

Early in 1850, negotiations were entered into by Wells & Co., Livingston & Fargo, and Butterfield, Wasson & Co., for the consolidation of the three into one grand line. The result was a joint stock company called the American Express Company, the company of that title of to-day, although since that time changes have been made in the stockholders, first in 1854 when it absorbed an opposition, and again in 1860, when it increased its capital to \$1,000,000.

Costar and other writers have fallen into the error that these concerns were in some way the predecessors of Wells, Fargo & Co. The historical facts are as given and while the same men, with some others, organized Wells-Fargo's Express in 1852, the two companies are independent of each other, Wells, Fargo & Co. being an entirely new creation.

To revert to the question of adhesive stamps:

Probably the most important fact in Livingston, Wells & Co.'s history occurred in the year prior to the memorable reduction in postage by a law of Congress. It was the establishment of their letter express between New York and Buffalo.

The Postoffice was then charging 25 cents for a single-rate letter between these points. Livingston, Wells & Co., at the suggestion of Henry Wells, advertised to carry a single letter for 6 cents, and to sell twenty stamps (see Scott's Nos, 1899, 1900 and 1901) for one dollar.

This enterprise, in defiance of the Government's assumed prerogative to monopolize the conveyance of letters, caused great excitement in the West. Public meetings were called, and resolutions passed by merchants and citizens generally not to send or receive letters by Government mail to or from any points where expresses run, until there was a reduction in United States postage rates.

This letter express, started by Henry Wells, formed a connection with that of James W. Hale, between New York and Boston, and soon extended from Chicago to Bangor, Maine. The Government used every means to break it up. At Utica, New York, its officers arrested the express messengers daily, but in every instance citizens stood ready with bail-bonds, filled out and executed, so they were enabled to go on with their letter bags without loss of time. Suits were instituted against it in various parts of the country, but the Government was defeated in every case.

The conveyance of letters at one-quarter the price charged by the Government, was the most profitable part of the express business, and Henry Wells made a proposal to Major Hobbie, the First-Assistant Postmaster-General, to take the entire mail service of the United States, including personal delivery free, for 5c. per letter. The reply was "it would throw 16,000 postmasters out of office"—that was so, and what would the administration do without its postmasters? They constituted too important an element of party strength to be set aside by any postage reform movement. Of course, the proposition was rejected, but the resolute competition of Wells, Hale and others with the United States Postal Service, the reduction in charges and the adoption of the adhesive stamp, as a matter of convenience, were so generally sustained by the people in all sections of the country that Congress was ultimately compelled to pass a law reducing the postage rates, and in other ways improving its postal service. These changed conditions soon culminated in the first Government emission of postage stamps—the 5c. and 10c. values of 1847.

Thus the country owes to the men I have named, and to the express companies of their creation, one of the most important reforms that the business world has ever experienced in the United States. As soon as it was accomplished, Wells & Co. and Hale ceased their competition with the Government, and surrendered their mail business to the Post-Office Department.

H. B. PHILLIPS.