trails*, 131–38; Hines and Velk, “The United States Post Office Domestic Postal Money Order System,” 15–16; Smith, *The Francis Preston Blair Family in Politics*, 2:105.

¹¹⁷ Madison Davis, “The Public Career of Montgomery Blair, Particularly with Reference to His Services as Postmaster-General of the United States,” *Records of the Columbia Historical Society* 13 (1910): 146.

The service became so ubiquitous that it was taken for granted. A retired Ohio judge recognized that his younger contemporaries failed to understand that the introduction of the postal money order was a notable reform. He forcefully pressed this innovation's importance: "The establishment of the money order system, abstractly considered in its units of benefit to the great mass of the people, has no equal and no superior as a single measure among all the laws from the conception of the government until now."¹¹⁸ Over a century later, the postal money order remains a popular function and service of the U.S. government.¹¹⁹

Picture credits: Money order, National Postal Museum; Receipt, Smithsonian Museum; Montgomery Blair, John Wanamaker, Library of Congress; Representative H. G. Blake, Medina County Historical Society, Ohio

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¹¹⁸ Munson, "Harrison G. Blake," 3:1,526.

¹¹⁹ Christopher W. Shaw, *First Class: The U.S. Postal Service, Democracy, and the Corporate Threat* (San Francisco: City Lights Books, 2021), 174.

EUGENE T. CHAMBERLAIN,
Commissioner of State

[illegible][illegible]

Flagging and all other forms of corporal punishment are hereby prohibited on board any vessel, and no form of corporal punishment as board any vessel shall be deemed justifiable, and any master or other officer thereof who shall violate the aforesaid provision of this section, or any thereof shall be deemed guilty of a misdemeanor, punishable by imprisonment not less than three months or more than two years. Whenever any officer other than the master of each vessel shall violate any provision of this section, it shall be the duty of such master to surrender such officer to the proper authorities for prosecution as aforesaid. Any failure upon the part of any master to comply herewith, which failure shall result in the escape of such officer, shall render said master liable in damages to the person illegally deprived by such officer.

Required by Act of Congress, Title LIII, Revised Statutes of the United States

Office of the U. S. Shipping Commissioner for the Port of *San Francisco, Cal.* SEP 16 1901

IT IS AGREED between the Master and seamen, or mariners, of the U.S. Melville Dollar
of Portland, Me of which
is at present Master, or whoever shall go for Master, now bound from the Port of San Francisco, Cal. to
Tacoma Wash. and such other ports and or places in any part of August Sound as directed by the Master
thence to San Pedro, Cal. and return to San Francisco for final discharge.

and such other ports and places in any part of the world as the Master may direct, and back to a final port of discharge in the United States, for a term of time not exceeding two (2) calendar months.¹¹

GOING ON SHORE IN FOREIGN PORTS IS PROHIBITED EXCEPT BY PERMISSION OF THE MASTER

NO DANGEROUS WEAPONS⁽⁷⁾ OR Grog ALLOWED, AND NONE TO BE BROUGHT ON BOARD BY THE CREW

SCALE OF PROVISIONS to be allowed and served out to the Crew during the voyage in addition to the daily issue of lime and lemon juice and sugar, or other antiscorbutics in any case required by law.

[illegible][illegible]

It is also agreed that⁽¹⁾
CREW TO LOO TO DISCHARGE
ALL CARGOES AND BALLAST IF
REQUIRED BY THE MASTER.

IN WITNESS WHEREOF the said parties have subscribed their names on the other side
sides hereof on the days against their respective signatures mentioned.

Signed by _____, Master, on the _____ day
of SEP 16 1915

DATE OF COMMENCEMENT OF VOYAGE.	PORT AT WHICH VOYAGE COMMENCED.	THESE COLUMNS TO BE FILLED UP AT THE END OF THE VOYAGE.			
		DATE OF TERMINATION OF VOYAGE.	PORT AT WHICH VOYAGE TERMINATED.	DATE OF DELIVERY OF LOGS TO SUPERIOR COMMISSIONER.	I hereby declare to the truth of the entries in this Agreement and account of crew, etc.
1901	SAN FRANCISCO, CALIF.				

SEP 16 1915 SAN FRANCISCO, CAL

1. Have the voyage to be described, and the place named at which the ship is to touch; or, if that can not be done, the greatest nature and probable length of the voyage is to be stated, and the port or country at which the voyage is to terminate. *Master.*

Any Emancipator, Interlocutor, or Allotment in this Agreement will be void, unless attested by a Subjunctive, Cymatholator, Counsel-General, Counsel, or Counselor Agent, to be made with the consent of the person involved.