

Tr. R.

REPORT

Confederate States
of Amer.

OF THE

POSTMASTER GENERAL.

POSTOFFICE DEPARTMENT, }
RICHMOND, Jan. 12th, 1863. }

SIR:—I have the honor to submit the following report of the current operations of the Postoffice Department. The brief and irregular intervals between the meetings of Congress, to which reports have been heretofore made, renders it necessary for me to recapitulate some of the matters embraced in former reports.

RECEIPTS AND EXPENDITURES.

The receipts for the month of June, 1861, were,	\$92,384 67
Expenditures for same period,	135,927 24
Excess of expenditures,	<u>\$43,542 57</u>
Receipts for the year from July 1st, 1861, to June 30th, 1862,	\$1,911,189 05
Expenditures for the same period,	2,924,290 48
Excess of expenditures,	<u>\$1,013,101 43</u>
Making a total excess of expenditures from 1st June, 1861, to June 30th, 1862, of	\$1,056,644 00
Grants from the General Treasury, in aid of the revenues of the Postoffice Department to June 30th, 1862,	1,739,450 93
Leaving an excess of revenues and grants to that date of	<u>\$682,806 93</u>

This excess of revenue, over the estimated expenditures, resulted from the increase of revenue by the increased rates of our postage as compared with those of the United States, which formed the bases of my former estimates, and from the reductions of the cost of the service by the various means mentioned in my former reports.

I am now enabled to give the following comparison of the actual receipts and expenditures for the last fiscal year under the government of the United States, and the first fiscal year under the government of the Confederate States.

Amount of receipts under the government of the United States for the year which ended June 30th, 1860,	\$1,517,540 55
Amount of receipts under the government of the Confederate States, for the year which ended June 30th, 1862,	1,911,189 05
Increase of receipts in Confederate States,	<u>\$393,648 50</u>
Expenditures under the United States for the year which ended June 30th, 1860,	\$4,296,246 78
Expenditures under the Confederate States for the year which ended June 30th, 1862,	<u>2,924,290 48</u>
Excess of expenditures under the United States,	\$1,371,956 30
Which, added to increase of revenue under Confederate Government of	393,648 50
Exhibits an improvement in the finances of the Department of	<u>\$1,765,604 80</u>

DETAILED STATEMENT of the receipts and expenditures for one month, from the 1st to the 30th June, 1861.

EXPENDITURES.

For transportation of the mails,	\$82,073 64
“ compensation of Postmasters,	35,047 20
“ “ Clerks in Postoffices	8,177 10
“ Ship, steamboat and way letters,	116 66
“ Advertising,	1,173 91
“ Mail Bags,	1 75
“ Blanks and printing,	3,000 00
“ Wrapping paper,	4,732 54
“ Mail locks, keys and stamps,	73 67
“ Mail depredations,	669 51
“ Miscellaneous payments,	861 26
	<u>\$135,927 24</u>

RECEIPTS.

From letter postage,	\$79,458 38
Newspapers and pamphlets,	11,973 16
Surplus of emoluments from box rents,	953 13
	<u>92 334 67</u>
Excess of expenditures,	<u>\$43,542 57</u>

A DETAILED STATEMENT of the receipts and expenditures for one year, from July 1st, 1861, to June 30th, 1862.

EXPENDITURES.

For transportation of the mails,	\$2,052,953 76
“ compensation of Postmasters,	671,727 67
“ “ Clerks in Postoffices,	98,821 29
“ Ship, steamboat and way letters,	777 09
“ Advertising,	6,879 08
“ Mail bags,	714 77
“ Office furniture,	81 81
“ Blanks and printing,	26,612 63
“ Wrapping paper,	4,854 91
“ Mail locks, keys and stamps,	689 40
“ Mail depredations and special agents,	20,296 50
“ Miscellaneous payments,	17,112 07
“ Postage stamps,	22,869 59
	<hr/>
	\$2,924,290 48

RECEIPTS.

From letter postage,	\$1,005,985 04
From newspapers and pamphlets,	295,290 87
From surplus of emoluments from box rents,	7,935 30
From postage stamps,	692,067 94
	<hr/>
	1,911,189 05
Excess of expenditure,	\$1,013,101 43
Add excess of expenditure for the month of June, 1861,	43,512 57
	<hr/>
Total excess of expenditures from June 1st, 1861, to 30th June, 1862.	\$1,056,644 00
To meet this deficiency of revenue the following grants have been made from the general treasury:	
By act approved March 6th, 1861,	\$320,060 36
By act approved August 29th, 1861,	599,000 00
By act approved April 3d, 1862, the amount of my estimate of March 5, 1862,	919,390 57
	<hr/>
	1,739,450 93
Leaving an excess of means over the expenditures from June 1st, 1861, to June 30th, 1862, of	<hr/>
	\$628,806 93

419711

*DETAILED ESTIMATES of the Receipts and Expenditures for the
year ending June 30, 1863.*

EXPENDITURES.

For transportation of the mails,	\$2,493,389 86
For compensation of postmasters,	671,727 67
For compensation of clerks in post offices,	98,821 29
For ship, steamboat and way letters,	777 09
For advertising,	6,879 03
For mail bags,	714 77
For office furniture,	81 81
For blanks and printing,	30,000 00
For wrapping paper and twine,	8,000 00
For mail locks, keys and stamps,	689 40
For mail depredations and special agents,	25,206 50
For miscellaneous payments,	17,112 07
For postage stamps,	22,869 50
	<hr/>
	\$3,376,268 99

RECEIPTS.

From letter postage,	\$1,005,985 04
From newspapers and pamphlets,	205,200 87
Surplus of emoluments from box rents,	7,935 20
From postage stamps,	692,067 94
	<hr/>
	1,911,189 05
	<hr/>
Estimated excess of expenditures,	\$1,465,079 94.
Amount of appropriations remaining to the credit of the Department on the 30th June, 1862,	\$682,806 93
To balance of appropriation under act of April 3d, 1862, as per estimate of March 11th, 1862,	532,211 74
Amount appropriated by act of October 9th, 1862,	130,607 39
Amount appropriated by act of October 13th, 1862,	130,607 39
	<hr/>
	1,476,233 45
	<hr/>

Which would leave a balance in the treasury to the
credit of the Department, at the end of the current
fiscal year, of

\$11,153 51

From this it will be seen that no further grants from the general treasury are required for the current fiscal year, ending the 30th of June next; and, it is estimated that at that date there will remain in the treasury, to the credit of the Postoffice Department, the sum of eleven thousand one hundred and fifty-three dollars and fifty-one cents, (\$11,153 51) of the grants heretofore made from the general treasury, in aid of the revenues of the Department.

I submit, herewith, tabular statement marked (A), showing in detail the receipts of the Department under their several heads, for the several quarters, and, in the aggregate, from the 1st of June, 1861, to the 30th of June, 1862. Tabular statement, marked (B), showing the expenditures of the Department in detail, under their several heads, and, in the aggregate for the same period. And tabular statement, marked (C), showing a full and detailed statement of the receipts and expenditures under their several heads, by States, and in the aggregate, for the same period.

The estimated receipts for the current fiscal year are based on the actual receipts of the past fiscal year.

The act approved the 19th of April last, establishing a uniform rate of letter postage of ten cents, from and after the 1st day of July last, and the act approved the 21st of April last, reducing the rates of commissions to be allowed to postmasters, from and after the 1st day of July last, have not been in force a sufficient length of time to enable me to determine the effect they are to produce on the revenues of the Department, as the accounts in the current course of business, in the Auditor's office, have only been settled up to the 30th of June last. But I have no doubt, judging from such unofficial information as I have received, that they will produce an increase of revenue, though I have no information of a character which would authorize a change of the above estimates.

The revenue accounts of the department for the first quarter, ending the 30th of September last, since the above named acts went into effect, being the first quarter of the current fiscal year, will be audited by the 20th of this month. The returns for that quarter will show the effect which these measures are to produce on the revenues of the Department; and will serve as a basis for estimates of receipts for the fiscal year from the 1st of July, 1863, to the 30th of June, 1864. As soon as this information is obtained, I will prepare and submit detailed estimates for that year for the information of Congress in making provisions for the postal service after the 30th of June next.

RENEWAL OF SUGGESTIONS OF SPECIAL REPORT.

I renew the suggestions of my special report of the 23th of September last, as to the difficulty of complying with the provision of the Constitution which requires the expenses of the Department to be defrayed out of its own revenues, after the 1st of March next. Unless Congress can devise some way of giving aid to the department from the general treasury, it will become necessary, at an early day, to reduce and discontinue so much of the service as to bring the cost within its accruing revenues. And it is believed this cannot be done, without depriving portions of the country of necessary mail facilities.

MEANS OF INCREASING REVENUE.

As a means of augmenting the revenues of the Department, and overcoming to some extent the deficit of its receipts, I recommend an increase of the rates of postage on newspapers to a uniform rate of one cent on each newspaper weighing not more than three ounces.

419711

and in the same proportion for those of greater weight, for any distance, when sent to regular subscribers, and paid in advance; and the repeal of the provision of the second section of the act of May 13th, 1861, prescribing the rates of postage, which authorizes the publishers of newspapers or periodicals within the Confederate States to send and receive their exchanges free of postage.

The propriety and justice of the first of these recommendations will be seen by reference to the fact that, under the law as it now stands, a newspaper weighing three ounces is sent through the mails any distance for a fraction over three-fourths of a cent, while the postage on a single letter, weighing one-half of an ounce, is ten cents; and six single letters, weighing in the aggregate but three ounces, pay sixty cents. Even at the rate of increase here proposed, which is a fraction less than twenty-five per cent. on the present rates, ten newspapers, each weighing three ounces, would only yield the amount of postage paid on one letter of a half ounce weight. It is true that the cost of the department, in furnishing blanks, keeping accounts and in clerical labor, is greater in the letter than in the paper mail, but the cost per ounce of transportation, which constitutes the chief item of expenditure, is the same in each. The Constitution requires that the Department shall be self-supporting. And it can only be rightly made so by requiring all matter sent through the mails to pay its just proportion of the expense. The increase here proposed is but a partial remedy of the evil, which grew up under the old government, of sending newspapers and other printed matter through the mails without requiring the payment on them of their just proportion of expense, and of taxing the business and social correspondence, and the general treasury of the country, for the benefit of the readers and publishers of newspapers.

The injustice of requiring newspaper exchanges to be carried free of postage is a still greater departure from the spirit and object of the provision of the Constitution above referred to, and from the principles of right. Their publication and dissemination constitute one of the industrial pursuits of the country. And while it is a very useful pursuit, it is not perceived why it should be fostered by government aid at the expense of other equally useful industrial interests. Allowing these exchanges to pass free of postage through the postoffices and mails is equivalent to granting to them, by act of Congress, a subsidy equal to the amount of postage at current rates, which would be derived from them if they were charged with postage as other papers. I am not aware of the existence of any provision of the Constitution which, either by express grant of power, or by necessary inference from a grant of power, would authorize the bestowal of such a subsidy, or of doing that which is its equivalent, allowing newspaper exchanges to pass through the postoffices and mails free of postage.

I therefore recommend, as I did in a former report, the repeal of said provision.

These two changes, while they would add but a trifle to the tax on each individual interested, would furnish an aggregate of revenue:

to the department of, probably, sixty or seventy thousand dollars per annum.

I ask for no change of the rates of postage on other printed matter ; but think it probable, when the report of receipts from postages, for the quarter which ended the 30th of September last, is made, that it will show, in connection with the inflation of the currency, and the increased price of everything, that the rates of letter postage may be further increased.

PRE-PAYMENT OF LETTER POSTAGE.

By the first section of "An Act" No. 194, "relating to the pre-payment of postage in certain cases," approved July 29th, 1861, officers, musicians and privates in the army are authorized to send their letters through the mails, upon making the required endorsements, without the pre-payment of postage, the payment of the postage being required to be made at the office of delivery.

This departure from the correct principle of requiring the pre-payment of postage in all cases was adopted by Congress to facilitate the correspondence of our officers and soldiers, after the disappearance from circulation of small specie change, and before the Department had procured postage stamps. The condition of things which induced the adoption of this provision, has now passed away, and the Department is enabled to furnish postage stamps in any quantities which may be required, which secures the desired facility for the pre-payment of postage. In addition to which, there are other strong reasons for the repeal of the law authorizing the sending of these letters through the mails, without the pre-payment of the postage. The most important of which are that the practical effect of the act is to defeat, in a great measure, the object for which it was passed, and to burden the mails with large numbers of letters which are never received by the persons to whom they are sent, but are forwarded to the dead-letter office and destroyed.

A short time since, when our army fell back from Winchester, Virginia, the postmaster at that place forwarded to this city at one time six thousand seven hundred and eighty-five letters, which had been franked under the authority of the act under consideration, and addressed by soldiers to other soldiers. Having been advised of the large number of such letters which failed to reach their destination, I directed special agent Word, of this department, to investigate and report the cause. A copy of his report is hereto annexed, marked (D). This investigation disclosed the fact that the private soldiers, as well as many officers, could not leave the lines of the army to visit the postoffices for their letters, and that messengers from the different commands, when sent for them, refused to take letters out of the offices, on which the postage had not been paid, as in doing so they were required to pay the postage, while the letters, from various causes, would, in many cases, be left uncalled for in their hands, and they would lose the money advanced in payment of the postage on them. And in the case at the Winchester office, the large number of letters sent back

were those which remained uncalled for, after the postmaster had notified the commanders of regiments and separate battalions and companies to send for them.

A report on this subject, from the Postmaster of this city, discloses the fact that there are now some ten thousand of these franked letters in his office; and he is of opinion that many of them are reports from surgeons in charge of hospitals to commanders of regiments of the death, discharge, &c. of soldiers, and that they are not taken out of the office on account of the charges on them. A copy of his report is hereto annexed, marked (E). I respectfully call attention to this report, and to the one from special agent Word, for more detailed information on this subject.

The repeal of this law will greatly benefit the revenues of the Department, relieve the mails of a large mass of matter which only serves to encumber them, to the detriment of the service and detention of other matter, without conferring any real benefit on the persons for whose benefit it was passed, and to whom, at that time, it was a convenience.

I would also call attention to the fact that the act works great injustice to those postmasters who happen to be in the vicinity of our armies. Their compensation is derived from the per centage allowed by law on the amount of postage paid into their respective offices. Postmasters in the vicinity of bodies of troops have to receive and mail all the franked letters brought to them, making out the post-bills and keeping the accounts and making the required returns to this Department, without compensation. The commissions due on these letters are then collected at the offices of delivery where the postage is paid, and is thus transferred, by operation of this law, from the persons entitled to it on account of the performance of the labor above named, to others who have done nothing to entitle them to receive it. And, as an aggravation of this wrong, the postmasters who deliver these letters, and receive the compensation, which, in the absence of this law, would have been paid to the postmasters mailing the letters, and who are rightfully entitled to it, also mail the return letters from persons not entitled to frank them; and as the postage on the return letters, not written by soldiers, is paid at the mailing office, they also get the commissions on them; and the answers are returned to the postmasters who mailed the franked letters for nothing, and they have to deliver the answers without compensation.

At many offices this has made a difference of thousands of dollars in their receipts, and a loss to the postmasters of the commissions on that difference. The Department is constantly receiving letters of complaint from postmasters on account of this injustice, but is powerless to relieve them while the law remains unrepealed. Its repeal would benefit the revenues of the Department, disencumber the mails of a great mass of matter which now finds its way, at last, to the dead letter office, would avoid the above-mentioned injustice to postmasters, and would work no inconvenience to those for whose benefit it was designed, as they can now, at all times, obtain postage stamps with which to pre-pay their postage.

PAYMENT OF POSTAGE BY AGENTS OF THE DEPARTMENT AND MAIL CONTRACTORS.

My report of November the 27th, 1861, contains the following: "I must also call attention to the fact that the special and route and local agents of the Department are required to make frequent and sometimes voluminous reports to the Department, and to correspond with each other and with postmasters, in regard to the service; and there is no law to relieve them from paying the postage out of their private means, on this correspondence relating to official business. This condition of things must result in taxing these necessary agents, so as to drive them out of the service, or in causing them to omit the discharge of their most important duties, in order to avoid the expense of paying the postage on their communications.

"The contractors for carrying the mails are also required to make frequent responses to communications sent them from the Department in relation to the service, and to return to the Auditor, quarterly, the evidence of payments made them for such service, and to report to the Department the cause of every failure and of all irregularities, in the service, on their several routes. I must therefore ask that Congress make some provision to relieve them from the payment of this postage. This can be done by authorizing them to charge the amount to the Confederate States in their quarterly accounts for re-payment, under such restrictions as Congress may prescribe, or by authorizing them to frank such communications, under the same restrictions placed upon others connected with the Postoffice Department, who are authorized to frank their official correspondence."

Again, in my report of the 28th of February, 1862, I made the following reference to this matter:

"I must call attention to the recommendation made in my last report, that Congress provide some means of relieving special and route and local agents and contractors, from the payment of the postage on their official correspondence. The agents are required to correspond with the Department, and with postmasters and others, on the business of the department. The correspondence of the special agents is voluminous; and contractors for carrying the mails are required to make frequent responses to communications sent them from the Department in relation to the service, and to return to the Auditor, quarterly, the evidence of payments made them for such service, and to report to the Department the cause of every failure and of all irregularities in the service on their several routes. My recommendations on this subject were not acted on, and I beg respectfully to renew them, and to call attention to the reasons stated in my last report for requesting this action; and also to renew the suggestions contained in that report, as to the modes of remedying this defect of legislation."

The subject has not yet been acted on, and I feel it to be my duty again to bring it to your attention, as deserving the consideration of Congress.

CONTRACT BUREAU—TRANSPORTATION OF THE MAILS.

On the 30th June last the post-routes in operation in the Confederate States were 95,577 miles in length as follows :

On 8,266 miles of railroads, at a cost of	\$900,625 25
as shown by tabular statement marked (F.)	
On 87,311 miles of other classes of post-routes, at a cost of	1,234,402 15
	<hr/>
	<u>\$2,135,027 40.</u>

Showing a reduction in the cost of transportation, as compared with the last fiscal year under the government of the United States, of

\$1,278,252 60

The number of mail contractors in the service during the year was 1,519, of route agents 128, local agents 2, and mail messengers 165, connected with the mail service on railroads.

At the lettings in the States of Texas, Arkansas, Louisiana, Mississippi, Alabama and Tennessee, for mail service for four years from and after the first of July last, the service was taken at greatly increased prices, resulting from causes which have been heretofore brought to your notice.

The number of post-routes offered to bidders in those States was 989, and proposals were accepted upon 794.

Contracts have been properly executed for the faithful performance of service on 637, and on 126 the contracts have not yet been returned to the Department properly executed. 204 routes have not been let to contract. Of this number 114 are in the State of Tennessee, within the lines of the enemy. 22 were not let in consequence of the excessive compensation demanded for service thereon, and upon 34 no bids were submitted, and 31 have been suspended for various causes. A tabular statement is appended marked (G) showing the number of mail routes (exclusive of railroads) let to contract under the advertisement of the Department of January 1st, 1862, together with the aggregate number of miles, length of routes, amount of compensation, and mean rate of cost per mile in each State, with the exception of Tennessee.

A full report will be submitted to Congress in the early part of the session, in conformity with the provisions of an act of Congress, approved July 2d, 1836, of all offers for carrying the mails made within the year ending December 31st, 1862, and of all contracts made for the transportation of the mails within that year.

The mail service in the States of Virginia, North Carolina, South Carolina, Georgia and Florida has been carefully revised, with a view to economy and efficiency, and the necessary advertisements issued inviting proposals for mail service therein for the period of four years from and after the 1st of July, 1863.

Some estimate may be formed of the labor required of the Contract

Bureau, in connection with the postal service, from the fact that the manuscript correspondence of the Bureau, between the first of June, 1861, and the 31st December, 1862, covers 1,551 pages of the largest size letter books, independent of vast numbers of circular letters issued; the great number of analogous cases rendering their use both convenient and necessary.

Various efforts have been made by the Department to secure more certain connections of the mail trains on the Great Southern route between this city and Charleston, Savannah and Montgomery, by co-operating with the several railroad companies in the adoption of new schedules at a reduced rate of speed, but without success, and the Department is not possessed of the power to make schedules for mail trains upon railroads, without the consent of the companies, so that the evils arising out of the present irregularities in the arrivals and departures of the mails upon that line, must continue to be felt by the public, until the railroad officers can agree to a new schedule that can be run with more certainty than the one now in use.

Until this is done, the Department can only correct the evils referred to in a limited degree, by rigidly imposing penalties for not running in conformity with existing schedules.

APPOINTMENT BUREAU.

The whole number of postoffices in the Confederate States, not including the States of Kentucky and Missouri, on the 31st December, 1862, was	8,613
Whole number of offices established from June 1st, 1861, to December 31st, 1862,	281
Number discontinued,	627
Number of resignations of postmasters,	2,034
Number of postmasters removed,	190
Number of postmasters who have died,	144
Number of postmasters appointed,	8,431
Number of postmasters commissioned,	6,798
which will appear in detail by reference to tabular statement marked (H.)	

Of these the number of postoffices established since the date of my report February 28th, 1862, is	165
Number discontinued,	370
Number of resignations of postmasters,	1,227
Number of postmasters removed,	75
Number of postmasters who have died,	64
Number of postmasters appointed,	1,422
Number of postmasters commissioned,	1,532

The number of requisitions made by postmasters for post-office blanks, wrapping paper and twine, since the date of my report February 28th, 1862, to December 31st, 1862, is	8,625
Number of requisitions filled,	8,625

	<i>Reams.</i>	<i>Sheets.</i>
Post bills furnished,	311	52
Mails received,	215	00
Mails sent,	129	364
Newspaper accounts,	33	307
Accounts current,	70	304
Prepaid matter,	2	178
Signature post bills,	287	451
Mails received for distribution,	10	26
Mails sent for distribution,	27	360
Distribution signature post bills,	83	00
Making an aggregate of	1171	122

	<i>Reams.</i>	<i>Quires.</i>
Wrapping paper furnished to postmasters,	1343	14½

	<i>Pounds.</i>
Cotton twine,	59½
Hemp twine,	360

Blanks remaining on hand for distribution :

	<i>Reams.</i>	<i>Sheets.</i>
Post bills,	25	6
Mails received,	22	465
Mails sent,	54	150
Newspaper accounts,	40	00
Accounts current,	56	320
Pre-paid matter,	13	410
Mails received for distribution,	20	00
Mails sent for distribution,	20	00
Wrapping paper on hand,	224	00

Cotton twine,	93 pounds.
Hemp twine,	540 "

which will appear in detail by reference to tabular statement marked (I.) All the requisitions on the Department for blanks, up to date, have been filled.

Number of marking and rating stamps furnished to postmasters since my last report, 129

On the 9th of April last, a contract was entered into with Mr. John H. Seals, of Atlanta, Georgia, for the printing of the Department. In consequence of the repeated failures of the contractor to fill the orders made on him, and the embarrassments of the Department, resulting therefrom, this contract was annulled on the 3d of November last. And another contract was made with Ritchie and Dunnivant, of this city, on the 5th of November last.

The postmasters throughout the Confederate States have been fur-

nished with printed copies of all the laws relating to the Postoffice Department, passed by Congress from the organization of the government up to this date.

FINANCE BUREAU.

Amount of money placed in the various depositories of the Department, by postmasters, from the date of my report of February 28th, to the 31st of December last, was	\$479,172 49
Balance to the credit of the Department in the treasury and its branches on the 28th of February last,	352,699 82
Amount appropriated by act of April 3d, 1862, in aid of the revenues of the Department,	1,451,602 31
By act of September 22d, 1862,	800,000 00
	<hr/>
	\$3,083,474 62

Between the 28th of February and 31st December last, 1764 warrants were issued on the treasury and its branches in payment of postal service, amounting to	<hr/>
	\$1,055,838 08

Leaving now in the treasury and its branches for the service of the department,	<hr/>
	\$2,027,636 54

Number of warrants issued between the 28th February and 31st December last, was 1764, amounting to	\$1,055,838 08
Number of drafts issued for the same time was 2,091, amounting to	282,425 45
	<hr/>

Total amount paid by warrants and drafts,	<hr/>
	\$1,338,263 53

Of the \$2,027,636.54 in the treasury and its branches, \$653,386.97 is to the credit of the appropriation of \$800,000 to pay contractors for services rendered prior to the 1st June, 1861, under "An act to provide for the payment of sums ascertained to be due for postal service, to citizens of the Confederate States, by the Postmaster General."

There is also in the treasury, subject to the requisitions of the Department, and not embraced in the foregoing statement, the following amounts under act of 9th of October, 1862,	\$130,607 39
Under act of 13th of October, 1862,	130,607 39
	<hr/>

\$261,214 78

The number and denominations of postage stamps supplied to postmasters, from 28th of February to 31st of December last, was as follows :

Number of 2 ct. stamps,	738,000	Value,	\$14,760 00
" 5 "	25,577,431	"	1,278,871 55
" 10 "	4,886,611	"	488,661 10
	<hr/>		
Making,	31,202,042		\$1,782,292 65

The number of dead letters opened, and containing \$12,519 17 in money, registered and sent out to the 31st of December, was	1,720
Number of dead letters opened and filed, containing \$14,438 32 in money not yet sent out,	1,670
Number of dead letters, containing drafts, checks, bills of ex- change, and other enclosures of value, amounting to \$2,344,- 240.37, registered and sent out,	4,220
Total number of dead letters containing money and valuables,	<u>7,610</u>

Number of unpaid letters held for postage,	51,655
Number of drop letters held for postage,	20,452
Number of dead letters,	454,285
	<u>535,392</u>
Total of dead letters,	<u>543,002</u>

AUDITOR'S OFFICE.

The report of the Auditor shows that the gross amount of postage stamps sold, to the 30th of June, 1862, was,	\$692,067 94
The amount used in the pre-payment of postage, and cancelled, was	446,688 84
Leaving outstanding,	<u>\$245,379 10</u>

He also shows that the nett revenue from postages, being the aggregate amount of balances due the Confederate States by postmasters, on the adjustment of their quarterly accounts, to the 30th of June, 1862, was

For the month of June, 1861,	\$48,431 41
For the quarter ending September 30th, 1861,	215,001 20
For the quarter ending December 31st, 1861,	275,979 29
For the quarter ending March 31st, 1862,	242,404 04
For the quarter ending June 30th, 1862,	395,798 46
	<u>\$1,177,614 46</u>

And that the number of accounts audited, from the first of June, 1861, to the 30th September, 1862, was

For the month of June, 1861,	4,914
For the quarter ending September 30th, 1861,	7,539
For the quarter ending December 31st, 1861,	7,063
For the quarter ending March 31st, 1862,	6,034
For the quarter ending June 30th, 1862,	5,098
Making an aggregate of	<u>30,648</u>

That the number of postoffices in operation, as shown by the books of his office, from June 1st, 1861, to June 30th, 1862, was 7,163

Of which 104 are "draft offices," and paid during that period 2,984 drafts, amounting in the aggregate to	\$282,881 34
Ninety-six are "deposit offices," and during this period deposited with the treasury and its branches,	609,050 29
Six thousand five hundred and fifty-five are "collection offices," and paid on collection orders, issued to contractors, during this period,	385,889 01
Four hundred and eight are "special" and "mail-messenger" offices, and derive their supply of mails chiefly from the revenues of the offices, the cost of which during the year was,	23,280 40
Showing the amount paid into the treasury, for the use of the Postoffice Department, by postmasters, after the retention of their personal compensation, and the incidental expenses of their offices, to have been,	<u>\$1,301,101 04</u>

Uncollected balances remaining in the hands of late postmasters, exclusive of the amount due to the United States,	\$19,773 99
The balance due to late postmasters for same period, exclusive of amount due by United States,	26,939 69
Amounts collected from late postmasters for same period, exclusive of sums due United States,	4,001 50

INSPECTION OFFICE.

The amount of fines imposed on mail contractors, for culpable negligence in the performance of their contracts, from the 1st of January to the 31st of December, 1862, is \$2,444 60

Amount of deductions on account of failures and irregularities in the performance of their contracts for the same period is,	112,625 05
--	------------

Making,	\$115,069 65
Amount of fines from 1st June to 31st December, 1861,	764 06
Amount of deductions for same period,	<u>31,283 13</u>

Making an aggregate of which stands to the credit of the Department in the accounts for mail transportation.	\$147,116 84
--	--------------

CHANGE OF POSTMASTERS AND CONTRACTORS.

The Department has encountered much inconvenience, and some pecuniary loss, and has been subject to a heavy correspondence, on account of the frequent changes of postmasters and contractors for carrying the mails, in consequence of the existing war, as many of both classes had, from time to time, gone into the army, before the

date of the act of the 11th of October last, "to exempt certain persons from military duty," &c., which rendered all of each class between the ages of eighteen and forty-five, except postmasters appointed by the President and confirmed by the Senate, liable to military duty, thus rendering new appointments and new contracts, or the recognition of the transfers of contracts, necessary.

The act above referred to will increase these difficulties, and by rendering the contractors and their drivers and riders liable to military service, seriously embarrass the postal service, and will also increase the expenditures for the transportation of the mails during the existence of the present contract term. Another effect of this act on the postal service, will be, by a reduction of the number of bidders, and of the competition for contracts to be let during the coming spring in the States of Virginia, North Carolina, South Carolina, Georgia and Florida, for the ensuing term of four years, to enhance materially the cost of the service.

COMPENSATION OF ROUTE AND SPECIAL AGENTS.

The maximum rate of compensation allowed to the route agents of the Department is eight hundred dollars per annum. This, at the present prices of the means of living, is not sufficient; and I recommend that it be increased to one thousand dollars.

The compensation of the special agents of the Department is sixteen hundred dollars per annum, and by act of March 3d, 1845, they were allowed the sum of two dollars per day, when actually employed as mail agents, to defray their travelling and incidental expenses. None but men of superior business qualifications and integrity can be usefully employed as special agents. The services of such men as the good of the public service requires in these positions, cannot be commanded without allowing them a reasonable compensation. Their duties require them to be almost constantly travelling; and their travelling expenses are now from three to four dollars per day. I recommend that their per diem allowance for travelling and incidental expenses be increased to three dollars per day, while actually employed in travelling on the business of the Department.

Very respectfully,

Your obedient servant,

JOHN H. REAGAN,
Postmaster General.

THE PRESIDENT

A.

STATEMENT exhibiting the receipts of the Post Office Department, under their several heads, from the 1st June, 1861, to June 30th, 1862.

	June, 1861.	3d Quarter, 1861.	4th Quarter, 1861.	1st Quarter, 1862.	2d Quarter, 1862.	Total under each head.	Aggregate amount.
Letter Postage.....	79,458 35	350,962 70	336,343 41	192,711 20	125,967 73	1,035,443 42	
Newspapers and Pamphlets	11,973 16	60,446 02	56,171 41	43,530 70	45,652 74	217,174 03	
Postage Stamps sold..	.....	.....	97,861 16	179,258 81	414,947 97	692,067 94	
Surplus of Emoluments.	953 13	2,689 68	740 01	3,304 75	1,200 76	8,888 33	
	92,384 67	414,098 40	491,115 99	418,805 46	587,169 20		\$2,003,573 72

AUDITOR'S OFFICE, P. O. DEPARTMENT,
December 20, 1862.

Respectfully submitted:

BOLLING BAKER, Auditor.

Hon. J. H. REAGAN, Postmaster General.

B.

STATEMENT exhibiting the Expenditures of the Post Office Department, under their several heads, from the 1st June, 1861, to 30th June, 1862.

	June, 1861.	3d Quarter, 1861.	4th Quarter, 1861.	1st Quarter, 1862.	2d Quarter, 1862.	Total under each head.	Aggregate amount.
Transportation	82,673 64	496,569 97	588,654 80	492,250 42	480,479 07	2,185,027 40	
Compensation of Postmasters	35,047 20	166,003 06	184,664 25	158,742 32	162,818 04	707,274 87	
Compensation of Post-office Clerks	8,177 10	28,977 70	25,941 51	17,315 29	30,726 18	111,137 78	
Ship, steamboat, and way letters	116 66	172 63	150 26	193 84	260 02	898 41	
Advertising	1,173 91	1,052 90	838 77	1,929 59	3,252 11	8,247 28	
Mail Bags	1 75	42 75	466 32	185 25	20 45	716 52	
Office Furniture		2 70	63 11		16 00	81 81	
Blanks and Printing	3,000 00	2,428 95	6 00	429 77	23,737 96	29,602 68	
Wrapping Paper	4,732 54	1,314 69	224 41	72 37	3,243 44	9,587 45	
Mail Locks, keys and stamps	73 67	114 49	285 72	156 13	133 06	763 07	
Mail Depredations and Special Agents	669 51	4,114 87	6,121 02	4,174 87	5,196 24	20,876 01	
Miscellaneous payments	861 26	5,913 76	4,801 31	2,255 80	4,402 32	18,237 45	
Postage Stamps		8,473 20	4,327 80	3,823 00	6,245 50	22,869 50	
	135,927 24	715,731 17	811,544 78	651,536 65	720,530 39		\$3,065,320 23

AUDITOR'S OFFICE, P. O. DEPARTMENT,
December 20, 1862.

Respectfully submitted:

BOLLING BAKER, Auditor.

Hou. J. H. REAGAN, Postmaster General.

C.

A RECAPITULATION of the amount of Letter Postage, Newspaper Postage, Postage Stamps sold, Compensation allowed Postmasters, Incidental Expenses of Post Offices, and amount credited Contractors and others for the Transportation of the Mails in each of the Confederate States, from June 1, 1861, to June 30, 1862.

STATES.	Letter postage.	Newspaper postage.	Stamps sold.	Total receipts.	Compensation of postmasters.	Incidental expenses.	Total compensation & incidental expenses.	Transportation accrued.	Total expenses.	Excess of expenses over receipts.	Excess of receipts over expenses.
Virginia.....	211,674 25	45,497 45	292,068 38	549,235 08	124,927 27	84,454 81	159,852 05	244,196 89	407,578 47	75,247 16	141,656 61
North Carolina.....	91,644 80	25,308 88	47,907 60	164,861 28	73,519 89	6,121 74	79,821 63	160,456 81	240,108 44	57,166 16	
South Carolina.....	99,537 42	22,157 29	77,280 44	198,984 45	70,409 02	12,172 41	82,581 43	173,569 38	256,139 61	62,519 39	
Georgia.....	181,616 84	32,514 91	92,207 55	306,339 30	119,938 24	22,714 20	142,697 44	226,161 25	308,835 69	29,692 85	
Florida.....	27,436 94	8,739 85	14,480 60	45,676 89	15,574 89	1,234 51	16,809 40	58,460 84	73,369 74	158,329 87	
Alabama.....	109,526 21	22,514 41	54,565 68	186,606 80	74,738 88	13,921 19	88,659 32	286,276 65	374,936 17	224,625 45	
Mississippi.....	100,303 65	25,738 75	141,694 21	227,421 51	72,069 49	1,355 37	73,414 86	299,584 40	386,249 66	314,653 72	
Louisiana.....	81,194 80	15,899 17	11,441 34	108,535 81	37,194 44	14,024 48	51,178 92	267,143 61	318,332 53	204,287 22	
Texas.....	72,075 78	11,238 80	17,004 90	100,318 88	44,784 25	2,852 54	47,636 79	362,395 81	415,032 60	145,480 76	
Arkansas.....	84,740 88	4,838 05	1,677 35	40,756 81	24,564 55	1,724 73	26,289 28	159,947 79	186,237 07	56,948 71	
Tennessee.....	75,394 74	18,820 46	57,100 39	132,115 59	44,066 81	18,818 82	62,885 13	146,174 17	209,059 80	74 52	40 93
Arizona Territory.....	115 45			115 45	74 52		74 52				
Deduct miscellaneous items.....	1,065,481 89	217,171 98	692,075 13	1,994,729 05	705,826 70	129,504 30	836,331 00	2,351,646 80	3,217,977 80	1,364,946 29	141,697 54
Add miscellaneous items.....	88 47	2 05	7 24	43 66	448 17		448 17		448 17	404 51	
Total.....	1,065,443 42	217,174 03	692,067 94	1,994,635 89	707,274 87	129,504 30	836,779 17	2,351,646 80	3,218,425 97	1,805,350 89	141,697 54
Add receipts on account of emoluments.....											8,888 33
Deduct excess of receipts.....											150,555 87
Excess of expenditures over receipts.....											1,214,765 02
Add amount paid to route agents.....											95,913 70
" for the supply of special offices and mail messengers.....											23,280 40
" for ship, steamboat and way letters.....											585 41
" advertising.....											9,256 83
" mail bags.....											5,818 82
" blanks and printing.....											389 50
" mail locks, keys and stamps.....											20,602 68
" depredations and special agents.....											783 07
" clerks for post-offices.....											20,876 01
" miscellaneous payments.....											460 67
" postage stamps and stamped envelopes.....											2,789 56
Total excess of expenditures over receipts.....											212,709 13
Total excess of expenditures over receipts.....											1,427,474 17

Hon. J. H. REAGAN, Postmaster General.

Respectfully submitted:

AUDITOR'S OFFICE, POST-OFFICE DEPARTMENT, December 20, 1862

BOLLING BAKER, Auditor.

(D.)

REPORT OF W. E. M. WORD, SPECIAL AGENT POSTOFFICE DEPARTMENT.

RICHMOND, Nov. 28, 1862.

SIR: I beg leave to call your attention to the fact, that very few of the *unpaid* letters *franked* by soldiers, and sent to other soldiers in the army in this State, are taken from the various postoffices to which they are addressed. As an instance of their rapid accumulation, I have only to mention the fact, that during the last six or eight weeks, while our army was at Winchester, very few of those letters were taken from that office, and the postmaster at that place, upon the "falling back" of the army, returned to the Richmond postoffice, for distribution, *six thousand seven hundred and eighty-five unpaid franked letters*. The postmaster at Winchester informed me that the regular "mail messengers" from the different brigades, regiments, battalions, &c., refused to take those *unpaid franked letters* from the office, because the soldiers would not refund the amount paid back to them. This same excuse has been given by nearly all the "army mail messengers," at all the postoffices at or near which the army has been located. The postmaster at Winchester also informed me, that he had written to the different commanders of the regiments, that so many *unpaid franked letters*, (naming the number) were in the office for his men. After that, some few were called for, but the large majority were left in the office.

To my own knowledge, thousands of these letters are sent quarterly to the Dead Letter office. It seems to me, now that we have plenty of postage stamps, that the law is of very little advantage to the soldier, and ought to be repealed, as the accumulation of these unpaid letters at any postoffice retards, very much, the business of that office. At the same time, the mailing and distribution of these letters is a very heavy expense to the Postoffice Department.

With high respect,

Your obedient servant,

W. E. M. WORD,
Special Agent Postoffice Department.

HON. JOHN H. REAGAN,
Postmaster General.

(E.)

LETTER OF J. O. STEGER, P. M. Richmond, Va.

RICHMOND POSTOFFICE, Jan. 1, 1863.

DEAR SIR : As near as can be ascertained, there are at this time in this office ten thousand letters addressed to soldiers in the army which have not been taken out of the office, either because the parties to whom they were addressed could not or would not pay the postage due on them. I feel very sure that I am largely within the mark in the number stated. At one time, six hundred and forty dollars of due letters belonging to soldiers were returned to this office from Winchester alone. A large number were sent here also from Gordonsville. A large number of these letters, I am informed by my clerks, have been travelling the rounds with the army, without ever having been taken out. Included in this list, are a large number of letters written by surgeons in the charge of hospitals, to commandants of regiments, giving information, doubtless, of the death or discharge from the hospital of soldiers, which are of the utmost importance, I should think, to the service. Some provision should be made by the War Department to have these letters delivered, as they are now not taken out of the office, because of the postal charges on them.

The mail matter for the army is generally taken out of the office by officers or mail messengers, sent for the purpose. Neither the officers nor the mail messengers, will, as a general rule, take out letters upon which the postage is due, and as the private soldiers rarely have an opportunity to apply at the office themselves, it is certain that so long as the franking privilege is continued, a very large number of letters addressed to soldiers by other soldiers will remain as dead matter in the offices. In my judgment, the boon which Congress designed to bestow upon the soldier, by allowing him to send off his letters without prepaying the postage, has been far more fruitful of inconvenience and injury to the soldier himself than of benefit; and it has been particularly injurious to the service, inasmuch as a large number of letters from surgeons, quartermasters, commissaries, and other officers in the service, containing matter highly important to the service, have been permitted to lie as dead matter in the postoffices because they were franked.

I regret that the numerous calls upon my time to-day, and the frequent interruptions to which I have been subjected while writing this hasty letter, have prevented my giving you a more detailed and satisfactory account of the practical working of the act of Congress, allowing soldiers to frank their letters.

Very respectfully,

Your obedient servant,

J. O. STEGER,

Postmaster Richmond City, Va.

Hon. J. H. REAGAN,

Postmaster General

F.

A SUMMARY of Railroad Service in the Confederate States, on the 30th of June, 1862.

STATES.	Distance.	Annual Pay.	Annual cost of Route Agencies.	Annual cost of Mail Messengers.	Total Annual cost.	Average cost per mile in each State.
Alabama.....	822 95-100	109,067 50	7,850 00	1,333 00	118,250 50	143 63
Arkansas.....	40	3,000 00	.....	.....	3,000 00	75 00
Florida.....	408 $\frac{3}{4}$	26,887 50	800 00	140 00	27,777 50	68 81
Georgia.....	1,874 1-12	144,082 25	14,550 00	1,893 00	160,475 25	182 66
Louisiana.....	304	42,800 00	4,000 00	1,000 00	48,800 00	160 52
Mississippi.....	944	123,552 50	8,000 00	2,016 00	133,568 50	141 50
North Carolina.....	710 $\frac{1}{2}$	66,625 00	9,500 00	1,739 00	77,864 00	109 66
South Carolina.....	1,065 $\frac{1}{4}$	119,325 00	13,900 00	3,102 00	136,327 00	128 63
Tennessee.....	864 97-100	93,428 00	8,500 00	2,312 00	104,240 00	120 64
Texas.....	409 $\frac{1}{2}$	84,787 50	1,600 00	356 00	86,743 50	89 72
Virginia.....	1,327	136,170 00	19,600 00	1,892 00	157,662 00	118 73
	8,266 4-12	900,625 25	88,300 00	15,738 00	1,004,708 00	

CONFEDERATE STATES OF AMERICA, POST OFFICE DEPARTMENT,
CONTRACT BUREAU, January 9, 1862.

Respectfully submitted:

H. ST. GEO. OFFUTT,
Chief of the Contract Bureau.

G.

CONDENSED TABULAR STATEMENT exhibiting the number of Mail Routes (exclusive of Railroad Routes) let under the advertisement of the Postmaster General, of January 31, 1863, together with the length thereof and compensation therefor, in each State, and the aggregate length and compensation of all, and the mean rate per mile, per State.

STATES.	Actual No. of miles.	No. miles travelled.	Compensation.	Mean rate per mile bet'n the term'nl. points in each State.
Arkansas	8,011	26,062	\$209,689 00	\$16 09
Alabama.....	6,471	22,562	118,393 00	10 49
Louisiana.....	8,743	14,126	100,476 00	15 49
Mississippi.....	5,561	17,931	100,466 00	11 20
Texas.....	11,845	37,816	262,867 00	13 90
Tennessee*.....				Avg. mean rate \$13 53
Aggregates.....	35,631	118,500	\$500,891 00	

* But few routes have been let in this State; hence no details are attempted

Respectfully submitted:

H. ST. GEO. OFFUTT, Chief of the Contract Bureau.

CONFEDERATE STATES OF AMERICA, POSTOFFICE DEPARTMENT,
CONTRACT BUREAU, January 9, 1863.

H.

A TABULAR STATEMENT showing the number of Post Offices; also the number of Establishments, Discontinuances, Resignations, Removals, Deaths, Appointments, and the number of Commissions issued by this Department, since June 1st, 1861.

STATES.	Number of Post Offices.	Number of offices established.	Number of offices discontinued.	Resignations.	Removals.	Deaths.	Number of Appointments.	Number of Commissions issued.
Alabama.....	765	28	106	281	13	9	917	804
Arkansas.....	656	24	22	107	12	10	501	341
Florida.....	172	19	19	47	4	4	218	153
Georgia.....	848	35	27	246	20	17	1,008	840
Louisiana.....	319	8	34	133	9	15	408	298
Mississippi.....	589	28	75	231	9	16	770	617
North Carolina.....	1,105	31	50	195	15	14	931	797
South Carolina.....	605	20	34	90	6	15	610	558
Tennessee.....	1,021	35	84	189	36	10	776	553
Texas.....	743	25	69	224	19	15	898	677
Virginia.....	1,799	28	97	291	47	19	1,381	1,160
	8,613	281	627	2,034	190	144	8,431	6,798

Respectfully submitted:

B. N. CLEMENTS,
Chief of Appointment Bureau.

POST OFFICE DEPARTMENT, APPOINTMENT BUREAU,
December 31st, 1862.

Tilled; the quantity issued to each State, and exhibiting the total 63.

	Mails sent for distribution.		Distributing Signature post bills.		Showing the number of blanks issued to each State in sheets and in reams.			Account of wrapping paper and twine issued.			
								Paper.		Twine.	
	Reams.	Sheets.	Reams.	Sheets.	Sheets.	Reams.	Sheets over.	Reams.	Quires.	Cotton. Pounds.	Hemp Pounds.
Virg	9	230	18	.....	127,980	266	300	374	16½	120½	
Nor	2	240	3	.....	70,558	146	478	115	9	29½	30
Sout	4	220	11	.....	51,173	106	293	91	19	47	60
Geo	6	470	28	.....	109,158	227	198	259	16	75½	120
Alab	3	160	17	.....	56,925	118	285	151	10	94½	90
Flor	.....	.....	.....	.....	8,785	18	95	10	17	9½	
Miss	.....	.....	6	.....	49,765	108	325	106	2	36½	
Loui	.....	.....	.....	.....	12,549	26	69	22	1	23½	80
Arki	.....	.....	.....	.....	6,564	13	324	20	10	9½	
Tenn	.....	.....	.....	.....	29,746	61	466	60	3	34½	
Texas	1	.....	.....	.....	89,049	81	169	30	11	39	30
Aggr	27	360	83	.....	562,202	1,171	122	1,243	14½	519½	360
On h	20	.....	.....	.....	.....	.....	.....	224	.....	98	540

B. N. CLEMENTS,
Chief of Appointment Bureau.





Hollinger Corp.
pH 8.5