

**REPORT**  
 OF  
**THE POSTMASTER GENERAL.**

POST OFFICE DEPARTMENT,

24th November, 1825.

*To the President of the United States:*

SIR: I have the honor to submit the following report of the state of this Department.

The General Post Office was established July 26, 1775. There was then but one line of posts, extending from Falmouth, in New England, to Savannah, in Georgia; and the Postmaster General was authorized to establish such cross posts as he should think proper.

In October, 1782, the Postmaster General was required, by Act of Congress, to cause the mail to be carried once a week to all the Post Offices; and by the same Act he was authorized to make provision for the transmission of newspapers by mail.

When the Federal Government was organized under the present Constitution, in 1789, the Post Office establishment was revised and perpetuated. There were then, and to the close of 1790, only seventy-five Post Offices in the United States: And the extent of Post Roads in the United States, in 1790, amounted to 1875 miles. Now, the number of Post Offices is eight thousand and four, and the Post Roads amount to 115,000 miles.

The first line of mail coaches in the United States, was established in pursuance of an Act of Congress, passed September 7, 1785, extending from Portsmouth, in New Hampshire, to Savannah, in Georgia. The transportation of the mail in coaches amounts, at this time, to 6,507,818 miles in one year, and from the first day of January next, it will be increased to 6,785,810 miles. The whole yearly transportation of the mail in coaches, sulkies, and on horseback, amounts to about 13,700,000 miles.

The whole amount of postages, (the only source of revenue to the Department.) from 1789 to July 1, 1829, was, \$26,411,496

The whole expenses of the Department, during the same period, were as follows:

Compensation to Postmasters	-	-	\$7,829,925
Incidental Expenses,	-	-	896,967
Transportation of the Mail,	-	-	16,652,515
		<hr style="width: 50%; margin: 0 auto;"/>	24,779,405

Leaving an aggregate amount of revenue, of \$1,662,091

The Revenue of the Department is accounted for, as follows:

Amount of the several payments into the Treasury from 1789 to 1828, - - - - -	\$1,103,065
Amount of the losses in the transmission of moneys during the same period, - - - - -	17,318
Balance, as exhibited on the books of the Department, on the 1st of July, 1829, - - - - -	511,680
	\$1,662,091

From this statement it appears that the Department has always been sustained by its own resources, and that no money has, at any time, been drawn from the Treasury for the transportation of the mails: but that it has contributed to the revenue of the Government.

The sums paid into the Treasury by the different Postmaster Generals are as follows:

By Timothy Pickering, from December, 1793, to March, 1795, - - - - -	\$47,499
By Joseph Habersham, from June, 1795 to September, 1801, - - - - -	163,310
By Gideon Granger, from December, 1801, to December, 1813, - - - - -	291,579
By Return J. Meigs, from March, 1814, to June, 1823, - - - - -	587,209
By John McLean, from July, 1823, to December, 1828, - - - - -	15,466
	\$1,103,065

The balance, of \$511,680, exhibited by the books of this Department, on the 1st of July, 1829, covers all the balances due from Postmasters and others, of every description, which have been accumulating for forty years, including those of the most doubtful, and many of a desperate character. The Report of the late Postmaster General exhibited a balance of \$332,105 10, as the amount of available funds, at the disposition of the Department, on the 1st of July, 1828. The amount exhibited by the books of the Department on that day, is \$616,394; from which it appears that the sum of 284,289, of old balances, was estimated to be either desperate, or of so uncertain a character, as that no reliance could be had upon any part of it: and it is believed, from examination, that this estimate did not essentially vary from what will prove to have been the actual amount of losses from 1789 to 1828.

To the above amount of - - - - -	\$284,289
Must be added this sum, due for postages prior to July 1, 1828, which is since found to be desperate, - - - - -	22,295
Counterfeit money found on hand - - - - -	\$2,654
Notes of broken Banks - - - - -	1,672
	4,306

Making together the total amount of losses by bad debts and bad money, - - - - -	\$310,830
Which sum, deducted from the above mentioned balance of - - - - -	511,680

Leaves the actual balance, on the 1st of July, 1829, - - - - -	\$230,850
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The fractions in this statement being omitted.

The amount of moneys on hand, and due from Postmasters, including

judgments obtained on old accounts, was reported by the late Postmaster General to be, on the first day of July, 1827, - - - \$970,093 37

He also reported an excess of expenditures beyond the amount of receipts for the year ending the 1st of July, 1828, of - - - \$37,928 27

Leaving a balance of moneys on hand and due from Postmasters, including judgments obtained on old accounts, on the 1st of July, 1828, of - - - \$232,165 10

The amount of postages from July 1, 1828, to July 1, 1829, is found to be - - - \$1,707,418 42

The expenditures of the Department, for the same period, are as follows:

Compensation to Postmasters	\$559,237 28	
Transportation of the Mail	1,153,646 21	
Incidental Expenses	69,249 08	
		<u>1,782,132 57</u>

Shewing, in the amount of expenditures from July 1, 1828, to July 1, 1829, an excess beyond the amount of revenue, admitting that every cent of postage of the last year shall be collected, of - - - \$74,714 15

Add amount of bad debts, as before mentioned, of - - - \$22,235 50

And amount of bad money - - - 306 38

\$26,541 88  
\$101,256 03

Leaving the true balance of available funds at the disposal of the Department, on the 1st of July, 1829, provided no further losses shall be sustained in the collection, viz:

Cash in deposit	\$136,448 86
Balances due from Postmasters and others,	94,400 21

\$230,849 07

It appears, therefore, that the funds of the Department suffered a diminution, from July 1, 1828, to July 1, 1829, of \$101,256 03.

In this result, all the collections made of former debts, as well as all losses ascertained within the year, are comprehended.

The expense for transporting the mail, by reason of the increased facilities contracted for, before the commencement of the present year, from January 1, to July 1, 1829, exceeded the expense for transportation during the corresponding period of the preceding year, \$67,333; and the expenditures of the Department for the same period, being the first half of the current year, had there been no increase of postages, would have exceeded its revenue \$68,681, equal to \$137,362, for the year. The actual excess of expenditure, however, owing to the increase of revenue, for the half year ending July 1, 1829, amounts to but \$49,778 55.

When I entered upon the duties of the Department, on the 6th of April last, I found the contracts had been made, and the responsibilities of the Department incurred, for the whole of the current year, and from one to four years in prospect, in the most expensive sections of the country. It appeared necessary, therefore, to direct the energies of the Department principally to the great object of sustaining its operations, in the engagements which it had already contracted, by its own resources. This could be effect-

ed only by enforcing a strict observance of the law on the part of Postmasters, in preventing, so far as practicable, all abuses, and in accounting regularly and promptly for all the moneys coming into their hands; by guarding against all further increase of expense, except in cases absolutely demanded by the public interest; and by instituting such checks and responsibilities in the mode of transacting the business of the Department, as to secure more effectually a proper application of its funds, and to prevent, in all cases, a diversion of any part of them from their legitimate objects.

To correct abuses in the privilege of franking, which had prevailed to a considerable extent, and to prevent others, which were beginning to show themselves, it was thought expedient to issue a circular to Postmasters, calling their special attention to the subject, and enjoining renewed vigilance and energy on their part. This circular, bearing date the 18th of May last, has not been without its effect. The postages accounted for by Postmasters are accumulating in an increased ratio, which promises advantageous results. The proceeds of postages for the quarter ending June 30, 1829, exceed the amount for the corresponding quarter of 1828, by \$30,376 56. The accounts for the quarter ending the 30th of September last, are not all examined, but so far as the examination has proceeded, it promises a proportionate increase.

The contracts for transporting the mail in the States of Indiana, Illinois, Missouri, Tennessee, Alabama, Mississippi, and Louisiana, and the Territory of Arkansas, constituting one section, will expire with the current year. The rapid increase of population and of business in those sections of country, required considerable improvements in the frequency, the celerity, and the mode, of transporting the mail on the leading routes, for which provision has been made in the renewal of the contracts.

The mail communication between New Orleans and the seat of the General Government, by way of Mobile and Montgomery, in Alabama, and Augusta, in Georgia, will, from the commencement of the ensuing year, be effected three times a week, affording comfortable conveyances for travellers, and the whole trip performed in the period of two weeks, each way, through the capitals of Virginia, North Carolina, South Carolina, and Georgia.

Lines of four-horse post coaches will also be established, from the first day of January next, to run three times a week, both ways, between Nashville and Memphis, in Tennessee. This improvement was deemed important to keep a regular and certain intercourse between the Western States and New Orleans—Memphis being a point on the Mississippi to which steam-boats can come at all seasons of the year: it being contemplated to extend this line to New Orleans by steam-boats, so soon as the means of the Department will justify, and the public interest shall require it. To give greater utility to this improvement, a weekly line of coaches will also be established at the same time from Florence, in Alabama, (where it will connect with the line from Huntsville,) to Bolivar, in Tennessee, at which point it will form a junction with the line from Nashville to Memphis.

Such improvements are also provided in the transportation of the mail through Indiana, Illinois, and Missouri, as that the lines of stages three times a week between Louisville, in Kentucky, and St. Louis, in Missouri, will connect the correspondence and the travelling in a period of two days less than the time now occupied; and continue the line to Fayette, beyond the centre of Missouri, within the same time which is now allowed for

reaching St. Louis. A weekly line of stages will also go into operation on the first of January next, from Fayette to Independence, near the western boundary of that State.

These, with other improvements provided for by the contracts which have just been made, will add 277,992 miles to the annual transportation of the mail in stages.

Notwithstanding the increased expense which these additional services would require, the new contracts have been made, including all the improvements, for \$19,195 37 per annum less than the sum paid under the expiring contracts, for the transportation of the mail in that section. The advantageous terms of these contracts will effect a saving to the Department of about twenty-five per cent. in proportion to the services to be performed.

On entering the Department, my attention was, at an early day, drawn to the manner in which its funds were received and disbursed. Circumstances transpired at the very threshold of this inquiry, which indicated a looseness and irresponsibility entirely incompatible with that system which ought to characterize every branch of the public service. Moneys had been advanced to different persons contrary to law; and persons in the immediate employment of the Department, who receive stipulated salaries, defined and appropriated by law, had received moneys in advance from the funds of the Department, beyond the allowances so provided, and which had not been appropriated. There stands at this day, on the books of the Department, a balance of \$2,164 16. for moneys formerly advanced out of the funds of the Department, beyond the compensation provided by law, to different officers and Clerks, who had been employed, but who have left the service: the greater part of which will probably never be collected. A considerable number of accounts stand open against other individuals, for moneys advanced, some of whom are now unknown to the Department. An act of Congress, of April 21, 1806, appropriated \$6,400 for repairing the road near Athens on the route to New Orleans, and \$6,000 for the road between Nashville and Natchez, to be expended under the direction of the President, who designated the Postmaster General to carry the law into effect. The moneys appropriated were mingled with the general funds of the Department, out of which the expenses of the road were defrayed; and there are now standing on the books of the office a balance of \$1,495 67 against the first, and against the other of these roads a balance of \$1,946 65; making together, the sum of \$3,352 32, on account of moneys advanced by the Department, and for which it is still accountable as so much money in hand, though these accounts originated twenty-three years since. These facts evinced a radical defect in the system of financial operations of the Department.

It appeared that all the funds of the Department were received and disbursed by one of the Assistants, while the Postmaster General was held responsible in law, for their proper application. The Assistant had it in his power at all times to withdraw, or furnish for the use of others, the funds of the Department, to a large amount, without the knowledge of its head, or of any other person attached to it. There was no check upon any such transactions, nor any thing connected with the system calculated to bring them to light. The Assistant made deposits of part of the funds in different banks, subject to his individual checks; and retained a part in his own hands, but to what amount is not shewn by any document or record in the Department. On the change of the system, there was found in an iron coffer, in his possession, the sum of \$19,876 89, consisting of \$19 09! in spe-

cie, and \$19,857 79½ in bank notes, certificates, and checks. Of this sum, \$2,633 76 were found to be counterfeit, and \$1,672 62 were in notes of broken banks, and of no value. A part of the remainder is of very doubtful character. Such as was not ascertained to be good, has been sent to the different States from which it issued, for the purpose of determining its value, and rendering it available; but what proportion of it will be found worthless or depreciated, is not yet learned.

The necessity of an entire change in the mode of conducting this business, was most obvious.

Directions have been given, that the money appropriated by law for the payment of salaries, shall never be united with the funds of the Department. but that it shall be drawn by an agent appointed for that purpose, and applied directly to the object for which it is appropriated; so that the persons receiving it shall have no accounts opened on the books of the Department. This will effectually prevent advances and over-payments on that head in future.

It was important to devise a system by which no moneys should be received or disbursed, or in any manner come within the control of any one individual; but that all moneys should be paid into the Department by certificates of deposit in banks, and that nothing could be drawn from such depositor, not even by the head of the Department, without the signature of two distinct officers of the Department, each acting independently of the other, and both certifying to the correctness of the act. Also, that the transfer of moneys from Postmasters to Contractors, should be subject to the same guard, and require, in like manner, the investigation and signature of two distinct officers of the Department. It was likewise necessary that this system should embrace a rule which would require Postmasters to account promptly for the proceeds of their offices, and prevent an accumulation of postage in their hands. This has been done; and it is believed that the moneys of this Department are now as effectually protected as those of any other Department in the Government.

The observance of the system which has been adopted will require additional labor, but it is deemed essential to the security and prosperity of this Department.

I have the honor to be, with great regard,

Your obedient servant,

W. T. BARRY.