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REPORT

OF THE

POSTMASTER GENERAL,

DECEMBER, 1859.

REPORT.

POST OFFICE DEPARTMENT, *December 3, 1859.*

SIR: In the month of March last, the sudden decease of my enlightened and deeply-lamented predecessor, immediately preceded, as it was, by the death of the Third Assistant Postmaster General—so long and so honorably connected with the administration of the postal revenues—filled this department with discouragement and gloom. Associated with this double calamity came another, which awakened painful anxieties, not only from its intrinsic magnitude, but from the fact that the history of the government from its foundation furnished no parallel for such a disaster. My allusion is, of course, to the failure of Congress to pass the customary appropriation bill for the support of the Post Office Department, whereby, with all its responsibilities resting upon it, and the fulfillment of all its duties demanded by the country, it was still deprived of the use of its own revenues, and thus, necessarily, of all means of complying with its engagements to the faithful officers toiling in its service. The ordeal so unexpectedly prepared for it was in all its aspects as novel as it was perplexing, and disquieting apprehensions were naturally felt for the result. When, however, from high political considerations, the President announced his purpose not to convene Congress in special session, and the full measure of the crisis was thus revealed, the contractors and others charged with the maintenance of the postal administration manifested everywhere a determination to meet the emergency with courage and with a lofty public spirit. With very rare exceptions, every duty pertaining to the transmission and delivery of the mails has been performed as cordially and as faithfully, during the last nine months, as at any former period. While, however, this is referred to with gratification, and cannot be too warmly commended, it must not be forgotten that this fidelity in the midst of abandonment and privation has cost a numerous and deserving class of public servants severe pecuniary sacrifices. Feeling anxious that they should be relieved, as far as possible, from the embarrassments in which they were so suddenly involved, statements evidencing the indebtedness of the department to its contractors and agents have been issued to each, in the hope that, in the easy condition of the money market, their holders might obtain advances upon them without serious loss. It is to be feared, however, that those whose circumstances obliged them to dispose of these securities have in many cases been compelled to submit to a heavy discount.

I would most earnestly urge upon Congress the necessity of making an early appropriation to meet all the existing liabilities of the depart-

ment. As the faith of the government has been broken, not only should the principal of these debts be promptly paid, but interest on them should also be allowed. In many instances this may prove but an imperfect indemnity for the damage which the creditors of the department have actually sustained; but this much, at least, is due from the gravest considerations of public justice and policy, and cannot, in my judgment, be withheld without national dishonor.

REVENUE AND EXPENDITURES.

The actual (paid) expenditures of the department in the fiscal year ending 30th June, 1859, amounted to \$11,458,083 63.

For transportation of inland mails, including payments to route agents, local agents and mail messengers..... \$6,112,996 68

For transportation of foreign mails, to wit :

New York to Liverpool	\$83,177 30	
New York to Havre.....	136,122 11	
New York to Bremen.....	84,151 38	
New York by Havana to New Orleans....	17,213 48	
New York to Havana.....	3,089 34	
Charleston to Havana.....	60,000 00	
New Orleans to Vera Cruz	2,810 73	
Aspinwall to Panama	100,000 00	
Agencies at Panama and Aspinwall.....	2,336 77	
Transportation agents.....	4,927 84	
		494,428 95

For California mails under *special* appropriations, to wit :

Panama to Astoria from October 1, 1858, to June 30, 1859.....	\$261,037 50	
San Francisco to Olympia.....	122,500 00	
New Orleans to Ventoza, from November 1, 1858, to June 30, 1859.....	166,666 67	
		550,204 17
For compensation to postmasters.....	2,453,900 97	
For clerks in post offices.....	929,900 23	
For ship, steamboat, and way letters.....	14,496 86	
For office furniture for post offices.....	2,187 35	
For advertising.....	46,268 26	
For mail bags.....	57,352 92	
For blanks.....	44,917 59	
For mail locks, keys, and office stamps.....	6,709 65	
For mail depredations and special agents.....	52,081 55	
For postage stamps.....	40,655 61	
For stamped envelopes.....	49,138 43	
		10,855,239 22

Carried forward.....

Brought forward	\$10,855,239 29
For wrapping paper.....	31,338 35
For payments to letter carriers.....	187,037 83
For miscellaneous payments.....	181,618 21
For payments for balances due on British mails.....	146,966 81
For payments for balances due on Bremen mails.....	5,734 21
For payments for balances due on Hamburg mails.....	9,237 15
For payments for balances due on French mails.....	40,911 85
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Total of actual (paid) expenses.....	11,458,083 63
But to this must be added the ascertained liabilities of the department, which could not be paid owing to the failure of Congress to make the usual appropriations, and which now constitute a deficiency to be provided for to 30th June, 1859.....	4,296,009 26
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Total of actual (paid) expenditures and liabilities	<u>15,754,092 89</u>

This sum includes \$789,599 56 appropriated by special acts of Congress out of the general treasury, which, being deducted, leaves the actual (paid) expenditures \$10,668,484 07 instead of \$11,458,083 63, and the total of expenditures and liabilities \$14,964,493 33 instead of \$15,754,092 89. If there be added to \$11,458,083 63 the sum of \$55 96 closed by suspense, and the sum of \$627 26 gained on the bad debt account be subtracted, then the actual expenditures, as adjusted in the Auditor's Office, will be \$11,457,512 33.

The gross revenue for the year 1859, including receipts from letter carriers and from foreign postages, amounted to \$7,968,484 07, as stated below :

Letter postage.....	\$906,531 78
Registered letters.....	25,052 95
Stamps sold.....	6,158,145 90
Newspapers and pamphlets.....	589,352 39
Fines.....	50 00
Receipts on account of emoluments.....	79,010 07
Receipts on account of letter carriers.....	187,037 83
Receipts on account of dead letters.....	3,134 79
Extra compensation overcharged.....	1,103 84
Miscellaneous receipts.....	19,064 52
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Total revenue.....	7,968,484 07

Being an increase of six per centum over the revenue of the year ending June 30, 1858, but still \$2,700,000 short of the actual (paid) expenditures (\$10,668,484 07) as adjusted on the Auditor's books, exclusive of the permanent annual appropriations amounting to \$700,000 granted to the department by the acts of March 3, 1847 and March 3, 1851, for the transportation and delivery of free mail matter for Congress and the executive departments, and of the special appropriations for mail transportation.

To this amount, (\$2,700,000) must be added the unpaid liabilities or deficiency as estimated on the 30th June, 1859, \$4,296,009 26, making the total excess of the expenditures for the year, \$6,996,009 26.

I respectfully invite attention to the highly satisfactory report of the Auditor, hereto appended. From this interesting document, I derive the following synopsis of the financial operations of the department in the past fiscal year :

The balance standing to the credit of the department on the books of the Auditor, on 30th June, 1858, was.....	\$608,313 06
The receipts of the department from all sources during the year 1859.....	7,968,484 07
Amount of bad debts collected.....	627 26
The amount of various appropriations drawn from the treasury during the year, was \$3,915,946 49, from which should be deducted \$325,000, being a part of the appropriation of \$700,000 (under acts 3d March, 1847, and 3d March, 1851) for the year 1860, applied to the service of 1859.....	3,590,946 49
Total receipts.....	12,168,370 88
The whole amount of actual (paid) expenses in the year, including \$55 96 for accounts closed by suspense.....	11,458,139 59
Leaving to the credit of the department, 1st July, 1859	710,231 29
This amount of \$710,231 29 to the credit of the revenue of the department 1st July, 1859, is made up of balances due from postmasters and late postmasters which have been accumulating from 1st July, 1845, and can only be made available as they are collected.	
For the year ending 30th June, 1858, the expenditures were.....	\$12,722,470 01
And the revenue.....	7,486,792 86
Excess of expenditure for 1858.....	5,235,677 15
For the year ending 30th June, 1859, the expenditures and liabilities were.....	\$14,964,493 33
And the revenue.....	7,968,484 07
Excess of expenditure for 1859.....	6,996,009 26

ESTIMATE OF RECEIPTS AND EXPENDITURES FOR 1860.

Expenditures.

The estimated cost of mail service for the year ending 30th June, 1860, to be appropriated out of the revenues of the department, exclusive of the transportation of the mail from New York and New Orleans by the Isthmus to San Francisco, 9 months, to 30th June,

1860, and of foreign mails, of payments for foreign postages and to letter carriers, is.....	\$13,641,510 00
For the transportation of the mail between New York and New Orleans, by the Isthmus to San Francisco, nine months, to 30th June, 1860.....	187,500 00
For the transportation of the mail over the Isthmus of Panama, nine months.....	75,000 00
For the transportation of the mail between San Francisco and Olympia.....	122,500 00
For the transportation of the mail between New York and Havana, and New Orleans and Havana.....	30,000 00
For the transportation of the mail between New Orleans and Vera Cruz.....	3,000 00
For transatlantic mail steamship service.....	325,000 00
For payments of balances due to foreign countries....	300,000 00
For payments of letter carriers.....	187,037 00

Estimated expenditures for 1860..... 14,871,547 00

The following payments have been made under special act of Congress, approved March 3, 1859, (Stat. at Large, vol. ix., page 409 :)

For transportation of the mails from Panama to California and Oregon, and back, from 1st July to 30th September, 1859.....	87,062 50
For transportation of the mails across the Isthmus of Panama, from 1st July to 30th September, 1859...	25,000 00
For transportation of the mails from New Orleans, via Tehuantepec, to Ventoza and back, from 1st July to 30th September, 1859.....	55,018 12

Total..... 15,038,627 62

Means for 1860.

The balance standing to the credit of the department on the books of the Auditor, on 1st July, 1859, was.....	\$710,231 29
The gross revenue for the year 1860, including foreign postages, fees paid in by letter-carriers, and miscellaneous receipts estimated at an increase of four per cent. on the revenues of 1859, making.....	8,287,223 00
Of the appropriations made by the acts of March 3, 1847, and March 3, 1851.	700,000 00
Of the appropriations under the fifth section of the act 14th June, 1858, deemed perpetual by the Attorney General.....	358,000 00
Of appropriations 3d March, 1859.....	167,080 62
	<hr/> 10,222,534 91
Deficiency of means for the service of 1860.....	4,816,092 71

Brought forward.....	\$4,816,092 71
To this deficiency should be added the amount reported by the Auditor as standing to the credit of the department on 30th June, 1859, the entire sum being an accumulation since 1845, in the hands of postmasters and late postmasters, and can only be made available as collected.....	710,231 29
Estimated deficiency for the year ending 30th June, 1860.....	5,526,324 00

The above estimates are increased by the cost of mail routes between New York and San Francisco, and San Francisco and Olympia, \$310,000, which have heretofore been provided for by special appropriations and paid by the Navy Department, and have never appeared in the ordinary estimates of expenditures prepared by this department.

ESTIMATE OF RECEIPTS AND EXPENDITURES FOR 1861.

Expenditures.

The estimated cost of mail service for the year ending 30th June, 1861, to be appropriated out of the revenues of the department, exclusive of the transportation of the mails from New York and New Orleans by the Isthmus to San Francisco, and of foreign mails, of payments for foreign postages, and letter-carriers, is.....	\$14,347,598 04
For the transportation of the mail between New York and New Orleans by the Isthmus to San Francisco...	350,000 00
For the transportation of the mail between San Francisco and Olympia	122,500 00
For the transportation of the mail between New York and Havana, and New Orleans and Havana.....	30,000 00
For the transportation of the mail between New Orleans and Vera Cruz.....	3,000 00
For transatlantic mail steamship service.....	325,000 00
For payments of balances due to foreign countries, estimated	300,000 00
For payments of letter-carriers.....	187,037 00
Estimated expenditures for 1861.....	15,665,135 04

Brought forward.....\$15,665,135 04

Means for 1861.

The gross revenue for the year 1861, including foreign postages, fees paid in by letter-carriers, and miscellaneous receipts, estimated at an increase of 4 per cent. on the estimated revenue for 1860, making.....	\$8,618,711 00
Of the appropriations made by the acts of March 3, 1847, and March 3, 1851.....	700,000 00
Of the appropriations under the 5th section of the act of 14th June, 1858, deemed perpetual by the Attorney General.....	358,000 00
	\$9,676,711 00
Estimated deficiency, for the year ending June 30, 1860.	5,988,424 04

The above estimates are increased by the cost of mail routes between New York and San Francisco, and Olympia, \$372,500, which have heretofore been provided for by special appropriations, and paid by the Navy Department.

The deficiency for 1861 is estimated at \$5,988,424 04, upon the assumption that the measures of reform recommended in this report will not be adopted by Congress. Should they, however, all receive the sanction of that body during its approaching session, it is believed, as hereafter shown, that the deficiency for that year would not exceed \$1,342,473 90.

POSTAGE STAMPS AND STAMPED ENVELOPES.

The number of postage-stamps supplied to postmasters during the year ending June 30, 1859, was as follows, namely:

1 cent.	3 cent.	5 cent.	10 cent.	12 cent.
44,432,300	142,087,800	486,560	3,765,560	1,429,700
Whole number 192,201,920; value.....				\$5,279,405 00
Stamped envelopes, 30,280,300; value.....				982,128 34
Total.....				6,261,533 34
Total value of postage stamps and stamped envelopes issued during the year ending June 30, 1858.....				5,962,787 28
Increase during 1859.....				298,746 06

TRANSPORTATION STATISTICS.

On the 30th June last there were in operation 8,723 mail routes. The number of contractors was 7,353.

The length of these routes is estimated at 260,052 miles, divided as follows, viz:

Railroad	26,010 miles.
Steamboat	19,209 "
Coach	63,041 "
Inferior modes.....	151,792 "

The total annual transportation of mails was 82,308,402 miles, costing \$9,468,757, and divided as follows:

Railroad.....	27,268,384 miles at \$3,243,974,	about 11 $\frac{9}{10}$ cts. per mile.
Steamboat....	4,569,962 " 1,157,843,	" 25 $\frac{1}{2}$ "
Coach	23,448,398 " 3,134,094,	" 13 $\frac{8}{100}$ "
Inferior modes	27,021,658 " 1,932,846,	" 7 $\frac{15}{100}$ "

Compared with the service reported on 30th June, 1858, there is a decrease of 551 miles in the length of the mail routes; an addition of 3,542,911 miles to the annual transportation, being about 4 $\frac{4}{10}$ per cent., and of \$1,673,339, to the cost, or about 21 $\frac{4}{100}$ per cent. The aggregate length of railroad routes has been increased 1,579 miles, and the annual transportation thereon 1,504,932 miles, 5 $\frac{8}{100}$ per cent., at a cost of \$415,673, or 14 $\frac{69}{100}$ per cent.

The length of steamboat routes is greater by 2,166 miles, and the annual transportation by 352 miles; the cost is \$76,073 less, being a reduction of 6 $\frac{10}{100}$ per cent.

The addition to coach routes is 9,341 miles in length, 3,892,664 miles in annual transportation, or 19 $\frac{9}{10}$ per cent., and \$1,224,250 in cost, or 64 $\frac{1}{10}$ per cent.

The length of inferior routes is diminished 13,637 miles, and the annual transportation 1,855,037 miles; the additional cost is \$109,849, being 6 $\frac{4}{100}$ per cent. less in transportation, and 6 per cent. additional in cost.

Appended to this report is a table, (marked A,) showing in detail the mail service of every grade, as existing in each separate State and Territory, on the 30th June last.

The lettings of new contracts for the term commencing 1st July last embraced five States: Virginia, North Carolina, South Carolina, Georgia, and Florida.

The following table shows the new service as in operation on the 30th September:

Conveyance.	Miles in length.	Miles of annual transportation.	Cost.
Railroad	4,230	3,830,607	\$615,964 00
Steamboat.....	3,257	705,918	156,558 00
Coach	3,010	1,224,536	97,155 00
Inferior modes.....	29,120	5,232,934	331,824 00
Total.....	39,617	10,993,995	1,201,501 00

Compared with the service on the 30th June last in the same States, the length of the routes by railroad and inferior modes is increased 974 miles, and by steamboat and coach is diminished 6,242 miles; the annual transportation is diminished 943,574 miles, and the cost \$2,942, divided as follows, to wit:

Conveyance.	Miles in length.	Annual transportation.	Cost.
Railroad	191 increase ..	231,796 decrease ..	\$19,206 increase .
Steamboat.....	2,906 decrease ..	385,642 decrease ..	17,348 decrease.
Coach.....	3,336 decrease ..	1,104,373 decrease ..	88,516 decrease.
Inferior modes	783 increase ..	788,237 increase ..	83,716 increase .

On the 30th June last, there were in the service—

475 route agents, at a compensation of.....	\$368,657
31 express agents, “ “	30,700
42 local agents, “ “	29,818
1,549 mail messengers “ “	196,999
	<hr/>
	626,174

This amount added to the cost of service as in operation on 30th June..... 9,468,757

Makes the total on the 30th June last..... 10,094,931

The reductions in the cost of the service from the 30th of June to the 30th September, were..... 675,521

Making the total amount on 30th September..... 9,437,410

NUMBER OF POST OFFICES.

Whole number of post offices in the United States on the 30th of June, 1858..... 27,977

Number that were established during the year ending June 30, 1859..... 1,455

Number that were discontinued..... 893

Net increase of offices during the year..... 562

Whole number of post offices on the 30th June, 1859..... 28,539

Number of offices of which the names and sites were changed... 432

Number of which the appointments were made by the President 417

Number of postmasters appointed during the year ending June 30, 1859..... 7,548

Of these 4,639 were to fill vacancies occasioned by resignation.

867 were to fill vacancies occasioned by removals.

295 were to fill vacancies occasioned by deaths.

292 were to fill vacancies occasioned by change of names and sites.

1,455 were to fill vacancies occasioned by establishment of new offices.

DISTRIBUTION OFFICES.

The subject of the "distribution" of letters having engaged the attention of the department, an order was made on the 30th April last discontinuing thirteen of the fifty distributing offices then existing, and substituting therefor the practice of direct mailing. The high commissions allowed for the process of distribution have proved not only a heavy burden upon the revenues of the department, but also a strong incentive to abuse. But, while the order mentioned was important as a measure of economy, and as a means of preventing frauds, it was yet more desirable for the acceleration of the mails. Offices of this description were formerly a very valuable and, in fact, indispensable element in the postal system of the country, owing to its vast extent and the rapidity with which population spread into new districts, causing cities, towns, and villages to struggle for existence with the forest and prairie, and rendering it impossible to keep pace with the names and locations of the numberless new offices demanded by the habits of a people accustomed to the constant interchange of thought and intelligence. Some offices, therefore, had to be designated as the receptacles of correspondence from a section of contiguous country, and for remailing and sending it in packages to others of similar functions, more or less distant, thence to be distributed to its destination. In this manner these offices, situated in the east and west, the north and south, mutually acted upon each other, and performed useful service. This was when the mails were carried in stages and other vehicles, and when pauses were necessarily made for the refreshment of passengers and the change of animals, allowing at the same time of "distribution" at the post office. But as the country has become populated, the necessity for these guides to distant points has measurably ceased, and in proportion as railways have become carriers of mails, and have yielded to the public demand for ceaseless motion, has it become impossible for the process of distribution to be maintained without subjecting the correspondence of the country, charged with its commercial and political intelligence and its social sympathies, to frequent and unwarrantable delays.

The expense attending the distribution of letters, even when honestly performed, and the legitimate and proper commission only charged, abstracts no inconsiderable sum from the postal revenues, and this is much swollen by the second and third process of the kind to which they are exposed, often by necessity, sometimes by accident and ignorance, and more frequently, it is feared, by design. But, as already intimated, this is not the only nor by any means, the most serious evil which is sought to be remedied. The primary object of the whole mail system is to insure *speed* (with certainty and safety) in the transit of correspondence; and to effect this great end, no unnecessary obstacle should be permitted to exist. Whether it is possible to dispense with the distributing system altogether, is a problem yet to be solved; it exists in no other country, and would be unnecessary in this but for our great extent of territory and immense number of offices. It is evident that the list of offices of distribution

should be reduced as much as possible from year to year, and that they should be established or continued only in populous cities and towns, where travel concentrates, and where mails and passengers have a temporary rest.

DEAD LETTERS.

The following resolution was adopted by the United States Senate, March 9, 1859:

Resolved, That the Postmaster General is hereby requested to state, as near as possible, in the next annual report of the service of the Post Office Department, the number of letters consigned to the dead letter office during the fiscal year, and what further legislation is necessary to diminish the number of such letters, or to provide for their return to the writers thereof."

Accordingly, I have to report, that the whole number of dead letters during the last fiscal year is estimated at 2,500,000, including about 500,000 "drop letters," and 50,000 "held for postage." Deducting these two classes, the number of letters actually conveyed in the mails, and failing to reach the persons addressed, may be estimated at less than two millions (2,000,000) a year.

More than fifty per cent. of the entire accumulation of dead letters occurs at about forty out of the 28,539 post offices, including, of course, the large cities and towns.

As to "what further legislation is necessary to diminish the number of such letters, or to provide for their return to the writers thereof," I am not, as yet, fully prepared to report, but investigations have been set on foot and diligently prosecuted, during the past several months, which, it is hoped, may enable me hereafter to offer some practical suggestions.

Particular efforts have been made, to ascertain the true reasons why letters—especially those with valuable inclosures—failed to reach their destination, and it is satisfactorily established, in the large majority of cases, that the fault is with the writers themselves, either in misdirecting or illegibly directing their communications. The migratory habits of the people must also be considered among the prominent causes of the accumulation of dead letters, more particularly in the western or newer portions of the country.

By way of illustration, it is stated, as the result of inquiries which have been made to a limited extent, that more than sixty (60) per cent. of the letters containing money, recently restored to the owners, failed to reach their destination entirely from being either misdirected, held for postage, or addressed to transient persons.

And, in reference to dead letters with valuable inclosures other than money, the results have been found still more glaring; over eighty (80) per cent. having been either misdirected, held for postage, or addressed to transient persons. These are the proportions of cases explained. Further investigations on this point are in progress, the result of which will hereafter be fully shown.

The attempt has also been made to sound public sentiment, on the

subject of restoring to the writers dead letters which do *not* contain inclosures of value, and from information thus far received, it would seem that, in about one third of the cases, the writers are willing to pay for recovering their letters. At the same time, the fact is shown that, of this class of letters, forty (40) per cent. miscarry through fault of the writers.

The foregoing estimate of the whole number of letters consigned to the dead letter office, is based upon an actual enumeration for one quarter, ended 30th June last. A further enumeration is now in progress, and additional information is accumulating in answer to inquiries connected with the resolution of the Senate, so that I may promise a more detailed report, after the expiration of the current quarter.

From what is already known, it is assumed that one million of letters become "dead" from causes entirely beyond the control of this department, or of any legislation. As to the remainder, something may probably be done, both by new laws and regulations, to diminish the number, and certainly something to provide for returning them *sooner* and in larger numbers than at present, to the writers.

So far as legislation is concerned, I beg leave to withhold my suggestions for the present.

New instructions, to some extent, have already been issued to post-masters, which are believed to have a good effect.

Under former regulations, many letters, especially in cities, became "dead," in consequence of being too soon withdrawn from the general delivery, and so disposed of as not to be obtainable, except when specially called for as "advertised letters," and all unclaimed letters were retained in the post offices until the expiration of the quarter succeeding that in which they were advertised. According to recent instructions, (limited, as yet, to the larger offices,) letters are to remain on hand one week before being advertised, and those unclaimed at the end of three months after advertising, to be returned to the dead letter office. Thus, offices advertising *weekly*, can never retain letters more than three months and one week, at the farthest; and those advertising twice a month, three and a half months; while under the former rule, many letters became five and six months old before being returned, and then it might possibly sometimes be nearly nine months before a valuable letter, in the usual course of business, would be restored to the owner, through the dead letter office. The retention of letters in post offices, even for a period of three months, is unnecessary and objectionable, in view of the importance of a speedy return of such as are valuable, and of the danger, greater or less, to which they may be exposed: and I shall therefore propose to Congress a modification of the law in this respect, so as to authorize the return of letters, under certain conditions, at still shorter periods.

Suggestions will also be offered to provide for returning to the writers letters not containing valuable inclosures.

Among other things which will require amendment by "regulation," is the nomenclature of post offices. The existence of large numbers of offices of the same name, and the close similarity of names, even in the same State, lead to many mistakes. Efforts will be made to guard against such difficulties, and also against appropriating to new post offices compound, or long and difficult names.

The whole number of dead letters containing money, registered and sent out during the year ending June 30, 1859, was 9,726; of which 8,574 were delivered, leaving 1,152 unclaimed. The whole amount of money received was \$45,718 14; amount restored to owners, \$41,143 74.

The number of letters registered and sent out containing valuable inclosures, other than money, such as bills of exchange, drafts, bonds, treasury warrants, &c., was 8,647; of which 7,738 have been restored to the owners, leaving unclaimed 909.

The amount of the inclosures was \$2,502,298 11.

Do do in sterling was £6,983 15s. 5d.

Do do in francs was 104,421f.

The number of dead letters returned (unopened) to foreign countries during the last fiscal year, was 133,981, divided as follows, viz:

England, 60,310; France, 15,757; Prussia, 18,409; Bremen, 6,919; Hamburg, 1,401; Canada, 27,537; New Brunswick, 1,780; Nova Scotia, 1,868.

The course of business in the dead letter office seems to have remained, without material, if any change, since the organization of the department in 1836—being limited to the examination of letters only so far as necessary, in order to restore to the owners those containing money or other valuable inclosures, and from the amount of labor and the small number of clerks, it has been impossible to make needed improvements. Indeed it has been found, of late years, that even the ordinary duties could not be duly performed; and it is, therefore, now a matter of urgent importance, to provide the means of bettering this interesting branch of the public service.

PENNY POST.

The system of delivering letters by carriers at the domicile of the citizen, was first recognized by the act of 3d March, 1825, and has within a few years, been successfully introduced into several of our principal cities. Though constant endeavors have been made to improve it, it is still imperfect in its details, and unsatisfactory, alike to the public and to the department, in its operations. The system cannot be regarded as having accomplished the object of its establishment, so long as it does not commend and deliver the local correspondence of the different cities in which it exists, which thus far, it has wholly failed to do. This correspondence is now almost entirely in the hands of private expresses, whose rates are so low as to make a successful competition with them, on the part of the government, impossible. Their charge for the delivery of a letter is generally but one cent, while this amount is necessarily exacted by the department for the carriers, and one cent in addition is collected on the local correspondence, as the postage fixed by the act of 1825, on "drop-letters." Hence the aggregate postage on the city correspondence, under existing laws, which require that the system shall be self-sustaining, is at least two cents, which precludes the possibility of any successful competition with the private expresses. I therefore recommend the repeal of this provision of the act of 1825, so far as it can be construed as applying to "drop-letters," delivered by carriers. This would not result in any

perceptible diminution of the postal revenues, inasmuch as the correspondence which would be thus secured by the department, does not now pass through its offices. It is true that the Postmaster General might, in his discretion, arrest the operation of these private expresses, by declaring the streets and avenues of the cities to which they belong to be post roads; but until the department is prepared to deliver city letters as cheaply and promptly as such companies can possibly do, I should regard the exercise of this power as unwise, if not harsh and oppressive.

Another motive for persistent effort on the part of this department, to render the delivery by carriers as perfect as possible, is found in the fact that the box system is being rapidly outgrown by the population of our principal cities, and must finally be abandoned, as it has been in European capitals. There are at present but about four thousand boxes in the post office of New York, and yet even this number leads to much confusion and inaccuracy in the distribution and delivery of mail matter; were the number augmented to ten thousand—which would not more than meet the present ever increasing demand—it is manifest that no memory would be equal to the task of associating the names with the appropriate boxes, and that the practical working of the system would become impossible. A frequent, rapid, and punctual delivery, on reasonable terms, of all correspondence received at the post offices of our great cities, is what the public have a right to claim of the department, and what it will be its unceasing endeavor to secure to them.

NEWSPAPER EXCHANGES.

The act of 1825, authorized "every printer of newspapers to send one paper to each and every other printer of newspapers within the United States free of postage," and such is the existing law. However slight the support which this statute may seem to give to publishers, it imposes in the aggregate, a heavy and unjust burden on the department. The advantage thus conferred inures to the benefit alike of the publisher who sends, and of him who receives the paper in exchange. I have in vain sought for any satisfactory explanation of the policy indicated by this provision. It seems far more exceptionable than the franking privilege, since the latter professes to be exercised on behalf of the public, whereas the exemption secured by the former is enjoyed wholly in advancement of a private and personal interest. The newspapers received in exchange by the journalist, are, in the parlance of commerce, his stock in trade. From their columns he gathers materials for his own, and thus makes the same business use of them that the merchant does of his goods, or the mechanic of the raw material, which he proposes to manufacture into fabrics. But as the government transports nothing free of charge to the farmer, the merchant, or the mechanic, to enable them to prosecute successfully and economically their respective pursuits, why shall it do so for the journalist? If the latter can rightfully claim that his newspapers shall be thus delivered to him at the public expense, why may he not also claim that his stationery and his type, and, indeed, everything which enters

into the preparation of the sheets he issues, as his means of living, be delivered to him on the same terms? It has been urged, I am aware, that postage on newspaper exchanges would be a tax on the dissemination of knowledge, but so is the postage which the farmer, merchant, and mechanic pay on the newspapers for which they subscribe, a tax on the dissemination of knowledge; and yet it is paid by them uncomplainingly. If it be insisted that the publishers of newspapers as a class are in such a condition as to entitle them to demand the aid of the public funds, it may be safely answered that such an assumption is wholly unwarranted. Journalism in the United States rests upon the broadest and deepest foundations, and is running a career far more brilliant and prosperous than in any other nation of the world. The exceedingly reduced rates at which its issues pass through the mails, secure it advantages enjoyed under no other government. Under the fostering care of the free spirit of the age, it has now become an institution in itself in this country, and controls the tides of the restless ocean of public opinion, with almost resistless sway. It is the *avant-courier* of the genius of our institutions, and is everywhere the advocate of progress, and of the highest and noblest forms of human freedom. Is it not, therefore, to the last degree unseemly, if not worse, than in its own enterprises, and in furtherance of its own pecuniary interests, it should claim permission to violate habitually a great principle of which it is the constant advocate, and which underlies our whole political system—the principle of equal rights to all, and special privileges to none? If, however, from the grandeur and beneficence of its mission, the press is to be excepted from the operation of this wholesome democratic doctrine, and is to be subsidized to the extent of its postages by the government, then undeniably, such subsidy should be contributed from the common treasury, instead of being imposed, as at present, on the oppressed revenues of the Post Office Department, which under all circumstances should be maintained inviolate.

Into the same category, but for more cogent reasons, must fall that class of weekly newspapers which the statute of 1852 requires shall be delivered free of postage to all subscribers residing within the limits of the county in which they are published. This requisition is less sound on the score of principle than even the discrimination in favor of the press. There may be something in the characteristics of the latter, ennobled as it is as the organ of the intellect and heart of millions of freemen, which might induce many to grant to it special and distinguishing immunities; but why a citizen who chances to reside on one side of a county line shall be exempted from a postage on his newspaper, which his neighbor on the other side of that line is obliged to pay on the same paper, surpasses my comprehension. There would be more reason for exempting letters from charge while circulating through the mails within the county in which they are written, because being much lighter than newspapers, their transportation, of course, burdens the department less.

Could contractors be found sufficiently public spirited to transport this class of newspapers without compensation, then their gratuitous delivery might be claimed of the department as a reasonable duty. But

precisely the same rate of compensation is demanded and paid for this as for every other postal service, and hence this privilege is in effect a donation of so much of the postal revenues as the service cost. This violates a fundamental law of the system, by perverting a fund confided to the government, not to be given away, but to be carefully administered, so as to afford the largest possible mail facilities to the social and commercial intercourse of the country.

STAR BIDS.

The act of March 3, 1845, declares "that it shall be the duty of the Postmaster General, in all future lettings of contracts for the transportation of the mail, to let the same in every case to the lowest bidder tendering sufficient guarantees for faithful performance, *without other reference to the mode of such transportation than may be necessary to provide for the due celerity, certainty, and security of such transportation.*"

This law is still in force, and believing that it announces the only principle on which this department can be successfully administered, an effort has been made to conform to the policy which it indicates. Accordingly, in advertising for the new lettings, "star bids," as they are termed in the parlance of the service, will alone be invited, that is, proposals for conveying the mails with "due celerity, certainty, and security," without any designation of the mode of conveyance. The transportation and delivery of the mails with the utmost dispatch and security are the true and only mission of this department; in accomplishing this, it discharges its whole duty to the country. The prevalence of an opinion which enlarges its obligations and the sphere of its action beyond this limit, has tended much to involve it in the embarrassments with which it is now struggling. There are those who maintain that the adjustment of the mail service should be made subservient, if not subordinate, to the interests of commerce and travel, and that the rapid and cheap conveyance of passengers, and the support of railroad, steamboat, and stage companies, should be as carefully looked to and as anxiously provided for by the department as the transportation of the mails. This is a fatal fallacy, whose bitter fruits may now be seen in the enormous sums paid to these companies for mails, some of which are so light as scarcely to yield a revenue sufficient to defray the expense of carrying them on horseback. Four-horse coaches are thus run upon border and unfrequented routes, and steamboat lines are subsidized at an outlay which would afford postal accommodations to entire States, merely that the owners of these lines may be enriched and that the public may have easy, certain, and economical modes of conveyance for themselves, their baggage, and their goods. Every dollar appropriated for such purposes is a perversion and abuse of the postal fund, and every one of these extravagant and semi-commercial contracts deprives whole communities in other sections of the country of the mail facilities to which they are entitled. The department, from this misinterpretation of its functions, is made virtually the carrier of passengers and merchandise, and what is yet more to be deplored, is a carrier without compensation.

EXPRESS MAIL AGENTS.

The employment of these officers by my predecessor, on the great routes from New York, Philadelphia, and Baltimore, westward, was an experiment, the practical working of which has not justified its continuance. It has, accordingly, been terminated by the substitution of the baggage-masters on these routes for the agents heretofore having charge of the through mails, and thus far the results of the change have been satisfactory.

The rate of compensation has been much reduced, so as to exhibit an annual saving of \$19,100, as compared with the former expenditure, while the services have been secured of a class of men believed to be fully competent and faithful in the discharge of the duties which they have assumed upon themselves.

RAILROAD SERVICE.

While it is admitted that the establishment of railroads in the United States has added vastly to the celerity of the mails and to the facility with which those of great weight and bulk are transported, it is equally true that in their train of blessings have come evils which have continued to grow with the expansion of the system, until they have at length reached a magnitude which demands that an earnest endeavor should be made for their correction. The mails were conveyed, during the last year, on 26,010 miles of railroad, at a cost varying from \$50 to \$375 per mile for transportation alone, the aggregate expenditure for this class of service being \$3,243,974. To this are superadded the salaries of express and route-agents, and messengers, amounting to \$626,174 per annum. Accompanied and delivered, as the mails are, by the agents of the department, the service performed by the road is little beyond that which it performs for the shipper of a barrel of flour or a sack of grain. Why, then, is a compensation exacted for this service, which is so exorbitant as compared with what would be demanded of a private citizen for the conveyance of a similar amount of freight? In Canada, the compensation paid to the railroads for the conveyance of the mail is \$30 per mile for day, and \$40 per mile for night service, and \$70 when the two services are combined. For this a separate car is furnished, which is fitted up as a traveling post office, and serves for assorting and distributing the mails by the way. If the mails are sent as ordinary freight, under the guard of either an agent of the company or of the post office, the charge is but two cents per mile, when the weight does not exceed two hundred pounds, and for any additional weight payment is made in the same proportion. No reason is perceived why, except upon our great trunk routes, a higher rate of compensation should be submitted to by our government than is paid by that of Canada. Even on this latter class of roads the present rates are much too high; but on the remainder, where the mails are light, they are oppressively extravagant. The rapid multiplication of railroads, on all of which the law provides that the mails shall be carried, is constantly increasing the

evil complained of. These roads are in every direction penetrating, comparatively, sparsely populated portions of the country, and connecting with small towns, where the correspondence is necessarily limited; and if they are all to continue to enjoy this enormous subsidy at the hands of the department, however unimportant the mails carried, no very strong hope of disinthralment from its present embarrassments can be indulged. The remedy is to be found in an amendment of the act of 3d March, 1845, which I would respectfully urge upon the consideration of Congress. A reduction of thirty-three and one third per centum upon the maximum rates fixed by that act would still leave a very liberal compensation to this class of contractors. Should Congress express their concurrence in this view, it cannot be believed that the intelligent and public-spirited citizens who have the control of these roads, will continue to insist on terms, which it must be manifest to them, as it is to all, the resources of the department do not enable it to meet.

Another grievance resulting from the railroad system consists in the disinclination of many of these companies to assume upon themselves the obligations imposed on all other contractors in the service of the department. Of the three hundred and eighteen railroad routes in the United States there are one hundred and thirty-seven on which the mails are transported without contract. These routes are the most important from their length and the weight of the mails transmitted upon them, and yet the incorporated companies controlling them peremptorily refuse to enter into those engagements with the department which the law and the highest interests of the postal service demand. This ground was early taken by railroad companies, and rather than inaugurate a series of controversies which might be protracted, and interrupt the regular conveyance and delivery of the mails, the department has yielded, though constantly protesting against this lawless course. The consequence has been that they have carried the mails when and as they pleased, departing and arriving at such hours, and moving at such speed, as was agreeable to them. It is true that a few of the companies have manifested a liberal spirit in coöperating with the department in the arrangement of the schedules; but they have done this rather as a courtesy than as an acknowledgment of any obligation on their part to do so. The adjustment of the schedules is of the very essence of the postal organization, and upon its exercise the harmony and success of the whole system depends. If this right is to be given over to the vacillating councils, and conflicting interests of the numerous railroad companies, the service must lose its dignity and power, and wide spread derangement and inefficiency necessarily insue. The law regulating the transfer of the mails to these roads contemplates that the department shall make a contract evidencing the terms on which the service is accepted; and the act of 1836 declares that "no person whose bid for the transportation of the mail may be accepted shall receive any pay until he shall have executed his contract according to law and the regulations of the department." The course heretofore pursued of recognizing and paying the claims of these roads in the absence of any contract has been in disregard of the statute cited, and it has been equally at variance with sound policy. The public

weal as well as the law requires that railroad companies, as carriers of the mails, shall be subjected to the same wholesome discipline to which all other contractors are subjected. As fully explained in the accompanying report of the Auditor, to which reference is had, their failure to enter into these contracts, creates serious and perplexing embarrassments in the collection of the revenues of the department, which should not be submitted to. With every disposition to deal with them most liberally, and with a full recognition of their value as postal agents, and of their incalculable power in developing the resources of our country, and promoting the enterprises of its material civilization, still it is manifest that their present attitude, seemingly defiant in its tone, as it is disorganizing in its tendencies, cannot be endured without humiliation to the government, and without serious peril to those great interests which it is the mission of this department to uphold and advance. If they can successfully maintain the position they now occupy, then they control at will the movements of the mails, and virtually the department is administered by them instead of by its appointed head. Entertaining these views, proposals will be invited from the different railroads; and the companies will be notified that after the 31st day of March, 1860, the mails will be delivered to them only on condition of their entering into formal agreements, containing on their part the usual stipulations for the faithful performance of the service. The remote day mentioned has been named in order that the department, in the execution of the new contracts proposed, might avail itself of any modification of the act of 1845, which may, in the meantime, have occurred.

PORTLAND AND NEW ORLEANS MAIL.

Congress, by an act approved June 14, 1858, authorized the Postmaster General "to make such arrangements for the transmission of the great through mails between Portland and New Orleans, as will insure the most speedy and certain connection, including in the route for one of the daily mails as many of the sea-board commercial cities as may be consistent with the greatest dispatch."

The irregularities and delays which had so long distinguished the transportation of this trunk mail, no doubt led to the enactment of this law. The subjoined table will exhibit the average period occupied in its conveyance between New York and New Orleans during the past year, as well as the number of failures, to arrive within schedule time on the two routes designated.

Southwestern, via Knoxville.

Schedule time, 5 days.

Actual time, 5 days, 22½ hours.

Arrivals in schedule time, 241.

Arrivals out of schedule time, 389.

Atlantic, via Wilmington.

Schedule time, 5½ days.

Actual average, 6 days, 1½ hours.

Arrivals in schedule time, 403.

Arrivals out of schedule time, 286.

Sharing fully the conviction which seems to have been entertained by Congress as to the necessity of putting this service on a better footing than it has heretofore attained, proposals were solicited for carrying this mail on the basis of a complete guarantee—no payment to be made for any trip on which there should be a failure to arrive within schedule time. As Congress named only the terminal points of the route, the same course was pursued in the invitation for proposals, and the parties bidding were thus left free to select and designate that for which they proposed. Offers were accordingly made for the character of service required on four different routes, viz :

1st. Via Boston and Springfield, Mass., Albany and Buffalo, N. Y., Cleveland, Columbus, and Cincinnati, O., Cairo, Ill., Jackson, Tenn., and Canton, Miss.; or via route as above, and via Pittsburg, Pa., with a branch to and from New York city, connecting at Albany or at Philadelphia, as the Postmaster General may prefer; or via route as above, with branches from Crestline, O., by Pittsburg, Pa., to Philadelphia, Pa., and from Harrisburg, Pa., to Baltimore, Md., and also a branch to and from New York city, connecting at Albany or Philadelphia, as the Postmaster General may prefer.

2d. Via Portsmouth, N. H., Boston, Worcester, and Springfield, Mass., Hartford and New Haven, Conn., New York, N. Y., Philadelphia, Pa., Baltimore and Cumberland, Md., Benwood, Va., Bell Air and Columbus, O., Cairo, Ill., Columbus, Ky., Jackson and Grand Junction, Tenn., and Jackson, Miss., with a branch from the Washington Junction to Washington, D. C.

3d. Via Portsmouth, N. H., Boston and Springfield, Mass., Hartford and New Haven, Conn., New York, N. Y., Philadelphia, Pa., Baltimore, Md., Washington, D. C., Alexandria and Lynchburg, Va., Knoxville, Chattanooga and Grand Junction, Tenn., and Canton, Miss.

4th. Via Portsmouth, N. H., Boston and Springfield, Mass., Hartford and New Haven, Conn., New York, N. Y., Philadelphia, Pa., Baltimore, Md., Washington, D. C., Richmond, Petersburg, and Norfolk, Va., Wilmington, N. C., Charleston, S. C., Savannah, Ga., and Fernandina and Cedar Keys, Fla.—Norfolk to be supplied by steamboat from Baltimore, Md., and by railroad from Weldon, N. C., making two lines between Baltimore and Weldon—one via Norfolk, and one via Washington city, Richmond, and Petersburg; Savannah to be connected with the main line by steamers from Fernandina through the inland passage, and a branch mail to be conveyed once a week by steamer from Cedar Keys to Key West, Fla., and to be extended to Havana, for the postages, if desired by the department.

Congress evidently contemplated the ultimate establishment of several routes between the termini mentioned; but as the service is an

experiment, and one attended with very heavy expense, it is deemed advisable to establish but one for the present. Which that should be, must depend on a variety of considerations, the force of which can only be ascertained by a careful comparison of the time and compensation proposed, in connection with the intermediate population and correspondence to be served by the routes. While the legal authority for executing this contract may be regarded as fully conferred by the statute referred to, yet the amount of compensation demanded was so much greater than had been anticipated, that I did not feel justified; in view of the embarrassments of the department, to incur so heavy a liability without submitting the matter to the consideration of Congress. As a postal enterprise, this yields to none in its magnitude and importance, and the department shares the general solicitude for its success. I trust that Congress will either give its express sanction to the specific contract suggested by voting the necessary appropriation, or will indicate for the department such a course of administration as shall warrant it in closing with some one of the proposals which have been received and are now held under advisement.

MISSISSIPPI RIVER MAILS.

The service between St. Paul and New Orleans was performed during the past year at an aggregate cost of \$328,278. Its earnings were too inconsiderable to be the subject of serious comment. The establishment of this river route on its present basis was resisted by the department as long as was possible, from a thorough conviction that it would involve a most deplorable waste of its revenues. This conviction, however, was unheeded, and on the 5th of August, 1854, Congress, by a mandatory act, obliged the Postmaster General to put it into operation, irrespective of its products, and irrespective of the absence of those postal wants which the act professed to supply. The result has fully realized the anticipations and predictions of the department. Since the passage of the act referred to, more than thirteen hundred thousand dollars have been expended in the transportation of these river mails, with a return so slight as scarcely to justify the designation of the expenditure as postal in its character. For a time, it is true that the route possessed some importance, because of the through mails which passed over it; but from the completion of various railroads these through mails are now conveyed by land; and in consequence the river route has become essentially local, and supplies only the small offices along the banks of the Mississippi. All the large towns are or will be supplied in advance by lateral mails carried on the railroads. It is believed that the service could be performed for one fourth of the sum which it now costs, were the department permitted to contract for it by the trip. A reduction amounting to \$47,213 has been made above the mouth of the Ohio; and were a corresponding reduction made between Cairo and New Orleans, the expenditure would be still greater than the revenue from the route would justify. The terms of the act, however, do not seem to contemplate such a curtailment as the altered capacities of the service now imperatively demand. The matter is referred to as an illustration of the disastrous consequences

which must follow from a course of legislation that takes from this department all discretion, and constrains it to enter into engagements which place the mail service beyond the reach of that wholesome revisory power which sound policy requires shall be constantly exercised in adjusting its operations to the ever-recurring vicissitudes to which it is exposed. Believing that this route, while continued on its present footing, as to compensation, falls clearly within the category of non-postal, I respectfully suggest the propriety of placing it, less its earnings, on the public treasury. The enormous amount annually drawn by it from the postal revenues is, in effect, and was probably intended to be, but a subsidy in aid of southwestern commerce; which, if needed, (and the nation is willing to bestow it,) should unquestionably be contributed from the national funds.

PACIFIC MAILS.

On taking charge of this department I found established and in full operation six different routes for conveying the mails to and from California and our other Pacific possessions, viz:

	Annual Cost.	Annual Receipts.
1. From New York and New Orleans, via Panama, to San Francisco, semi-monthly,	\$738,250	\$299,972 69
2. From New Orleans to San Francisco, via Tehuantepec, semi-monthly.....	250,000	5,276 68
3. From San Antonio, via El Paso, to San Diego, semi-monthly, (weekly from San Antonio to El Paso and Fort Yuma,)....	196,448	601 00
4. From St. Louis and Memphis, via El Paso, to San Francisco.....	600,000	27,229 94
5. From Kansas, Missouri, to Stockton, California, monthly.....	79,999	1,255 00
6. From St. Joseph, Missouri, via Utah City, to Placerville, weekly.....	320,000	5,412 03

The gross annual disbursements for these six routes were thus \$2,184,697, and the receipts from them but \$339,747 34, showing a loss to the department of \$1,844,949 66 per annum.

The expenditures for local mail service in the States of California and Oregon, and in Utah and Washington Territories, during the past year, amounted to \$508,697 13, which being added to the cost of the routes named, gives a total of \$2,693,394 13.

The population supplied by this enormous outlay does not exceed six hundred and fifty thousand souls—thus exhibiting a postal expenditure of about \$4 14 for each person, including all ages and conditions. The remaining \$12,271,099 20 of the gross annual disbursements of the department furnish postal facilities for thirty millions of people, being in the proportion of less than forty-one cents for each person. Were the inhabitants of the country east of the Rocky mountains served by the department at the same rate of expenditure with those on the west, it would require annually \$126,893,394 for its support,

instead of the \$14,964,493 33 now actually expended by it. It was apparent that the whole field of postal operations offered no point more urgently calling for curtailment than these Pacific routes, and hence the action in reference to them deemed appropriate was taken without delay, a detailed account of which is subjoined.

NEW YORK, NEW ORLEANS, AND CALIFORNIA MAILS.

The contracts for these mails via the Isthmus of Panama, expiring on the 30th September, 1859, and not being willing to extend them, because of the exorbitant compensation exacted, I invited proposals for their transportation for nine months only, in order that Congress, which has so constantly supervised this service, might have an opportunity of placing it on such basis as should be agreeable to it. The result has been the conclusion of an engagement with Cornelius Vanderbilt, who has stipulated for the conveyance of the mails, for the period named, for \$37,500, for those to and from New York, and \$150,000 for those to and from New Orleans; to which being added the railroad charges, amounting to \$75,000, the aggregate cost will be \$262,500; or with the salary of the mail messengers added, at the rate of \$351,000 per annum, and showing an annual gain, as compared with the preëxisting contracts, of \$387,250. The amount paid for the New Orleans service is very liberal, but it has been submitted to cheerfully by the department, because of the earnest desire felt to place that commercial emporium of the South in as direct communication as possible with the Pacific. The contractor has also obliged himself to transfer these mails to the Nicaragua route at the earliest moment practicable; and from his high character and indomitable energy, connected with the vast capital which he wields, no doubt is entertained that the pledge thus given will be promptly and faithfully redeemed. This, by avoiding the onerous Panama railroad tariff, will still further reduce the expenses of transportation \$50,000, and will establish on an enduring footing, a great national thoroughfare, the opening of which has been and is an object of universal solicitude. The journey to our Pacific States and Territories will thus be shortened by some seven hundred miles, and permanence given to a route which must be the successful rival of that via Panama, and which, at present, is alone capable of affording adequate protection against those exactions of the Panama railroad and Pacific steamship companies, which the judgment of the public has long since pronounced unreasonable and oppressive. This route, being treated as not strictly postal, has been heretofore charged on the treasury, except the \$100,000 paid by the department to the Panama railroad for the transit across the Isthmus. The compensation stipulated for under the present contract is, however, payable out of the revenue of the department. Provision should be made for the support of this service from the treasury, less the actual earnings of the route.

TEHUANTEPEC ROUTE.

The value of this route is very clearly expressed in its receipts of \$5,276 68, and its annual expenditures of \$250,000. In its present condition, it is comparatively useless, alike for purposes of travel and postal communication. The land portion of the transit across the Isthmus, being upwards of a hundred miles in length, consists of an unpaved and imperfectly-graded road, passing over a precipitous mountain, and barely practicable for wheeled vehicles; and, in consequence, a mail made up of a few light sacks is all that the contractors have carried, and all, it is presumed, that they have been able to carry since the commencement of the service. The department was asked to continue the conveyance of the mails via Tehautepec to Ventosa only, at an annual compensation of \$280,000, which was the rate proposed by the late contractors; but, for the extension of the service to San Francisco, at the rate of \$560,000 was demanded. This added to the \$150,000 paid for the New Orleans mails, by way of Panama or Nicaragua, would make a total of \$710,000 expended for the Pacific mails alone, from that single city, and with a revenue therefrom not exceeding \$9,435 98. This proposal was not accepted, because of the extravagance of the compensation claimed in view of the amount of postal service, which, in the actual state of the road, it is possible to perform; and because, with the regular and rapid communication which New Orleans now enjoys with the Pacific through the contract with Cornelius Vanderbilt, this service is unnecessary. That the mail from San Francisco, passing over this road, would be a few days in advance of that by Panama and Havana, in its arrival at New Orleans, is admitted; but this difference will be reduced one half by the direct service between New Orleans and the Isthmus, provided for in the Vanderbilt contract. So slight an advantage as this, in point of time, gained by so small a mail, would be too dearly purchased, at the price named. Were the Gulf and the Pacific connected at this point by a railroad, which is projected, no doubt this route would become a favorite thoroughfare both for travel and the mails; and, in the judgment of many, there are political and commercial considerations which would justify the government of the United States in assisting the company owning the right of way to construct such a road. Should this be the view of Congress, then such appropriation should be frankly made from the public treasury, and not taken from the postal revenues under the guise of payment for a service not needed, and which is unproductive and unavailable to the department.

SAN ANTONIO AND SAN DIEGO MAILS.

This semi-monthly was, on the 29th day of October, 1858, improved to a weekly service between San Antonio and El Paso and El Paso and Fort Yuma, and the compensation was fixed at \$196,000. The product of the route during the past year, as already shown, was but \$601—loss to the department at the rate of \$195,399 per annum.

With this conclusive indication of its want of importance and value for postal purposes, I directed that the service should, on the 1st of July last, be put on its original footing of a semi-monthly mail, and reduced the allowance to the contractors to \$120,000. Whatever objects, political or otherwise, may have been contemplated by the government in establishing this route through an almost unbroken wilderness and desert, it is clear that its continuance at the present rate of compensation is an injustice to the department. It may be convenient for the very few passengers that pass between Texas and San Diego; but as a mail accommodation it is not required in the direction of the Pacific since the people of Texas have already secured to them a regular postal communication with that coast through New Orleans, and also by the great overland mail. But it would be better that this mail—one of the lightest known to the department—should be sent even by the way of New York to California, than that the correspondence of the whole country should be oppressed by this enormous exaction for the benefit of a few contractors.

GREAT OVERLAND MAIL.

The service upon this extended route has been performed with great regularity, and generally within schedule time; but the contract has proved one of the heaviest burdens to which the department has ever been subjected. With an expenditure at the rate of \$600,000 per annum, the postages received in return have not amounted to more than \$27,229 94; so that, after making allowances for such increase as may be anticipated, the department, at the expiration of the six years for which the contract was entered into, will have lost from this route alone more than three millions of dollars. Feeling anxious to relieve, in some degree, the postal revenues from this exhausting drain, I proposed a reduction of the semi-weekly to a weekly service, which would have resulted in an annual saving, as compared with the present outlay, of \$150,000. On referring the question, however, to the Attorney General, he determined that in consequence of the customary clause giving the Postmaster General revisory power over all mail contracts having been omitted in this, the desired curtailment could not be legally made. The whole matter being thus placed beyond the control of the department, the action of Congress alone is capable of furnishing the remedy desired; and I cannot too earnestly recommend its early and decided interposition. If no compromise can be effected with the parties upon terms deemed reasonable, then I would urge, as an act of simple justice, that this gigantic service, which was established at the instance of Congress, and in furtherance of great national objects, shall be at once charged upon the public treasury. Until a railroad shall have been constructed across the continent, the conveyance of the Pacific mails overland must be regarded as wholly impracticable. These mails, as dispatched semi-monthly, average ten tons in weight, which, if divided into semi-weekly departures, would give two and a half tons for each—thus requiring, in view of the condition of the road, ten coaches, instead of the single one now employed, and

costing, at the present rate of compensation, six million of dollars per annum for transportation alone, with a product of \$327,202 63.

The route has now been opened, and its availability for a light mail demonstrated; so that, should war occur with any maritime power, threatening embarrassment to our ocean mails for the Pacific, the service could, without delay, be reestablished on its present basis. Were it otherwise, that contingency is deemed too remote to justify the continuance of so enormous a tax upon the correspondence of the country. Such morbid caution and apprehension could not but be recognized as illustrating in miniature the folly of that policy which would keep our army and navy perpetually on a war footing, merely because once or twice in a century the amicable relations of the republic with other nations are liable to be disturbed.

THE KANSAS AND STOCKTON MAIL.

This route, put in operation at an annual expense of \$79,999, having, in consequence of the alleged hostility of the Indians and other causes, proved a failure, and being unnecessary for postal purposes, it was, on the 30th of June last, discontinued. The proceeds of \$1,255 credited to it, were realized for the local service between Kansas City and Neosho and Albuquerque. During the period of nine months that it was in operation, there were but four arrivals of through mails at Kansas, and but two at Stockton. The whole mail matter received at Kansas from Stockton consisted of two letters and twenty-six newspapers, while it appears from the returns that but a single letter reached Stockton from Kansas. Another peculiarity of this service was that it extended for 825 miles, between Westport and Santa Fé, directly along the line of another route, the contractor for which carried, as is supposed, for some trifling compensation, this exceedingly light and unimportant mail, for the transportation of which, as shown, the department was then paying at the rate of some \$80,000 per annum.

INDEPENDENCE, SALT LAKE CITY, AND PLACERVILLE MAILS.

This connection with the Pacific was formerly a monthly service; but, in consequence of the threatened rebellion of the Mormon population, it was improved to a weekly mail, at an annual compensation of \$320,000—the product being but \$5,412 03. The object of this improvement was to enable the government to communicate regularly and rapidly with the troops engaged in active military operations in Utah. Tranquillity having been restored to that Territory, and the department having been assured by the Secretary of War that a weekly mail was no longer needed for the purposes of the government, a reduction to a semi-monthly service was ordered to take place on the 30th June last, which, after making the most liberal allowance to the contractors, will save to the department \$115,000 per annum.

It will be thus seen that in consequence of the action which has taken place in reference to these Pacific routes, the annual expenditure upon them has been diminished \$908,697. The \$1,276,000 still

required for their support, on this improved basis, is very far beyond what an enlightened and just administration of the finances of the department would warrant.

ISABEL SERVICE.

For the last five years, the mails between Havana and Charleston and Savannah have been conveyed in a steamship—the Isabel—performing semi-monthly trips, at an annual compensation of \$60,000, authorized by Congress, but payable out of the revenues of the department. The postages received from these mails during the past year amounted to but \$10,057 66. The contract, involving thus a loss of nearly \$50,000 per annum, was, in its operation, of a most oppressive character, and upon its expiration on the 30th of June, its renewal was declined. Fortunately for the public interests, the approaching completion of the Florida railroad enabled the department to send these mails across the peninsula, from Fernandina to Cedar Keys, where they connect with the gulf mail steamers from New Orleans, and proceed directly on via Key West to Havana. The service out and returning is now regularly performed, and costs the department only the inland and sea postages. This results from the fact that the route from Charleston and Savannah, via Fernandina and Cedar Keys, to Key West being already in operation for the local mails, the outlay for the service is in nothing increased by the addition of those for and from Havana. The substitution, therefore, of this route for that of the Isabel, is a saving to the department of \$49,942 34 per annum. This route is not only preferable to the other on the score of economy, but also because it supplies many post offices, whereas the one for which it is substituted supplied but a single intermediate office, that of Key West. The department was urged by citizens of Charleston to extend the contract with the owner of the Isabel, from commercial considerations, but did not feel justified in giving to such considerations the weight claimed for them. This large subsidy would certainly enable the owner of the Isabel to carry freight and passengers at reduced rates; but if there be any constitutional warrant for the government's bestowing this advantage on the inhabitants of a single city, while it is denied to those of other cities, such advantage should be sought from the public treasury, and most assuredly not at the hands of this department. With the embarrassments pressing upon it, and with the knowledge that there are many communities now having weekly which desire and deserve semi and tri-weekly mails, and many others with tri-weekly which are entitled to daily service, it was not possible to devote some \$50,000 per annum of its revenues to facilitate and cheapen the transportation of passengers and merchandise between Charleston and Havana, without a flagrant and culpable dereliction of duty. No reason is perceived why the policy indicated by the act of 1858, which fixes the compensation for foreign mail service performed by American vessels at the inland and sea postages, should not be applicable to this as to other foreign mails. If it be insisted that the steamer's touching at Key West determines as domestic the portion of the route between that point and Charleston, then we have \$10,057 66, or the inland and sea

postages, for the transportation of the mails between Havana and Key West, and \$49,942 34 for their conveyance between the Key and Charleston and Savannah, though the latter part of the route yields to the department a revenue of but a few hundred dollars. Such an administration of the postal fund would be to the last degree improvident and wasteful, as it would be unjust to the public to which that fund belongs.

MISCELLANEOUS.

I regret to be compelled to announce that no progress has been made towards the construction of either the New York or Philadelphia post office. The site for the former has not been purchased or selected; and the unsuccessful efforts of my predecessor to that end have not been renewed by me, because of the depressed condition of the treasury. The want of a suitable building for the post office in our great commercial emporium is severely felt, alike by the public and by those concerned in the postal administration, and the hope is indulged that the existing embarrassments to the prosecution of the work will have an early termination.

The sale of certain property in Philadelphia, upon the terms designated by the act of March 3, 1859, is a condition precedent to any action for the erection of a post office in that city. The provisions of that statute are peculiar, and it has not, after repeated endeavors, been found practicable to comply with them. Further legislation is required to carry into effect the purpose of the act referred to, and I trust that the acknowledged importance of the subject to the whole people of Philadelphia will secure to it prompt attention on the part of Congress.

The act of June 14, 1858, established 695 new post routes, but made no provision for their support. It has been estimated that to put these and the St. Paul and Puget's Sound route into operation would require, annually, upwards of \$600,000, besides the postal receipts therefrom. In the absence of the necessary means, and with a conviction that to the undue expansion of the service on unproductive routes like these is mainly due the heavy pecuniary burdens that now press upon and disable it, I have not hesitated to postpone to a more propitious day the action on the part of the department which this act contemplates. It is not believed that any serious inconvenience will be experienced by the country in consequence of this delay.

During the last fiscal year, ended June 30, 1859, there were purchased under contract, and put into service—

Of mail bags and pouches (for letters).....	8,696
Of mail sacks (for newspapers and other printed matter).....	22,141
	<hr/>
Making total number of all kinds.....	30,837
The total number of all mail bags of all kinds procured during preceding year.....	20,900
	<hr/>
Increased number during the last fiscal year.....	9,937

—or, nearly fifty per cent. more than the number purchased during the year ended June 30, 1858.

This increase is to be accounted for chiefly by the unusual demands for supplies created by the reduced number of mail bags furnished during the preceding year, which was much below the average of former years, and less than one-half of the number procured during the year ended June 30, 1857, for which the total number amounted to 54,075.

The excess of expenditure for mail bags during the last fiscal year over that of the year next preceding was occasioned not only by the exigencies arising from the inadequate supply of that year, as before stated, but also by the substitution of a large proportion of more costly bags for such as had been procured at less price, but discontinued as no longer desirable for the mail service.

During the last fiscal year, proposals were invited, by public advertisement, according to law, for furnishing mail bags for four years from and after the 1st July, 1859; and the lowest and best bids were accepted, upon which two contracts were made. These contracts, which are now in course of satisfactory fulfillment, were made at prices somewhat higher than those of the contracts last expired; but it is confidently expected they will prove to be highly advantageous to the interests of the department, as the bags contracted for are greatly superior in every respect to any heretofore used in the service.

The supplies of mail locks purchased for the service during the last fiscal year amounted to fifty per cent. less in number, and sixty-seven per cent. less in cost, than those of the next preceding year.

Without entering into the details of the delinquencies and deprecations alleged to have occurred in connexion with the postal service during the past year, it may suffice to state that its moral aspects are still unsatisfactory. Every possible effort has been made for improvement in that direction, and these efforts will be continued without relaxation for the future. The public have given their complete confidence to this department, and have intrusted not merely their treasures, but their most secret and sacred revelations, to the keeping of its honor. They have a right to demand that it shall prove itself worthy of this confidence, and that this high trust shall neither be accepted nor administered by unclean hands. But of all the branches of the government there is none where the temptations to, and opportunities for, the commission of crime are of such frequent recurrence as in this, while the known difficulty of punishing this class of offenses affords an ever-active incentive to the depredator. A well directed vigilance has already accomplished much, and may accomplish much more hereafter, for the suppression of these abuses; but I am thoroughly persuaded that the chief reliance for the safety of the mails must be found in the irreproachable personal probity of those charged with their transportation and delivery. Hence it is believed that there can be no faithful or honorable administration of this department but by promptly discarding from its employment all whose course of life brings in question either their private or their official integrity.

FOREIGN MAIL SERVICE.

The tables prepared by the Auditor of this department, and annexed to this report, exhibit the result of the foreign mail service for the past fiscal year, and may be briefly stated as follows :

The aggregate amount of postage (sea, inland, and foreign) on mails conveyed to and from Europe by the several lines of mail steamers employed by this department was \$484,668 54; and by the British packets of the Cunard line, performing an equal number of trips, \$805,629 64. The North German Lloyd and Hamburg lines of mail packets also conveyed mails to and from Bremen and Hamburg, respectively, the postages on which amounted to \$48,151 71; making the total postages on United States and European mails, conveyed by all lines, during the year, \$1,338,449 89.

The cost of the transatlantic service performed by steamships employed by this department, under the provisions of the act of the 14th June, 1858, (which limits the compensation to the United States postage, sea and inland, when the conveyance is by American steamers, and to the sea postage when by foreign steamers,) was \$324,610 62; twenty-six round trips being performed by American steamships for the sum of \$199,261 09, averaging \$7,663 88 per round trip; and twenty-six and a half trips by foreign steamships, at \$125,349 53, averaging \$4,730 17 per round trip. Of the latter trips, four and a half were run by the Canadian line of steamers between Portland and Liverpool. This line is hereafter to run weekly, Portland being the terminus on this side during the winter, and Quebec during the summer season; and in connection with the Grand Trunk railway over the Victoria bridge at Montreal, now completed, it will afford the means of the most direct and probably the most expeditious communication between Chicago and Liverpool. Arrangements have been made with the Canadian post office department to transport, for the sea postage, any mails it may be desirable to send by this line; and, in order to give them as much expedition as possible, it is intended to have Chicago and Detroit, as well as Portland, constituted offices of exchange for United States and British mails. Bags will then be made up at each of these offices, and will not be opened until they reach Liverpool. The running time from Chicago to Portland, via Detroit, Toronto, &c., is not to exceed forty-eight hours; and either from Portland or from the contemplated terminus of the railway, near the mouth of the river St. Lawrence, where the mails are to be transferred to and from the steamships, the distance to Liverpool is several hundred miles less than from New York.

Temporary arrangements have also been made on the terms of the act of 1858 for the continuance of weekly service, by American or foreign steamships, between New York and Liverpool, or Southampton, embracing semi-monthly trips to Havre, and trips once a month to Bremen and back. This, in connexion with the Cunard line, secures semi-weekly service between this country and Great Britain, and with the Bremen and Hamburg steamers, a direct mail, at least as frequently as three times a month, to and from Germany.

In this connection, I feel it my duty to recommend the repeal of that clause of the act approved June 14, 1858, which declares that, in forwarding mails to foreign countries, "the preference shall always be given to an American over a foreign steamship, when departing from the same port for the same destination *within three days of each other.*" Could we maintain even daily postal communication with transatlantic nations, it would be a subject of congratulation on the part of the whole country, and would be as grateful to our social relations as it would be promotive of our best commercial interests. Dispatch is the highest element in the mission of this department; and hence that legislation which provides for retarding instead of accelerating the mails may be safely pronounced, at least, extraordinary in its character. The law under consideration requires that, though the mails be ready for transmission and a foreign vessel is offering to transport them, yet they shall be retained for three days, if such delay be necessary, in order to place them in charge of an American steamship. The support which the interests of the American ship-builder and ship-owner derive from the conveyance of the mails is but an incident to the service, and to it the efficiency and reputation of that service, which is the principal, should never be sacrificed. It is desirable that this department shall have the power to send forward the foreign mails as often as a safe, reliable vessel can be found to convey them, and that the obligation to prefer the American to the foreign steamship shall only exist when they sail on the same day.

The amount of letter postages upon mails exchanged during the year with Great Britain was \$770,086; with Prussia, \$288,642 68; France, \$218,770 05; Bremen, \$38,368 37; and Hamburg, \$22,581 95; being a decrease on British mails of \$32,684 80; on Prussian mails of \$37,120 92; and an increase on French mails of \$12,943 63; on Bremen mails of \$10,462 45; and on Hamburg mails of \$6,704 21; as compared with the preceding year. Net decreased letter postages on European mails, \$39,695 43.

The amount of postages on mails sent to Great Britain was \$365,622 13; to Prussia, \$167,884 33; to France, \$106,050 01; to Bremen, \$18,229 80; and to Hamburg, \$15,584 58—total sent, \$673,370 85. On mails received from Great Britain, \$404,464 71; from Prussia, \$120,758 35; from France, \$112,720 04; from Bremen, \$20,138 57; and from Hamburg, \$6,997 37—total received, \$665,079 04. Total postages collected in the United States, \$809,860 73; in Great Britain, Prussia, France, Bremen, and Hamburg, \$528,589 16. Excess of postages collected in the United States, \$281,271 57.

Balance due Great Britain on adjustment of account for the year ended June 30, 1859.....	\$200,598 31
Balance due to France.....	37,232 24
Balance due to Bremen.....	15,546 43
Balance due to Hamburg.....	8,909 31
Total.....	262,286 29

Total postages for the year on mails transported on the New York, New Orleans, Aspinwall, and California lines, (including mails for Panama, and Acapulco, Mexico,) \$299,972 69. On the New Orleans and San Francisco route, via Isthmus of Tehuantepec, \$5,276 68.

On the Charleston and Havana route, \$10,057 66; on the New Orleans and Vera Cruz route, \$2,578 26; and on the various lines to the West Indies, &c., \$52,301 47. Aggregate total postages on mails conveyed by above-named *home lines* of steamers, \$371,429 12.

The weights of closed *letter* mails received and sent during the year were as follows:

Prussian closed mails received 130,525½ ounces, and sent 175,496 ounces—total, 306,021½ ounces. Closed mails from Great Britain for Canada 113,050 ounces, and from Canada for Great Britain 104,471 ounces—total, 217,531 ounces. British and California, Havana and Mexican closed mails, received and sent 30,461½ ounces.

The amount paid Great Britain for sea and territorial transit on closed mails conveyed through the United Kingdom was \$125,979 78½; and the amount received from Great Britain on British closed mails in transit through the United States was \$57,474 91.

The negotiations, which were temporarily suspended, having in view the reduction of the rates of postage upon letters and upon printed matter between this country and Great Britain, have been renewed, but, I regret to say, without any encouraging result. A most liberal proposition was submitted by this department to the Postmaster General of England, and, in view of the previous correspondence on the subject, the expectation was confidently indulged that he would promptly accede to it. It has, however, been declined, and for reasons so unsatisfactory that, for the present, no disposition is felt to pursue the matter further.

RETRENCHMENT.

The Post Office Department, according to the theory of its organization, should be self-sustaining, and, because of the peculiar character of its functions, should not be a charge on the common treasury. In this respect, its aspects and mission are wholly unlike those of the other branches of the government, and demand a corresponding principle of administration. The dispensation of public justice, the enforcement of laws enacted by national authority for the general protection, and the vindication of the rights of the republic upon land and on the sea, are duties whose performance is of the very essence of our political system, and, affecting, as they do deeply, every member of the body politic, they justly claim their support from the fund which is the contribution and property of all. But the transportation of a letter or newspaper or pamphlet for the citizen is no more public business than would be the transportation of his person or merchandise. It is an operation prompted by and performed in subserviency to a private, personal interest, and that interest, and that alone, should bear the pecuniary burden inseparable from it. The government has charged itself with the establishment and superintendence of the postal system, because the peculiarities of this complex and wide-spread service rendered such interven-

tion indispensable. The service, to be effectual, had to be clothed with an energy and power, and to enjoy immunities and the guardianship of a prompt and rigid accountability on the part of multiplied thousands of agents, which no private enterprise could possess; and hence the interposition of the government became a necessity—a necessity, however, which, while it occasioned the intervention, also furnished its limitation. While it was thus essential that the system should be organized and supervised by the government, it was at the same time entirely practicable to sustain it from the means of those for whose benefit it was established; and, therefore, it was not necessary that its maintenance should be imposed as a burden on the national treasury. On the contrary, it was eminently just and proper that they, and they only, who used the mails should pay for them, and that such payment should be exactly proportioned to such use. Were the support of the system charged on the treasury, those who do not participate in its advantages would be equally taxed with those who do, and the farmer who dispatches a single letter a month would have to contribute as much as the merchant who despatches and receives fifty per day. The gross injustice of this result is too flagrant to require exposure or comment. It was in obedience to this sentiment, that a self-sustaining character was impressed upon the department in its creation, and was long and most sedulously and scrupulously adhered to in its administration. The act of February 20, 1792, "To establish the post office and post roads in the United States," declares that "the Postmaster General shall provide for carrying the mail of the United States," and "shall defray the expense thereof, together with all other expenses arising on the collection and management of the revenue of the post office;" and to enable him to comply with this requisition, no other fund is placed at his disposal than that derived from the current receipts of the service. The same act empowers the Postmaster General to enter into contracts for "extending the line of posts" beyond those established by law, but expressly provides that "such contracts shall not be made to the diminution of the revenue of the General Post Office," and that "contractors shall receive the postage which shall arise on letters, newspapers, and packets conveyed by such posts," which postage the act of May 8, 1794, enacts shall be paid to such contractors as "a compensation for their expenses." The last mentioned act also authorized the Postmaster General to contract for "the carriage of a mail on any road on which a stage, wagon, or other stage carriage shall be established, *on condition that the expense thereof shall not exceed the revenue thence arising.*" This action on the part of Congress, cotemporary as it was with the organization of the department, furnishes clear and conclusive indications alike of the theory on which it rested, and of the determination that its practical administration should conform thereto. In 1836, Congress provided that "the aggregate sum required for the service of the Post Office Department in each year shall be appropriated by law *out of the revenues of the department.*" This is still the existing law, and a more emphatic declaration that the self-supporting principle, on which the department had been previously conducted, should be continued, could not have been made. In 1790—the first year of the new

government in which the financial status of the department is brought to our notice—its revenues exceeded its disbursements by \$5,255. From that time up to 1838, with occasional and slight exceptions, occurring at remote intervals, an excess of receipts was constantly exhibited. At the period last named, in consequence of a too rapid expansion of the service and the substitution of costly railroad transportation upon many of the old and hitherto comparatively cheap routes, there was manifested the first tendency to a permanent excess of expenditure. This tendency, however, was not decided, nor did it lead to any alarming results. The deficit was small, and during several of the years intervening between 1838 and 1846, was fully recovered from. Afterwards came the acts of 1845 and 1851, whereby the rates of postage were reduced, and the receipts of the department, in consequence, suddenly diminished upwards of \$2,000,000 per annum. The introduction, too, of the telegraph as a medium of social and commercial intercourse, began at this time in a marked manner to divert from the mails the public and private correspondence of the country. This diversion has continued to enlarge until it may be safely estimated that the annual loss to the department, from this source alone, cannot now be less than \$1,000,000. Under the influence of this abrupt and rapid decline in its revenues, and of the pressure of a course of legislation which continued from year to year to establish vast numbers of extended, costly, and unproductive routes, added to the importunate and incessant demand on the part of the country for the improvement as well as extension of postal facilities, the department was gradually led away from the principle to which it had previously inflexibly adhered, so that in 1858 its expenditures exceeded its receipts by \$5,235,677 15. For the year ending June 30, 1859, this excess amounted to \$6,996,009 26. This unfortunate condition of things has involved the department in imputations of extravagance and mismanagement, as disparaging as they have been undeserved. Its present embarrassments, which have so crippled its efficiency and clouded its reputation, are not the fruit of its own voluntary action, but of a current of events over which it has been unable to exert the slightest control. All have deplored the overburdened and sinking position in which it has been placed for the last few years, and the hope and expectation has been universally cherished that an early and earnest endeavor would be made to restore it to that basis of independence and honor on which it was placed by the founders of the government. The failure of the post office appropriation bill of the last session of Congress, which thus left the department charged with all the labors and responsibilities of the postal service, and yet denied it the use of its own earnings, having given a still more decided impetus to its downward fortunes, the occasion was deemed propitious for the inauguration, at least, of that work of reform which the deliberate judgment of the country demanded. The task was most arduous, involving, as it did, a reconnoissance of 8,723 post routes, and a careful scrutiny of every branch of expenditure connected with the postal service. It was most perplexing, too, because of the nice discrimination to be exercised, and of the obstinate and clamorous opposition encountered at every step from local and personal interests. Under the guidance,

however, of fixed principles, it has, in the face of all criticism, been steadily pursued to its completion. The act of 1825 makes it the duty of the Postmaster General to provide for carrying the mails on the post-routes established by law, "as often as he, *having regard to the productiveness thereof*, and other circumstances, shall think proper." The consideration thus early announced by Congress for the government of the department has, in the reform attempted during the last few months, been constantly consulted and acquiesced in as furnishing the only unerring rule of action. Unproductive routes, where the terms of the contract would permit, have been curtailed, and those which were useless have been unhesitatingly lopped off; all agencies which could be dispensed with without detriment to the service have been discontinued, and all allowances for extra services, not imperatively exacted from considerations of public justice, have been suspended. In the discharge of this unpleasant duty, it has been assumed that in all conflicts between the public interests and those of individuals and localities, the former should prevail; that the expenditures upon a route should bear a just proportion to its postal value, and that in determining that value the amount of correspondence conveyed upon the route, as indicated by its products, is the only unfailing criterion. To this have been allowed, as obvious exceptions, the trunk routes on which are transported heavy through mails, and which, of course, have a value beyond that evidenced by the receipts of the offices which they directly supply. In curtailing the extended and unproductive routes connecting with the Pacific, and which were established by Congress for the accomplishment of objects not postal, it was not possible to make more than a remote approximation to the principle which controlled the reductions in other cases. The result has been a retrenchment in the annual expenditure for postal service of \$1,826,471. This estimate embraces the saving to the government of \$637,250 from the new contract for the California and ocean mails, in substitution of the preëxisting contracts for the service by the way of Panama and Tehuantepec. The retrenchment thus effected may be classed under the following general heads:

Curtailment in transportation, discontinuing routes, and making new contract for ocean service to California	\$1,725,869
Discontinuance of special and route agents, messengers, &c.....	77,430
Withdrawal of extra allowance to postmasters.....	23,172
	<hr/>
	\$1,826,471
	<hr/> <hr/>

Reference is had to a tabular statement accompanying this report, in which the amount of the retrenchments made in each State and Territory is distinctly presented. It will be observed that in but two of the States, South Carolina and Florida, has the cost of the service been increased. It was at the lowest point in these States, and in consequence, on the occasion of the lettings in April last, this improvement, amounting to \$5,633, was allowed. The heaviest reduction, \$126,000,

was made in Missouri, in which State the postal expenditures for the past year were \$727,090 97, and the receipts but \$227,867 63, showing a loss of \$499,223 34. The next largest curtailment, \$94,621, was in Texas, in which, with a postal revenue of but \$100,597 35, the outlay for the service for the year ending June 30, was \$723,380, exhibiting an excess of expenditure of \$623,782 65. In Louisiana, the reduction was \$75,379, the excess of expenditure over receipts having reached in that State the past year \$581,315 87.

The conclusion thus arrived at is the more gratifying, because the curtailments have been sparingly and most carefully made, and have, it is believed, in no instance seriously impaired the efficiency of the service. They have been made, too, with a most scrupulous regard to the rights of the parties under their contracts with the department. No ground at all doubtful has been occupied, and no step taken which was not fully warranted by law and by the express written engagements of the parties concerned. Whatever actual loss, therefore, may, in a few isolated cases, have been suffered, no legal claim for indemnification exists; and should any such be presented and allowed by Congress, they should be paid from the public treasury. The contracts with the department provide in express terms for the curtailment of the service whenever, in the judgment of the Postmaster General, the public interests shall demand it; and, as this is a contingency contemplated by all such engagements, and to which they are all exposed, when it arises it furnishes no just ground of complaint. If a contract shall for this cause prove less remunerative than was anticipated, it affords no reason why the department, which has kept its faith and exercised only its acknowledged rights, should be held responsible. If, therefore, Congress, in its discretion, shall think proper to grant a further compensation to such contractors, this department may justly insist that its own revenues shall not be burdened by such congressional generosity.

Great as is the relief which this retrenchment has afforded to the finances of the department, other measures of justice to it must be adopted before it can recover that character of independence which it is entitled to assume and maintain. Prominent among these measures is the

ABOLITION OF THE FRANKING PRIVILEGE.

It is, of course, not intended to assert that the correspondence of the government should be transmitted at the personal charge of its functionaries, but only that the cost of conveying such correspondence, when passing through the mails, should be defrayed from the national treasury. There is no more reason why the Post Office Department, through its contractors, should perform this service gratuitously for the government, than there is that the steamboats and railroad companies of the country should transport its troops, munitions of war, and stores, without compensation. What shall be the character and amount of written or printed documents forwarded on behalf of the government, and under what safeguards against abuse, are questions whose solution belongs exclusively to Congress, and which it is not my

purpose at present to discuss. I desire to maintain only the general proposition that, whether the written and printed matter be great or small, if it be dispatched in the name and in the interest of the government and by its agents accredited for the purpose, it should be charged with precisely the same rates of postage to which it would have been subjected had it been forwarded by private citizens. The franking privilege, as accorded to various officers of the government, was from the beginning and still is an anomaly in the postal system, and in direct conflict with the true theory of its creation. Had this department, like the others, been placed as a charge upon the treasury, and were it essentially a political instrumentality, and the property of the nation, it would be as incongruous for it to demand remuneration for its services to the government as it would be for the army and navy to do so; but this is not and never has been its actual or theoretical status. Beyond its political authority in establishing the department and its revisory power over its administration, the relations of the government to it are precisely those of the private citizen. This has been distinctly recognized in the several acts permanently appropriating \$700,000 per annum for the transportation of "free matter." This is not, in the language or spirit of the act of 1836, a provision made for the support of the department from its own revenues, but is an appropriation from the public treasury, and is, in its terms, a specific compensation for the transmission of the correspondence and documents connected with the administration of the government. It is important to be noted in this connection, because it must rest on an admission of the soundness of the principle insisted on, though in its amount it falls far short of the logical result to which that principle would lead. It is well known that the expenses of the department for transportation have rapidly increased within the last ten years. In 1849, they amounted to \$2,577,407 71; but for the year ending the 30th of June, 1859, they reached the sum of \$9,478,457. This has been produced by the enormous bulk and weight of the mails, which are principally due to the vast quantity of heavy books and printed documents sent under the government frank. Mails which but recently weighed a few hundred pounds, are now, from this cause, found weighing tons. The rates of postage on printed documents, &c., being but nominal, the cost of their conveyance is, in fact, a tax on the letter correspondence of the country. Hence, as the great mass of the matter franked by the government officials is printed, were it even paid for at the prevailing rates, still in precise proportion as the government is the patron of the mails would the service be unremunerative to the department. Were the "free matter" now conveyed charged with the existing rates of postage, it is confidently believed that it would yield an annual revenue of at least one million eight hundred thousand dollars; yet for this service the department receives but \$700,000, and actually expends in its performance but little, if anything, short of \$3,000,000.

The obligation of the government to pay for the use of the mails, at the rates imposed on the private citizen, is now so manifest that the proposition has been deliberately made and urged with much force that this act of justice shall, if possible, be made retrospective. Could

the amount which the department has expended for the transportation of free matter from the foundation of the government be ascertained—which is obviously impracticable—it is difficult to perceive on what ground a claim to its reimbursement—less the aggregate of the appropriations made from the treasury for the support of the department—could be resisted. If the principle contended for is right now, it has been so from the beginning.

But, it may be asked, does not the government virtually comply with this requisition to pay its own postages, by the annual appropriation which it makes to meet the deficit in the postal revenues, and is there any substantial difference between such a provision and the prepayment of its postages in detail? The answer is, that there is a difference; and this difference vitally concerns the honor and reputation of the department. The appropriation referred to is made, not in satisfaction of what is confessed to be due, but is rather bestowed as an alms. It is not paid as to a creditor for services fully rendered, but is extended as a relief to a defaulting branch of the government, and to save it from bankruptcy and dishonor. This places the department continually in a false position, and presents it to the world as a delinquent, when, in truth, it is not so. So long as it is thus treated, however skillfully or honestly it may be administered, it must stand at the bar of public opinion as condemned and as faithless to its mission. This is a moral wrong, and a great political error. When the department has loyally discharged every duty incumbent upon it, and has performed services, the compensation for which, if fairly made, would render it independent, it has a right, in the name of common justice, to claim that it shall be allowed to assume that attitude, instead of the mortifying one it has been driven to occupy for years—that of an improvident and discredited insolvent, ever begging at the doors of the public treasury.

It may be added, if it is proper that the government shall be charged with the expense of conveying the matter now passing free through the mails, justice alike to the public and to the department requires that the amount thus due shall be precisely ascertained, which can best be done by prepayment at the mailing offices. There can be no enlightened administration of the postal system without a complete knowledge of its financial resources and liabilities, which can never be attained while the incubus of the franking privilege is hanging over it. Under the stifling pressure, too, of this incubus, the department is forced to continual efforts to ameliorate its condition, which must often result in curtailments to be deplored, because they deprive the public of mail accommodations for which they have fully paid, and which they are, therefore, entitled to enjoy.

Another potent reason for the abolition of the franking privilege, as now exercised, is found in the abuses which seem to be inseparable from its existence. These abuses, though constantly exposed and animadverted upon for a series of years, have as constantly increased. It has been often stated by my predecessors, and is a matter of public notoriety, that immense masses of packages are transported under the government frank, which neither the letter nor spirit of the statute creating the franking privilege would justify; that a large number of

letters, documents, and packages are thus conveyed, covered by the frank of officials, written in violation of law, not by themselves, but by some real or pretended agent; while whole sacks of similar matter, which have never been handled nor seen even by government functionaries, are transported under franks which have been forged. The extreme difficulty of detecting such forgeries has greatly multiplied this class of offenses, whilst their prevalence has so deadened the public sentiment in reference to them that a conviction, however ample the proof, is scarcely possible to be obtained. The statute of 1825, denouncing the counterfeiting of an official frank under a heavy penalty, is practically inoperative. I refer you to the case reported at length by the United States attorney for this District, as strikingly illustrating this vitiated public opinion, reflected from the jury box. The proof was complete, and the case unredeemed by a single palliation, and yet the offender was discharged unrebuked, to resume, if it should please him, his guilty task. This verdict of acquittal is understood to have been rendered on two grounds: first, that the accused said he did not commit the offense "to avoid the payment of the postages," and second, that the offense had become so prevalent that it is no longer proper to punish it. These are startling propositions, whether regarded in their legal, moral, or logical aspects. They announce that to render the violation of a statute legal, it is only necessary to render it general; and that the counterfeiter of the frank of a member of Congress, in order to shield himself from punishment, has only, when arrested, to declare that he committed the infamous crime from no hope of pecuniary gain; thus reversing that axiomatic principle of philosophy and law, which teaches that a rational agent shall be held to contemplate and design those results which necessarily follow from his conduct. If such language as this, coming up from the criminal courts of the country, does not arouse Congress to the necessity of promptly reforming this already great and rapidly growing evil, then it is to be feared that nothing can do so. The franking privilege has thus become an active instrument of public demoralization. When a crime is committed under the influence of strong temptation, a large measure of integrity may remain with the offender; but where an offense like this, essentially mercenary in its spirit and creepingly clandestine in its perpetration, is committed for the gain of a few cents, and when such offense becomes widespread in its prevalence, it evidences a condition of the public morals which cannot be contemplated without profound sorrow and the liveliest apprehensions. Did no other reason exist than these abuses and the disastrous consequences to which they lead, Congress would be fully justified in abolishing the franking privilege.

Of the substitutes which have been proposed, that of prepayment by stamps, as recommended by my predecessor, is probably to be preferred. It would harmonize with the existing system, and, being eminently just, simple, and practicable, it could be put into immediate operation without the slightest embarrassment. That a part of the abuses enumerated might still prevail, is not denied, but their consequences would fall, as they should, on the government by whose offi-

cially they were perpetrated, instead of this department, as they do at present.

While the franking privilege was enjoyed by the British Parliament, it was limited in its exercise, by the assignment of a given number of franks to each member per day; and the adjustment of this question by Congress would present a favorable moment for considering whether the public interests do not require that some similar restriction should be imposed upon the unlimited license that now prevails.

But the restoration of the department to its original independence cannot be accomplished without the adoption of another measure of justice—that of charging on the public treasury all

ROUTES NOT STRICTLY POSTAL.

The revenues of the department constitute a special trust fund, of which the treasury is the custodian, and the government of the United States the responsible trustee. This fund belongs to those by whom it has been contributed, and stands pledged to meet the wants of the postal service. The government, as such, has no interest in it, but has simply charged itself with the duty of faithfully administering it. There could be no more distinct and emphatic declaration of the position asserted than is found in the act of 1836. The government there fully recognizes and announces its relation to the postal fund; and, in view of this recognition, any appropriation, in whole or in part, of the revenues of the department to purposes not strictly postal, is as flagrant a breach of trust as would be the application of the Smithsonian fund to the improvement of a river or harbor. It is well known, however, that for a series of years the government has been occupied in advancing certain great national objects in the direction of our Pacific possessions, the entire burden of which has been imposed upon this department, though its connection with these objects is exceedingly slight and only incidental. The subjoined table—a portion of which has already been presented in another connection—will exhibit the cost and products of a few of the post routes in that region, which have been established and put into operation by authority of law, and will make manifest the deplorable extent to which the postal fund has been diverted from its legitimate purposes. To avoid fractions, the *annual rate* is given for the year closing June 30, 1859.

	Cost.	Receipts.	Loss to the department.
Semi-weekly mail from St. Louis and Memphis, via El Paso, to San Francisco.....	\$600,000 00	\$27,229 94	\$572,770 06
Weekly mail from St. Joseph, Mo., to Salt Lake City.....	190,000 00	4,210 00	185,790 00
Monthly mail from Neosho, Mo., to Albuquerque.....	17,000 00	320 00	16,680 00
Monthly mail from Kansas, Mo., to Stockton, California.....	79,999 00	1,255 00	78,744 00
Weekly mail from San Antonio, Texas, to San Diego, Cal.....	196,448 00	601 00	195,847 00
Weekly mail from Salt Lake City to Placerville.....	130,000 00	1,202 03	128,797 97

This table presents results which are truly startling. The \$600,000 paid annually for carrying a few sacks of letters from the valley of the

Mississippi to San Francisco, via El Paso, through a waste and uninhabited country, would defray the aggregate cost of mail transportation, including route agents, local agents, and messengers in the States of Kentucky, Tennessee, and North Carolina. The post office at Salt Lake City yields a revenue of but \$700, and yet to connect that office with the valley of the Mississippi and the Pacific, this department expended during the past year \$320,000. It will be observed that the annual loss from the six routes mentioned above is \$1,178,629 05. The ocean mail service to California, heretofore on the treasury, except the cost of transit on the Panama railroad, is now a charge on the department, and under the present advantageous contract, will result in a loss during the current year of at least \$51,027 31. This, added to the \$1,178,629 03 will exhibit a total loss for these seven routes of \$1,229,656 34—a sum sufficient to pay the entire expense of transporting the mails and the salaries of route and local agents and messengers in the States of Maryland, Pennsylvania, and New York. It would improve the postal facilities in all our cities, towns, and populated districts, giving daily mails to those who are entitled to them, but who now have but a tri-weekly service, and tri-weekly to those who have but weekly accommodations. The power of steam and the electric telegraph have awakened in the most remote districts and in the most tranquil villages an energy and restlessness of social and commercial life known in other years only amid the great commercial emporiums of the world. As a consequence, daily mails are rapidly becoming a universal necessity, and are now insisted on as a right by the smallest communities. Hence, it has been impossible to make the slightest curtailments without provoking remonstrance and rebuke. But in presence of the statistics which have been presented, when the public complain that the postal service is not equal to the activity of their business and social relations, they should make such complaints heard, not here, but in the halls of Congress. They should appeal to their representatives to restore to this department its revenues which are now squandered in the wilderness; and when this shall have been done, and the other measures of justice and reform herein recommended shall have been adopted, then, by the practice of a severe economy, every reasonable demand upon the service can be met.

A comparison of the expenses and products of the routes named leaves no room for doubt that the postal communication which they afford is not looked to by the government as an end, but as an instrument for the advancement of ulterior objects. Indeed, it has not been concealed, but openly avowed by the friends of the policy which maintained these routes, that they were intended as the pioneers of civilization, as the means of rapid and regular communication between remote military posts and the government, and most especially as an instrumentality for promoting the settlement of our frontiers, and thus appreciating the value of the national domain. That these and kindred objects, which may have been contemplated by the authors of this policy, are fully within the range of action which a great and enlightened government may prescribe for itself, will not be denied. But such objects are national, and not at all postal in their character; and being intended, as they are, to advance the interests of the entire

body politic, the expenditures which they involve should be met from the common treasury. The postal service does not lead, but follows population; and the devotion, directly or indirectly, in aid of schemes of colonization, of those revenues which are consecrated and set apart for the maintenance and expansion of mail accommodations, is a manifest breach of one of the most solemn obligations with which the government has charged itself. It would be easy to distinguish the routes falling within this category of non-postal; and were there establishment and regulation by Congress accompanied by a provision that, after the application of the revenue arising from them to their support, the balance due the contractors and other agencies should be defrayed from the treasury, complete justice would be done to the department, and the government would have fully discharged one of the highest responsibilities which rests upon it as trustee of the postal fund.

Not to pursue the subject further, in view of what has been done and proposed, the financial status of the department would be as follows:

Deficit for the year ending June 30, 1859	\$6,996,009 26
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Contra.

Annual retrenchment from curtailments already made, less \$287,250 of the \$637,250 saved on renewal of contract for ocean service to California, which \$287,250 having been payable out of the treasury, the gain inures to it, instead of to the postal rev- enues	\$1,539,221 00
Revenue from government postages, on abolition of franking privilege, estimated at	1,800,000 00
Reduction of cost of railroad transportation	1,084,558 00
Payment by government on routes non-postal	1,229,756 36
	5,553,535 36

This aggregate of \$5,653,535 36, deducted from the deficiency on 30th June, leaves a deficit of \$1,342,473 90, which the gradual increase of receipts and the curtailments still practicable would overcome in a few years, and the department be thus restored to complete independence.

There are those who propose, as a substitute for these just and salutary reforms, an increase of the existing rates of postage. To this, I am well persuaded, the popular judgment is decidedly opposed, and this opposition rests mainly upon the conviction that if the Post Office Department were justly dealt by, it could and would sustain itself without any change in the prevailing rates. This conviction I fully share, and believe that until the experiment of rendering it self-supporting by the measures which have been discussed shall have been made, it would be unwise and unjust to impose any additional burdens on the correspondence of the country. If that experiment, upon

being tried, shall fail to restore the department to independence—which cannot be anticipated—then an enlightened and liberal people will not hesitate to authorize any augmentation of the rates which may be required, but not until then.

This department cannot much longer occupy its present equivocal position. If not allowed to return to the principles on which it was conducted in its earlier and better days—the days alike of its independence, its efficiency, and its renown—borne down by the pressure of the existing course of legislation, it must ultimately become an established burden on the national revenues. The first step which would probably follow thereafter would be for Congress, in creating and adjusting the principal post routes, to declare what should be the compensation of the contractors. This would open an almost illimitable field for mercenary intrigue and spoliation. An approach to the inauguration of this system has already been made, and the results are before the country. Since 1853, Congress has interposed and made extra allowances to contractors amounting to \$649,161 22 beyond what the department regarded them as entitled to receive under their contracts, and beyond what it was believed the postal service demanded or justified. It has also fixed the compensation for the semi-weekly overland mail at \$600,000 per annum, though the receipts from the route are but \$27,229 94; and for the transportation of the California mails *via* the Isthmus, it paid annually \$738,250, though the same service—less that from San Francisco to Astoria and San Diego—under a recent contract with the department, is now performed at the rate of \$351,000 per annum, with an arrangement for its further reduction. These are fair illustrations of the fruits which naturally, if not inevitably, follow from transferring the Contract Bureau of this department to the halls of Congress. Should this step be taken, the department, being thus completely dependent and sustained by an exhaustless treasury, and having no longer the powerful motive to economy which has ever been the conservative element of its being, would be tempted to plunge deeper and deeper into schemes of extravagance and waste, until, it may be well apprehended, all the safeguards of its purity would finally disappear. With its army of postmasters and contractors, now numbering 36,000, and constantly increasing; with its vast train of other dependent instrumentalities; with its twenty millions of disbursements—for they will soon reach and surpass that sum—and with its ramifications extending to every city and village and neighborhood in the Union, it could not fail to be seized upon by ambitious hands, and wielded for political power until the very air of its being might become an atmosphere of political corruption. The gigantic system of internal improvements by the general government, which a few years since was overthrown by the voice of the American people, in the omnipresence of its complete development, could scarcely have proved a more potent instrument for exhausting the treasury and depraving the public morals.

The Post Office Department, in its ceaseless labors, pervades every channel of commerce and every theater of human enterprise, and, while visiting, as it does kindly, every fireside, mingles with the throbbing of almost every heart in the land. In the amplitude of its

beneficence, it ministers to all climes, and creeds, and pursuits, with the same eager readiness and with equal fullness of fidelity. It is the delicate ear trumpet, through which alike nations and families and isolated individuals whisper their joys and their sorrows, their convictions and their sympathies, to all who listen for their coming. Naturally enough, such an institution has ever been and still is a cherished favorite with the American people. The country has constantly manifested the most intense solicitude for the preservation of its purity and the prosperity of its administration, and it cannot now be disguised that the guilty abuse of its ministrations, and the reckless waste of its hard-earned revenues, connected with the humiliations to which it has in consequence been exposed, have deeply and sadly impressed the public mind.

I have the honor to be, very respectfully, your obedient servant,
J. HOLT.

The PRESIDENT.

APPENDIX.

A.

Statement showing the curtailment in the cost of mail transportation, between the 4th of March and the 30th of September, 1859.

Sections.	States and Territories.	Amount curtailed.	Amount increased.	Total am't of curtailment in each section.	Remarks.
NEW ENGLAND.....	Maine	\$16,854			
	New Hampshire.....	5,299			
	Vermont.....	7,210			
	Massachusetts.....	16,440			
	Rhode Island.....	937			
	Connecticut.....	11,334			\$58,110
NEW YORK.....	New York.....	45,125		45,125	
MIDDLE.....	New Jersey.....	7,326			
	Pennsylvania.....	55,614			
	Delaware.....	2,768			
	Maryland.....	14,961			
	Ohio.....	30,393			111,062
SOUTHERN.....	Virginia.....	1,699			The service in this section having gone into operation on the 1st July last, the comparison is made between that of 30th June, 1859, and the service as it stood at the close of the first quarter of the current year, September 30, 1859. The mail service in these States was, also, on the 30th June, 1859, at the lowest ebb, and the curtailments made were adjusted at the lettings in April, 1859.
	North Carolina.....	4,885			
	South Carolina.....		\$2,701		
	Georgia.....	1,990			
	Florida.....		2,932	2,941	
NORTHWESTERN.....	Michigan.....	7,742			
	Indiana.....	24,201			
	Illinois.....	37,706			

A—Continued.

Sections.	States and Territories.	Amount curtailed.	Amount increased.	Total am't of curtailment in each section.	Remarks.
NORTHWESTERN	Wisconsin.....	\$44,932	.....	.....
	Iowa	28,904	.....	.....
	Missouri	126,600	.....	.....
	Minnesota	73,709	.....	\$343,794	
SOUTHWESTERN	Kentucky	14,231	.....	.....
	Tennessee	28,711	.....	.....
	Alabama	24,658	.....	.....
	Mississippi.....	29,311	.....	.....
	Arkansas	20,799	.....	.....
	Louisiana.....	75,379	.....	.....
	Texas.....	94,621	.....	.....
	California.....	49,122	.....	.....
	Oregon.....	.....	\$23	.....	One additional mile on the route from Portland to La Fayette.
	New Mexico.....	.....	.....	.....	No change.
	Utah	50,000	.....	.....
	Nebraska	1,877	.....	.....
Kansas	85,459	.....	.....
Washington.....	3,500	.....	477,645		
Curtailment by discontinuance of Tehuantepec route				250,000	
Curtailment by renewal of contract for ocean service to California.....				387,250	
Curtailment by substitution of the Charleston, Fernandina, Cedar Keys, Key West, and Havana route, for the route from Charleston, via Key West, to Havana				49,942	
Total				1,725,869	

B.

WASHINGTON CITY, *September 27, 1859.*

SIR: In the matter of the trial of William D. Phillips, charged with counterfeiting the frank of Senator Douglas, I have the honor to submit the following report:

In July last I appeared before the grand jury of this district and informed them that Dr. Jones, the postmaster of Washington city, had placed in my hands quite a number of letters which had been deposited in the post office of said city by one William D. Phillips, and which severally bore the name of S. A. Douglas, as a frank upon the same. I also stated to the grand jury that I would send up five or six indictments, upon which I hoped they would find "true bills." Accordingly I did send six indictments, all of the same general tenor, but each charging a separate offense against Phillips for counterfeiting the frank of Senator Douglas.

The grand jury, very much to my surprise, ignored five of the bills and found only one. The "ignored" bills stood upon exactly the same state of facts as the one "found."

The trial took place on the second day of August last. The indictment was based upon the latter clause of the 28th section of the act of 1825, chapter 64, as follows:

"And if any person shall counterfeit the handwriting or frank of any person, or cause the same to be done, in order to avoid the payment of postage, each person so offending shall pay for every such offense five hundred dollars."

Four witnesses, to-wit: Mr. Tree, Judge Douglas, Dr. Jones, and Mr. Granger were examined on the part of the prosecution, and none on the part of the defense.

Mr. Tree testified that Phillips admitted to him that he had placed the letter on which the indictment was founded in the post office at Washington city; that the reason which he gave for using Judge Douglas's name was, that he was out of business, was seeking employment, and adopted that course to obtain it; that Phillips was very open and frank in his explanations respecting the matter; that he said he used the name of Judge Douglas because he thought it would give a prestige to the business of a claim agent—he being engaged therein; that the letters deposited by him were printed circulars soliciting business; and that Phillips said that he saw no impropriety in using Senator Douglas's name, inasmuch as it was a common thing to use the frank of members of Congress. Mr. Tree, on his cross-examination, stated that at some previous time other documents bearing the frank of a member of Congress had been retained in the Washington city post office, but were allowed to be subsequently sent off on payment of the postage, and that no prosecution was instituted thereon.

Senator Douglas testified that he knew Phillips; that his name on the letter was not in his handwriting; that he never authorized Phillips to use his frank; that he would gladly have allowed him the use of his name as a reference; that Phillips called upon him some time in

May preceding and told him that he had used his frank on some circulars, and that he had done so not for the purpose of saving the postage, but because he thought that his name would be of service to him; that he then informed Phillips that he did not use his own frank for private purposes, and that he would not have authorized him to use his name in that way, as he did not consider that he had the right to do so; that some of his friends thought him too rigid in his observance of the law in relation to franking; that Phillips then expressed his regret, and said he supposed that every member of Congress had the right to permit another person to use his frank, and that the conversation above detailed took place before any prosecution had been instituted, but after the circulars had been stopped at the post office.

Dr. Jones testified that he held several conversations with Phillips respecting the matter, and that in one of them Phillips said if it would not cost more than five hundred dollars to compromise the matter he thought that sum might be raised for that purpose, and that he (Dr. Jones) reported the subject to the Postmaster General, who said there could be no compromise.

Mr. Granger testified that he had a conversation with Phillips on the subject of using Judge Douglas's frank before the circular in question was deposited in the post office; that Phillips asked him if Judge Douglas would object to his using his frank; that he then informed Phillips that he thought Judge Douglas would object, as he (Judge Douglas) did not use his own frank for private purposes.

A large portion of the preceding testimony was brought out on cross-examination. The prosecution was compelled to resort to Phillips's conversations for proof.

The case was argued by the district attorney and counsel for the defense before the jury. I urged that the case was very plainly and fully made out. The defense admitted that the frank had been used without Senator Douglas's approval, but that it had been done by the defendant innocently; that his purpose was to gain the prestige of Judge Douglas's name in the west, where these circulars were intended to be sent, and not to defraud the government of postage rates; that before the jury could find the defendant guilty they must believe that he had used the frank with a view "to avoid the payment of postage;" that the law had been constantly and notoriously violated in the campaign committee-rooms and folding department of Congress, where others than members of Congress, and boys even, were employed to frank speeches and documents; that no prosecution had ever been instituted against such offenders, and that Phillips ought not to be the first person selected out of such a multitude as a victim; and, finally, that in a case in this very Washington city post office, analogous to the present, the parties were not prosecuted, but allowed, on payment of postage, to send off documents which had been stopped by the postmaster.

The district attorney replied that the only business of the jury was to determine whether the defendant had violated the law, and not whether other persons had also done so; that if the franking privilege had been abused to the extent represented, it was only an additional reason why some effort should be made to prevent the further

violation of the law ; that no more proper case could arise for the vindication of the law than the present, where the proof was so clear that the defendant had used the frank for his own private purposes and personal gain, and where he had not even the excuse of a design to send out information of interest to the people at large ; that if there was any prestige in Judge Douglas's name, it could be as well gained by an interior reference as by an external frank ; and that, upon the whole evidence, the jury could not infer any other thing than an intent "to avoid the payment of postage," and that, too, after the defendant had been informed by a party to whom he had appealed, that Judge Douglas would not consent to the use of his frank in the manner proposed.

The jury remained in their room twenty minutes, and then, much to my astonishment, and, I think, to that of the judge, found the defendant "not guilty." In conversations with several of the jurors, I was told that their reason was twofold : first, that they were not fully satisfied that Phillips resorted to Judge Douglas's frank "in order to avoid the payment of postage;" and, secondly, that the law had been so commonly and notoriously violated that no prosecution ought to be founded upon it until, at least, express or personal notice had been given by the department that offenders, in all cases, would be proceeded against. I think somewhat the same view influenced the grand jury when they ignored five of the six indictments sent up by me for their approval. The petit jury was composed of sensible and conscientious men ; and I hope I may be permitted to say that, during the entire term, the verdict in this case was the only one which, in my judgment, was erroneous and improper.

With great respect, your obedient servant,

ROBT. OULD,
United States Attorney.

Hon. POSTMASTER GENERAL *U. S.*

C.

SETTLEMENT OF FURTHER DETAILS UNDER THE POSTAL TREATY WITH
GREAT BRITAIN

ADDITIONAL ARTICLES.

To the articles agreed upon between the Post Office of the United States of America and the Post Office of the United Kingdom of Great Britain and Ireland for carrying into execution the convention of December 15, 1848.

In pursuance of the power granted by Article 21 of the convention of December 15, 1848, between the United States of America and the United Kingdom of Great Britain and Ireland, to the two Post Offices to settle the matters of detail, which are to be arranged by mutual consent, for insuring the execution of the stipulations contained in the said convention, the undersigned, duly authorized for that purpose by their respective offices, have agreed upon the following articles :

ARTICLE I. There shall be established, on the part of the United States, a new office of exchange at Portland, for the exchange of United States and European mails with the British offices of Liverpool and London, by means of United States, British, or Canadian mail packets plying between Liverpool and Portland.

ARTICLE II. The offices of Boston, New York, and Philadelphia may exchange mails with the offices of London and Liverpool, respectively, by way of Portland, in the same manner as mails are now being exchanged by United States and British packets plying between New York and Liverpool and Boston and Liverpool.

ARTICLE III. The mails forwarded from the office of Portland to the office of Liverpool shall comprise the correspondence for all parts of the United Kingdom, with the exception of the city of London and its suburbs.

The mails for London shall comprise all the correspondence for that city and its suburbs, and for countries in transit through the United Kingdom.

ARTICLE IV. Reciprocally, the mails forwarded from the offices of London and Liverpool to Portland shall comprise all the correspondence for the United States, excepting the cities of Boston, New York, and Philadelphia.

The mails forwarded from the offices of London and Liverpool to Boston, New York, or Philadelphia, shall comprise all the correspondence destined for each of those cities respectively.

ARTICLE V. The present articles shall be considered as additional to those agreed upon between the two offices for carrying into execution the convention of December 15, 1848, signed at Washington on the 14th May, 1849.

Done in duplicate, and signed at London on the third of February, one thousand eight hundred and fifty-nine, and at Washington on the eleventh day of January, one thousand eight hundred and fifty-nine.

Approved: AARON V. BROWN.
COLCHESTER.

HORATIO KING.
HOWLAND HILL.

D.

United States mail service abroad for the year ended June 30, 1859.

Routes.	No. of trips.	Contractors.	Compensation.	Remarks.
Between New York, New Orleans, Havana, and Aspinwall.	21	M. O. Roberts and others, assignees of A. G. Sloss.	\$290,000 00	* Under contract with Secretary of Navy.
Between Panama, San Francisco, and Astoria...	24	Pacific Mail Steamship Company, Wm. H. Davidge, president.	348,250 00	* Under contract with Secretary of Navy and Postmaster General.
Between Aspinwall and Panama, New Granada, by railroad.	24	Panama Railroad Company.....	100,000 00	Under contract with the Postmaster General.
Between New Orleans and San Francisco, via Isthmus of Tehuantepec.	16	Louisiana Tehuantepec Company	161,684 79	† Under contract with the Postmaster General.
Between New York, Southampton, and Havre...	12	Not under contract.....	94,977 44	Mails transported by New York and Havre Steamship Company for the United States sea and inland postages, under act of June 14, 1858.
Between New York, Southampton, and Havre...	14	Not under contract.....	104,283 65	Mails transported by Cornelius Vanderbilt for the United States postages, (sea and inland,) under act of June 14, 1858.
Between New York and Liverpool.....	16½	Not under contract.....	88,984 05	Mails transported by the Liverpool, New York, and Philadelphia Steamship Company, (foreign,) at the sea postages, under act of June 14, 1858.
Between New York and Southampton.....	5	Not under contract... ..	19,244 37	Mails transported by the Bremen mail packets of North German Lloyd Company, (foreign,) at the sea postages, &c.
Between New York and Liverpool.....	†	Not under contract.....	2,599 41	Mails transported by E. Cunard, in British mail steamers, at sea postages, under act of June 14, 1858.
Between Portland and Liverpool.....	4½	Not under contract.....	14,521 70	Mails transported by Canadian mail packets at sea postages under act of June 14, 1858.
Between Charleston, Savannah, Key West, and Havana, Cuba.	24	M. C. Mordecai.....	60,000 00	† Under contract with the Postmaster General.
Between New York, Havana, and New Orleans..	17	New York and New Orleans Steamship Company.	17,213 48	Under contract with the Postmaster General for the United States postages, under act of June 14, 1858.
Between New Orleans and Vera Cruz	14	Not under contract.....	2,810 73	Mail transported by United States steamship Tennessee, Charles Morgan, agent, for the United States postages, under act of June 14, 1858.

HORATIO KING, *First Assistant Postmaster General.*

* Contracts expired on the 30th September, 1859, and temporary contract made with Cornelius Vanderbilt for semi-monthly service in steamships between New York, New Orleans, and Aspinwall, and between Panama and San Francisco, for nine months, from October 1, 1859, to June 30, 1860, at \$187,500, (equal to \$250,000 per annum,) or at \$225,000 for nine months, including Isthmus transit, if service is performed via Nicaragua route. To this \$1,000 should be added as expense of mail messenger service at the termini of route.

† The contract with Louisiana Tehuantepec Company called for semi-monthly service at the rate of \$250,000 per annum, connection to be made with the steamers of the Pacific Mail Steamship Company at Ventosa, and expired September 30, 1859.

‡ Contract expired on the 30th June, 1859, and mails are now transported semi-monthly via Fernandina, Cedar Key, and Key West, Florida, in connection with the steamboat lines between New Orleans, Cedar Key, and Key West, the compensation between Key West and Havana being the United States postages on mails conveyed.

POSTMASTER GENERAL.

1437

E.

Statement of the sums paid for the year ending June 30, 1859, on the New York and Chagres and on the Astoria and Panama mail steamship line.

Lines.	Amount of 10 per cent. deduction, &c.	Amount deducted as fines.	Amount paid over.	Whole contract pay.
New York and Chagres line.....	\$31,745 85	Nothing.	\$258,254 15	\$290,000
Astoria and Panama line.....	19,900 00	Nothing.	67,162 50	348,250

A. J. O'BANNON, *Fourth Auditor.*

TREASURY DEPARTMENT, *Fourth Auditor's Office, November 18, 1859.*

POST OFFICE DEPARTMENT,
Contract Office, December 1, 1859.

SIR: For a statement of the mail service for the contract year ended June 30, 1859, I respectfully refer you to the tables hereto annexed.

Table A exhibits the character of the service, the length of routes, the number of miles of transportation, and the cost thereof, as it stood at the close of the year.

Table B shows the number of mail routes in operation, the number of mail contractors, express agents, route agents, local agents, and mail messengers in the service of the department on the 30th of June, 1859.

On the 1st of July last the new service in the southern section, comprising the States of Virginia, North Carolina, South Carolina, Georgia, and Florida, was put in operation, the first quarter of which expired on the 30th of September, 1859.

Table C exhibits the service in this section as it stood at the close of the contract year, June 30, 1859, and at the close of the first quarter of the current year.

Table D exhibits the railroad service in said section as in operation at the close of the first quarter of the current year.

Table E exhibits the railroad service as in operation on the 30th of June, 1859; also the cost per mile in each State.

Table F exhibits the steamboat service for the current year, showing the particulars of each route.

I have the honor to be, very respectfully, your obedient servant,

WM. H. DUNDAS,
Second Assistant Postmaster General.

Hon. JOSEPH HOLT,
Postmaster General.

A.

Table of mail service for the year ending June 30, 1859, as exhibited by the state of the arrangements at the close of the year.

[The entire service and pay are set down to the State under which it is numbered, though extending into other States, instead of being divided among the States in which each portion of it lies.]

States and Territories.	Length of routes.	Annual transportation and cost.								Total annual transportation by mode not specified.	Total annual transportation by coach.	Total annual transportation by steamboat.	Total annual transportation by railroad.	Total annual transportation.	Total annual cost.
		Mode not specified.		In coach.		In steamboat.		By railroad.							
	Miles.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Miles.	Miles.	Miles.	Miles.	Dollars.
Maine	4,464	3,070	25,079	1,899	46,324			495	48,693	612,352	840,892			1,469,608	129,096
New Hampshire	1,765	724	8,961	556	8,394	60	1,450	429	37,450	244,140	224,276	31,200	389,376	888,992	56,235
Vermont	2,194	391	5,612	1,314	19,269			489	56,956	133,120	584,012		320,268	1,037,400	81,837
Massachusetts	2,724	550	11,986	632	15,791	240	7,250	1,302	154,035	276,736	348,972	140,400	1,400,232	2,166,400	189,062
Rhode Island	362	137	2,649	88	1,500	24	800	109	14,255	65,312	44,200	17,472	126,984	253,968	19,234
Connecticut	1,963	475	10,619	483	9,136	260	10,000	745	84,248	203,164	233,620	162,240	737,100	1,333,124	114,003
New York	10,951	3,184	37,680	4,706	84,900	168	7,063	2,893	333,163	722,520	1,839,136	98,648	3,660,124	6,626,468	462,806
New Jersey	2,146	386	5,867	1,293	23,553	12	1,200	455	64,144	109,616	611,884	14,976	544,008	1,289,484	94,757
Pennsylvania	13,118	6,863	92,520	4,662	115,016	85	4,636	1,368	160,625	1,582,880	2,234,556	53,040	1,550,249	5,490,725	372,797
Delaware	539	160	2,708	294	10,695			85	12,037	45,760	146,016		106,204	307,960	25,441
Maryland	2,943	1,661	42,254	439	15,941			843	189,058	615,448	213,408		1,292,276	2,061,136	247,253
Ohio	13,428	7,770	87,102	2,120	60,094	187	6,500	3,251	412,152	1,479,092	902,420	78,312	3,084,356	5,544,180	565,818
Virginia	14,582	10,282	90,604	2,087	53,831	995	45,455	1,218	189,580	1,809,074	766,509	423,798	1,019,344	4,006,725	378,872
North Carolina	9,707	6,877	50,375	1,550	50,802	268	6,851	532	83,200	968,084	750,994	83,824	501,532	2,304,434	191,928
South Carolina	6,695	4,550	43,201	348	13,776	860	1,800	917	112,393	705,233	141,414	165,400	984,146	1,987,913	201,170
Georgia	9,313	4,880	48,641	1,227	41,564	1,979	19,160	1,227	169,168	774,982	457,125	244,808	1,439,670	2,946,585	278,533
Florida	4,588	1,748	17,488	724	25,635	1,971	100,040	145	12,417	196,304	212,867	136,730	134,711	682,612	154,640
Michigan	6,951	4,308	42,375	1,056	19,794	715	5,700	872	108,491	613,728	380,928	88,860	1,029,600	2,122,476	174,360
Indiana	11,568	6,326	73,210	718	15,583			1,546	188,837	1,168,438	301,080		1,506,284	2,975,812	277,660
Illinois	10,854	5,890	67,790	2,258	56,270	196	3,419	2,706	237,067	941,408	714,818	31,200	3,240,744	4,928,170	394,546
Wisconsin	8,903	5,275	81,001	840	11,536	60	600	728	56,650	116,175	183,940	21,840	706,992	2,028,047	140,751
Iowa	8,785	5,332	65,255	2,963	105,259	140	14,040	350	19,275	80,672	1,034,914	87,360	262,391	2,565,327	203,829
Missouri	15,085	9,385	103,426	4,623	430,166	659	59,750	418	49,961	1,494,818	1,620,129	232,892	378,655	3,740,494	643,302
Minnesota	5,229	3,404	52,709	1,578	37,541	217	18,400			458,132	298,370	154,128		910,636	108,650
Kentucky	8,825	5,336	48,642	2,206	131,762	981	166,815	302	28,616	820,360	1,073,066	385,776	316,234	3,655,466	275,835
Tennessee	8,376	6,012	59,985	1,644	72,629	21	4,200	699	110,756	1,048,268	603,234	13,104	603,237	2,967,843	247,570
Alabama	8,402	5,854	63,927	1,552	143,874	40	3,030	616	119,198	907,940	830,551	20,200	518,695	2,226,392	340,029
Mississippi	9,138	6,872	113,193	1,292	28,074	457	19,375	517	62,655	1,424,552	692,224	76,232	431,276	2,624,284	323,522
Arkansas	2,401	9,593	102,002	1,649	145,424	1,119	54,246	40	3,000	1,657,240	958,892	229,216	21,960	2,868,308	304,672
Louisiana	9,648	4,601	77,276	1,362	117,984	3,376	32,731	309	58,850	836,472	522,028	831,746	225,016	2,405,232	503,843

States and Territories.	Length of route.	Annual transportation and cost.								Total annual transportation by mode not specified.	Total annual transportation by coach.	Total annual transportation by steamboat.	Total annual transportation by railroad.	Total annual transportation.	Total annual cost.
		Mode not specified.		In coach.		In steamboat.		By railroad.							
	Miles.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.	Miles.	Miles.	Miles.	Miles.	Miles.	Dollars.
Texas	90,417	13,918	270,062	4,095	175,618	2,322	207,430	82	3,750	2,012,100	1,716,676	352,128	59,860	4,140,764	654,860
California	7,859	1,606	28,388	4,946	675,434	1,285	1194,500	22	3,300	149,284	1,248,023	254,640	27,456	1,679,403	901,622
Oregon	988	719	18,033	125	2,300	144	8,100	.....	.....	84,656	13,000	29,952	.....	127,608	28,433
N. Mexico Territory..	427	80	872	347	16,250	.....	.....	.....	.....	8,320	36,088	.....	.....	44,408	17,122
Utah Territory.....	1,450	533	14,638	97	130,000	.....	.....	.....	.....	75,504	95,368	.....	.....	170,872	144,638
Nebraska Territory..	1,772	1,236	25,810	536	13,795	.....	.....	.....	.....	178,920	156,832	.....	.....	335,752	39,605
Kansas Territory....	5,722	2,558	30,656	3,164	110,330	.....	.....	.....	.....	368,576	411,780	.....	.....	780,356	140,986
Washington Territory	756	416	12,420	.....	.....	340	27,700	.....	.....	51,532	.....	60,840	.....	112,372	40,120
Total	260,052	151,792	1,932,846	63,041	3,134,094	19,209	1,157,813	26,010	3,243,974	27,021,658	23,448,398	4,569,962	27,268,384	82,308,402	9,468,757
Route and local agents and mail messengers.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	626,174
															10,094,931

WM. H. DUNDAS *Second Assistant Postmaster General.*

NOTES.

* The Baltimore, Wilmington, and Philadelphia railroad is under a Maryland number.

† This includes steamboat service from Louisville to Cincinnati.

‡ This includes the route from New Orleans to Mobile.

§ This includes the route from San Francisco to Olympia, Washington Territory, and for which \$122,500 is paid by the United States Treasury, under act of Congress.

B.

Number of mail routes, mail contractors, express agents, route agents, local agents, and mail messengers, at the close of the contract year ended June 30, 1859.

Sections.	Routes.	Contractors.	Express agents.	Route agents.	Local agents.	Mail messengers.
New England.....	880	791	3	56	1	188
New York.....	839	739	11	61	3	308
Middle.....	1,414	1,232	17	100	11	526
Southern.....	1,307	1,095	.....	84	.....	97
Northwestern.....	2,213	1,811	.....	115	17	319
Southwestern.....	2,070	1,687	.....	59	10	111
Total.....	8,723	7,355	31	475	42	1,549

WILLIAM H. DUNDAS,
Second Assistant Postmaster General.

C.

Mail service in the States of Virginia, North Carolina, South Carolina, Georgia and Florida.

	Annual transportation.	Annual cost.
<i>Service as in operation on September 30, 1859.</i>		
	<i>Miles.</i>	
Railroad.....	3,830,607	\$615,964
Steamboat.....	705,918	156,558
Coach.....	1,224,536	97,155
Inferior modes.....	5,232,934	331,824
Total.....	10,993,995	1,201,501
<i>As in operation on June 30, 1859.</i>		
Railroad.....	4,069,403	596,758
Steamboat.....	1,094,560	173,906
Coach.....	2,328,909	185,671
Inferior modes.....	4,444,697	248,108
Total.....	11,937,569	1,204,443
	10,993,995	1,201,501
Decrease.....	943,574	2,942

WILLIAM H. DUNDAS,
Second Assistant Postmaster General.

Number of route.	Termini.	Distance.		No. of trips per week.	Annual pay.	Annual pay in each State.	Annual cost per mile on each route.	Annual cost of route agencies.	Annual cost of mail messenger service.	Total annual cost on each route.	Total annual cost in each State.	Total annual cost per mile.	Total average cost per mile in each State.
		Miles.	Total distance in each State.										
NEW JERSEY.													
2801	New York to New Brunswick	36		19	13,500 00		377 00	1,200 00	1,775 00	*16,475 00		457 63	
2802	New York to Easton	64		12	6,400 00		100 00	7 00	1,487 00	8,587 00		134 17	
2803	New York to Hackettstown	63		12	6,300 00		100 00	800 00	1,328 00	8,488 00		134 73	
2818	New Brunswick to Philadelphia, Pa.	54		19	20,250 00		375 00	1,800 00	2,222 00	†24,342 00		450 77	
2838	Waterloo to Newton	11		13	550 00		50 00		50 00	600 00		54 54	
2848	Jamesburg to Freehold	11		6	572 00		52 00			572 00		52 00	
2857	Trenton to Belvidere	64		12	3,850 00		50 00	900 00	841 00	5,591 00		71 31	
	Branch to Flemington	13		6									
2874	Philadelphia, Pa., to South Amboy, N. J.	72		7	9,800 00		136 16		366 00	10,166 00		141 19	
2884	Camden to Atlantic City	60		6	2,552 00		42 88		532 00	3,104 00		51 72	
2888	Burlington to Mount Holy	7		12	350 00		50 00			350 00		50 00	
			455			61,144 00					76,275 00		171 99
PENNSYLVANIA.													
3061	Philadelphia to Columbia	76		14	14,000 00		200 00	1,177 00	2,236 00	17,413 00		248 75	
	Branch, Lancaster to Columbia	13½		6	675 00		50 00			675 00		50 00	
3062	Philadelphia to Pottsville	97		12	14,218 00		146 58	1,600 00	3,927 00	19,745 00		203 55	
3012	Philadelphia to Darby	8		6	400 00		50 00			400 00		50 00	
3029	Lancaster to Harrisburg	37½		14	7,525 00		200 00	623 00	170 00	8,318 00		221 07	
3039	Columbia to Middletown	19		6	215 00		42 90		470 00	1,285 00		67 63	
3046	Reading to Harrisburg	54		6	5,400 00		100 00	700 00	837 00	6,937 00		128 46	
3055	Port Clinton to Williamsport	119		12	11,000 00		100 00	1,275 00	2,677 50	15,352 50		133 21	
3057	Schuylkill Haven to Tremont	12		6	550 00		45 83			550 00		45 83	
3103	Sunbury to Mount Carmel	28		6	1,400 00		50 00			1,400 00		50 00	
3109	Easton to Mauch Chunk	46		6	2,300 00		50 00	700 00	1,495 00	4,495 00		97 71	
3109a	Mauch Chunk to Jenksville	23		6	1,150 00		50 00	400 00		1,550 00		67 39	
3154	Great Bend to New Hampton	133		6	7,980 00		60 00	1,400 00	2,067 00	11,447 00		86 06	
3196	Harrisburg to Auburn	59		6	1,770 00		30 00		78 00	1,848 00		31 32	
3200	Harrisburg to Chambersburg	53		12	5,200 00		100 00	700 00	198 00	6,098 00		117 25	
3201	Harrisburg to Pittsburg	250		14	50,000 00		200 00	3,600 00	4,518 50	59,618 50		212 92	
	Branch to Hollidaysburg	10		7	500 00		50 00						
	Branch to Indiana	20		7	1,000 00		50 00						
3219	Harrisburg to Gettysburg	30½		12	1,512 56		50 00			1,947 56		50 91	
	Branch, Hanover to Littlestown	8		8	435 00		50 00		35 00				
			1,567.60			160,635 56				199,084 56		117 45	
DELAWARE.													
3818	Wilmington to Seaford	85.1	85.1	12	†12,037 50	12,037 50	141 45	1,400 00	3,185 00	16,622 50	16,622 50	195 32	195 32
MARYLAND.													
3901	Baltimore to Washington, D. C.	40		26	12,000 00		300 00	1,630 00	804 00	14,494 00		362 35	
3902	Baltimore to Wheeling, Va.	179		19			300 00						
	Branch to Frederick	201		13	94,200 00		200 00	5,400 00	2,330 50	101,930 50		266 13	
		3		7			100 00						
3902a	Grafton to Parkersburg	104		6	10,400 00		100 00	1,600 00	1,411 00	13,411 00		123 18	
3903	Baltimore to Philadelphia, Pa.	102		19	†37,500 00		367 84	4,310 00	3,371 50	45,181 50		432 95	
3904	Baltimore to Williamsport	181		14	32,100 00		165 46	5,200 00	1,067 50	38,267 50		197 77	
	Branch to Columbia	13		7									
3919	Annapolis to Annapolis Junction	20		13	2,858 00		142 90			2,858 00		142 90	
			843			169,058 00				216,242 50		256 51	
OHIO.													
9006	Bell Air to Columbus	137½		12	27,575 00		200 00	2,400 00	685 00	30,636 00		223 79	
9010	Stevensville to Newark	116		6	8,700 00		75 00						
	Branch to Cadiz	8		6	240 00		30 00	1,400 00	483 00	10,823 00		87 28	
9050	Pittsburg to Chicago	469½		12	93,900 00		200 00	4,000 00	1,397 00	99,297 00		219 45	
9097	Erie to Cleveland	96		13	21,800 00		225 00	1,800 00	900 00	24,300 00		253 12	
9108	Cleveland to Wellsville	58½		12	12,937 50		50 00						
		41½		6			100 00	1,600 00	978 00	15,515 50		155 15	
9110	Cleveland to Toledo	110		6	5,500 00		50 00	800 00	137 00	6,427 00		58 53	
9114	Hudson to Millersburg	62		6	1,860 00		30 00	700 00	273 00	2,833 00		45 69	
9120	Bayard to New Philadelphia	32		6	1,372 00		42 88	400 00	92 00	1,884 00		58 25	
9121	Oneida Mills to Carrollton	12		6	300 00		30 00			360 00		30 00	
9142	Sandusky to Newark	134		6	12,400 00		100 00	1,400 00	644 00	14,444 00		116 48	

* Includes \$2,700, being 25 per cent. on \$300 a mile, for night service, and a third extra trip.
† Includes \$4,050, being 25 per cent. on \$300 a mile, for night service, and a third extra trip.
‡ Includes \$1,400 for daily mail to Philadelphia.
§ Includes \$6,900 for ferry at night and accommodations for agents in night trains.

Number of route.	Terminals.	Distance.	Total distance in each State.	No. of trips per week.	Annual pay.	Annual pay in each State.	Annual cost per mile on each route.	Annual cost of route agencies.	Annual cost of mail messenger service.	Total annual cost on each route.	Total annual cost in each State.	Total annual cost per mile.	Total average cost per mile in each State.
		Miles.	Miles.		Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
IOWA.													
10901	Keokuk to Bentonsport.....	40		6	2,000 00		50 00			2,000 00		50 00	
10930	Burlington to Agency City.....	70		12	5,250 00		75 00	600 00	689 25	6,530 25		91 96	
10946	Muscatine to Washington.....	40		6	2,000 00		50 00		84 00	2,084 00		56 00	
10949	Davenport to Iowa City, and Branch, Wilton Junction to Muscatine.....	68.7		6	3,435 00		50 00	700 00		4,135 00		60 19	
10956	Fulton to Cedar Rapids.....	84		6	4,200 00		50 00	700 00	801 00	5,701 00		67 86	
10979a	Dubuque to Manchester.....	47.8		6	2,390 00		50 00	600 00	312 00	3,392 00		69 00	
			350½			19,275 00					23,760 25		67 94
MISSOURI.													
10401	St. Louis to Tipton.....	38		7	24,450 00		150 00	1,600 00	821 00	26,871 00		164 38	
10404	St. Louis to Iron Mountain.....	125		14									
10897	St. Louis to Macon City.....	87.1		7	8,710 00		100 00	1,600 00		10,310 00		118 36	
		168		6	16,800 00		100 00	1,400 00	115 00	18,315 00		109 00	
			418.1			49,960 00					55,496 00		132 94
KENTUCKY.													
9504	Louisville to Lexington.....	95		12	9,400 00		100 00	1,600 00	2,097 00	13,097 00		137 86	
9505	Louisville to Lebanon.....	67½		6	6,750 00		100 00	700 00	150 00	7,600 00		112 59	
9524	Nicholasville to Covington.....	109½		12	10,966 00		100 00	1,600 00	1,469 00	14,035 00		127 98	
9709	Paducah to Mayfield.....	30		6	1,500 00		50 00			1,500 00		50 00	
			302 1-6			28,616 00					36,232 00		119 90
TENNESSEE.													
10006	Nashville to Chattanooga.....	8		7	400 00		50 00	2,400 00	190 00	3,590 00		208 63	
10008a	Nashville to Columbia.....	153		14	20,690 00		200 00			20,890 00		147 43	
10039	Tullahoma to McMinnville.....	48.77		6	2,338 50		50 00		200 00	2,538 50		55 14	
10063	Knoxville to Goodson.....	130.7		7	1,750 00		50 00			1,750 00		50 00	
10064	Knoxville to Dalton.....	35		7	26,140 00		200 00	2,400 00	769 00	29,309 00		224 24	
10179	Grand Junction to Jackson.....	110		7	22,000 09		200 00	2,100 00	300 00	24,400 00		221 81	
10179a	Jackson to Columbus.....	46.73		6	8,177 75		175 00	800 00	100 00	9,077 75		194 25	
		87		6	15,225 00		175 00	2,400 00	783 00	18,408 00		211 58	
10219	Memphis to Humboldt.....	82½		7	4,125 00		50 00	800 00	200 00	5,125 00		62 50	
			699.7			119,756 25					124,198 25		177 50
ALABAMA.													
7001	Montgomery to Columbus, Ga.....	96½		14	32,000 00		271 18	1,750 00	200 00	33,950 00		287 71	
	Branch, Opelica to West Point, Ga.....	21½		14									
7002	Montgomery to Greenville.....	47½		7	15,480 00		325 89			15,480 00		325 89	
7022	Columbus, Ga., to Union Springs, Ala.....	53		6	4,543 00		85 70			4,543 00		85 70	
7096	Memphis, Tenn., to Stevenson, Ala.....	272½		7	54,500 00		200 00	4,800 00	1,077 00	60,377 00		221 56	
7147	Branch, Moscow, Tenn., to Somerville.....	13		7	675 00		50 00			675 00		50 00	
	Selma to Talladega.....	112		6	12,000 00		107 14	1,400 10	281 00	13,681 00		122 15	
			616½			119,198 00					128,706 00		208 76
MISSISSIPPI.													
7401	Vicksburg to Greenbush.....	83		14	12,450 00		150 00			12,450 00		150 00	
7412	Grand Junction to Water Valley.....	72		7			200 00	800 00		20,800 00		208 00	
7412	Canton to Goodman's.....	28		7	20,000 00								
7469	Mobile to West Point.....	232		7	23,200 00		100 00	1,600 00	850 00	25,650 00		110 56	
7506	Memphis to Panola.....	60		7	4,500 00		75 00	750 00		5,250 00		87 50	
7583	Bolton's Depot to Raymond.....	8		12	700 00		87 50			700 00		87 50	
7568	St. Francisville to Woodville.....	26		3	1,000 00		35 71			1,000 00		35 71	
7571	Grand Gulf to Fort Gibson.....	8		7	800 00		100 00			800 00		100 00	
			517			62,650 00					66,650 00		128 91
ARKANSAS.													
7997	Hopefield to Madison.....	40	40	6	3,000 00	3,000 00	75 00			3,000 00	3,000 00	75 00	75 00
LOUISIANA.													
8151	New Orleans to Canton.....	206		7	41,600 00		200 00	3,200 00	500 00	45,300 00		217 78	
8154	Aigiers to Brashear.....	80		7	16,000 00		200 00		1,000 00	17,000 00		212 50	
8158	New Orleans to Lafayette City.....	2		14	300 00		150 00			300 00		150 00	
8171	Baton Rouge to Rosedale.....	19		6	950 00		50 00			950 00		50 00	
			309			58,850 00					63,550 00		205 66
TEXAS.													
8528	Harrisburg to Bernard.....	82	82	7	3,750 00	3,750 00	75 00			3,750 00	3,750 00	75 00	75 00
CALIFORNIA.													
12591	Sacramento City to Folsom City.....	22	22	12	3,300 00	3,300 00	150 00			3,300 00	3,300 00	150 00	150 00

WM. H. DUNDAS,
Second Assistant Postmaster General.

States and Territories.	Number of route.	Terminl.	Distance.		Number of trips per week.	Annual pay.	Total annual pay in each State.	Remarks.
			Miles.	Total distance in each State.				
New Hampshire.....	311	Alton Bay to Wolfboro' and to Center Harbor and Meredith Village.	10	60	3	504 00	629 00	During navigation between Center Harbor and Meredith Village. During navigation.
	318	Weir's Bridge to Center Harbor.....	30					
Massachusetts.....	669	Hyannis to Nantucket.....	30	240	6	2,500 00	7,250 00	Mails to be carried six times a week when boats run so often.
	672	New Bedford to Edgartown.....	30					
	680	Fall River to New York.....	180					
Rhode Island.....	804	Providence to Newport.....	28	28	6	800 00	800 00	Mails to be carried twelve times a week when boats run so often.
Connecticut.....	926	Allyn's Point to New York.....	135	280	6	3,000 00	10,000 00	
	931	Stonington to New York.....	125					
New York.....	1004	New York to Manhasset.....	18	168	3	150 00	7,063 00	
	1076	Albany to New Baltimore.....	15					
	1108	Whitehall to Plattsburg.....	95					
	1375	Ithaca to Cayuga.....	40					
New Jersey.....	2802	New York to Elizabethport.....	12	12	12	1,200 00	1,200 00	
Pennsylvania.....	3409	Pittsburg to Greensboro'.....	85	85	6	4,636 00	4,636 00	
Ohio.....	9232	Portsmouth to Cincinnati.....	123	187	3	2,500 00	6,500 00	
	9309	Cincinnati to Maysville.....	64					
Virginia.....	4101	Washington, D. C., to Aquia Creek, Va.....	55½	637½	14	16,650 00	46,965 00	
	4129	Richmond to Norfolk.....	148					
	4149	Norfolk to Baltimore, Md.....	200					
	4151	Norfolk to Old Point Comfort.....	21					
	4152	Norfolk to Eastville.....	57					
	4153	Norfolk to Matthews C. H.....	60					
	4593	Wheeling to Parkersburg.....	99½					

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North Carolina.....	5008	Greenville to Washington.....	25	145	6	968 00	3,853 00	
	5053	Murfreesboro' to Franklin Depot, Va.....	13					
	5058	Plymouth to Franklin Depot, Va.....	107					
South Carolina.....	5630	Charleston to Savannah, Ga.....	160	160	1	1,300 00	1,300 00	
Georgia.....	6003	Savannah to Pilatka, Fla.....	332	332	2	15,000 00	15,000 00	
Florida.....	6518	Charleston, S. C., to Pilatka, Fla.....	300	1,985	1	3,640 00	89,440 00	During navigation.
	6524	Pilatka to Mellonville.....	124					
	6543	Alligator to Bay Port.....	360					
	6562	Bainbridge, Ga., and Bellevue, Fla., to Apalachicola.....	201					
	6575	New Orleans, La., to Key West, Fla.....	1,000					
Michigan.....	12509	Detroit to Ontonagon.....	640	715	3	5,250 00	6,750 00	Do.
	12590	Grand Haven to Milwaukee.....	75					
Illinois.....	11772	Rock Island to Galena.....	100	100	3	3,412 00	3,412 00	
Wisconsin.....	13167	Oshkosh to New London.....	40	40	6	600 00	600 00	
Iowa.....	10903	Keokuk to Davenport.....	140	140	3	7,020 00	7,020 00	
Missouri.....	10407	St. Louis to Keokuk, Iowa.....	239	659	6	20,000 00	59,750 00	Do.
	10696	St. Louis to Memphis, Tenn.....	420					
Minnesota.....	13500	St. Paul to Prairie du Chien, Wis.....	247	247	6	18,400 00	18,400 00	
Kentucky.....	9501	Louisville to Cairo, Ill.....	376	981	3	24,700 00	58,815 00	
	9503	Louisville to Cincinnati, O.....	135					
	9672	Hawesville to Cannelton, Ia.....	9					
	9702	Paducah to Cairo, Ill.....	50					
	9703	Paducah to Evansville, Ia.....	140					
	9704	Paducah to Juka, Miss.....	278					
Tennessee.....	10179a	Columbus, Ky., to Cairo, Ill.....	21	21	6	4,200 00	4,200 00	
Alabama.....	7002	Stockton to Mobile.....	40	40	7	13,030 00	13,030 00	
Mississippi.....	7402	Vicksburg to Greenwood.....	276	481	2	14,875 00	16,131 00	
	7634	Vicksburg to Garver's Landing.....	205					
Arkansas.....	7813	Napoleon to Little Rock.....	278	1,123	3	18,871 00	54,216 00	
	7814	Napoleon to Jacksonport.....	435					
	7814	Napoleon to Aberdeen.....	160					
	7841	Helena to Wittsburg.....	150					
	7856	Jacksonport to Pochontas.....	100					
Louisiana.....	8151	New Orleans to Mobile, Ala.....	183	150	7	36,500 00		
	8156	New Orleans to Southwest Pass.....	150					

POSTMASTER GENERAL.

(*) Eleven times a week seven months.
(†) Twice a month.

F—Continued.

States and Territories.	Number of route.	Termini.	Distance.	Total distance in each State.	Number of trips per week.	Annual pay.	Total annual pay in each State.	Remarks.
			Miles.	Miles.		Dollars.	Dollars.	
Louisiana—Continued	8157	New Orleans to Covington	60	3	2,500 00	242,208 00	Eight mon' s of the year.
	8161	New Orleans to Algiers.....	2	.....	14	300 00	
	8164	New Orleans to St. Francisville.....	170	.....	4	33,400 00	
	8165	New Orleans to Vicksburg, Miss.....	397	.....	3	40,000 00	
	8166	New Orleans to Memphis, Tenn.....	835	.....	3	76,600 00	
	8167	Vicksburg, Miss., to Napoleon, Ark.....	230	.....	3	22,463 00	
	8168	Napoleon, Ark., to Memphis, Tenn.....	217	.....	3	20,000 00	
	8188	Brashear to New Iberia.....	60	.....	3	5,945 00	
Texas	8501	New Orleans, La., to Indianola, Texas.....	540	2	55,000 00	205,430 00	
	8502	New Orleans, La., to Brazos Santiago, Texas.....	800	.....	1	25,130 00	
	8503	Brashear, La., to Galveston, Texas.....	245	.....	1	45,000 00	
	8504	Brashear, La., to Indianola, Texas.....	400	.....	2	45,000 00	
	8509	Galveston to Houston.....	80	.....	6	20,600 00	
	8511	Galveston to Liberty	110	.....	3	11,900 00	
	8612	Sabine City to Wicss's Bluff.....	133	.....	1	2,800 00	
California	12502	San Francisco to Olympia, Wash. Ter.....	950	(†)	122,500 00	160,500 00	
	12503	San Francisco to Sacramento City.....	120	.....	6	30,000 00	
	12506	San Francisco to Petaluma.....	50	.....	3	3,500 00	
	12540	Sacramento City to Marysville.....	45	.....	6	4,500 00	
Oregon.....	12701	Astoria to Portland.....	144	2	3,100 00	8,100 00	
				1,165				
Washington Territory.....	12730a	Olympia to Camp Simeahinco.....	180	1	23,700 00	27,700 00	
	12751	Portland, Oregon, to Wascopum.....	30	.....	(†)	4,000 00	
			130	.....	3		
				340				

* Twice a month.

† Twice a month. Paid for by United States treasury, under act of Congress.

‡ Once in two weeks.

WM. H. DUNDAS, Second Assistant Postmaster General.

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST OFFICE DEPARTMENT,
November 22, 1859.

SIR: I have the honor to submit the following report of the receipts and expenditures of the department for the fiscal year ending June 30, 1859, and the results of the efforts made by this office for collecting from the numerous debtors of the department the outstanding revenues of previous fiscal years, together with a summary of the immense clerical labor performed in adjusting the accounts of the department with the vast multitude of persons engaged in its service.

I also subjoin tabular statements exhibiting in detail the nature and amount of revenue and of expenditure, so far as the funds appropriated by Congress for the expenses of the fiscal year have been adequate to the payment thereof.

Carefully prepared tables are also subjoined, presenting a full exhibit of the results and the operations of our postal arrangements with foreign governments, &c.

The amount of deficit in available funds to meet the liabilities of the past fiscal year is *estimated* at not exceeding \$4,296,009 26, it being impracticable to ascertain the precise sum, by reason of the fact that many contractors for carrying the mails of the United States have failed to furnish such data as would enable this office to adjust their accounts and report to you the *exact* balances due to them thereon; and further, that, although the revenues of the department are *nominally* paid into the treasury of the United States, much the greater portion thereof *in reality* does not go into the treasury, but is distributed in the custody of late and present postmasters throughout the entire Union, requiring a vast amount of correspondence and litigation to make it available in payment of the expenditures of the department.

One prolific source of difficulty in realizing the entire revenues of the department exists in the failure or refusal of one hundred and thirty-seven railroad companies engaged in carrying the mails to execute contracts, whereby the department is prevented from giving to them such "collection orders" as are sent to contractors at the end of each fiscal quarter upon the numerous offices located on their routes, the revenues of which are individually so inconsiderable in amount—but considerable in the aggregate—that all other modes of collection, such as the issue of special drafts to other contractors living at a distance from the offices, or by sending special agents along the lines of railroad, are attended by great personal inconvenience to the contractors and much expense to the department.

Revenue account of the Post Office Department.

The balance standing on the books of this office to the credit of the department on the 30th of June, 1858, was.....	\$608,313 06
The receipts of the department for the fiscal year ending June 30, 1859, as exhibited in tabular statement marked A, were.....	7,968,484 07
The amount placed in the treasury for the service of the department, being grants in aid of the revenue under acts March 3, 1847, March 3, 1851, March 3, 1857, June 14, 1858, and March 3, 1859, was.....	3,915,946 49
Total.....	<u>12,492,743 62</u>
From the above must be deducted the sum of.....	325,000 00
appropriated for the transportation of "free matter" during the current fiscal year, but used in payment of expenditures of the last fiscal year, chiefly in payment of debts due to foreign governments, leaving a total of.....	<u>12,167,743 62</u>
The expenditures of the department for the fiscal year ending June 30, 1859, for which payment has been made, as exhibited in statement B, were.....	\$11,458,083 63
Add amount of debit balances carried to "suspense account".....	55 96
	<u>11,458,139 59</u>
Deduct the amount of "bad debts" reopened and collected during the year.....	627 26
	<u>11,457,512 33</u>
Leaving to the credit of the revenue account, on the 1st of July, 1859, the sum of.....	710,231 29
Of this sum there is in the hands of present postmasters.....	\$352,474 27
Of late postmasters, whose terms of office expired between the 1st of July, 1845, and June 30, 1859, whose accounts are not in suit.....	221,752 20
Same class in suit.....	136,004 82
	<u>710,231 29</u>

The excess of *paid* expenditures of all kinds, except such mail transportation as had been specially provided for by Congress, amounting to \$789,599 56, over the revenue of the year, inclusive of receipts and payments for foreign postages, and exclusive of the amount to the credit of the department on the 1st of July, 1858, and the sums appropriated by the several acts of Congress out of the general revenues of the United States, was.....

	\$2,700,000 00
Add the amount of expenditure for which appropriation has yet to be made by Congress.....	4,296,009 26
	<hr/>
Total excess.....	6,996,009 26
	<hr/> <hr/>

The net revenue from postage, being the aggregate amount of balances due to the United States by postmasters on the adjustment of their quarterly accounts for the year, after having given them credit for commissions and expenses of office, was for the—

Quarter ending September 30, 1858.....	\$947,041 58
Quarter ending December 31, 1858.....	- 985,662 44
Quarter ending March 31, 1859.....	1,132,249 27
Quarter ending June 30, 1859.....	1,053,328 96
	<hr/>
Total	4,118,282 25
	<hr/> <hr/>

The number of quarterly accounts of postmasters received and audited during the year, and on which the above sum was found due, was for the—

Quarter ending September 30, 1858.....	26,513
Quarter ending December 31, 1858.....	27,295
Quarter ending March 31, 1859.....	28,890
Quarter ending June 30, 1859.....	29,300
	<hr/>
	111,998
	<hr/> <hr/>

The amount of letter postage collected in money was for the—

Quarter ending September 30, 1858	\$203,389 19
Quarter ending December 31, 1858.....	233,359 88
Quarter ending March 31, 1859.....	236,112 19
Quarter ending June 30, 1859	233,670 52
	<hr/>
	906,531 78
	<hr/> <hr/>

The amount collected as "registration" fees, and postage of valuable letters, was for the—

Quarter ending September 30, 1858.....	\$5,961 95
Quarter ending December 31, 1858.....	6,402 65
Quarter ending March 31, 1859	6,629 40
Quarter ending June 30, 1859.....	6,050 95
	<hr/>
	25,052 95
	<hr/> <hr/>

The amount of postage stamps and stamped envelopes sold by postmasters during the fiscal year, was.....	\$6,158,145 90
Of which there was used in prepayment of postage, and cancelled.....	5,741,130 97
	<hr/>
Leaving in the possession of the purchasers.....	417,014 93
	<hr/> <hr/>

Contractors' accounts.

The average number of contractors' accounts settled in each quarter was, on regular mail routes.....	8,723
On special mail routes.....	3,422
Of route and express agents.....	488
Of mail messengers and local agents.....	1,704
	<hr/>
Total number of accounts.....	14,337
	<hr/> <hr/>
Aggregate of settlements during the year.....	57,348
	<hr/> <hr/>

Mail transportation account.

The amount charged to "accrued transportation," and placed to the credit of contractors and others, for mail transportation during the year, was, for regular services.....	\$9,790,418 94
For special offices.....	262,208 65
For route agents	377,225 46
For river mails.....	1,520 00
And for foreign mail transportation for New York and Havre mails.....	136,122 11
Liverpool, New York, and Philadelphia mails.....	83,177 30
New York and Bremen mails.....	84,151 38
New York and New Orleans mails.....	17,213 48
New York and Havana mails.....	3,089 34
New Orleans and Vera Cruz mails.....	2,810 73
Mails across the Isthmus of Panama.....	100,000 00
Panama and Astoria mails.....	261,037 50
Expenses of government mail agents.....	7,864 61
	<hr/>
Carried forward	11,126,839 50

Brought forward.....	\$11,126,839 50
The amount credited to "accrued transportation," and charged to contractors for over-credits and damages, was.....	\$44,585 36
Of fines imposed upon contractors.....	69,470 87
Of deductions from their pay.....	95,123 79
	<u>209,180 02</u>
Net amount to the credit of contractors.....	10,917,659 48
The amount actually paid during the year for mail transportation was.....	7,157,629 80
	<u>3,760,029 68</u>
The amount paid for mail transportation of previous years was.....	<u>\$13,059 09</u>

Collection of post office revenues.

The number of post offices in operation during the fiscal year was 28,539, which are thus classified under Department Regulations, chapter 26, sections 286 to 299, pages 107, 108:

860 are "draft offices," and during the year 12,326 drafts were issued by the Postmaster General, and countersigned by the Auditor, amounting to.....	\$982,673 99
1,339 are "deposit offices," and have deposited during the year.....	1,559,432 92
21,214 are "collection offices," and have paid on the "collection orders" sent to contractors during the year.....	1,212,048 46
5,126 are styled "special and mail messenger offices," and have derived their mail supplies chiefly by the payment of their revenues; the amount paid was.....	262,208 65
	<u>4,016,364 02</u>

and paid into the treasury "for the use and purposes of the Post Office Department."

During the fiscal year the "collecting division" of this office had charge of the following number of accounts:

Of present postmasters.....	28,539
Of late postmasters whose terms of office expired between the 1st of July, 1845, and June 30, 1858.....	17,654
Of late postmasters of the last fiscal year.....	7,325
	<u>53,518</u>

The number of changes of postmasters reported by the appointment office to this office during the year, requiring the final adjustment of their respective accounts, was 7,325, and the balances ascertained to be due the United States thereon amounted to.....		\$197,998 16
Of which sum there has been collected.....	\$55,832 73	
Credited on vouchers.....	4,819 73	
Charged to "suspense account".....	186 67	
	<hr/>	
Total.....		60,839 13
		<hr/>
Amount remaining for collection.....		137,159 03
		<hr/>
Of which sum there is in suit.....	\$12,262 50	
Amount due and not in suit.....	124,896 53	
	<hr/>	\$137,159 03
		<hr/>
The balance due the United States by late postmasters, whose terms of service expired between the 1st of July, 1845, and 30th of June, 1858, uncollected and not in suit July 1, 1858, as stated in my last annual report, was.....		\$211,867 95
Which was increased by "estimated postage".....		13,838 60
		<hr/>
Total for collection during the fiscal year ending June 30, 1859.....		225,706 55
Of which sum there has been collected.....	\$110,835 06	
Credited on vouchers.....	2,898 79	
Closed by "suspense account".....	61 46	
	<hr/>	113,795 31
		<hr/>
Amount uncollected on the 30th of June, 1859.....		111,911 24
Of which there has been placed in suit.....		15,550 57
		<hr/>
Amount due and not in suit.....		96,855 67
		<hr/>
The amount due by late postmasters in California and by late postmasters in Oregon is.....		\$66,970 42
		<hr/>

These late postmasters have presented vouchers of expenditures "in and about the business of their offices" for a much greater sum than is exhibited on the books of this office as due by them to the United States; and as it is probable that an amount will be allowed to them by the Postmaster General, under the provisions of the fourth and fifth sections of an act approved July 27, 1854, which will equal their apparent indebtedness, this sum should not be relied upon as available revenue.

Suits.

The amount due by late postmasters, whose terms of office expired between the 1st of July, 1845, and 30th of June, 1858, for the collection of which suit was instituted prior to June 30, 1858, as stated in my last report, was.....	\$134,891 44
Add amount of 110 new cases, for the collection of which suit was instituted during the last fiscal year, of accounts prior to June 30, 1858.....	17,480 93
Also amount of 12 new cases of accounts of the last fiscal year.....	4,176 33
	<hr/>
Amount in suit during the year.....	156,548 70
Amount collected and credited during the year.....	29,487 76
	<hr/>
Leaving still due June 30, 1859	127,060 94
	<hr/> <hr/>

Of this sum there is due by late postmasters in California, on accounts prior to June 30, 1857..... \$64,315 94

Of which there is probably \$44,303 86

that may be regarded as lost to the department, as the defendants are represented to be insolvent.

In 43 of the suits instituted during the year, judgments have been recovered in favor of the United States; 25 of them have been concluded, and this sum paid into the treasury \$3,633 30

The amount collected during the year on accounts for the collection of which suit was commenced prior to June 30, 1858, was 25,296 80
 Amount credited on vouchers..... 557 66

Total 29,487 76

Summary of debts and collections.

The aggregate amount due the United States on the 30th of June, 1858, by late postmasters, whose terms of service expired between July 1, 1845, and June 30, 1858, was \$363,023 35

Add amount due by late postmasters of the last fiscal year 197,998 16

Total for collection during the year..... 561,021 51

Brought forward.....	\$561,021 51
The amount collected and credited on ac- counts prior to June 30, 1858, was.....	\$142,425 36
On accounts of the past year.....	60,839 13
	<hr/>
Total of collections and credits	203,264 49
	<hr/>
Amount remaining due to the United States June 30, 1859.....	357,757 02
	<hr/>
Of this sum there is <i>in suit</i>	\$136,004 82
And <i>not in suit</i>	221,752 20
	<hr/>
	\$357,757 02
	<hr/>

Classification of balances due the United States.

	Not in suit.	In suit.
On accounts of late postmasters of the year ending—		
June 30, 1846.....	\$7 88	\$3,025 77
June 30, 1847.....	116 08	728 06
June 30, 1848.....	39 14	802 16
June 30, 1849.....	57 59	1,833 37
June 30, 1850.....	137 71	1,071 47
June 30, 1851.....	491 93	2,599 71
June 30, 1852.....	839 71	2,829 73
June 30, 1853.....	12,824 25	41,882 04
June 30, 1854.....	13,076 52	12,854 99
June 30, 1855.....	7,235 01	7,856 61
June 30, 1856.....	5,135 31	15,676 60
June 30, 1857.....	22,002 24	11,215 05
June 30, 1858.....	34,892 30	21,366 76
June 30, 1859.....	124,896 53	12,262 50
	<hr/>	<hr/>
	221,752 20	136,004 82
	<hr/>	<hr/>

Balances apparently due to late postmasters between the 1st of July, 1845, and June 30, 1858, as stated in my last report, were.....	\$170,256 51
Which has been increased, by the allowance of addi- tional vouchers	4,155 44
Add amount due to late postmasters of the last fiscal year.....	44,942 63
	<hr/>
Total	219,354 58
The amount paid or closed by adjustment during the year was.....	29,173 94
Amount apparently due to late postmasters on the 1st of July, 1859.....	190,180 64
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A surplus of emoluments and commissions accrued at the following post offices, after deducting the maximum compensation of \$2,000 per annum of the postmasters and the necessary incidental expenses of the offices, viz:

Augusta, Geo.....	\$680 14
Albany, N. Y.....	1,348 43
Baltimore, Md.....	672 50
Boston, Mass.....	21,979 25
Brooklyn, N. Y.....	639 48
Buffalo, N. Y.....	2,693 19
Binghamton, N. Y.....	5 84
Cleveland, Ohio.....	122 36
Columbus, Ohio.....	134 49
Chicago, Ill.....	8,964 37
Charleston, S. C.....	389 92
Cincinnati, Ohio.....	8,611 23
Chattanooga, Tenn.....	98 36
Detroit, Mich.....	114 64
Dayton, Ohio.....	182 68
Eric, Pa.....	1,394 39
Galveston, Texas.....	861 81
Hartford, Conn.....	1,029 57
Indianapolis, Ind.....	1,598 89
Independence, Mo.....	616 07
Jersey City, N. J.....	346 50
Kensington, Pa.....	89 26
Louisville, Ky.....	2,848 86
Lowell, Mass.....	44 01
Lynchburg, Va.....	43 21
Montgomery, Ala.....	464 03
Mobile, Ala.....	266 49
Macon, Ga.....	105 50
Memphis, Tenn.....	1,246 17
Milwaukie, Wis.....	784 95
New Bedford, Mass.....	309 80
Newark, N. J.....	704 49
Nashville, Tenn.....	1,411 62
New York, N. Y.....	83,611 33
New Haven, Conn.....	290 57
Norfolk, Va.....	125 75
New Orleans, La.....	4,935 88
Portland, Maine.....	1,187 51
Philadelphia, Pa.....	9,993 05
Petersburg, Va.....	298 48
Providence, R. I.....	165 24
Pittsburg, Pa.....	1,860 74
Richmond, Va.....	643 28

Rochester, N. Y.....	\$802 95
Savannah, Ga.....	734 24
St. Louis, Mo.....	14,563 56
San Francisco, Cal.....	8,408 34
Toledo, Ohio.....	3,524 23
Troy, N. Y.....	1,115 91
Utica, N. Y.....	7 29
Washington, D. C.....	4,706 32
Worcester, Mass.....	453 05
Raleigh, N. Y.....	329 92
Syracuse, N. Y.....	309 13
Springfield, Mass.....	188 86
Vicksburg, Miss.....	318 62
Wilmington, Del.....	1,865 64
Williamsburg, N. Y.....	12 37
Houston, Texas.....	79 18
Calais, Maine.....	71 19
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	201,378 04
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Being \$27,095 11 increase over the surplus of the previous fiscal year.

The following statement partially indicates the chief clerical labors performed in this office during the last fiscal year, and, in connection with the results exhibited in the foregoing report, will, I trust, commend to your favorable notice the gentlemen through whose zeal and capacity these labors have been performed and these results obtained:-

The number of quarterly accounts of postmasters adjusted, audited, and registered analytically was.....	111,998
The number of accounts of mail contractors audited and reported.....	34,892
The number of accounts of special and route agents audited and reported.....	2,592
The number of accounts of special contractors and mail messengers' accounts adjusted.....	20,404
The number of miscellaneous accounts adjusted.....	681
The number of collection orders issued.....	75,356
The number of collection drafts issued.....	3,992
The number of department drafts issued.....	12,326
The number of department warrants registered.....	8,131
The number of letters received.....	116,791
The number of letters prepared, recorded, and mailed.....	73,443
The number of folio-post pages recorded in the letter-books.....	5,690
The number of accounts on the ledgers.....	53,618
The number of corrected quarterly accounts of postmasters copied, restated, and issued.....	19,649
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The compilation of the material for that portion of the "Biennial Register" which pertains to the Post Office Department—which covered

532 closely-printed pages of the last Register—is nearly completed, a considerable portion thereof having already been delivered to the public printer.

Respectfully,

THOS. M. TATE, *Auditor.*

Hon. JOSEPH HOLT,
Postmaster General.

A.

Statement exhibiting the receipts of the Post Office Department, under their several heads, for the fiscal year ended June 30, 1859.

Receipts.	3d quarter 1858.	4th quarter 1858.	1st quarter 1859.	2d quarter 1859.	Total under each head.	Aggregate amount.
Letter postage.....	\$203,389 19	\$233,359 88	\$236,112 19	\$233,670 52	\$906,531 78	.....
Registered letters.....	5,961 95	6,402 65	6,629 40	6,058 95	25,052 95	.....
Stamps sold.....	1,436,694 93	1,496,722 75	1,652,506 14	1,572,222 08	6,158,145 90	.....
Newspapers and pamphlets.....	139,027 50	140,584 81	161,207 44	148,532 64	589,352 39	.....
Fines.....	7 50	.....	27 50	15 00	50 00	.....
Receipts on account of emolument.....	18,456 72	17,017 45	21,390 12	22,145 78	79,010 07	.....
Receipts on account of letter-carriers.....	41,136 96	44,806 90	50,353 15	50,740 82	187,037 83	.....
Receipts on account of dead letters.....	.....	.....	3,134 79	.....	3,134 79	.....
Extra compensation overcharged.....	.....	.....	.....	1,103 84	1,103 84	.....
Miscellaneous receipts.....	3,170 24	2,245 31	13,470 10	178 87	19,064 52	.....
	1,847,844 99	1,941,139 75	2,144,830 83	2,034,668 50	.....	\$7,968,484 07

NOTE.—In the item "letter postage" is embraced the sum of \$56,461 71, ascertained to be due to the United States from the Kingdom of Prussia, on account of postages for the 4th quarter 1857, 1st, 2d, 3d, and 4th quarters 1858.

Also, are embraced in same item the following sums, viz :

Amount due from the United States to the United Kingdom, on account of postages, 3d and 4th quarters 1858.....	\$200,598 31
Amount due from the United States to Bremen, on account of postages, 3d and 4th quarters, 1858.....	4,361 92
Amount due from the United States to France, on account of postages, 3d and 4th quarters, 1858.....	17,521 49
Amount due from the United States to Hamburg, on account of postages, 3d and 4th quarters, 1858.....	5,528 97

Respectfully submitted.

THOMAS M. TATE, Auditor.

AUDITOR'S OFFICE, POST OFFICE DEPARTMENT, November 5, 1859.

HON. JOSEPH HOLT, Postmaster General.

B.—Statement exhibiting the expenditures of the Post Office Department, under their several heads, for the fiscal year ended June 30, 1859.

Expenditures.	3d quarter 1858.	4th quarter 1858.	1st quarter 1859.	2d quarter 1859.	Total under each head.	Aggregate amount.
Compensation to postmasters.....	\$578,408 12	\$597,927 10	\$649,567 77	\$627,997 98	\$2,453,900 97	.....
Ship, steamboat, and way letters.....	3,866 83	3,572 24	2,809 09	4,248 70	14,496 86	.....
Transportation.....	2,394,517 81	2,072,921 01	1,633,106 44	1,057,084 54	7,157,629 80	.....
Wrapping paper.....	10,054 05	18,989 23	2,283 03	12 04	31,338 36	.....
Office furniture.....	725 35	384 63	586 50	490 87	2,187 35	.....
Advertising.....	6,970 81	19,020 59	12,843 28	7,433 58	46,268 26	.....
Mail bags.....	11,762 96	14,585 71	13,564 10	17,440 15	57,352 92	.....
Blanks.....	24,291 30	12,786 89	7,314 11	523 29	44,917 59	.....
Mail locks, keys, and stamps.....	2,488 90	2,044 50	2,176 25	.....	6,709 65	.....
Mail depredations and special agents.....	18,320 87	16,411 58	11,701 82	5,647 28	52,081 55	.....
Clerks for offices.....	234,406 74	234,004 00	236,771 73	224,717 76	929,900 23	.....
Postage stamps.....	9,186 84	9,789 69	11,697 65	9,981 43	40,655 61	.....
Stamped envelopes.....	11,732 30	12,264 28	14,883 59	10,258 26	49,138 43	.....
Payments to letter-carriers.....	41,136 96	44,806 90	50,353 15	50,740 82	187,037 83	.....
Miscellaneous payments.....	38,116 63	56,917 96	45,965 73	40,617 89	181,618 21	.....
Miscellaneous, on account of British mails.....	53,385 83	.....	45,410 76	48,170 72	*146,966 81	.....
Miscellaneous, on account of Bremen mails.....	.....	.....	.....	5,734 21	*5,734 21	.....
Miscellaneous, on account of Hamburg mails.....	.....	.....	.....	9,237 15	*9,237 15	.....
Miscellaneous, on account of French mails.....	13,079 26	.....	18,232 85	9,599 74	*40,911 85	.....
	3,452,453 56	3,116,426 31	2,759,267 85	2,129,935 91	.....	\$11,458,083 63

* In payment of the ascertained balances, including premium on exchange, due from the United States as follows :

To the United Kingdom, on account of postages for 2d, 3d, and 4th quarters 1858.....	\$146,966 81
To the Bremen office, on account of postages for 1st, 2d, 3d, and 4th quarters 1858.....	5,734 21
To the Hamburg office, on account of postages for 1st, 2d, 3d, and 4th quarters, 1858.....	9,237 15
To the Empire of France, on account of postages for 1st, 2d, 3d, and 4th quarters 1858.....	40,911 85

202,850 02

NOTE.—The foregoing statement embraces only the paid expenditures, to which must be added the estimated amount, (\$4,296,009 26,) payable when Congress makes the appropriation therefor.

Respectfully submitted.

THOMAS M. TATE, Auditor.

AUDITOR'S OFFICE, POST OFFICE DEPARTMENT, November 5, 1859.

HON. JOSEPH HOLT, Postmaster General.

A recapitulation of the amount of letter postage, newspaper postage, registered letters, postage stamps tractors and others for the transportation of the mails in

States and Territories.	Letter postage.	Newspaper postage.	Registered letters.	Stamps sold.	Total receipts.
Maine.....	\$13,703 67	\$11,883 28	\$457 20	\$128,469 06	\$154,523 21
New Hampshire.....	4,030 10	9,940 16	260 60	89,035 41	103,319 27
Vermont.....	3,878 21	11,695 75	177 15	87,467 19	103,218 30
Massachusetts.....	78,729 94	26,436 73	1,200 65	500,882 08	607,249 40
Rhode Island.....	4,368 06	3,700 03	123 20	58,474 40	66,665 69
Connecticut.....	9,319 23	14,371 01	238 85	165,376 52	189,306 61
New York.....	279,371 79	84,511 66	2,709 40	1,187,087 49	1,553,680 34
New Jersey.....	15,459 96	10,826 58	241 25	103,140 06	129,667 85
Pennsylvania.....	71,757 06	55,135 41	2,631 90	532,298 17	661,822 54
Delaware.....	1,314 95	2,178 99	78 75	24,556 79	28,129 48
Maryland.....	23,748 21	10,116 84	850 15	145,543 08	180,258 28
District of Columbia.....	6,276 40	3,208 07	370 70	42,027 38	51,882 55
Virginia.....	11,508 78	24,624 72	1,187 00	217,555 20	255,075 70
North Carolina.....	2,994 87	10,888 30	773 45	73,834 40	88,491 02
South Carolina.....	11,887 96	7,711 12	697 95	87,239 09	107,536 12
Georgia.....	6,870 57	16,402 21	977 55	144,414 40	168,664 73
Florida.....	1,531 48	2,329 80	188 40	21,822 73	25,932 41
Alabama.....	5,904 77	12,918 00	1,018 45	109,262 01	129,103 23
Mississippi.....	4,418 11	13,089 40	496 70	83,544 91	101,549 12
Texas.....	8,273 70	11,421 54	374 25	80,527 86	100,597 35
Kentucky.....	7,862 26	14,739 12	591 75	128,524 33	151,717 46
Michigan.....	17,146 91	14,982 41	656 30	135,768 83	168,554 45
Wisconsin.....	22,594 13	16,098 86	676 30	141,068 85	180,238 14
Louisiana.....	25,612 13	14,880 48	845 40	154,863 62	196,201 63
Tennessee.....	4,945 76	12,855 29	829 90	113,871 22	132,502 17
Missouri.....	28,662 50	21,670 60	777 85	178,765 68	227,876 63
Illinois.....	42,942 05	36,359 10	1,424 95	365,809 67	446,535 77
Ohio.....	39,002 50	44,265 27	1,940 60	434,790 41	519,998 78
Indiana.....	13,931 20	25,030 33	874 30	161,133 72	208,969 55
Arkansas.....	2,482 63	6,002 75	112 05	33,934 70	42,532 13
Iowa.....	11,883 37	13,843 27	456 05	113,283 99	139,446 68
California.....	54,987 53	15,762 98	533 90	212,183 22	283,467 63
Oregon.....	3,007 53	2,030 90	11 60	11,285 87	16,335 90
Minnesota.....	6,650 59	4,837 65	165 55	37,095 46	48,749 25
New Mexico Territory.....	374 04	224 15	2 50	2,130 74	2,731 43
Utah Territory.....	1,463 34	125 14	2 45	1,722 90	3,313 83
Nebraska Territory.....	1,114 39	886 55	15 75	8,079 76	10,097 45
Washington Territory.....	1,084 95	414 46	7 60	3,443 63	4,950 64
Kansas Territory.....	2,473 23	2,143 16	63 65	23,094 25	27,774 29
Total.....	851,421 86	590,802 07	25,054 00	6,151,389 08	7,618,667 61
Add Prussian postage.....	\$58,461 71				
Deduct miscellaneous items.....	1,351 79				
	55,109 92				
Deduct miscellaneous items.....		1,449 68	1 05		
Add miscellaneous items.....				6,756 82	
	906,531 78	589,352 39	25,052 95	6,158,145 90	

POSTMASTER GENERAL.

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*sold, compensation allowed postmasters, incidental expenses of post offices, and amount credited con-
each State and Territory for the year ending June 30, 1859.*

Compensation of post- masters.	Incidental expenses.	Total compensation and incidental ex- penses.	Transportation.	Total expenses.	Excess of expenditures over receipts.	Excess of receipts over expenditures.
\$73,284 38	\$14,507 46	\$87,791 84	\$121,092 99	\$208,884 83	\$51,361 62	.....
51,313 13	3,539 91	54,853 09	56,049 84	110,902 93	7,583 66	.....
55,052 05	728 45	55,780 50	81,961 84	137,742 34	34,524 04	.....
159,114 39	100,908 15	260,022 54	189,604 35	449,626 89	.....	\$157,622 51
16,545 96	11,352 01	27,897 97	19,277 50	47,175 47	.....	19,490 92
71,502 15	16,963 38	88,465 53	113,927 42	202,392 95	13,086 34	.....
325,178 63	319,202 96	644,381 59	463,505 20	1,107,886 79	.....	445,793 55
55,676 15	6,660 51	62,336 66	94,481 37	156,818 04	27,150 19	.....
190,265 57	101,039 02	291,304 59	380,227 69	671,532 28	9,709 74	.....
9,081 93	1,554 26	10,636 19	24,246 82	34,883 01	6,753 53	.....
35,648 63	32,205 35	67,853 98	231,913 00	299,766 98	119,508 70	.....
3,975 72	35,561 37	39,537 09	.....	39,537 09	.....	12,345 46
100,368 63	30,532 65	130,901 28	379,899 75	510,801 03	255,725 33	.....
42,299 21	3,642 03	45,941 24	224,820 97	270,762 21	182,271 19	.....
31,057 40	12,778 20	43,835 60	275,232 50	319,068 10	211,531 98	.....
61,685 68	22,547 66	84,233 34	273,946 69	358,180 03	189,515 30	.....
13,289 25	48 35	13,337 60	157,847 16	171,184 76	145,252 35	.....
48,511 97	17,531 34	66,043 31	327,585 59	363,628 90	264,525 67	.....
47,426 86	5,192 33	52,619 19	317,384 69	370,003 88	268,454 76	.....
45,232 86	6,265 17	51,498 03	671,882 41	723,380 44	622,783 09	.....
57,603 78	14,596 67	72,200 45	293,475 04	365,675 49	213,958 03	.....
72,680 57	19,157 95	91,838 52	177,609 70	269,448 22	100,893 77	.....
76,063 22	12,871 44	88,934 66	162,713 66	251,648 32	71,410 18	.....
30,885 70	35,182 02	66,067 72	711,449 78	777,517 50	581,315 87	.....
49,331 77	19,422 48	68,754 25	266,065 79	334,820 04	202,317 86	.....
65,082 39	33,148 08	99,230 47	627,860 50	727,090 97	499,214 34	.....
168,225 56	90,230 70	258,455 26	423,099 91	681,625 17	235,089 40	.....
188,471 33	71,193 39	259,664 72	546,749 43	806,414 15	286,415 37	.....
97,611 05	14,746 82	112,357 87	265,698 18	379,056 05	170,086 50	.....
23,793 64	2,157 55	25,951 19	294,361 13	320,312 32	277,780 19	.....
65,238 77	15,378 61	80,617 38	903,046 19	283,663 57	144,216 89	.....
62,057 46	45,050 71	107,108 17	841,552 56	948,660 73	665,193 10	.....
7,183 21	96 55	7,209 76	27,501 04	34,710 80	18,374 90	.....
21,471 76	3,371 85	25,843 61	171,511 84	197,355 45	148,606 20	.....
1,573 74	11 50	1,585 24	15,263 41	16,848 65	14,117 22	.....
1,795 67	38 52	1,834 19	136,198 33	138,032 52	134,718 69	.....
5,500 01	84 43	5,584 44	36,564 29	42,148 73	32,051 28	.....
2,718 21	14 70	2,732 91	57,158 80	59,891 71	54,941 07	.....
12,839 93	1,577 47	14,417 40	128,651 57	141,068 97	113,294 68	.....
2,448,638 37	1,121,091 00	3,569,729 37	9,790,418 94	13,360,148 31	6,376,733 04	635,251 74
					5,741,481 30	
Deficit..... The above statement shows only the insufficiency of the net revenue to pay the regular transportation, (inland,) without embracing the foreign mails, route agents, local agents, and mail messengers, and other important items paid for directly at the department, amounting to.....					2,044,127 52	
Total deficit.....					7,785,608 82	

Statement of the number of letters, circulars, newspapers, and pamphlets received and delivered by carriers, and the amount received and paid out for carriage in the cities mentioned below, for the year ended June 30, 1859.

Cities.	Number of letters.	Number of circulars.	Number of newspapers and pamphlets.	Total number of letters, &c.	Am't received and paid out for carriage.
New York, N. Y	4,348,385	721,875	566,148	5,636,408	\$97,017 19
Philadelphia, Pa	2,134,162	72,722	379,988	2,586,872	45,595 40
Baltimore, Md.....	906,053	38,018	131,809	1,075,880	19,360 27
Boston, Mass., (1st and 2d quarters 1859 only).....	697,849	33,628	45,276	776,753	7,541 09
* Washington, D. C.....	241,944	.....	89,429	331,373	5,286 03
Providence, R. I.....	193,719	.....	29,722	223,441	4,022 99
New Orleans, La.....	112,676	8,533	9,248	130,457	2,385 08
St. Louis, Mo., (2d quarter 1859 only).....	42,400	.....	3,850	46,250	867 25
Lowell, Mass	100,514	.....	9,269	109,783	2,056 60
Manchester, N. H.....	51,987	.....	3,782	55,769	1,058 65
Harrisburg, Pa.....	45,330	.....	11,723	57,053	965 20
Syracuse, N. Y., (no returns received for 2d quarter 1859).....	26,438	.....	.....	26,438	528 76
† San Francisco, Cal.....	672	.....	.....	672	33 60
Roxbury, Mass., (1st and 2d quarters 1859 only).....	15,455	.....	2,124	17,579	319 72
Total.....	8,917,584	874,776	1,282,368	11,074,728	187,037 83

* No returns received for 3d quarter 1858.

† This return was for the 3d quarter 1858, and the only one ever received from San Francisco, California.

Respectfully submitted.

THO. M. TATE, *Auditor*

Amount of letter postage on British mails received in and sent from the United States during the fiscal year ended June 30, 1859.

Received.	Unpaid.	Unpaid distributed.	Paid.	Paid distributed.	Total.
Cunard line.....	\$76,007 20	\$92,672 79	\$51,206 61	\$64,598 02	\$284,484 62
Miscellaneous	10,940 32	21,024 55	6,650 20	12,657 42	51,272 49
Havre line	4,944 00	15,856 69	3,166,36	8,668 00	32,635 05
Bremen line	3,419 06	10,793 96	2,041 06	5,410 32	21,664 40
German Lloyd line	702 83	2,456 42	451 04	1,383 12	4,993 41
Canadian line.....	1,863 59	2,979 84	953 80	2,212 92	7,510 15
Vanderbilt line.....	290 84	311 91	272 08	529 76	1,904 59
Total.....	97,667 84	146,596 16	64,741 15	95,459 56	404,464 71
Amount received....	244,264 00	.....	160,200 71	.....	.....
Sent.	Paid.	Paid distributed.	Unpaid.	Unpaid distributed.	Total.
Cunard line.....	\$30,994 16	\$95,050 62	\$93,228 66	.....	\$219,273 44
Miscellaneous	6,942 43	36,168 79	20,278 79	.....	63,390 01
Havre line	3,977 83	24,916 45	14,457 78	.....	43,352 06
Bremen line.....	1,901 45	10,280 86	6,256 40	.....	18,438 71
German Lloyd line	406 10	3,094 06	1,580 34	.....	5,080 50
Canadian line.....	739 62	5,057 60	2,656 02	.....	8,453 24
Vanderbilt line.....	916 21	3,886 78	2,831 18	.....	7,634 17
Total.....	45,877 80	178,455 16	141,289 17	.....	365,622 13
Amount sent.....	224,332 96	.....	141,289 17	.....	.....
Amount collected in the United States.....					468,596 96
Amount collected in the United Kingdom.....					301,489 88
Total.....					770,086 84
Excess collected in the United States.....					167,107 08

Amount of letter postage on Prussian mails received in and sent from the United States during the fiscal year ended June 30, 1859.

Received.	Unpaid.	Unpaid distributed.	Paid.	Paid distributed.	Total.
Cunard line.....	\$11,926 28	\$36,714 49	\$4,389 53	\$9,071 22	\$62,101 42
Miscellaneous line.....	3,144 10	14,789 19	1,417 50	3,652 60	23,003 39
Havre line.....	2,524 40	11,825 06	1,073 10	2,736 41	18,158 97
Bremen line.....	1,521 65	6,879 78	792 00	1,667 02	10,860 45
German Lloyd line.....	474 22	2,028 34	175 50	475 32	3,153 38
Canadian line.....	327 28	1,487 18	148 50	358 52	2,321 48
Vanderbilt line.....	175 64	757 47	65 10	161 05	1,159 26
Total.....	20,093 47	74,481 51	8,061 23	18,122 14	120,758 35
Amount received....	94,574 98	.....	26,183 37	.....	.....
Sent.	Paid.	Paid distributed.	Unpaid.	Unpaid distributed.	Total.
Cunard line.....	\$7,591 76	\$37,211 66	\$48,818 73	.....	\$93,622 15
Miscellaneous line.....	1,587 18	18,381 28	13,972 50	.....	33,940 96
Havre line.....	1,478 28	11,685 84	10,395 76	.....	23,559 88
Bremen line.....	585 13	4,142 04	2,272 28	.....	6,699 45
German Lloyd line.....	40 24	1,254 23	289 72	.....	1,584 19
Canadian line.....	211 41	2,574 19	2,052 58	.....	4,838 18
Vanderbilt line.....	306 14	1,537 64	1,795 74	.....	3,639 52
Total.....	11,500 14	76,786 88	79,597 31	.....	167,884 33
Amount sent.....	88,287 20	.....	79,597 31	.....	.....
Amount collected in the United States.....					182,862 00
Amount collected in Prussia.....					105,780 68
Total.....					288,542 68
Excess collected in the United States.....					77,081 32

Amount of letter postage on French mails received in and sent from the United States during the fiscal year ended June 30, 1859.

Received.	Unpaid.	Unpaid distributed.	Paid.	Paid distributed.	Total.
Cunard line.....	\$17,928 38	\$23,224 69	\$17,484 09	\$21,797 25	\$80,434 41
Miscellaneous lines	2,645 41	4,935 16	1,858 72	3,711 48	13,150 77
Havre line	3,298 71	4,299 18	2,351 00	2,642 19	12,591 08
Bremen line	1,156 09	1,399 98	843 90	957 61	4,357 58
German Lloyd line.....	224 89	356 52	124 06	282 88	988 35
Canadian line.....					
Vanderbilt line.....	350 28	363 36	224 46	259 75	1,197 85
Total	25,603 76	34,578 89	22,886 23	29,651 16	112,720 04
Amount received....	60,182 65		52,537 39		
Sent.	Paid.	Paid distributed.	Unpaid.	Unpaid distributed.	Total.
Cunard line.....	\$11,034 05	\$21,211 84	\$33,467 71		\$65,713 60
Miscellaneous lines.....	2,172 14	7,193 55	7,740 12		17,105 81
Havre line	2,046 82	4,893 92	6,254 04		13,194 78
Bremen line	737 70	6,772 03	2,064 72		4,574 45
German Lloyd line.....	129 01	607 56	601 74		1,338 31
Canadian line	189 32	854 19	764 72		1,808 23
Vanderbilt line	378 27	724 88	1,211 68		2,314 83
Total.....	16,687 31	37,257 97	52,104 73		106,050 01
Amount sent.....	53,945 28		52,104 73		
Amount collected in the United States					114,127 93
Amount collected in France.....					104,642 12
Total					118,770 05
Excess collected in the United States					9,485 81

Amount of letter postage on Bremen mails received in and sent from the United States during the fiscal year ended June 30, 1859.

Received.	Unpaid.	Unpaid distributed.	Paid.	Paid distributed.	Total.
Bremen line	\$783 78	\$3,346 70	\$340 15	\$1,032 77	5,503 40
Amount received	4,130 48	.....	1,372 92	.....	.....
Sent.	Paid.	Paid distributed.	Unpaid.	Unpaid distributed.	Total.
Bremen line	\$516 26	\$4,425 10	\$2,353 85	.....	\$7,295 21
Amount sent	4,941 36	.....	2,353 85	.....	.....
Amount collected in the United States					9,071 84
Amount collected in Bremen.....					3,726 77
Total.....					12,798 61
Excess collected in the United States.....					5,345 07

Amount of letter postage on Bremen mails received in and sent from the United States during the fiscal year ended June 30, 1859.

Received.	Unpaid.	Unpaid distributed.	Paid.	Paid distributed.	Total.
German Lloyd line	\$2,082 87	\$8,893 80	\$994 15	\$2,664 35	\$14,635 17
Amount received	10,976 67	.....	3,658 50	.....	.....
Sent.	Paid.	Paid distributed.	Unpaid.	Unpaid distributed.	Total.
German Lloyd line.....	\$1,144 27	\$6,444 92	\$3,345 40	.....	\$10,934 59
Amount sent	7,589 19	.....	3,345 40	.....	.....
Amount collected in the United States.....					18,565 86
Amount collected in Bremen.....					7,003 90
Total					25,569 76
Excess collected in the United States.....					11,561 96

Amount of letter postage on Hamburg mails received in and sent from the United States during the fiscal year ended June 30, 1859.

Received.	Unpaid.	Unpaid distributed.	Paid.	Paid distributed.	Total.
Hamburg line	\$1,411 94	\$3,518 72	\$755 50	\$1,311 21	\$6,997 37
Amount received	4,930 66	.....	2,066 71	.....	.....
Sent.	Paid.	Paid distributed.	Unpaid.	Unpaid distributed.	Total.
Hamburg line	\$1,796 40	\$9,909 08	\$3,879 10	.....	\$15,584 58
Amount sent	11,705 48	.....	3,879 10	.....	.....
Amount collected in the United States					16,636 14
Amount collected in Hamburg					5,945 81
Total					22,581 95
Excess collected in the United States					10,690 33

Number of letters and newspapers exchanged between the United States and United Kingdom in British mails during the fiscal year ended June 30, 1859.

	Number of letters.		Total letters.	No. of newspapers.		Total newspapers.
	Received.	Sent.		Received.	Sent.	
Cunard line	1,209,070	943,267	2,152,337	937,115	929,547	1,866,662
Miscellaneous lines	208,619	253,134	461,753	130,015	203,973	328,989
Havre line	127,478	176,504	303,982	86,570	216,224	302,794
Bremen line	83,073	74,779	157,852	55,768	94,330	150,098
German Lloyd line	19,222	20,617	39,839	13,652	28,341	41,993
Canadian line	31,019	34,683	65,702	24,700	47,779	72,479
Vanderbilt line	7,912	31,205	39,117	6,760	37,495	44,255
Total	1,686,393	1,534,189	3,220,582	1,254,580	2,562,689	2,317,269

Number of letter and newspapers exchanged between the United States and Kingdom of Prussia, in closed mails, during the fiscal year ended June 30, 1859.

	Number of letters.		Number of newspapers.	
	Received.	Sent.	Received.	Sent.
Cunard line	202,614	306,772	12,869	47,112
Miscellaneous line.....	74,362	111,867	6,599	18,075
Havre line.....	58,709	78,748	5,531	9,803
Bremen line	35,289	21,572	3,887	4,441
German Lloyd line	9,999	5,122	1,050	627
Canadian line.....	7,537	15,776	612	1,397
Vanderbilt line	3,687	11,979	375	1,794
Total.....	392,197	551,836	30,923	83,249

Number of letters and newspapers exchanged between the United States and France during the fiscal year ended June 30, 1859.

	Number of letters.		Total letters.	No. of newspapers.		Total newspapers.
	Received.	Sent.		Received.	Sent.	
Cunard line	475,168	421,234	896,402	106,436	163,747	269,210
Miscellaneous line	76,038	109,186	185,224	16,581	48,771	65,352
Havre line.....	74,544	83,306	157,850	13,306	31,375	44,681
Bremen line.....	4,225	34,991	39,216	4,539	13,575	18,114
German Lloyd line ...	5,620	8,599	14,219	1,131	4,499	5,630
Canadian line .....	.....	11,416	11,416	.....	4,929	4,929
Vanderbilt line.....	7,210	11,524	18,734	1,354	3,642	4,906
Total.....	642,805	680,256	1,323,061	142,347	270,565	412,912

Number of letters and newspapers exchanged between the United States and Bremen during the fiscal year ended June 30, 1859.

Bremen line.	Number of letters.		Number of newspapers.	
	Received.	Sent.	Received.	Sent.
Total.....	39,952	50,407	5,333	12,720

Number of letters and newspapers exchanged between the United States and Bremen during the fiscal year ended June 30, 1859.

German Lloyd line.	Number of letters.		Number of newspapers.	
	Received.	Sent.	Received.	Sent.
Total.....	106,159	77,468	10,930	28,451

Number of letters and newspapers exchanged between the United States and Hamburg during the fiscal year ended June 30, 1859.

Hamburg line.	Number of letters.		Number of newspapers.	
	Received.	Sent.	Received.	Sent.
Total.....	51,191	100,794	7,899	27,496

Revenue to the United States, also to the United States Post Office Department, by Cunard line, for the fiscal year ended June 30, 1859.

Total postages on British mails by Cunard line.....		\$503,758 06
United States portion, being $\frac{5}{21}$, for United States inland.....	\$104,949 58	
Add postage on 929,547 newspapers sent, at two cents.....	18,590 94	
		123,540 52
The Post Office Department pays commissions to postmasters on above, viz :		
For distribution on unpaid distributed received, 92,672 79, at 12½ per cent.....	11,584 10	
For commissions to postmasters at offices where delivered, \$92,672 79, at 30 per cent.....	27,801 83	
For distribution on paid distributed received, \$64,598 02, at 12½ per cent.....	8,074 75	
For distribution on paid distributed sent, \$95,050 62, at 12½ per cent.....	11,881 32	
For commissions to postmasters at offices where delivered, \$95,040 62, at 30 per cent.....	28,515 18	
For distribution on unpaid sent, \$93,228 66, at 12½ per cent.....	11,653 58	
For commissions to postmasters at New York, Boston, and Philadelphia, on—		
Unpaid received, \$76,007 20, at 15 per cent.....	11,401 08	
Paid sent, \$30,994 16, at 15 per cent.....	4,649 12	
Newspaper postage, \$18,590 94, at 50 per cent.....	9,295 47	
		124,856 43
Deficit to the Post Office Department.....		1,315 91
Deduct United States inland on British mails.....		104,949 58
Total deficit to the Post Office Department.....		106,265 49

Closed mail account.

Letters.	Prussian, received.	Prussian, sent.	Canada, received.	Canada, sent.	California, received.	California, sent.	Havana, received.	Mexico, received.
	Ounces.	Ounces.	Ounces.	Ounces.	Ounces.	Ounces.	Ounces.	Ounces.
Cunard line.....	67,168½	97,646½	112,538½	104,383½	10,743	2,654	7,057½	848½
Miscellaneous line.....	26,543	39,615½	394	23½	1,606½	2,021½	533	73
Havre line.....	19,110¼	23,057	57½	49½	861½	321	338	38
Bremen line.....	11,071¼	7,006	40	1½	870½	679½	213	23
German Lloyd line.....	1,900	1,660	2½	.....	.....	.....	17	5½
Canadian line.....	1,204	2,733	20¾	13	215¾	.....	106	28¼
Vanderbilt line.....	3,528	3,778	7	.....	.....	.....	72½	8¾
West India mails.....	.....	.....	.....	.....	1,126½	.....	.....	.....
Total.....	130,525¼	175,496	113,060	104,471	15,423¾	5,676	8,337	1,025
Newspapers.	Number.	Number.	Number.	Number.	Number.	Number.	Number.	Number.
Cunard line.....	12,960	46,626	556,008	269,927	20,413	935	10,861	1,622
Miscellaneous line.....	6,827	19,467	468	6	4,663	476	569	121
Havre line.....	5,558	9,104	37	14	2,405	70	246	76
Bremen line.....	3,569	4,441	483	1	2,493	201	168	81
German Lloyd line.....	715	627	7	.....	.....	.....	26	34
Canadian line.....	304	752	4	.....	874	.....	72	10
Vanderbilt line.....	1,204	1,794	23	.....	.....	.....	75	8
West India mails.....	.....	.....	.....	.....	1,209	.....	.....	.....
Total.....	31,137	82,811	557,030	269,948	32,057	1,682	12,017	1,952

Receipts and disbursements, in closed mails, between the United States and Prussia during the fiscal year ended June 30, 1859.

RECEIPTS.		
Amount of postage on paid and unpaid sent.....	\$167,884 33	
Deduct Prussian inland $\frac{7}{10}$	39,173 01	
		\$128,711 32
Amount of postage on paid and unpaid received.....	120,758 98	
Deduct Prussian inland, $\frac{6}{10}$	20,126 39	
		100,632 59
Add newspaper postage on 83,249 newspapers sent, at 4 cents each.....		3,329 96
Total to the United States.....		232,563 87
DISBURSEMENTS.		
Amount paid Great Britain for carrying 67,168 $\frac{1}{2}$ ounces, at 61 $\frac{1}{2}$ cents per ounce, and 97,646 $\frac{1}{2}$ ounces, at 57 $\frac{1}{2}$ cents per ounce...	97,455 52 $\frac{1}{2}$	
Amount paid miscellaneous line for carrying 66,158 $\frac{1}{2}$ ounces, at 40 cents per ounce.....	26,463 40	
Amount paid miscellaneous line for carrying 26,294 newspapers, at 2 cents each.....	525 88	
Amount paid Havre line for carrying 42,167 $\frac{1}{4}$ ounces, at 40 cents per ounce.....	16,866 90	
Amount paid Havre line for carrying 14,662 newspapers, at 2 cents each.....	293 24	
Amount paid Bremen line for carrying 18,077 $\frac{1}{4}$ ounces, at 40 cents per ounce.....	5,230 90	
Amount paid Bremen line for carrying 8,010 newspapers, at 2 cents each.....	160 20	
Amount paid German Lloyd line for carrying 3,560 ounces, at 40 cents per ounce.....	1,424 00	
Amount paid German Lloyd line for carrying 1,342 newspapers, at 2 cents each.....	26 84	
Amount paid Canadian line for carrying 3,937 ounces, at 40 cents per ounce.....	1,574 80	
Amount paid Canadian line for carrying 1,056 newspapers, at 2 cents each.....	21 12	
Amount paid Vanderbilt line for carrying 7,306 ounces, at 40 cents per ounce.....	2,922 40	
Amount paid Vanderbilt line for carrying 2,998 newspapers, at 2 cents each.....	59 96	
Commissions to United States postmasters.....	75,832 41	
		228,857 57
Revenue to United States Post Office Department.....		3,816 30

Statement of letters and newspapers, with the several postages, conveyed by various lines of ocean steamers during the fiscal year ended June 30, 1859.

1484

REPORT OF THE

Lines.	Offices.	Letters.	Newspapers.	Postages on letters received.	Postages on letters sent.	Total postages.
New York and California, via Aspinwall.....	New York.....	1,124,683	2,439,055	\$22,353 92	\$72,806 63	\$155,160 55
	Boston.....	358,630	724,846	26,339 39	16,362 88	42,702 27
	Philadelphia.....	97,301	365,405	5,085 60	4,646 56	9,732 16
	Baltimore.....	29,852	31,845	1,869 88	1,478 21	3,348 09
	Saint Louis.....	76,540	104,500	3,816 33	4,628 82	8,445 15
	Chicago.....	178,543	120,148	11,437 97	7,853 72	19,291 69
	Cincinnati.....	42,605	158,450	1,611 48	3,140 95	4,752 43
	Savannah.....	1,531	600	170 39	.....	170 39
New York and California, via Tehuantepec.....	New Orleans.....	62,284	5	2,636 43	3,555 91	6,192 34
	do.....	34,593	14	3,163 34	713 99	3,877 33
Total.....		2,006,662	3,914,868	138,484 73	115,187 67	253,672 40
Add newspaper postage, at one cent.....						39,148 68
Total postages.....						292,821 09
Charleston and Havana.....	Charleston.....	57,773	29,892	5,747 06	2,075 16	7,822 22
	Savannah.....	29,287	32,226	1,440 51	794 93	2,235 44
Total.....		87,060	62,118	7,187 57	2,870 09	10,057 66
Add newspaper postage, at two cents.....						1,242 63
Total postages.....						11,300 02
New Orleans and Vera Cruz.....	New Orleans.....	14,201		1,254 61	1,323 65	2,578 26
Add newspaper postage, at two cents.....						
Total postages.....						2,578 26
West India Islands.....	Various offices.....	398,709	132,074	24,377 53	25,282 46	49,659 99
Add newspaper postage, at two cents.....						2,641 48
Total postages.....						52,301 47
Panama and Mexico.....	Various offices.....	45,022	28,172	3,483 82	6,418 24	9,902 06
Add newspaper postage, at four cents.....						2,126 88
Total postages.....						11,028 94
Aggregate total postages.....						370,029 77

Amount of postages on mails exchanged between the United States and the British Provinces during the fiscal year ended June 30, 1859.

Amount on unpaid received.....	\$37,990 67	
Amount on paid received.....	44,924 74	\$82,915 41
Amount on unpaid sent.....	31,955 98	
Amount on paid sent.....	50,561 27	82,517 25
Total amount.....		165,432 66
Amount collected in the United States.....	88,551 94	
Amount collected in the British Provinces.....	76,880 72	
Balance in favor of the United States.....		11,671 22

POSTMASTER GENERAL.

1485

The United Kingdom of Great Britain and Ireland in account with the United States during the fiscal year ended June 30, 1859.

1486

REPORT OF THE

	1858.		1859.		Total.
	3d quarter.	4th quarter.	1st quarter.	2d quarter.	
DR.					
MAILS SENT.					
Postage on unpaid letters from United States for United Kingdom.....	\$14,002 93	\$13,741 32	\$16,601 79	\$14,706 69	\$59,052 73
Postage on unpaid letters in transit.....	768 48	779 20	977 64	1,163 62	3,688 94
Postage on newspapers in transit.....	31 00	2 51	6 14	3 40	43 05
Postage on missent, &c., letters.....	6 05	11 88	11 95	13 07	42 95
MAILS RECEIVED.					
Postage on paid letters from United Kingdom for United States.....	13,755 19	13,793 82	16,112 84	13,895 59	57,557 44
Postage on paid registered letters.....	539 77	557 41	610 24	596 03	2,303 45
Postage on paid letters from foreign countries for United States.....	1,425 38	1,646 72	1,451 52	2,046 24	6,569 86
Postage on registered letters for foreign countries in transit.....	2 92	3 80	4 60	6 88	18 20
Postage on closed mails in transit through United States.....	14,212 04	14,678 44	15,925 05	12,659 38	57,474 91
Postage on loose letters collected on ships.....	41 95	27 84	27 05	43 60	140 44
Postage on dead letters returned to London.....	2,581 17	2,616 80	1,918 81	1,786 10	8,902 88
Overcharges on various letters and packages.....	100 28	96	26 88	34 00	162 12
Differences in adjustment of quarterly accounts.....					
	47,467 16	47,860 70	53,674 51	46,954 60	195,956 67
CR.					
MAILS RECEIVED.					
Postage on unpaid letters from United Kingdom for United States.....	30,978 24	30,358 99	35,718 95	31,751 88	128,808 06
Postage on unpaid letters from foreign countries.....	4,017 30	4,180 88	5,135 59	3,386 77	16,720 54
Postage on newspapers in transit.....	368 59	530 09	501 19	532 07	1,931 94
Postage on missent, &c., letters.....	19 55	29 64	34 96	34 06	118 21
Postage on closed mails in transit through United Kingdom.....	27,809 72	28,867 60	40,039 64½	30,262 82	126,979 78½
MAILS SENT.					
Postage on paid letters from United States for United Kingdom.....	23,794 97	25,391 10	25,823 85	25,067 47	100,077 39
Postage on paid registered letters from United States for United Kingdom..	430 19	368 25	448 32½	312 66	1,559 41½
Postage on paid letters for foreign countries, &c.....	2,314 92	2,681 94	2,882 32	2,599 25	10,478 43
Postage on newspapers in transit.....	328 70	359 66	464 90	468 97	1,622 23
Postage on letters and papers to West India ports.....	1,579 76	1,760 20	1,690 07	1,482 36	6,512 39
Postage on loose letters collected on ships.....	17 04	11 70	26 21		54 55
Postage on dead letters returned to Washington.....	390 80	371 14	362 59	455 85	1,580 38
Overcharges on various letters and packages.....	51	26 87	23 76	16 61	67 75
Differences in adjustment of quarterly accounts.....	2 00	3 04	38 77		43 81
	92,052 29	94,941 10	113,191 12	96,370 77	396,555 28
Balances in favor of the United Kingdom.....	44,585 13	47,080 40	59,516 61	49,416 17	200,598 31

POSTMASTER GENERAL.

1487

The Kingdom of Prussia in account with the United States during the fiscal year ended June 30, 1859.

1488

REPORT OF THE

	1858. 3d quarter.	1858. 4th quarter.	1859. 1st quarter.	1859. 2d quarter.	Total.
DR.					
MAILS SENT.					
Postage on unpaid letters from United States	\$13,085 39	\$13,929 16	\$18,483 03	\$13,417 97	\$58,915 55
Postage on unpaid letters in transit	546 48	585 92	941 07	662 13	2,735 60
Postage on missent, &c., letters	65	1 59	50	2 27	5 01
MAILS RECEIVED.					
Postage on paid letters from Prussia	5,447 65	5,542 90	6,680 98	5,340 68	23,012 21
Postage on paid newspapers	318 54	300 28	312 45	344 84	1,276 11
Postage on paid letters for foreign countries	133 26	120 03	136 37	136 92	526 58
Overcharges on various letters	25	2 60			2 85
Overcharges on dead letters returned to Berlin	317 19	224 16	237 93		779 28
	19,849 41	20,706 64	26,792 33	19,904 81	87,253 19
CR.					
MAILS SENT.					
Postage on paid letters for Prussia	4,164 09	3,978 01	6,139 40	4,103 71	18,385 21
Postage on paid letters for States beyond	1,253 86	1,248 37	1,645 94	1,156 25	5,304 42
Postage on paid newspapers for Prussia	399 55	384 01	510 09	385 06	1,678 71
MAILS RECEIVED.					
Postage on unpaid letters from Prussia	3,287 25	3,277 80	4,258 80	3,536 75	14,360 60
Postage on unpaid letters from States beyond	774 62	836 50	1,297 74	1,115 21	4,024 07
Postage on missent, &c., letters	40 99	31 55	31 90	27 32	131 76
Postage on dead letters returned to Washington	166 32	180 60	179 02	176 94	702 88
Overcharges on various letters and packages	60		2 90	2 99	6 49
Differences in adjustment of quarterly accounts	22				22
	10,087 50	9,936 84	14,065 79	10,504 23	44,594 36
Balances in favor of the United States	9,761 91	10,769 80	12,726 54	9,400 58	42,658 83

POSTMASTER GENERAL.

1489

The General Post Office of France in account with the United States during the fiscal year ended June 30, 1859.

1490

REPORT OF THE

	1858. 3d quarter.	1858. 4th quarter.	1859. 1st quarter.	1859. 2d quarter.	Total.
DR.					
MAILS SENT.					
Postage on unpaid letters from the United States for France, &c.....	\$3,166 26	\$3,267 33	\$3,298 86	\$3,325 17	\$13,057 62
Postage on unpaid letters from the United States for countries beyond.....	1,307 03	1,359 00	1,476 95	1,414 96	5,557 94
Postage on letters not prepaid, &c., for France, &c.....	349 90	329 20	507 71	798 32	1,985 13
Postage on letters not prepaid for countries beyond.....	49 51	59 00	91 01	107 87	307 39
Postage on missent, &c., letters.....	2 66	3 35	3 28	2 88	12 17
Postage on resent, &c., letters.....	18	1 47	1 97	2 19	5 81
MAILS RECEIVED.					
Postage on letters for the United States prepaid, &c., from France, &c.....	3,285 73	3,164 07	3,257 64	3,389 68	13,097 11
Postage on letters for the United States prepaid from countries beyond.....	771 11	781 34	836 56	814 55	3,203 56
Postage on letters prepaid for countries beyond the United States.....	536 28	526 24	486 78	504 61	2,053 91
Postage on letters prepaid for countries beyond the United States from countries beyond.....	4 51	4 66	5 23	2 49	16 89
Postage on dead letters returned to France.....	664 83	263 01	289 50	371 04	1,588 38
Overcharges on various letters.....					
	10,137 99	9,758 67	10,255 49	10,733 76	40,885 91
CR.					
MAILS RECEIVED.					
Postage on unpaid letters from France, &c., for United States.....	4,042 19	4,593 23	4,591 83	4,271 91	17,299 16
Postage on unpaid letters from France, &c., for countries beyond.....	36	36		3 90	4 62
Postage on letters not prepaid, &c., for United States.....	6,356 98	5,855 12	7,789 22	6,411 07	26,412 39
Postage on letters not prepaid, &c., for countries beyond United States.....	3 24		37		3 61
Postage on missent, &c., letters.....	1 48	1 36	3 75	93	7 52
Postage on resent, &c., letters.....	21 68	34 46	27 72	19 65	103 51
MAILS SENT.					
Postage on letters for France, &c., from United States.....	5,631 34	6,186 47	6,626 73	5,835 41	24,279 95
Postage on letters for France, &c., from countries beyond.....	44 04	41 04	1 02		86 10
Postage on prepaid letters for countries beyond France from United States.....	2,204 45	2,456 98	2,656 53	2,356 80	9,674 76
Postage on prepaid letters for countries beyond United States.....	23 58	27 54			51 12
Postage on dead letters returned to Washington.....	46 92	44 46	72 27	27 63	191 28
Overcharges on various letters.....	45	42	1 61	1 65	4 13
	18,376 71	19,041 44	21,771 05	18,928 95	78,118 15
Balances in favor of France.....	8,238 72	9,282 77	11,515 56	8,195 19	37,232 24

POSTMASTER GENERAL.

1491

The Post Office of Bremen in account with the United States during the fiscal year ended June 30, 1859.

1492

REPORT OF THE

	1858. 3d quarter.	1858. 4th quarter.	1859. 1st quarter.	1859. 2d quarter.	Total.
DR.					
MAILS SENT.					
Postage on unpaid letters from United States for Bremen.....	\$1,015 98	\$765 38	\$249 75	\$335 16	\$2,366 27
Postage on unpaid letters from United States for states beyond.....	25 65	40 35	87 21	75 39	228 60
Postage on unpaid letters from foreign countries.....		12 35		10 80	23 15
Postage on missent, &c., letters.....	61	82	54	24	2 21
MAILS RECEIVED.					
Postage on paid letters from Bremen for United States.....	906 83	326 01	450 80	403 73	2,087 37
Postage on paid letters from Bremen for states beyond.....					
Postage on paid letters for countries beyond United States.....	56 57	35 85	52 09	52 77	197 28
Postage on newspapers from Bremen.....	59 11	26 23	38 60	36 26	160 20
Postage on pamphlets from Bremen.....	87	1 32	8 06	12 85	23 10
Postage on dead letters returned to Bremen.....	90 34	67 08	115 13	118 48	391 03
	2,155 96	1,275 39	1,002 18	1,045 68	5,479 21
CR.					
MAILS RECEIVED.					
Postage on unpaid letters from Bremen for United States.....	1,053 53	1,890 83	3,693 33	3,489 60	10,127 29
Postage on unpaid letters from Bremen for states beyond.....	863 75	93 92	381 92		1,339 59
Postage on unpaid letters from Bremen for countries beyond United States.....					
Postage on missent, &c., letters.....	18 76	7 53	5 94	7 23	39 46
MAILS SENT.					
Postage on paid letters from United States for Bremen.....	124 55	159 12	202 42	251 82	737 91
Postage on paid letters from United States for states beyond.....	1,449 18	1,694 96	2,353 97	2,318 25	7,816 36
Postage on paid letters from United States for countries beyond United States.....					
Postage on paid newspapers from United States for Bremen.....	120 83	191 38	169 70	232 97	714 88
Postage on paid registered letters from Bremen for United States.....	56 89	68 04	67 22	58 00	250 15
Postage on dead letters returned to Washington.....					
	3,687 49	4,105 78	6,874 50	6,357 87	21,025 64
Balance in favor of Bremen.....	1,531 53	2,830 39	5,872 32	5,312 19	15,546 43

POSTMASTER GENERAL.

1493

The Post Office of Hamburg in account with the United States during the fiscal year ended June 30, 1859.

1494

REPORT OF THE

POSTMASTER GENERAL.

1495

	1858. 3d quarter.	1858. 4th quarter.	1858. 1st quarter.	1859. 2d quarter.	Total.
DR.					
MAILS SENT.					
Postage on unpaid letters from United States for Hamburg.....	\$454 75	\$364 00	\$68 70	\$407 20	\$1,294 65
Postage on unpaid letters from United States for states beyond.....	162 65	137 30	22 25	93 50	415 70
Postage on unpaid letters from foreign countries.....	30	17 45	2 00	22 95	42 70
Postage on missent, &c., letters.....	34			20	54
MAILS RECEIVED.					
Postage on paid letters from Hamburg for United States.....	183 15	164 50	172 95	246 05	766 65
Postage on paid letters from states beyond for United States.....	9 85	10 05	8 05	19 03	46 98
Postage on paid letters for countries beyond United States.....	89 32	69 22	44 44	67 37	270 35
Postage on paid newspapers from Hamburg.....	22 41	19 86	19 96	34 30	96 53
Postage on paid pamphlets from Hamburg.....					
Postage on paid registered letters from Hamburg.....	9 20	12 02	12 50	11 25	44 97
Postage on dead letters returned to Hamburg.....	8 35	40 55		31 45	80 35
	940 32	834 95	350 85	933 30	3,059 42
CR.					
MAILS RECEIVED.					
Postage on unpaid letters from Hamburg for United States.....	813 61	622 87	854 15	835 20	3,125 83
Postage on unpaid letters from states beyond.....					
Postage on unpaid letters for countries beyond United States.....					
Postage on missent, &c., letters.....	5 45		8 90	5 00	19 35
MAILS SENT.					
Postage on paid letters from the United States for Hamburg.....	259 65	204 30	38 45	217 75	720 15
Postage on paid letters from the United States for states beyond.....	2,600 59	1,780 66	391 90	2,091 13	6,864 28
Postage on paid letters from countries beyond the United States.....		519 86			519 86
Postage on paid newspapers from United States for Hamburg.....	176 93	161 89	34 70	133 82	507 34
Postage on paid pamphlets from United States for Hamburg.....	4 64	3 82	1 84	3 94	14 24
Postage on paid registered letters.....	77 33	63 74	12 00	30 71	183 78
Postage on dead letters returned to Washington.....		8 90		5 00	13 90
	3,938 20	3,366 04	1,341 94	3,322 55	11,968 73
Balances in favor of Hamburg.....	2,997 88	2,531 09	991 09	2,389 25	8,909 31

Balances due the United Kingdom of Great Britain and Ireland, on adjustment of accounts, during the fiscal year ended June 30, 1859.

Third quarter, 1858.....	\$44,585 13
Fourth quarter, 1858.....	47,080 40
First quarter, 1859.....	59,516 61
Second quarter, 1859.....	49,416 17
Total.....	200,598 31

Balances due the United States, on adjustment of accounts with the Kingdom of Prussia, during the fiscal year ended June 30, 1859.

Third quarter, 1858.....	\$9,761 91
Fourth quarter, 1858.....	10,769 80
First quarter, 1859.....	12,726 54
Second quarter, 1859.....	9,400 58
Total.....	42,658 83

Balances due France, on adjustment of accounts, during the fiscal year ended June 30, 1859.

Third quarter, 1858.....	\$8,238 72
Fourth quarter, 1858.....	9,282 77
First quarter, 1859.....	11,515 56
Second quarter, 1859.....	8,195 19
Total.....	37,232 24

Balances due Bremen, on adjustment of accounts, during the fiscal year ended June 30, 1859.

Third quarter, 1858.....	\$1,531 53
Fourth quarter, 1858.....	2,830 39
First quarter, 1859.....	5,872 32
Second quarter, 1859.....	5,112 19
Total.....	15,546 43

Balances due Hamburg, on adjustment of accounts, during the fiscal year ended June 30, 1859.

Third quarter, 1858.....	\$2,997 88
Fourth quarter, 1858.....	2,531 09
First quarter, 1859.....	991 09
Second quarter, 1859.....	2,389 25
Total.....	8,909 31

Amount of postages accounted for on foreign dead letters returned to and sent from the United States with the undersigned countries during the fiscal year ended June 30, 1859.

United Kingdom to United States.....	\$1,580 38
Kingdom of Prussia to United States.....	
France to United States.....	
Bremen to United States.....	
Hamburg to United States.....	13 90

United States to United Kingdom.....	\$8,902 88
United States to Kingdom of Prussia.....	
United States to France.....	
United States to Bremen.....	391 03
United States to Hamburg.....	80 35

Amounts reported as being due the Havre line, being the sea and inland postages.

Steamers.	Trips.	Amounts.
Fulton.....	Round trip, July 24—September 7, 1858.....	\$6,799 67
Arago.....	Round trip, August 21—October 6, 1858.....	6,695 73
Fulton.....	Round trip, September 18—November 2, 1858.....	6,689 39
Arago.....	Round trip, October 16—November 29, 1858.....	8,360 56
Fulton.....	Round trip, November 13—January 4, 1859.....	8,107 79
Arago.....	Round trip, December 11—January 29, 1859.....	8,894 95
Fulton.....	Round trip, January 8—February 26, 1859.....	10,355 49
Fulton.....	Round trip, March 5—April 22, 1859.....	8,317 12
Arago.....	Round trip, April 2—May 17, 1859.....	8,001 54
Fulton.....	Round trip, April 30—June 13, 1859.....	7,348 59
Arago.....	Round trip, May 23—July 11, 1859.....	8,271 05
Fulton.....	Round trip, June 25—August 11, 1859.....	7,195 56
		<hr/>
		94,977 44
		<hr/>
Ariel.....	Round trip, May 7—June 8, 1859.....	7,395 19
Ariel.....	Outward trip, June 18, 1859.....	4,035 24

Amounts reported as being due the Bremen line, being the sea and inland postages.

Steamers.	Round trips.	Amounts.
Ariel.....	Round trip, July 10—August 26, 1858.....	\$7,842 92
North Star.....	Round trip, July 31—August 31, 1858.....	7,559 72
Northern Light.....	Round trip, August 7—September 21, 1858.....	7,829 87
Ariel.....	Round trip, September 4—October 21, 1858.....	8,164 79
North Star.....	Round trip, September 11—October 14, 1858.....	6,160 83
Vanderbilt.....	Round trip, October 2—November 15, 1858.....	8,024 56
Ariel.....	Round trip, October 30—December 26, 1858.....	8,514 23
		<hr/>
		54,096 92

Amounts reported as being due the "miscellaneous" line, being the sea postages.

Steamers.	Trips.	Amounts.
Vanderbilt	Round trip, July 3—August 1, 1858.....	\$7,244 21
Vanderbilt	Round trip, August 14—September 13, 1858.....	7,654 68
City of Washington...	Round trip, July 17—August 18, 1858.....	5,806 67
City of Washington...	Round trip, August 28—September 27, 1858.....	5,439 64
Vigo	Round trip, September 25—October 26, 1858.....	4,182 41
City of Washington...	Outward trip, October 9, 1858.....	2,441 40
City of Baltimore	Round trip, October 23—November 23, 1858.....	4,968 92
Kangaroo	Inward trip, November 9, 1858.....	2,035 31
Vigo	Outward trip, November 6, 1858.....	2,454 03
Kangaroo	Round trip, November 20—December 26, 1858.....	4,838 36
City of Baltimore.....	Outward trip, December 4, 1858.....	3,484 44
City of Washington...	Inward trip, December 12, 1858.....	1,762 92
City of Washington...	Round trip, December 18—January 19, 1859.....	6,486 16
Kangaroo	Round trip, January 1—February 8, 1859.....	6,234 09
City of Manchester....	Round trip, January 15—February 24, 1859.....	6,722 30
City of Washington...	Outward trip, January 29, 1859.....	5,108 14
Etna	Outward trip, February 5, 1859.....	2,599 41
Kangaroo	Outward trip, February 12, 1859.....	4,200 66
City of Baltimore.....	Inward trip, March 1, 1859.....	2,722 70
Lebanon.....	Outward trip, February 26, 1859.....	1,551 31
City of Washington...	Inward trip, March 16, 1859	2,672 08
Kangaroo	Inward trip, March 30, 1859	2,507 57
City of Baltimore.....	Round trip, March 12—April 12, 1859.....	6,090 69
City of Washington...	Round trip, March 26—April 25, 1859.....	3,989 02
Kangaroo	Round trip, April 9—May 11, 1859.....	3,285 23
		106,482 35

NOTE.—The first-named steamer allowed the sea and inland postages on both trips.

Amounts reported as being due the Vanderbilt line, being the sea and inland postages.

Steamers.	Trips.	Amounts.
Vanderbilt	Round trip, April 23—May 21, 1859.....	\$4,957 28
Ocean Queen.....	Round trip, May 21—June 21, 1859.....	7,505 83
Vanderbilt	Round trip, June 4—July 3, 1859.....	8,039 18
		20,552 29

Amount reported as being due the German Lloyd line, being the sea postages.

Steamers.	Round trips.	Amounts.
New York.....	Round trip, February 19 to April 5, 1859.....	\$3,793 81
Bremen.....	Round trip, March 19 to May 1, 1859.....	3,514 86
New York.....	Round trip, April 16 to May 29, 1859.....	4,280 44
Bremen.....	Round trip, May 14 to June 26, 1859.....	4,099 17
New York.....	Round trip, June 11 to July 25, 1859.....	3,556 09
		<hr/> 19,244 37

Amounts reported as being due the Canadian line, being the sea postages.

Steamers.	Trips.	Amounts.
North America.....	Inward trip, January 13, 1859.....	\$2,235 69
North America.....	Outward trip, January 21, 1859.....	2,004 51
Indian.....	Round trip, February 15 to February 26, 1859.....	2,892 73
North Briton.....	Round trip, March 11 to March 26, 1859.....	3,750 49
Indian.....	Round trip, April 7 to April 23, 1859.....	1,931 19
Nova Scotian.....	Outward trip, April 9, 1859.....	1,707 09
		<hr/> 14,521 70