

# REPORT

## THE POSTMASTER GENERAL.

POST OFFICE DEPARTMENT,  
December 1, 1845.

SIR: The extent of the post routes in the United States, over which the mails were transported, on the 30th day of June last, was 143,940 miles. The annual transportation of the mails over these routes, on the same day, was 35,634,269 miles.

On horseback and in sulkies	-	-	-	-	11,225,631 miles.
By stage and coach	-	-	-	-	17,924,046 "
By steamboats and railroads	-	-	-	-	6,484,592 "
which cost the United States	-	-	-	-	<u>\$2,905,504</u>

For the service on horseback and in sulkies	-	-	-	-	\$548,482
For the service in coaches and stages	-	-	-	-	1,476,079
For the service on railroads and in steamboats	-	-	-	-	843,430
For local and mail agents, and mail messengers incident to the service on railroads and steamboats	-	-	-	-	37,513
					<u>\$2,905,504</u>

The number of contractors on that day in the service of the department was 3,277. Mail agents, 30; and mail messengers 114. The number of local agents, 13—all connected with the railroad and steamboat service.

It is gratifying to find that whilst the annual transportation was greater for the year ending the 30th June, 1845, than for the preceding year, by 24,645 miles, the cost was less by \$62,791.

On the 30th June, 1845, there were 14,183 post offices. There were established during the preceding year 352 new offices, and 269 discontinued.

On this day the number is 14,003.

There were appointed during the same period 3,033 postmasters. 1,897 were appointed in consequence of deaths or resignations; 17 in consequence of a change of the site of the offices; 753 removals; 14 where the commissions expired and not re-appointed; 352 by the establishment of new offices.

516 of the number of contractors were fined, or deductions made from their pay, for omissions to perform, or irregularities in the performance of their contracts; which amounted to \$10,521 50 after deducting the remissions of fines.

The revenue of the department for the same period amounted to

The expenditure for the same time amounted to	-	-	-	-	\$4,289,841 60
					<u>4,320,731 99</u>

The net revenue, after deducting the commissions of postmasters, contingent and incidental expenses, amounted to \$2,942,217 27.

Full returns of postmasters, for the quarter ending the 30th of September last, have not as yet been received and settled, so as to enable the department to make an accurate statement of the revenues of that quarter. A careful examination has been made of those received, and by a comparison of them with former returns from the same offices, I am induced to believe that there will be a falling off from the net revenue of the last fiscal year, of about 45 per cent. Assuming this to be true, and that the savings on contracts let and to be let will equal the expense of new routes to be put in operation, and the improved service that may be rendered necessary to meet the demands of the public, then there will be a diminution of the means of the department to meet the expenses for the present year, of \$1,323,997.

The most expensive as well as the most important branch of business under the control of this department is the transportation of the mails. To adjust the degree and mode of service—to regulate the connexions between routes, so as to effect a speedy intercommunication between the several parts of the country—to secure contracts for the faithful and punctual performance of the service—to settle questions which constantly arise, involving public and private interests to the amount of some millions of dollars each year—to meet the urgent demands of the public for mail accommodations, which the growth of the country and its rapidly increasing population require, with the restricted means of the department, and without impairing the efficiency of the present service, upon which so many and such important interests depend—require the utmost vigilance and circumspection, and cannot be presented in detail in a communication of this character.

The statistical tables marked Nos. 1 to 5 *a*, prepared by the First Assistant Postmaster General, appended to this report, present a view of the extent and cost of the transportation of the mails, as well in the several States as for the whole Union. They give a comparison with the preceding year, and show the tendency to increase or diminish the cost since the commencement of the present fiscal year, and the manner in which it is produced.

Two important circumstances have occurred to affect the prices of transportation in the present year.

First. The renewal of the contracts in May last, for the section of the Union\* composed of the States of New England and New York.

Second. Putting in operation the act to establish certain post routes, passed third day of March last.

Taking the contracts already executed, and estimating the cost of the railroad and steamboat service, for which no contracts have yet been made, at the minimum prices which the department has offered, under the recent act of Congress, and it will be seen, that the cost of transporting the mails in New England and New York will be reduced \$252,732 for the present year, ending the 30th June next, below the prices of the last year; being a saving of about 35 per cent., without any material reduction of the amount of service performed in the preceding year. On the other hand, the letting of the new routes to contract will add to the expenses of the present year \$36,200.

The cause of the great saving (over \$250,000) in the annual expen-

ture in that section may be traced to two provisions in the late act of Congress to reduce the rates of postage. One requiring the Postmaster General, "in all *future lettings*" of contracts, to give the same "to the lowest bidder, tendering sufficient guaranties for the 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;" and annulling the regulation of the department which required the underbidder in certain cases to take the stock of the former contractor.

The other provision was that which directed the Postmaster General to classify the railroad and steamboat routes into three classes, and limited him to certain maximum rates of compensation for each class. The act was passed the 3d of March last, to go into operation on the 1st of July. The contracts for New England and New York were let in April and May last, to go into effect on the 1st of July, and continue in operation four years. I entertained no doubt that these contracts should be let under the provisions of the new law, and that such was the intention of Congress. A due regard to the other sections of the country required it. A fair trial of the experiment of low postages demanded that full effect should be given to the provisions of the law intended to reduce the burdens on the postage fund, and that they should go into operation contemporaneously with the law, where pre-existing contracts did not prevent it. Notice was at once given of this determination, and the contracts were made in conformity to it. This course was strenuously resisted by the former contractors, who seemed to expect higher rates of compensation under the old system than the enlarged field for competition created by the new law would permit. Their memorial and my answer are herein annexed, marked No. 5 b.

The provision referred to did not direct the Postmaster General to assign the contracts in all cases to the lowest bidder. An exception is implied whenever "the celerity, certainty, and security of the mails" required a higher grade of service than that proposed by the lowest bidder. This called for the exercise of a discretion unusual, and new in the practice of the department. To render it both just and uniform, a careful review was taken by the department of the different descriptions of bids, classes of routes, and of the policy and requirements of the new law, and an opinion drawn up and read to the bidders who were present, in giving a decision in one of the cases, that defined the principles regulating the lettings. A copy is herewith appended, No. 6.

The service throughout the Union will be placed under the operation of the new law as the old contracts expire, which will be in the western section in May next; in the southern section in May, 1847, and in the middle section in May, 1848; so that after the first of July, 1848, the whole service will be placed under the provisions of the new law.

I regret to state that the difficulties and embarrassments attending the making of contracts with the railroad companies have again been experienced in New York and New England. Of 67 cases requiring contracts with railroad corporations, which should have been closed in July last, but 35 have as yet been adjusted. This is owing to the demand, on their part, of prices exceeding the rates prescribed under the act of Congress of the 3d March last.

The classification required by that law has been made, and the maximum prices allowed in each case. This has been done under the most liberal construction of the law—one that gives an additional compensation whenever the road necessarily conveys the mail oftener than once a day.

But these terms, favorable as they are, have received but a partial acceptance. Whilst they decline executing the contracts as above stated, the service is generally performed, and the companies are paid the prices specified in the circular which was addressed to the companies informing them of the classification and the amount of pay which had been adopted by the department. The circular is hereto annexed, marked No. 7.

The maximum rate fixed by the act of the 3d of March, for the second and third classes, is an ample compensation for the services performed by them; and it is to be regretted that the maximum of compensation for the first class had not been reduced and fixed at a price corresponding more nearly to the difference in the service performed by them. Whilst the first class receives over nine per cent. of the whole amount paid for transportation, it does not perform more than two and a half per cent. of the service. Too large an amount of the revenues of the department is withdrawn from the general service for the payment of railroads. The amount withdrawn by them, beyond a proper remuneration for the service performed, deprives the department, to that extent, of the means to furnish mail accommodations to those sections of the country where they are most needed.

Railroads are eminently useful; their introduction constitutes an epoch in the march of improvement. Great and important advantages are enjoyed by the citizens in the reduction of the price of transportation, travel, &c., and the speed which has been given by them; but they have universally increased the price for transporting the mails, and, in some instances, to the extent of two or three hundred per cent. over the former prices. It would be difficult to find a satisfactory reason for the difference in the price of transporting a thousand pounds of newspapers and letters and a thousand pounds of merchandise, in the same cars, between the same places, and in the same time; yet, more than ten times the amount, probably, is demanded for the one than the other. Are such exactions right? and especially toward a government which made the iron laid on these roads free of duty for so many years; and, in numerous cases, remitted the duties when paid, thus actually advancing them more than five millions of dollars since 1832?

The service performed by the railroads constitutes one tenth part of the entire service of the department, whilst they receive one fifth part of its whole revenue. These exorbitant prices are justified in this country because similar prices are said to be paid in England for such service. There it may be the policy of the government to grant monopolies; to establish and maintain privileged classes; to give undue preference to wealth and capital over labor; to sustain the few at the expense of the many. Our institutions are based upon an equality among the citizens and the different interests—justice to all, and special favors to none. It is highly gratifying to see the enterprise of our citizens extending the advantages and blessings of rapid intercommunication over so large a portion of our country; and it affords me pleasure to add, that the service rendered by these companies to the department has been, in the main, of the most acceptable character. It is, however, my duty to inform you that, if these facilities for transportation and travel continue to increase as rapidly as they have within the last few years, and Congress cannot devise some means to resist the heavy exactions made upon this department, its revenues must be absorbed in a few years for the payment of that species of service.

The difficulty heretofore existing between the department and the Philadelphia and Baltimore Railroad Company, growing out of the refusal of the

company to take the mail from Philadelphia immediately on its arrival from New York in the night, has been settled by the engagement of the company to perform that highly necessary and important service on the opening of the spring, after they have completed the repairs of their road; which will increase the despatch of the mail west of Baltimore and south of Washington twenty-four hours.

It is deeply to be regretted that the New York and Philadelphia Railroad Company still persist in their refusal to convey mail agents for the department, over their road. This is a service rendered by all other companies where it is desired, and upon no other route is it more needed than this. From this—the most important route in the United States, and for which they receive the maximum pay allowed by law—the mail agent is excluded, and the service thereby materially injured, in not having some one on the road to receive letters written after the closing of the mails; to assort and deliver the mails at the intermediate offices: and, above all, to have one on board the cars to watch and expose, when detected, those plunderers of the public revenues, who, we have reason to believe, are yet actively engaged in taking letters out of the mails over this great thoroughfare. This may, in some degree, account for the great falling off of the revenue at those two offices for the last quarter. It was confidently believed, if the business of the department was to increase, in consequence of the low postages, at any points in the Union, it would have been between those great cities. What reasons exist for this singular refusal the department cannot well ascertain. That it has the effect to detract from the character of the route as an agent in the mail service, and abridge its usefulness to the public, there can be no doubt.

It has been shown that the savings in New York and New England, at the lettings last spring, exceeded one quarter of a million of dollars. Should similar savings be realized in the other sections when placed under the new law, there will be in the western section, after the 1st of July next, a reduction in the cost of the annual transportation of about \$335,000; in the southern section, after the 1st of July, 1847, about \$238,000 per annum; and in the middle section, after the 1st of July, 1848, \$180,000 per annum. The whole reduction thus made, after the 1st of July, 1848, in the transportation of the mails, will be \$1,005,000 per annum. It may not be safe to infer, from the reduction of prices of transportation in New York and New England, that a similar one will consequently be made in the other sections of the Union, when subjected to the provisions of the new law. In the former, the higher grades of service had been more generally employed, because of the greater facilities for such service, than in the latter. The new law only requiring that species of service which is necessary for the safe and speedy transportation of the mails, would enlarge the field of competition, and reduce the prices more in the one than the others. The prices for transporting the mails may be injuriously affected by the state of the trade and markets of the country. The extent of the country, and its increasing population, will demand additional and improved service, and, if extended to Texas and Oregon, will not allow any reduction of the expenditures in this branch of the service.

The compensation to postmasters, and the expenses of their offices, is the next principal source of expenditure; and amounted, for the year ending 30th of June last, to the sum of \$1,409,875 18.

This class of officers had been paid by a commission depending on the

amount received at their offices, and by the franking privilege. Their compensation under the former laws, with the exception of a few at the larger offices, was less, in proportion to the services rendered and the importance of the duties performed by them, than that of any other officers under the federal government. The new law operated with peculiar hardship upon them. It deprived them of the franking privilege, and diminished their compensation in proportion to the reduction of the revenue, and greatly increased their labors. The number of resignations (over two thousand) created an apprehension that the public service might suffer from the want of competent and faithful men to take charge of the offices. The arguments urged by the friends of the bill, that the cheap rate of postage would increase the business of the department, and prevent a reduction of its revenue, the general appropriation limiting its expenditures, and the appropriation for postmasters and their clerks being nearly the same as those of the preceding year, satisfied me that Congress had not intended a reduction of their pay, or that of their clerks; and therefore I determined to allow them for each quarter of the present year the same compensation they received for the corresponding quarter of the preceding year. Entertaining some doubts of my power to do so, I submitted the question to the Attorney General, and his opinion accompanies this report, marked No. 8. Copies of the orders made are also annexed, marked No. 9.

These considerations leave but little ground to hope that, within any reasonable time, the expenditures can be so reduced as not to require the aid of the treasury. This branch of the public service was founded upon the principle that it should sustain itself. Congress never made it a source of revenue for general purposes, except for a short period during the late war with Great Britain, nor permitted the general revenues to be applied to its support. To tax that class of our citizens who do not participate in the advantages of the mail service for the benefit of those who enjoy its exclusive use is so manifestly unjust that it has been seldom presented to the consideration of Congress.

The numerous agents of the department identified with every interest in society, reaching every neighborhood, its tendency to enlarge the circle of its operations and to increase its power and patronage, (now so large as to be a source of jealousy among the people,) require that every restriction should be thrown around it that will not impair its usefulness or interfere with its legitimate functions. Among the best restrictions that can be imposed, is the limitation of the expenditures to its income. Should it be thrown upon the treasury for its support, there is great danger that the demands for an extension of the service may be made as much with a view to a distribution of the revenues in the different sections of the country as to the necessary mail accommodations; that the same watchful supervision of its concerns now required to maintain its credit may not be kept up, nor the usual and necessary precautions against wasteful expenditure of its resources be observed.

So far as calculations can be relied on, from the returns to the department of the operation of the new postage law, for the quarter ending 30th September last, the deficiency for the current year will exceed a million and a quarter of dollars; and there is no reasonable ground to believe that, without some amendment of that law, it will fall short of a million of dollars for the next year.

As the public interests and convenience will not admit of such a curtail-

ment of the present service as materially to reduce the expenditures, and, in the opinion of the undersigned, the deficiency should not be made a permanent charge upon the treasury, the revenues must be increased so as to produce the desired amount of money, by a revision and modification of the act of the 3d March, to which, in a great degree, the deficiency may be attributed.

The rating of letters by weight, instead of the single sheet, as formerly, has led to practices little less injurious to the revenues than the expresses which were kept up prior to the passage of the act just referred to. Applications were made to the department, shortly after its passage, for permission to take letters out of the mail over post routes, the applicants proposing to go to the post office and prepay the postage by weight. The consent of the department was sought, to avoid the penalties for taking letters out of the mails over post routes. These propositions were rejected. The right was then claimed of enveloping letters addressed to particular individuals, and directing them to their agents for distribution, and paying the postage by the half ounce, and probably receiving pay by the single letter. This practice is believed to prevail extensively in some of the cities, producing great profit to those engaged in it, probably more than the former express lines realized; as the department is now burdened with the transportation, and those engaged in it receive the profits of the distribution. An incident recently occurred which will forcibly illustrate the injurious effects of such a practice upon the revenues of the department. A large bundle of letters was enveloped and sealed, marked "postage paid \$1 60." By some accident in the transportation, the envelope was so much injured as to enable the postmaster to see that it contained one hundred letters, to different individuals, evidently designed for distribution by the person to whom directed, and should have been charged ten dollars. The continuance of this practice would, in a short time, deprive the department of a large proportion of its legitimate income. The department has no power to suppress it, further than to direct the postages to be properly charged whenever such practices are detected. This has also introduced a species of thin, light paper, by which five or six letters may be placed under one cover, and still be under the half ounce. It in truth makes free the transmission of notes, bills of exchange, acceptances, drafts, receipts, and small parcels of money; the letter alone paying the postage. It renders the postage tax more unequal upon the different classes of society than the former mode of rating by the single sheet. These devices to evade the law may be easily suppressed or rendered much less injurious to the revenue, by establishing one quarter of an ounce, instead of the half ounce, or by directing the letters to be rated as formerly, by the single sheet, which is decidedly better for the revenues of the department, and more convenient in practice for the deputy postmasters.

The practice of sending packages of letters through the mails to agents for distribution has not entirely superseded the transmission of letters over post roads out of the mails by the expresses. The character of this offence is such as to render detection very uncertain—full proof almost impossible—conviction rare. The penalties are seldom recovered after conviction, and the department rarely secures enough to meet the expenses of prosecution. If the officers of the department were authorized in proper cases to have the persons engaged in these violations of the law arrested; their packages, trunks, or boxes seized and examined before a proper judicial officer;

and, when detected in violating the law, retained for the examination of the court and jury, it is believed that the practice could be at once suppressed. There seems no just reason why individuals engaged in smuggling letters, and robbing the department of its legitimate revenues, should not be punished in the same way and to the same extent as persons guilty of smuggling goods, nor why the same means of detection should not be given the Post Office Department which are now given to the Treasury.

Weight and bulk of the mails add much to the cost of transportation, which constitutes near three-fourths of the whole expenditure of the department; and, if it is to be sustained on its own revenues, it is but just and proper that all matter passing through the mails should be compelled to pay a fair proportion of the cost incurred in its transportation and delivery. A discrimination has usually been made in behalf of newspapers and other printed matter, because they are supposed to advance the policy of the government by contributing to the general diffusion of intelligence among the people, upon which depend the maintenance and perpetuation of our free institutions. There was, under the old law, too great a difference between the tax upon letters and printed matter. The tax upon the former was unnecessarily high, and became oppressive to the citizens; the tax upon the latter was not so high as materially to interfere with their general circulation. There are no regular returns made to the department of the weight of the different kinds of matter passing through the mails, upon which an opinion might be formed of the actual cost of the different kinds, and the proportion which each should pay.

One of my predecessors, in 1838, had an account kept, for one week, of the weight of the mails, distinguishing between the weight of letters and newspapers and pamphlets, in the cities of New York, Philadelphia, Baltimore, Washington, and Richmond, from which it appeared that the whole weight of the mails was 55,241 pounds; of which the newspapers weighed 44,868 pounds; the periodicals, 8,857 pounds; letters, free and taxable, 1,916 pounds.

It is confidently believed that the difference in weight between the printed matter and written communications passing through the mails, is greater since the passage of the late law than before; that nine tenths of the whole weight of the mails, and a greater inequality in bulk, is composed of printed matter, paying about one-ninth of the expense. This great inequality in the cost of transportation did not warrant the difference in postages, under the former law, and was most unjust to the friendly and business correspondence of the country. The reduction of the letter postage, by the late law, was but an act of justice to that class of our citizens who had been so long and so oppressively taxed for the benefit of others.

The same necessity did not exist for a reduction of the postage on printed matter. That had always been low, greatly below the actual expense of its transportation, and yet not so high as to interfere materially with the general policy of the government.

I therefore recommend a continuance of the rates of postage on written communications, with these modifications: that 5 cents pay for each single letter, for 50 miles and under; that 10 cents pay for each letter for any distance between 50 and 300 miles, until the 30th June, 1848; and after that time, that the 10 cents pay for any distance over 50 miles, and that 15 cents be paid on each single letter for any distance over 300 miles, until the 30th June, 1848, when it shall cease. The rate of 15 cents is added to compen-



sate the department for the high prices paid upon the contracts under the old law, which do not expire until that time. I recommend, also, a restoration of the former postage upon all printed matter passing through the mails, with the right reserved to publishers to take them out of the mails over post-roads. I also recommend a limitation of the number of papers that editors or publishers may interchange free, through the mails. There are now understood to be between seventeen and eighteen hundred printing establishments in the United States from which newspapers issue. From this fact alone, it will be readily seen what abuses might be practised upon the department.

It is believed by the undersigned, if it shall be the pleasure of Congress to adopt these suggestions, that the cheap postage system may be maintained, and, it is hoped, without any aid from the treasury after the present year. It will be seen, however, that any diminution of the expenditures or increase of the revenues, in the mode suggested, is, and must be, conjectural, and if adopted by Congress, would require contingent appropriations, only to be used where a deficiency in the revenues to meet the expenditures shall render it necessary.

The 6th section of the new law directs that class of public officers formerly entitled to the franking privilege to keep accounts of all postage chargeable to or payable by them, upon letters, &c., *received through the mails*, touching the business of their offices, and directs their payment out of the contingent fund of the department and bureaus, or out of the treasury; but no provision is made for the payment of the postage on *official communications sent* from the departments to officers or others at a distance from the seat of government. This has produced occasional difficulties between the deputy postmasters, who claim the postage upon the delivery of the communications, and the officers to whom they are addressed. It is understood, however, that the heads of departments have directed accounts to be kept of all such communications, and will direct their payment with the other postages of the departments. It also directs the deputy postmasters to keep accounts of such letters, and to be allowed a credit for them, when the account is verified *upon oath*, and the letter transmitted as a voucher. Several cases have occurred, in which the verification *on oath* costs the postmaster more than the credit to which he is entitled, and the *retention* of the letter by him is often rendered necessary from its contents. As the whole of the money arising from the keeping of these accounts comes from the treasury, it is suggested as worthy of consideration, whether they might not be dispensed with altogether, and the postages paid by an appropriation from the treasury so soon as Congress shall be enabled, from the accounts now kept, to ascertain, with reasonable certainty, the amount which should be paid for that object; and to permit all official communications to and from the departments and bureaus to be received and sent free, or marked as paid.

It is indispensable that *all communications* addressed to that class of officers who formerly had the privilege of franking should be *received* free of postage. The privilege might, with great propriety, be restricted to official communications *from them*, or Congress should provide for their payment. This should include deputy postmasters especially, as a very large number of them regarded the privilege as part of their compensation for the duties performed by them, and there is believed to have been as little

abuse of the privilege by them as any other class of officers to which it was extended.

Prepayment of postages upon all matter passing through the mails has been often recommended by my predecessors, and is of so much importance that in my judgment it cannot be too strongly recommended to the favorable consideration of Congress, and, if adopted, will supersede many of the suggestions made in this report. The transportation of letters and other mailable matter is always at the instance of the person who deposits in the post office, and the risk of their delivery to the persons to whom they are addressed should not be thrown upon the department. The service is performed in the transmission, and should be paid for at the time and by the person seeking the aid of the department. The immense number of letters transmitted to the offices to which they are directed, and returned as dead letters to the department, shows the importance and necessity of this change. It is estimated by those having charge of the dead letter office that they average about 300,000 quarterly, and the first quarter under the new law about 400,000. The department receives no compensation for their transmission, and is at the additional expense of forwarding them through the mails to the dead letter office. In addition to this loss, an immense mass of printed matter is sent through the mails, which is never called for by those to whom directed, and which is not required to be returned to the dead letter office.

The prepayment of postage would put an end to the practice, too common, of sending anonymous communications through the mails, intended to annoy and harass the persons to whom addressed—as well as the still more common practice of scattering newspapers, pamphlets, &c. throughout the whole land when any particular object is to be effected, by addressing them to persons not ordering them—often refusing to take them out; and for which, even when taken out and paid, the department receives no compensation adequate to the expense of carrying them in the mails. It might diminish the number of letters, even under the present low rates of postage, sent through the mails, but would certainly add to the revenues of the department. The pay on the dead letters would surely exceed the probable loss which might arise from a diminution of correspondence.

The interests of the department as well as of the citizens require a revision of the law regulating the fees of district attorneys and other officers, and witnesses attending the courts in cases where this department is concerned. The suits are generally for small sums of money, and the costs often exceed the amount claimed, to the citizen as well as the department. The district attorneys should be compelled to attend all the suits, in whatever courts brought, without any additional fee to their regular compensation; and should be compelled to give security, and make regular returns, like all other officers collecting public moneys.

The statute of limitation, for the benefit of sureties, often compels two suits for the same money, and the death of the principal or sureties requires additional suits in some of the States, so that three or four suits are not unusual for the same claim. This multiplication of suits is often oppressive to the citizen as well as the department, by the great increase of costs.

It has been decided in some of the States, that, upon suits against postmasters for their quarterly dues, demand must be proven before a recovery can be had, notwithstanding it is made their duty to deposit the money in the places selected, or otherwise pay over at the end of each quarter. This

produces great additional delay and expense, as the contractors, who usually make the demand, often reside in sections of the country remote from the place of trial.

Congress, at its last session, authorized the Postmaster General to provide by contract for the transportation of the mails between any port of this country and any foreign port, in sailing packets or steam ships. In entering into contracts, it authorized a preference to be given to those proposals for the service that offered to convey in such vessels as were capable of being converted into ships of war. This and other provisions indicated the policy of bringing private enterprise and capital, aided by appropriations from this department to be expended for the transportation of the mails, into the construction, to some extent, of a military marine.

After seeking and obtaining information upon a subject presenting much that was novel for the consideration and action of this department, an advertisement for proposals was issued, exhibiting the scheme of mail service between this and other countries in all the parts and alternatives that had been contemplated. A copy is hereto annexed, marked No. 10.

The success of the Cunard line of steamers, established under the authority of the British government, exercised no little influence in stimulating the enterprises contemplated to be put in operation under the law referred to. An appropriation of about eighty-five thousand pounds sterling a year is made by that government to sustain that line. Some of those who wish to take a contract under this government expect to receive a stated sum per annum for their investment and service. It is, however, represented that the expenditure made by the British government is fully reimbursed by the amount of postages collected from the mails which the line conveys. Other capitalists have manifested a willingness to engage in the service on the principal lines, for the net proceeds of postage arising from them. In the present condition of the finances of the department, I have deemed the making of these contracts of so much importance that I fixed the period for making them when Congress will be in session, that I may be guided by such further directions as it may think proper to give, when it will have a full view of the case after the proposals are made.

The electro-magnetic telegraph, invented by Professor Morse, and put in operation between the cities of Washington and Baltimore, under appropriations made by Congress, was placed under the superintendence of the Postmaster General, by a clause in one of the appropriation acts of the 3d March last. It had been in use the previous year under the direction of the Secretary of the Treasury, but had been conducted more with reference to the testing of its capabilities, and such experiments as tended to perfect and improve its operations. Having been transferred to the Post Office Department, I at once adopted regulations to bring it into constant service as a means of transmitting intelligence accessible to all, and prescribed the rates of postage. The copy of the order, which accompanies this report, marked No. 11, will show the regulations and the rates of postage adopted. One-half of the rates of postage suggested by Professor Morse was adopted by me, under the hope that it would greatly increase its revenues. It went into operation on the 1st of April, having expended \$680 15 before the charge of postage commenced. From the first of April to the first of October, the expenditures amounted to \$3,244 99, making the whole expenditure \$3,925 14, whilst the revenues for the six months amounted to the sum of \$413 44.

In estimating the expenditures of this line, the salary of Professor Morse, perhaps, ought not to be added. It was fixed by the regulations of the treasury, and continued in estimates upon which the last appropriation was founded; and his time has been devoted to the general interests and improvements of the telegraph, and a portion of it spent in Europe, where, in his judgment, it could be more successfully done than here.

I deem it my duty to bring to your notice the fact that the subject of telegraphic communications, in their fullest extent, as made available by means of this extraordinary invention, is forcing itself upon the attention of the public. The proprietors of the patent securing the exclusive use of the telegraph, have, since the last Congress, taken the most active measures to establish lines of communication between the principal cities of the Union. Their success will introduce a means of communicating intelligence amply sufficient for a great variety of purposes, and greatly superior in despatch to those of the public mails, and must secure to itself much of the business that has heretofore been transacted through them, and, to that extent, diminish the revenues of the department.

It becomes, then, a question of great importance, how far the government will allow individuals to divide with it the business of transmitting intelligence—an important duty, confided to it by the constitution, necessarily and properly exclusive? Or will it purchase the telegraph, and conduct its operations for the benefit of the public? Experience teaches that, if individual enterprise is allowed to perform such portions of the business of the government as it may find for its advantage, the government will soon be left to perform unprofitable portions of it only, and must be driven to abandon it entirely, or carry it on at a heavy tax upon the public treasury. In the hands of individuals or associations, the telegraph may become the most potent instrument the world ever knew to effect sudden and large speculations—to rob the many of their just advantages, and concentrate them upon the few. If permitted by the government to be thus held, the public can have no security that it will not be wielded for their injury rather than their benefit. The operation of the telegraph between this city and Baltimore has not satisfied me that, under any rate of postages that can be adopted, its revenues can be made to equal its expenditures. Its importance to the public does not consist in any probable income that can ever be derived from it; but as an agent vastly superior to any other ever devised by the genius of man for the diffusion of intelligence, which may be accomplished with almost the rapidity of light to any part of the republic, its value in all commercial transactions, to individuals having the control of it, or to the government in time of war, could not be estimated. The use of an instrument so powerful for good or for evil cannot with safety to the people be left in the hands of private individuals uncontrolled by law.

Very respectfully, your obedient servant,

C. JOHNSON.

To the PRESIDENT OF THE UNITED STATES.

*Table of mail service for the year ending 30th June, 1845, as*

States and Territories.	Length of routes.	Annual	
		On horse.	
	<i>Miles.</i>	<i>Miles.</i>	
Maine - - - - -	4,037	298,479	\$14,818
New Hampshire - - - - -	2,371	125,149	4,760
Vermont - - - - -	2,401	136,698	5,965
Massachusetts - - - - -	3,297	258,718	10,308
Rhode Island - - - - -	384	30,732	1,115
Connecticut - - - - -	1,943	130,938	5,772
New York - - - - -	12,867	883,973	39,837
New Jersey - - - - -	1,954	93,372	3,439
Pennsylvania - - - - -	10,203	905,108	34,923
Delaware - - - - -	594	56,264	2,281
Maryland - - - - -	2,258	210,704	9,351
Virginia - - - - -	9,859	1,032,056	41,921
North Carolina - - - - -	7,283	553,248	24,889
South Carolina - - - - -	4,566	314,514	17,600
Georgia - - - - -	6,157	481,472	20,498
Florida - - - - -	2,920	96,680	7,626
Ohio - - - - -	11,017	827,006	27,408
Michigan - - - - -	3,803	312,458	13,534
Indiana - - - - -	6,354	575,924	24,185
Illinois - - - - -	7,046	374,291	22,020
Wisconsin - - - - -	1,975	140,040	8,499
Iowa - - - - -	697	92,925	4,060
Missouri - - - - -	8,657	527,848	27,267
Kentucky - - - - -	7,489	524,081	23,074
Tennessee - - - - -	6,674	531,410	20,028
Alabama - - - - -	6,650	565,644	37,004
Mississippi - - - - -	4,414	555,518	38,778
Arkansas - - - - -	3,522	369,012	24,468
Louisiana - - - - -	2,228	228,436	24,841
	143,940	11,225,631	548,492
<i>g</i> Add expenses of mail agencies incidental to the railroad and steamboat mails, and payable under the head of transportation -	-	-	-
More than the preceding year - - - - -	-	-	-
Less than the preceding year - - - - -	747	148,321	29,321

*a* The entire service and pay of the route 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.

*b* Most of the steamboat route on Lake Champlain is under a New York number.

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

*d* This embraces the steamboat service from St. Louis to New Orleans.

## No. 1.

exhibited by the state of the arrangements at the close of the year. (a)

transportation and rate of cost.				Total annual transportation.	Total annual rate of cost.
In coaches.		By railroad and steamboat.			
Miles.		Miles.		Miles.	
706,124	\$49,836	36,400	\$5,000	1,041,003	\$69,654
476,808	38,820	73,632	2,958	675,589	46,534
584,178	40,314	b 2,304	640	713,110	46,939
574,203	57,344	513,556	60,993	1,646,477	128,545
74,256	4,600	29,952	4,600	134,940	10,515
418,454	33,066	217,338	16,467	766,734	55,308
2,842,169	210,298	1,104,884	110,540	4,831,026	360,665
405,096	17,204	211,452	37,551	709,920	58,194
1,566,436	75,698	316,368	42,996	2,787,912	152,917
68,084	5,650	c -	-	144,352	7,931
307,736	26,631	393,848	95,745	912,288	131,730
884,256	74,971	535,694	81,270	2,452,006	198,162
663,228	62,528	317,272	87,200	1,553,748	174,617
483,010	48,145	222,040	50,200	1,019,564	115,945
598,811	59,061	305,634	61,202	1,388,890	149,761
163,894	22,228	75,400	12,500	335,974	42,354
1,721,036	120,612	571,441	14,250	3,119,522	162,300
316,472	15,691	177,276	16,138	806,206	45,363
597,896	44,526	-	-	1,173,820	68,711
1,038,964	91,209	35,776	4,234	1,447,034	120,523
83,834	4,883	-	-	223,874	13,392
54,268	3,321	-	-	147,213	7,381
504,674	34,739	435,096	d 7,176	1,467,618	69,182
694,514	71,932	585,212	e 30,545	1,803,807	125,551
669,348	69,601	-	-	1,190,758	89,629
675,762	118,262	146,848	f 73,000	1,388,254	124,266
332,072	51,234	33,072	5,300	920,662	95,312
112,941	18,482	31,200	10,000	513,156	52,950
7,488	2,100	82,844	12,725	316,812	39,666
17,924,046	1,476,079	6,484,592	843,430	35,634,269	2,867,991
-	-	-	-	-	37,513
-	-	-	-	-	2,905,504
364,271	82,763	737,237	41,424	284,646	62,791

e This embraces the steamboat service from Louisville to Cincinnati, and from Louisville to New Orleans.

f This includes the route from Mobile to New Orleans.

g The other expenditures incident to transportation, such as amounts paid for ship, steamboat, and way letters, locks, &c., are not included in this table, because they are the subjects of separate appropriation and account.

No. 2.

*Cost of the service in the New England and New York section, which was assigned to contract at the last annual lettings, and went into operation July 1, 1845, as the same was in operation and adjusted October 31, 1845.*

States.	Mode of conveyance not specified.	More than preceding year.	Less than preceding year.	Coach.	More than preceding year.	Less than preceding year.	Railroad and steamboat.	More than preceding year.	Less than preceding year.
Maine - - -	\$24,067 00	\$9,349 00	-	\$9,310 00	-	\$40,536 00	\$7,507 00	\$2,507 00	-
New Hampshire - - -	4,180 00	-	\$580 00	13,500 00	-	25,320 00	4,286 00	1,328 00	-
Vermont - - -	8,249 00	2,264 00	-	16,927 00	-	23,327 00	640 00	-	-
Massachusetts - - -	13,647 00	2,439 00	-	29,447 00	-	27,297 00	60,276 00	-	\$717 00
Rhode Island - - -	2,406 00	1,291 00	-	1,846 00	-	2,754 00	4,850 00	50 00	-
Connecticut - - -	15,993 00	10,218 00	-	7,754 00	-	25,312 00	30,700 00	4,243 00	-
New York - - -	61,653 00	21,826 00	-	56,435 00	-	153,863 00	102,759 00	-	7,781 00
	129,193 00	47,287 00	580 00	135,219 00	-	299,059 00	201,018 00	8,118 00	8,498 00
Railroad and steamboat - -	-	8,118 00	299,059 00	Coach.	Coach - - -	-	135,219 00	-	-
More - - -	-	55,405 00	8,498 00	Railroad and steamboat.	Mode not specified -	-	129,193 00	-	-
			308,137 00		Total cost -	-	465,432 00	-	-
			55,405 00		Cost of old service -	-	\$718,164 00	-	-
Total saving from last year - -	-	-	252,732 00		Cost of new service -	-	465,432 00	-	-
					Total saving -	-	252,732 00	-	-

NOTE.—Most of the railroad and steamboat service is placed at the prices offered by the department under the recent act of Congress—the amount of compensation not having yet been agreed upon.

[1]

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## No. 3.

*Changes in the other three sections between the 1st July and 31st October, 1845.*

States and Territories.	Additional allowances.	Land and water rents.	Overpayments.
New Jersey - - -	-	\$455	\$12
Pennsylvania - - -	\$268	-	794
Maryland - - -	21	105	-
Ohio - - -	115	70	346
Virginia - - -	55	210	89
North Carolina - - -	-	-	594
South Carolina - - -	-	35	408
Georgia - - -	85	350	1,008
Michigan - - -	-	35	22
Indiana - - -	15	-	315
Illinois - - -	-	121	41
Wisconsin Territory - - -	300	-	13
Iowa Territory - - -	247	-	-
Missouri - - -	-	50	708
Kentucky - - -	25	15	1,005
Tennessee - - -	-	-	27
Alabama - - -	123	50	300
Mississippi - - -	-	-	100
Arkansas - - -	-	-	38
Louisiana - - -	518	-	-
	792	1,496	6,870
		792	2,968
			4,582
Deduct balance of cost in changes ordered in Georgia and Alabama from 1st November, 1845 -			1,987
Total of savings in the middle, southern, and western sections -			2,595



*Cost of the new post routes established by act of March 3d, 1845, and let to contract since the 1st July, 1845.*

States and Territories.	Annual pay.
Maine	\$466
New Hampshire	130
New York	1,149
New Jersey	52
Pennsylvania	1,064
Maryland	133
Ohio	1,616
Virginia	1,407
North Carolina	961
South Carolina	633
Georgia	710
Florida	564
Michigan	1,393
Indiana	1,789
Illinois	4,550
Wisconsin Territory	2,171
Iowa Territory	1,312
Missouri	1,818
Ken.ucky	845
Tennessee	1,805
Alabama	3,038
Mississippi	1,267
Arkansas	4,390
Louisiana	2,937
	36,200

*Railroad service, as in operation on the 31st of October, 1845.*

States.	No. of route.	Terminal.	Distance.	Total distance in each State.	Number of trips per week.	Annual pay.	Annual pay in each State.	Remarks.
			Miles.	Miles.				
Maine	61 a	Bangor to Upper Stillwater	9	-	6	\$15 00	-	
	99	Portland to Portsmouth, N. H.	52½	61½	13	7,432 00	\$7,507 00	Offer of department.
New Hampshire	301	Concord to Lowell, Mass.	50	50	6	4,286 00	4,286 00	
Massachusetts	401	Boston to Portsmouth, N. H. } branch to Marblehead.	54½ } 4	-	13 } 6	7,992 00	-	Offer of department.
	402	Boston to South Berwick junction, Me., with 3 miles branch from Dover to Great Falls.	77½	-	12	6,643 10	-	Offer of department.
	404	Boston to Lowell, branch to Woburn.	26 } 3	-	15 } 12	3,660 00	-	
	406	Boston to Fitchburg	50½	-	6	1,994 00	-	
	407	Boston to Worcester	45	-	13	6,424 00	-	Offer of department. This case is under reconsideration.
	440	Boston to Providence, R. I., embracing side supply.	43	-	18	7,006 00	-	
	461	Taunton to Mansfield	12	-	12	1,114 00	-	
	463	Taunton to New Bedford	21	-	13	1,950 00	-	
	476	Worcester to Albany, N. Y.	155	492	12	19,929 00	56,377 00	Offer of department.
Rhode Island	602	Providence to Stonington, Conn.	48½	184	6	4,850 00	4,850 00	
Connecticut	603	Norwich to Worcester, Mass.	59	-	12	7,880 00	-	Offer of department.
	605	New Haven to Springfield, Mass.	62	-	12	7,971 00	-	Offer of department.
	702	Bridgeport to West Stockbridge, Mass.	96	217	6	5,413 10	50,700 00	Offer of department.
New York	806 part	New York to Greenport	97	-	6	7,972 00	-	Offer of department.
	813 part	New York to White Plains	27½	-	6	2,255 00	-	
	815 part	Piermont to South Middletown	53	-	6	2,472 00	-	Offer of department. Provisions for this part of the route.
	921	Albany to Schenectady	16	-	11	1,900 00	-	
	923	Troy to Schenectady	20½	-	7	1,910 00	-	
	926	Troy to Saratoga Springs	32	-	6	490 00	-	
	964	Schenectady to Utica	78	-	14	11,700 00	-	Offer of department. Once daily in winter.

No. 5—Continued.

State.	No. of route.	Terminal.	Distance.	Total distance in each State.	Number of trips per week.	Annual pay.	Annual pay in each State.	Remarks.
New York	397	Schenectady to Saratoga Springs	33	Miles.	6	803 00		
	398	Utica to Syracuse	33	-	14	7,550 00		Office of department. Once daily in winter.
	1.70	Syracuse to Auburn	31	-	11	3,940 00		Office of department. Once daily in winter.
	1.70	Junction depot to Skaneateles	31	-	7	360 00		
	1.67	Auburn to Rochester	76	-	14	11,700 00		Office of department. Once daily in winter.
	1006	Rhine to Oswego	30	-	4-8 miles, twice in coaches.	334 00		
	1143	Rochester to Attica	44	-	14	6,000 00		Once daily in winter.
	1140	Aurion to Buffalo	31	-	14	4,000 00		
	1100	Lockport to Lewiston, including 7 mile branch to Niagara Falls	87	-	7	750 00		
	1194 part	Buffalo to Lewiston	99	665	7	995 00	663,461 00	
New Jersey	1301	New York to New Brunswick, N. J.	36	-	14	11,700 00		Contracts not executed.
	1301 a	New Brunswick to Philadelphia, Pa.	53	-	14	30,750 00		Contracts not executed.
	1300	New York to Paterson	17	-	13	1,500 00		
	1301	New York to Morristown, N. J.	32	-	12	1,500 00		
Pennsylvania	1319 part	Elizabethtown to Somerville	95	164	7	1,400 00	37,551 00	
	1401	Philadelphia to Lancaster	70	-	14	12,300 00		
	1401 a	Lancaster to Columbia	18	-	14	1,504 00		
	1406	Philadelphia to Pottsville, embracing side supply.	98	-	6	10,500 00		
	1471	Lancaster to Harrisburg	36	-	14	6,300 00		
	1490	Harrisburg to Chambersburg	52	-	14	9,100 00		
	1507	Chambersburg to Hagerstown, Md.	30	-	6	1,000 00		
	1579	Williamsport to Ralston	96	-	6	1,304 00		
	1580 part	Stockburg to Corning, N. Y.	87	-	3	906 00		Estimate for part of the route.
	1612	Summit to Johnstown	19	300	3	800 00	46,996 00	This is horse service during winter. Whole distance is 36 miles; 19 miles is the proportion for railroad service the year round.
Maryland	1901	Baltimore to Philadelphia, Pa.	97	-	13	30,600 00		Contracts not executed.
	1902	Baltimore to Washington, D. C.	40	-	17	12,750 00		
	1903	Baltimore to Cumberland, branch to Frederick	179	-	7	13,925 00		
	1906	Baltimore to Columbia, Pa.	73	-	6	7,000 00		Shoemaker bridge (one mile) included.
Ohio	1927	Annapolis to junction	21	411	6	2,240 00	95,745 00	
	3139 part	Tiffin to Sandusky	37	-	3	540 00		Contractors perform 6 times a week service. Pro rata for this part of the route.
Virginia	2181	Manassas to Sandusky	16	53	6	401 00	940 00	
	2421	Junction to Gordonsville	50	-	7	4,500 00		Contracts not executed.
	2123	Richmond to Aquia creek, embracing side supplies.	76	-	7	12,500 00		Contracts not executed.
	2194	Richmond to Petersburg	241	-	7	5,418 50		Contracts not executed.
	2126	Petersburg to Gay Point	12	-	7	500 00		Contracts not executed.
	2439	Petersburg to Weldon, N. C.	64	-	7	15,000 00		Contracts not executed.
North Carolina	2142	Hickford to Gaston, N. C.	20	-	7	2,000 00		Contracts not executed.
	2153	Norfolk to Magaretsville	66	-	7	6,600 00		Contracts not executed. Pro rata for this part of the route.
	2519	Wilmington to Harper's Ferry	32	341	6	3,200 00	57,318 50	
	2601	Raleigh to Gaston	87	-	7	8,700 00		
South Carolina	2623 part	Weldon to Wilmington	160	217	7	17,500 00	45,300 00	Estimated for railroad part of route.
	3104	Columbia to Branchville	68	-	7	8,187 50		
Georgia	3125	Charleston to Augusta, Ga.	139	217	7	31,012 50	41,300 00	
	3451	Augusta to Covington, with branch to Warrenton—31 miles.	137	-	7	12,021 00		
	3455	Savannah to Macon	192	-	6	21,500 00		
	3453	Macon to Griffin	54	-	7	5,000 00		
Michigan	3294	Union Point to Athens	41	129	6	3,000 00	61,901 50	
	3603	Detroit to Marshall	112	-	6	7,000 00		
	4001	Detroit to Port Huron	25	-	6	1,500 00		
	4013	Monroe to Hillsdale	17	-	6	3,000 00		
Alabama	3616	Tolosa, O., to Adrian, Mich.	33	224	6	1,650 00	13,234 00	Including side supply.
	3118	Detroit to Piquette	41	41	6	3,000 00	3,000 00	
Mississippi	4005	Jackson to Vicksburg	53	53	6	5,300 00	5,300 00	
			1,092				562,141 40	

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## Steamboat service as in operation on the 31st October, 1815.

Station.	No. of route.	Terminal.	Distance.	Total distance in each State.	Number of trips per week.	Annual pay.	Annual pay in each State.	Remarks.
			Miles.	Miles.				
Massachusetts	457	New Bedford to Nantucket	65	65	6	82,434	62,128	In steamboat and packet from 25th May to 25th November; and residue of year service is by packet from Wood's Hole to Nantucket.
New York	401 403 406 part 409 410	New York to Stonington New York to New Haven Greenport to Norwich New York to Tompkinsville New York to Troy	185 80 33 4 150	- - - - -	6 6 6 6 11	9,000 6,000 1,750 150 13,750	- - - - -	Offer of department.
	814 815 part	New York to North Shore New York to Piermont	6 21	- -	6 6	125 1,028	- -	To carry 3 times a day if regular boats run as often. Offer of department—pro rata for this part of route.
	616 947 1109 1193	New York to Bridgeport White Hall to St. John's Salubria to Geneva Lewiston to Ogdensburg	65 150 39 300	- - - 984	6 6 6 6	3,017 1,500 1,463 1,500	- - - 39,313	Offer of department. Do. Do.
New Jersey	1305 part	New York to Middletown point	30	33	6	811	214	3 times a week during winter.
Ohio	4056 2233	Buffalo, N. Y., to Detroit, Mich. Buffalo, N. Y., to Toledo, Ohio Cincinnati to Maysville, Ky.	385 383 81	- - 774	7 7 6	12,000 1,310	- 13,310	Horse service during suspension of navigation, say 2 months. Under contract, in virtue of a special act of Congress.
Virginia	4401 4434 4450	Washington, D. C., to Aquia creek, Va. Richmond to Norfolk Norfolk to Hampton	51 150 21	- - -	7 3 6	12,752 1,000 1,000	- - -	
	9451	Norfolk to Baltimore, Md.	200	-	7	8,000	-	In the winter the trips are not so frequent.
North Carolina	2153 2623 part 2656	Norfolk to Cherre Stone Wilmington to Charleston, S. C. Franklin Depot to Plymouth	50 103 103	475 273 100	3 3 7	1,000 37,500 3,500	23,952 41,000 9,000	Estimate of steamboat part of route.
South Carolina	3116	Charleston to Savannah, Ga.	160	100	7	9,000	-	Four months, but once a week.
Florida	3517 3538 3531	Chattahoochee to Apalachicola Savannah, Ga., to Palatka, Flor. Palatka to Enterprise	150 300 125	- - 575	2 1 1	5,500 5,500 1,500	- - 13,500	
Michigan	3577	St. Joseph's to Chicago, Ill.	60	60	6	2,900	2,900	
Illinois	3118	Peoria to Ottawa	84	66	6	4,231	4,231	
Missouri	-	St. Louis to New Orleans, La.	1,250	-	3	5,240	-	Pro rata for steamboat part of route. This service is not under contract, but is employed through agents by the trip.
	-	St. Louis to Keokuck	206	1,456	4	935	7,176	This service is engaged through an agent by the week.
Kentucky	4801	Louisville to New Orleans, La.	1,448	-	6	23,920	-	This service is not under contract, but employed through agents by the trip.
	4874 4959	Cincinnati, O., to Louisville, Ky. Carrington to Frankfort	132 60	- 1,610	7 6	5,000 1,625	80,545 70,000	Pro rata for steamboat part of route.
Alabama	5523	Mobile to New Orleans, La. Buckton to Mobile	164 37	- 301	7 -	70,000 -	- -	This service is performed under a contract for coach service.
Arkansas	5506	Rock Roe to White River	150	150	3	10,000	10,000	Pro rata for steamboat part of route.
Louisiana	5919 5905	New Orleans to Covington New Orleans to Natchitoches and Shreveport	45 544	- -	3 2 a week to Natchitoches and once a week the residue.	3,800 -	125	This service is not under contract, but is employed by the trip.
	5938	St. Francisville to New Orleans	160	758	2	9,000	12,735	
				7,425			979,307	

WASHINGTON, April 12, 1845.

SIR: The undersigned, in behalf of those mail contractors who now hold contracts for coach service in New England and New York, and who are now in this city for the purpose of again entering into the service of the department, have been requested to state to you the difficulties under which they are called upon to make their proposals, in consequence of your circular of the 8th ultimo, materially changing the terms and service specified in the regular advertisement published in December last, and to solicit from you relief against the ruinous consequences which must inevitably result to many of them, if the new contracts shall be let without regard to the grade of service.

Until the publication of your circular, it was generally believed that the provisions of this act of Congress could not apply to the lettings, which were to take place within six weeks of its passage, in pursuance of an advertisement previously published, especially as the late period of its enactment would not allow the twelve weeks' notice which the Postmaster General was required by law to give in advertising for mail proposals. This opinion was strengthened from the fact that a supplementary act was passed fixing the first day of July next as the time when all the provisions of the new law should go into operation.

The contractors upon coach routes in New England and New York, as well as in other sections of the country, at the time of entering into their present contracts, had the pledged faith of the department, that, if superseded by underbidders, such underbidders would be required to purchase of them the stock necessary for the transportation of the mail. Under this pledge, annually made by the department, and uniformly redeemed, they made their proposals, and entered into contracts upon terms much more favorable than they would or could otherwise have done; and, for the promptness, regularity, and fidelity with which they have executed these contracts, they can with pride refer to the registers of the department. To deprive them of the benefit of this salutary provision, the only safeguard for many of them against absolute ruin could not have been anticipated; and they feel confident that, had such a consequence been foreseen, a regard for the public faith and a sense of justice would have caused their Representatives in Congress to have introduced into the law some indemnifying provision.

Another result of the Postmaster General's circular, which must operate injuriously upon contractors, and which cannot now be averted, arises from the increased competition it has called forth among a class of men that would not otherwise have embarked in the business of mail contractors. The effect of this unusual competition will inevitably be to reduce the price of coach service below what it would have been under the usual advertisement for mail proposals. Of this, however, the contractors are not disposed to complain, and will be the last to censure any official vigilance upon the part of a public officer in the administration of his office; they only claim the rights and privileges to which they believe themselves entitled, and then ask only a fair field and no favor. In addition to the personal losses which all the contractors on coach routes must suffer, and the ruin in which many of them must be involved, it is believed that the interests of the department and the public will be injuriously affected by the new ar-

renge ment. Upon most of the important routes, new contractors, and, in many cases, irresponsible men, will have charge of the service; undertaking it at low prices, they will expect to perform it by a low grade of service, and will be unwilling, if not unable, properly to stock their routes, particularly as they can have no hope, at the expiration of their contracts, of disposing of their property thus invested. Upon many advertised routes the schedules are such that it will be impossible to perform the trips with a lower grade than coach service. The consequence will be broken connexions, and coaches running for passengers only, carrying intelligence hours in advance of the mail. Thus, on the various routes from Concord, New Hampshire, to Montpelier, Vermont, and thence to Burlington, Vermont, where important connexions are made with the lake Champlain steamboats, it will be impossible to perform the trips with one or two horse service in schedule time. Upon several of these routes the present contractors find it necessary to use six horse teams. The same statement would be applicable to many other routes in New England and New York. Another fact within the knowledge of the undersigned is entitled to no little consideration from the department, (if the regular and prompt transmission of the mails is desirable;) it is, that for several weeks, in all the northern States, there is a period of bad travelling in the fall and spring, when the important mail routes cannot be run in schedule time with less than four-horse service. If provision is not made for this exigency, the contractors, who expect to carry the mails with one or two horses, must be ruined, or the department and the public suffer from frequent failures in the service.

Under the whole view of the case, and with the confident belief that Congress did not intend that the new principle of letting out the mail contracts, stated in the act, should be applicable to the present lettings, and believing that, at the next session, this portion of the act now bearing so heavily and so unequally upon the contractors in different sections of the Union may be amended, the undersigned would respectfully request the Postmaster General, in behalf of those they represent, to suspend the letting of those routes advertised for stage service till the 1st of January or the 1st of April next, and continue the service under the existing contracts till that time. We feel authorized to assure the Postmaster General that the coach contractors in New England and New York will, one and all, assent to this arrangement; and, whatever action may be taken by Congress in relation to it, that they will cheerfully acquiesce in the result.

As but little progress has yet been made in preparing proposals for the service by those interested in this application, the undersigned will be gratified with as early an answer to it as your convenience will admit.

Very respectfully your obedient servants,

*Committee for New York.*

J. Butterfield & Co.,  
Thomas C. Nye,  
Ethan Clark,

Charles L. Beach,  
Isaac Butler.

*Committee for Massachusetts.*

Chester W. Chapin,  
Thomas A. Staples,  
Anory Holman,

C. Marshall.  
James H. Clapp.

*Committee for Maine.*

G. W. Stanley,  
A. B. Thompson,  
Thomas O'Brien,

G. G. Waterhouse,  
Joseph Shaw.

*Committee for New Hampshire.*

Robert Morse,  
L. A. Russell,  
William Walker, jr.,

Nathan White,  
Bardwell, Huntington, & Co.

*Committee for Connecticut.*

James Goodwin,  
E. Fessenden,  
Edward Button,

Edward P. Camp,  
Daniel Burr.

*Committee for Vermont.*

Blogett & Barker,  
M. Cottrell,  
John P. Skinner,

A. W. Hyde & Co.,  
Lovell Farr.

*Committee for Rhode Island.*

Rufus B. Kinsley,  
John Chadwick,

Jesse Babcock,  
George Brown.

Hon. C. JOHNSON, *Postmaster General.*

POST OFFICE DEPARTMENT,  
*April 17, 1845.*

*To the committees for the Contractors of New York and New England.*

Yours, dated the 12th April, was handed me on Sunday evening by Mr. Chapin. I expressed to him at the time a very decided opinion that your requests could not be complied with, but promised to examine your letter carefully, and give you the reasons for my decision when I had more leisure.

The law of the 3d March, 1845, and the proper steps to be taken for its execution, were subjects of the most careful and anxious consideration before the issuance of my circular of the 8th ult. The great object of the law was a cheap postage system. To attain that object, Congress foresaw that the rates of postage adopted in the bill would, necessarily, produce a great diminution of the revenues of the department, and not being willing wholly to abandon the former policy of the government, to make this department sustain itself, provided also for a reduction of the transportation of the mails, by limiting the discretion of the Postmaster General in making contracts to the lowest bid, consistent with the safety and speed of the mails, and directing him to disregard the *mode* of transportation. Apprehending that the reduction in the price of transportation might not be so great as to make up the deficiency in the revenue,

they provided for the deficiency to be paid from the treasury. This act was to take effect upon its passage, with the exception of a section or two in relation to the postages.

In the 18th section, giving directions to the Postmaster General as to the contracts, the following expressions are used: 'That "in all future lettings of contracts" he shall take the lowest bid, &c.; "nor shall any new contractor hereafter be required" to take the stock, &c. of a previous contractor—evidently designing that the law should operate upon the contracts to be made in May next, to go into operation on the 1st of July next in your section of the Union. By the law the United States is divided into four districts, and contracts to be made in each section once in four years. It so happens that the contracts to be made this spring are for your section, comprising New York and the New England States. There could have been no sufficient reason for Congress postponing the operation of the law upon those contracts which are to last for four years, and permitting the experiment, as it is often called, to be tried first in the middle or western States; indeed, the reasons are strong why the friends of the measure should desire the experiment first to be tested in the old States, where the population is dense, the roads good, and cheap transportation of the mails more easily obtained, and therefore a better chance for the success of the experiment. The expressions above quoted from the 18th section show this to have been the intention of Congress in the passage of the bill. The joint resolution, postponing the operation of this law until the 1st day of July, the very day on which the contracts for your section of the Union are to be put into operation, cannot with propriety be so construed as to permit contracts to be made under the old law for four years, by means of which the people of New England and New York would enjoy for four years all the advantages of cheap postages, without the corresponding reduction of the price in the mail transportation service, which was evidently designed by Congress. The selection of the same day for the new law and the new contracts to be put into operation, would seem to imply that the service under the new contracts should be subjected to the operation of the new law. The making of contracts now to be put into operation under the old law, for such a period, would be disregarding the wishes of Congress, and justly subject the head of this department to public censure. I would not willingly place such a construction upon the joint resolution as would subject Congress, or any of its members, to the suspicion of seeking to give New York and New England the advantages of the law, and relieving them from its inconveniences and hardships, if any there be, for such a length of time. The fair and proper construction of the joint resolution and law, taken together, is, that all the mail service to be performed after the 1st of July, and the contracts for such service, though made prior to that time, should be made with a view to the service under the new law. I think there is no ground for the objection that the twelve weeks' notice required by the act of 1825 should be applied to my circular. The regulations of that law were fully complied with by the notice published in December; and I should have proceeded to make the contracts had my circular never been issued. The law itself was legal notice to bidders of the proposed changes in the contracts; yet I thought the department would be benefited by calling the attention of persons desiring to contract, to the provisions of the new law. There can be no pretext for holding the faith of the department pledged to give the contractors the

same advantage now which had been given them at former lettings; any more than if you had made a bad bargain your faith would be pledged to renew it, if called upon to do so by the department, at its expiration. Congress or the department might choose to discontinue any or all of your routes at the expiration of your present contracts; or the department might suspend the service, rendering your stock and vehicles inapplicable; and there could be no pretext for calling upon them to take your stock on hand, or indemnify you for any losses you might sustain. The condition requiring a new contractor to take the property of a prior one, was a regulation of the department attached to the advertisement, and not exacted by any law, and can have no bearing upon any other contract than the one made under it. Your written contracts with the department contain no clause binding the department for any disposition of the property at the expiration of the term. The injury which you apprehend from not obtaining as good contracts now as formerly is the result of the law, and not of any action of this department. Should your fears be well founded, the expectations of Congress will be realized.

Entertaining these views of the law, you will perceive that a compliance with your request, "to suspend the lettings until the 1st of January or April next," would be a gross and palpable violation of law and my duty to the public. A compliance with the remaining part of your request, "*to continue your service under the existing contracts until that time*," would be still worse, especially as you state that the present lettings under the new law at this time would be at a greatly reduced price, probably one-half less than the price now paid. "*The coach contractors in New England and New York, one and all*," might readily assent to such a construction of the law by the department, but I doubt whether any other portion of our citizens would so readily yield to it.

As a member of Congress, I opposed the passage of the law, but it has become my duty to execute it, and no exertion on my part shall be spared to carry it into effect in the spirit in which it was passed, and no one will rejoice more sincerely if it can be made to realize the hopes and wishes of its friends.

Respectfully, your obedient servant,

C. JOHNSON,  
*Postmaster General.*

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#### No. 6.

On route 1025, the department indicated its intention to assign the contract to the bid of Curtis, Stevens, & Co., for \$1,500 a year, to carry in two-horse coaches, in preference to the bid of Thomas White at \$1,490 a year, which contained no stipulation as to the mode of conveyance. Upon this, objection was made by Butterfield & Co., who claimed the benefit of White's bid, and a full discussion has been had. This has furnished an occasion for a careful review of this and all similar cases, and the views and course of the department, in regard to the nature and claims of the peculiar class of bids to which Mr. White's belongs, will be shown in the following remarks:

The advertisement which specifies the routes, the schedules and mode of



conveyance for this lettings, was issued before the act of 1845 was passed. It was not, of course, drawn up in reference to that law, but so as to call for the transportation of the mail in coaches wherever coaches were used as the means of conveying the mails, viz: on all lines where public facilities for travel were in use, whether the mail transported thereon was or was not of such size as to require a higher mode of conveyance than on horseback. Under the law existing when the advertisement was drawn, the lowest bid for the mode prescribed in the advertisement would have been entitled to the route.

But the act of 1845 intervenes, and allows the bidders to propose upon such routes, and upon all routes, to carry the mails in modes of conveyance different from what is stated in the advertisement; and makes it the duty of the Postmaster General to let the route to the lowest bid for such mode as will give the necessary certainty, security, and celerity to the transportation of the mails.

The duty imposed by the law is to let the route, not to the lowest bid in dollars and cents, but to the lowest bid that gives a mode of conveyance adequate for the mails in respect to the certainty, security, and celerity of their transportation, aside from any accommodation for travel.

The lowest class of routes, the horseback routes, are advertised without any designation of the mode of conveyance, and the bids are usually made in the same way. There are specific bids in four-horse coaches, and in two-horse coaches; also in one-horse vehicles. But the novel species of bids, peculiar to the present lettings and the new law, are those which specify no mode of service, but seem to imply more than horse bids, by engaging to convey the mail with certainty, celerity, and security. They are designated on the books in a particular way, and are hence called, for brevity's sake, *star bids*.

The question arises, how is this description of bid to be classed? What is the mode of conveyance that the contractor under it is to provide for the route, and for failing to render which, he can be fined or dismissed as a defaulting contractor?

It appears, by comparing the bids on the books, to be pretty generally the case, that, where the same party offers star and specific bids, he makes the former a grade below the coach bid—below the bid for two-horse coach conveyance. It is a preferable bid to the contractor, because it leaves the mode of conveyance to his discretion; it enables him, either the whole or part of the year, to run in two horse wagons, one-horse wagons, or even on horseback, according to circumstances. He can afford, of course, to do the service for less compensation. To the same extent, and for the same reasons, it is a less preferable bid to the department, considering the hazards of placing so important a particular in the mail service as the mode in which it shall be performed, at the discretion of those whose interests in the matter have so direct a tendency to be adverse to the interests of the public; and considering also the liability of the larger class of routes, of having double or more frequent mails cast upon them by failures on connecting routes, and the questions that might arise as to the obligations of the contractor, under a star bid, to provide the means of conveyance for an unforeseen accumulation of mails, caused by the deficiency of other agents of the department.

But it is alleged that the covenant to convey the mail with certainty,

security, &c, is sufficient. These are mere terms to show results, and not to indicate the means of performance. They express what is to a great extent matter of opinion, and are to be taken with every intendment against the party, who, having it in his power to exact a covenant for a specific mode of conveyance, declines to do it, and surrenders that matter to the discretion of the other party.

The difficulties and embarrassments that would arise, in obtaining the full and satisfactory conveyance of the mails under this class of bids on important routes, may be illustrated by the following case, which would be one of frequent occurrence: a contractor under a star bid is reported in an instance where double or triple mails have accumulated in consequence of failures on other routes, for having left behind a portion of the mail, and for being therefore in default, under the clause to take the mail "with certainty." He shows that he had provided a sufficient conveyance for the regular despatch of the mails on the route, and claims that he had done all in that respect that a sound discretion required; that the department was first in default, through the failure of its agents on other routes in not bringing the mail to him as it accrued, with regularity; and that if it had been so brought, agreeably to the arrangements of the department and the stipulations of other contractors, and according to which he had a right to make his calculations, the load of mail would not have been too large for his means of conveyance; that he was under no engagement to provide for the deficiencies of others, and should not be punished for their fault.

The principal remedy resorted to by the department for failure to carry the mail as required by contract, is that of fine or deduction from the contractor's pay. It is a well-settled principle of law and justice, that where a party takes the remedy in his own hands, he is to exercise it only in a case of certain, specific, and unquestionable default. There should be no issues of law or fact calling for the intervention of judge or jury. This rule may not apply with its utmost strictness to a department of the government, standing in the attitude of a party, or representative of a party, to a contract. But certainly, a due regard for the great principles of trial and adjudication, which constitute so distinctive a portion of our institutions, and so essential a safeguard of the rights of the citizen, will prevent the desire of bringing a class of controverted cases under the prerogative of fine and deduction. Under a specific bid calling for four-horse coaches, a conveyance of the mail in a one horse wagon would constitute an undoubted and undisputed failure, and the right to fine would be unquestionable. But under the *star* bids, it is manifest that a report of facts to show that the mail was not conveyed with "certainty," may be met with questions both of fact and law, that would prove embarrassing to the prompt and efficient supervision of the service. In view of these difficulties, it is clear, that in respect to mails that require, either constantly or occasionally, a mode of transportation above the lower grades, that is, equivalent to two-horse coach conveyance, or the grades higher than that, the specific bid is to be preferred to the star bid, except where the star bid is made by the present owner of the stock on the route, engaged in the business of transporting passengers. In that case the apprehensions of the embarrassments and difficulties above referred to would be in a great degree or entirely removed. This difference in favor of the specific bid may be to greater or less extent, according to the nature of the route, increasing with the size and importance

of the mails. But the policy of the new law is to be kept distinctly in view ; and where the specific bid, as compared with the general competition, shows a demand for an undue price, the lower star bid will be preferred, notwithstanding the objections above set forth. For the necessity of reducing the expense of mail transportation, superinduced by the reduction of the rates of postage, must have its influence and effect upon the course of the department, even should it cause a diminution or deterioration of the service.

The following positions are laid down :

1. Where the mail on the route is not so large as to require two-horse coach conveyance, a star bid will be regarded as sufficient for the service, and will be preferred to the specific bid, if lower.

2. Where the mails are of such size as to render it necessary or expedient, in reference to them alone, to provide two horse coach conveyance, the specific bid will be preferred to the star bid, to the extent of a moderate difference in the compensation, in case the difference is not such as to interfere with the policy of the new law ; excepting, however, the star bid, made by the present owner of the stock on the route.

3. On routes of the highest class, where four-horse coach transportation is called for by the size and importance of the mails, the preference for the specific bid is to be carried to a greater extent of difference than on the inferior coach routes ; subject, however, to the exceptions above stated.

It is offered, since the bids have been opened and the state of them is known, to make the star bids, in some instances, specific bids ; and the owners of stock on the route have come forward in some cases, and assumed star bids standing in the names of strangers to the route. This might operate, if allowed, to the immediate advantage of the department, but to its great loss and injury in the end. It would destroy public confidence in the fairness of the lettings, and prevent in future a full competition ; it would tend to restrict the business of proposing for mail contracts to those only who can attend the seat of government ; and it would prompt them to bid, not in a way to show fairly what they could afford to do the service for, but with such devices as would enable them at the moment of decision to cut under competition, and secure the route at the greatest available price. A modification of a bid in any of its essential terms is tantamount to a new bid ; and none such can, under the law and a sound policy, be received so as to interfere with competition after the last day set for putting in bids ; and, to permit a contractor on the route to assume the bid of another after he ascertains that there is a fair competition standing between his bid and the lowest, and that, by assuming that bid, he gives to it, from his relations to the service, a claim to preference that it did not before possess, and thus saves to himself a route that, by the regular cast of the bids, he has lost, would allow an undue advantage to be taken of fair and regular competition, and revive the practice of *straw bids*—a practice that would lead to much unfair dealing at the lettings, and to the eventual injury of the department.

## [CIRCULAR]

POST OFFICE DEPARTMENT, June 9, 1845.

SIR : The act of March 3, 1845, (19th section,) makes it the duty of the Postmaster General to arrange and divide the railroad routes, including those in which the service is partly by railroad and partly by steamboat, into three classes, according to the size of the mails, the speed with which they are conveyed, and the importance of the service. It authorizes him to enter into contract for conveying the mail over said roads; but allows him to pay for such conveyance, upon those of the first class, no more than what is now allowed by law; on those of the second class not more than \$100 per mile per annum; and not more than \$50 per mile per annum on those of the third class. It permits him to make an addition of 25 per cent. upon the foregoing maximum rates where one-half of the service is performed in the night season; and to make such additional compensation as he may think just and reasonable, having reference to the service performed and the maximum rates of pay, whenever more than two mails daily are necessarily conveyed over the road.

The object of the act is to fix a limit by law upon the cost of mail transportation, where, from the nature of things, none is, or can be, imposed by competition; and to make the compensation among the several roads alike, where the service is similar. This equalizing of the price of transportation, according to the amount of service performed, is to be effected by the classification of the routes. How this classification is to be made, is with the department the main, indeed the only question.

It appears that, from the commencement of railroad service, the railroad routes of the great Atlantic line between New York and New Orleans have been uniformly regarded as of a higher grade than any other, with but a single exception—which exception it is the intention of the department to correct in due time. A close investigation shows that this distinction in favor of the great Atlantic mail routes south of New York should continue, unless it be forfeited by the mismanagement of the railroads. The great mail which, south of New York, is concentrated upon one line, is divided east of that city between parallel lines; and here the superiority in the relative importance of the routes is consequently lost.

Placing the railroads of the Atlantic line, above referred to, in the first class, and the principal railroads elsewhere in the second class, the question arises, are all these routes of the second class to receive the uniform price of \$100 a mile per annum? Some of them will perform more service than others, by reason of conveying a second or a third daily mail; and if no more is received by the railroad necessarily performing this additional service, than is received by the railroad running but the single daily trip, the compensation will be unequal in regard to the service performed, and the express object of the law in this respect will be defeated. On the other hand, if the maximum pay for the second class service be given only to the routes that carry double daily mails, and an amount, proportionately reduced from that, be given to the routes running but once a day, injustice may be done the latter by too wide a difference of compensation between them and the first class routes, and ground will be furnished for incessant struggles

between the discretion of the department on one side, and the efforts of the railroad companies on the other, to obtain all that the law will permit them to receive. This would defeat another most important object of the law—the relief of the department from the controversies which ever arise where matters of this nature are determined by the mere exercise of executive discretion.

It is obvious that the only way to attain the object of the law—a just and equal measure of compensation, according to the service performed—is to classify the roads not only in reference to the principal mail they convey, but also in reference to the additional mail transportation they perform, whenever a more frequent mail conveyance than once a day is required by the department. A railroad therefore may, and generally will, be arranged to one class in respect to one of its daily lines, and in respect to another daily line of mail conveyance performed by it assigned to another class.

It is this process of classification that the department will adopt in the execution of the law. The only railroad routes at present under consideration are those in the New England States and in New York. Upon these, new contracts are to be made from the 1st July next.

For the reasons before stated, the railroads upon the parallel daily lines, between New York and Boston, are placed, in respect to the principal daily mails upon them, in the second class; and, as the service on these roads is not inferior in importance to that on any other railroad in the section, it follows that there are no railroad mails in New England and New York to assign to the first class. All former decisions and reports show that this view of the matter is in harmony with the past action of the department in respect to these roads.

The primary railroad mail service in this section belongs to the second class under the law. To that class should be assigned the main daily lines—

From New York, by Stonington and Providence, to Boston;

From New York, by Norwich and Worcester, to Boston, and thence to Portland, in Maine;

From Boston, by Lowell, to Concord, in New Hampshire;

From Worcester, (the point of divergence from the New York route,) by Springfield, to Albany;

From New York, by New Haven and Hartford, to Springfield, Massachusetts, as the stem of the great Connecticut river mail;

From New York, by Bridgeport, to the intersection with the Boston and Albany railroad, during that portion of the year only when steamboat navigation is suspended on the Hudson river;

And from Albany, by Utica and Rochester, to Buffalo.

Upon the residue of the railroads no mail service is performed that will justify the assignment of any of them to a higher grade than the third class. In respect to the second daily trips on the second class routes, it is clear that the mails conveyed by such additional daily trips are so much inferior in size and importance to the principal daily mails on the same roads, that they can be rated no higher than the third class mail service. Where such second daily mails are necessary, and conveyed by the order of the department, the maximum rate of third class compensation will be

allowed, in addition to that awarded for the principal daily mail. Where a third daily mail is necessary, (and even in the strongest case *that* may be deemed quite problematical,) if an additional allowance be made under the last clause of the 19th section of the act, it will in no case be granted so as to carry the aggregate of compensation beyond the present expense. All the enactments of Congress, made in connexion with the introduction of the system of low postage, look to a reduction of the cost of mail transportation; and the force of circumstances combines with that of law in imposing this policy upon the department. For the same reason the 25 per cent addition, authorized in the act for night service, will not be allowed where it has the effect of augmenting the pay beyond the present amount. The fact that the classification of the railroad routes in this section has the effect of increasing the cost of railroad transportation in the aggregate, makes it an imperative duty to resist the enhancement of price from any other cause.

The maximum rates will be awarded only to the full daily service, performed by separate cars, and the conveyance of the mail agents of the department wherever that mode has heretofore been practised, or shall hereafter be required. The principle asserted in the act is equality of compensation, according to the service rendered; consequently, where the mail is carried but six times a week in each direction, a proportionate abatement in the pay will be made. The rule of classification, presented in the act for railroad service, will be applied by the department to the steamboat routes, where there is no competition. The former legislation of Congress has recognised a difference in price between railroad and four-horse coach transportation equal to 25 per cent. As steamboat conveyance of the mail is higher than that by coach, but not so high as railroad transportation, the department will adjust the maximum price for it at 12½ per cent. below the maximum rates of railroad service of the like relative class.

In giving these views and regulations, the department has discharged its duty under the law, and feels a consciousness of having done so in a mode as favorable to the railroad interests as the obvious distinctions between the size and importance of the mails on the different roads, and between the different lines on the same road, and the terms of the act, will allow.

The rate of compensation prescribed for route No.                      from                      to  
for                      will be                      ,—errors in distance to be corrected.

Any pay beyond what this rate will produce, it will be impossible, because illegal, for this department to give for any mail service on said railroad, performed after 1st July next. And it remains for the railroad companies to determine whether they will continue in the mail service on and after that day.

No doubt whatever is entertained of the sincere regard of the companies for the convenience and interests of the public, nor of their respect for the laws, in the faithful observance of which can alone be found the safeguards of their exclusive and valuable privileges; and, consequently, it is not apprehended that they will refuse the terms of the law, and abandon the transportation of the mails. But should such a course be determined upon in any instance, it is expressly requested that timely notice be given, so that the alternative conveyance specified in the act of Congress may be provided in season. The company is solicited to inform me at an early day of

their acceptance of the terms offered, so that indentures of contract in due form may be prepared and executed.

Respectfully, your obedient servant.

To — — —.

No. 8.

ATTORNEY GENERAL'S OFFICE, June 28, 1845.

SIR: Your communication of the 5th ultimo, with the letter of the deputy postmaster at Boston accompanying it, was duly received; and I regret that urgent official engagements, and other causes beyond my control, have prevented me from furnishing my opinion at an earlier day.

You represent that there is reason to apprehend that the reduction of postage under the operation of the act of Congress of the 3d March, 1845, may be so great as to render the compensation allowed by law to the deputy postmasters insufficient to defray the expenses of their offices, including charges for the labor of assistants necessary to the duty of receiving, transmitting, and delivering the contents of the mails.

The question on which you ask my opinion is, whether there is any provision of law which will authorize you to supply the apprehended deficiency?

The subject is one of great interest and of extreme delicacy. It is a matter of regret that the question should be regarded as doubtful. The importance of a prompt and regular distribution of the mails, and of an efficient management of the post offices, must be acknowledged; while it is not desirable to claim for the department a discretionary power which may be liable to abuse. With a full appreciation of its importance, I have examined the subject with great care, and now give you the results of that examination.

The system established by law for furnishing to the public facilities of intercommunication by mail, is of vast public importance, and in its operations reaches every part of our widely extended country. It consists of three great divisions: the General Post Office, the post offices, and the transportation of the mail. Each is essential to the successful operation of the others. The General Post Office, at the seat of government, directs and regulates the entire vast machine; the post offices receive and give out letters, papers, and other matter deposited, and the contractors transport them from one point to another for distribution. This system, in all its parts, is called, in the laws, the Post Office Department. Its expenditures may be classed in like manner. The expenses of the General Post Office are regulated by law, and are satisfied by specific appropriations made by Congress. The transportation of the mail is made by contract, and the contract prices are paid by requisitions of the Postmaster General on the revenues of the department on deposit in the treasury. And the expenses of the post offices are paid by an allowance to the deputy postmasters of commission on those revenues received by them at their respective offices. The appropriations for the first are made out of any money in the treasury not otherwise appropriated, while those for the other two branches of service are made out of any moneys in the treasury arising from the revenues of the department. The question under consideration depends on the extent of authority given by law to the Postmaster General to sustain the

system in all its parts, by supplying deficiencies of the emoluments allowed to meet necessary expenses in one of its important divisions.

By the fourteenth section of the act of 3d of March, 1825, the Postmaster General is "authorized to allow to each postmaster such commission on the postages by him collected as shall be *adequate* to his services and *expenses*;" with a proviso, that this commission shall not exceed certain specified rates per centum, which he cannot enlarge without authority of law. By the 41st section of the same act, it is directed that whenever the "annual emoluments of any postmaster, after deducting therefrom the *necessary expenditures* incident to his office, shall amount to more than two thousand dollars, the surplus shall be accounted for to the Postmaster General, to be accounted for by him as other moneys accruing from the post office establishment."

With the commissions thus allowed to the deputy postmaster, the necessary expenses incident to his office are defrayed. The law clearly contemplates that the emolument shall be adequate to compensate his services and to discharge necessary expenses. And when the allowance under the fourteenth section shall be excessive, the forty-first section disposes of the surplus.

There is another source of revenue to the postmasters in the several cities of the Union, arising from the use of boxes or other receptacles for letters by individuals, for their own convenience. By the act of 18th May, 1842, the postmasters are required to render an account of such receipt under oath; and if, on such accounting, it shall appear that a net sum has been so received exceeding three thousand dollars in any one year, such excess shall be paid to the Postmaster General, for the uses and purposes of the Post Office Department.

The Postmaster General, in the exercise of authority given, established regulations for the government of the Post Office Department. By one of these, to be found in chapter 7, on the office of deputy postmaster, it is directed that the duties of his office "must be performed by himself personally, or by a sworn assistant or assistants, whom he may employ to aid him when necessary; for the care and attention of every one of whom, he will be himself responsible to the department.

The law then gave to the deputy postmaster funds, out of which he received his own compensation, and defrayed the expenses of his office. From the nature and extent of his duties, he required assistants to enable him to perform them. These assistants he was authorized to select and compensate. The mode of compensation made it his interest to consult economy, and a judicious selection is insured by his responsibility for their conduct. To perfect the system in this particular, the law gave to the General Post Office a controlling power to supervise the expenses, as well for assistants as for other objects, and authority to prevent unnecessary expenditure, or the employment of a larger number of assistants than was required for the proper performance of appropriate duties.

The act of July 2, 1836, changed the organization of the Post Office Department, and provided more effectually for the settlement of the accounts thereof. It required that the *revenues* arising in that department, and all debts due to the same, shall, when collected, be paid, under the direction of the Postmaster General, into the treasury of the United States; that the Postmaster General shall submit to Congress, at each annual session, spe-



cific estimates of the sums of money expected to be required for the service of the department in the subsequent year, commencing on the first day of July, under several specific heads ; the first of which is, "compensation to postmasters;" and the third section requires "that the aggregate sum for the service of the Post Office Department, in each year, shall be appropriated by law out of the revenue of the department; and that all payments of the receipts of the Post Office Department into the treasury shall be to the credit of the said appropriation." These estimates and appropriations have been annually made. The admirable mode of compensating postmasters, and of defraying their expenses of office, prescribed by the fourteenth section of the act of 1825, has been adhered to, and made the basis of estimates and the rule of expenditure.

The effect of this radical change in the fiscal affairs of the department was to bring into the treasury all its revenues, and to keep there a separate account, crediting all its gross receipts, and charging payments for its maintenance. By annual appropriations, provision has been made for the compensation of postmasters; and, out of these appropriations, the office expenses, inclusive of the pay of assistants, have been defrayed. The funds so appropriated and paid were, by this act, expressly declared to be the revenue of the Post Office Department; and, as collected revenue, applied by appropriation to these objects of expenditure.

In this state of the law, the act of 3d March, 1815, was passed. It is entitled "An act to reduce the rates of postage; to limit the use and correct the abuse of the franking privilege; and for the prevention of frauds on the revenues of the Post Office Department." It was manifest that this reduction of the rate was very great; and, although it was anticipated that a corresponding increase of mail matter would be invited into the offices, two sections were introduced to guard against the possible interruption of the post office system by reason of inadequate revenues. By the twenty-first section it is enacted "that, for the purpose of guarding against the possibility of any *embarrassment* in the operation of the Post Office Department, consequent on any deficiency of the revenues of the said department which may be occasioned by the reduction of the rates of postage by this act made, there be and hereby is appropriated seven hundred and fifty thousand dollars, to be paid out of any money in the treasury not otherwise appropriated, and to be placed to the credit of the Post Office Department in the treasury of the United States, to be applied, under the direction of the Postmaster General, to supplying any deficiency in the regular revenues from postage, in the *same manner* as the revenues of the said department are now by law applied."

The twenty-second section directs that, in case the postage collected from the rates of postage prescribed, with the annual appropriation of seven hundred and fifty thousand dollars, shall prove insufficient to defray the expense of the *mail service* throughout the United States to an extent equal to what is now enjoyed by the public, and also the expense of extending and enlarging the same in due proportion with the increase and expansion of the population, particularly in the new States and Territories, the deficiency that may so arise shall be paid out of any moneys in the treasury not otherwise appropriated: provided the amount of expenditure for the *Post Office Department* shall not, in the entire aggregate, exceed the annual amount of four million five hundred thousand dollars, exclusive of the salaries of of-

ficers, clerks, and messengers of the General Post Office, and of the contingent fund of the same.

These two sections must be construed together. They are *in pari materia*, and the one is the context of the other. The expenditure of the sum appropriated in the twenty-first, necessarily affects, to its full extent, the amount which the Postmaster General may expend under the twenty second section.

"In the exposition of a statute, the leading clew to the construction to be made is the intention of the legislature. As a primary rule, it is to be collected from the words; it is to be gathered from the occasion and necessity of the law, being the causes which moved the legislature to enact it." "The construction of a statute, like the operation of a devise, depends upon the apparent intention of the maker, to be collected either from the particular provisions, or the general context." "Words and phrases, the meaning of which, in a statute, has been ascertained, are, when used in a subsequent statute, to be understood in the same sense." But, where words have not been so employed, and their construction established, learned judges have felt themselves bound to construe them according to their plain and popular meaning. The application of these familiar rules to the laws on this subject appears to me to lead us to conclusions so plainly that I cannot doubt as to their correctness.

The rates of postage established by law at the date of the passage of the act of the 3d March, 1845, had produced a revenue sufficient to maintain the post office establishment. Its annual expenses, in all its parts, did not exceed four and a half millions of dollars. The declared intention of Congress in that act is, that the public shall continue to enjoy the same extent of mail service, whatever practical results on the receipts of the department might be wrought by the reduced rates of postage. This advantage to the public was certainly to be secured; and the expenditures of the system, exclusive of those of the General Post Office, might go up to, but could not exceed, four millions and a half of dollars. The primary fund is its own revenues; in aid of them, is given the appropriation of seven hundred and fifty thousand dollars in the twenty first section; and, if deficiency still exist, it may be made up by drafts on the treasury to the maximum of four millions and a half. The proviso excepts the expenses of the General Post Office; thus showing that this division of the department would have been included, but for the exception. The rule *exceptio unius exclusio alterius* applies in full force, and justifies the conclusion that this appropriation was intended to enable the Postmaster General to carry on efficiently the other branches of the system—the post offices as well as the transportation of the mail. This construction is strengthened by the provision of the twenty first section. A deficiency of revenue was regarded as possible; this result would necessarily embarrass the department. To guard against *embarrassment* in its operations, in the most extended sense of the term, an appropriation of seven hundred and fifty thousand dollars is placed at the disposal of the Postmaster General, to be applied by him in supplying any deficiency in the regular revenues *from postage*, in the same manner as the *revenues* of the department are now, by law, applied. Postages are a tax on the people who receive letters, or other chargeable matter, through the mails; they form the revenues of the department. By the act of 1825, a commission on this revenue was allowed to each postmaster, at a rate deemed to be adequate to his compensation, and the expenses incident to

his office. The commission is regulated by a sliding scale, adopted for convenience, and bearing a proportion to the trouble, expense, and responsibility incurred in performing his duties. The entire amount of postage is, nevertheless, the revenue of the department—so expressly declared to be by the act of 1836—and the postmaster receives his emolument out of that revenue, without any personal claim on the individuals paying the tax, and to be assessed after it passes in fact, or constructively, into the treasury. He is, as to the sum reserved to him, a collecting and disbursing officer of the department. The 21st section declares that if there be a deficiency of revenue *from postage*, the appropriation may be resorted to to supply it by its application in the same manner as the revenues of the department are now applied. The expenses of the post offices were then, and are now, paid out of the revenues from postage, and therefore the appropriation may be resorted to, if found necessary in the exercise of a sound discretion by the Postmaster General, to supply any deficiency in the necessary means of maintaining the post offices, whose essential importance, as a part of the system, is not less than that of transportation of the mail, or of the General Post Office.

It is a power of great delicacy, to be exercised in a certain contingency; but it is the duty of the Postmaster General to exercise it, if the contingency shall occur. It is manifestly the intention of Congress that the mail service shall not be suspended or embarrassed by reason of a deficiency of regular revenues. It is manifest that it is the intention of Congress to guard against this contingency, by placing at the disposal of the Postmaster General other funds, equal in amount to those which had produced the desired result, to be resorted to only in the event that the uncertain and unascertained results of the reduced rates of postage should so impair the revenues of the department as to embarrass its operations and deny to the public the great advantage of an efficient mail system. The power should be exercised in the same spirit in which it is given—not to supply a conjectural deficiency, but one ascertained by experience, and threatening to defeat the ends of the post office establishment.

It is a matter not to be regretted, that, in the exercise of this discretionary power, the Postmaster General will find that Congress has furnished a guide in the act of 3d March, 1845, entitled "An act making appropriations for the service of the Post Office Department for the year ending 30th June, 1846." The act appropriates moneys arising from the revenues of the department, to an amount within a fraction of four millions and a half, the estimated receipts and expenditures from that source. Amongst the appropriations is one "for compensation to postmasters," \$975,000; another, "for transportation of the mail," \$3,050,000; and another, "for clerks for offices, (for the offices of postmasters,)" \$200,000. On referring to the estimates laid before Congress at the commencement of the session, it is found that these sums were supposed to be sufficient to secure to the public the same amount of mail service which had been previously enjoyed, and may be properly regarded as a limit beyond which the expenditures under this head should not be carried. Regarding these as the necessary expenditures, the appropriations were made of the anticipated revenues. The sums placed at the disposal of the Postmaster General were to be resorted to if the revenues did not yield the expected amount. If they do not fall short, the amount so appropriated may be expended. If they do, the de-

iciency may be supplied by resort to the sums appropriated by the 21st and 22d sections.

I have the honor to be, sir, your obedient servant,

J. Y. MASON.

Hon. C. JOHNSON, *Postmaster General*.

### No. 9.

POST OFFICE DEPARTMENT, July 9, 1845.

*Ordered*, That from and after the 1st day of July, 1845, every deputy postmaster, whose commissions on the postages of letters at 30 per cent., and of newspapers at 50 per cent. under the act of 3d March, 1825, shall fall short of the sum of \$6 25 for any one quarter, or of the proportional part of that sum for any fraction of a quarter, be authorized to credit himself, in a separate item in his account current, for extra commission on the postage of letters at 20 per cent., under the act of 3d March, 1845.

If the postmaster be entitled to the allowance of 20 per cent. for night service, he will not credit the extra commission here mentioned, as 50 per cent. is the utmost which can be allowed in any case under the law.

*Ordered*, That every deputy postmaster, whose commissions on the postage of letters and newspapers, and other allowances, shall exceed the sum of \$6 25 in any one quarter, or the due proportion of the said sum in any part of a quarter, be authorized, in the event that such commissions and allowances fall short of the amount to which such deputy postmaster was entitled for the corresponding quarter of the fiscal year ending 30th June, 1845, to credit himself, in a separate item in his account current, for such amount of extra commissions as shall make the whole amount credited equal to the same; the said extra commissions to be subject to the provision contained in the 41st section of the act of 3d March, 1825, and to the regulations of the department issued in pursuance thereof.

C. JOHNSON.

### No. 10.

#### POST OFFICE ADVERTISEMENT.

#### *Mails to Europe, the Gulf of Mexico, and the Pacific.*

Under authority given to the Postmaster General of the United States, by act of Congress approved March 3, 1815, "to contract for the transportation of the United States mail between any of the ports of the United States and a port or ports of any foreign power, whenever, in his opinion, the public interests will thereby be promoted," I hereby invite proposals for carrying the mails of the United States as herein specified, to wit:

1. From New York to Liverpool, in England, and back;  
Or to Bristol, in England, and back;  
Or to Southampton do do.
2. From New York, by Cowes, in England, to Antwerp, in Belgium, and back;

- Or to Bremen, in Germany, and back ;  
 Or to Hamburg, in Germany, and back.
3. From New York to Havre, in France, and back ;  
 Or to Brest, in France, and back.
  4. From New York to Lisbon, in Portugal, and back.
  5. From New York, by Havana, in Cuba, to New Orleans, and back.
  6. From New York, by Havana, or by Kingston, in Jamaica, to Chagres, in Colombia, and back ; with joint or separate offers to extend the transportation to Panama, and up the Pacific to the mouth of the Columbia, and thence to the principal port in the Sandwich Islands ;  
 Or from Charleston to the same, and back ;  
 Or from Pensacola do do.  
 Or from Mobile do do.  
 Or from New Orleans do do.
  7. From New Orleans to Havana, and back ; with an offer to extend to Kingston, in the island of Jamaica ;  
 Or from Mobile to the same, and back ;  
 Or from Pensacola to the same, and back ;  
 Or from Charleston to the same, and back, with an offer to supply Key West.

Proposals for commencing said routes at any other United States port on the Atlantic than as above named, will be considered.

It is intended, out of the foregoing list of routes, to make selection of one to Europe, and one to the Gulf of Mexico and the Pacific, as may best be determined, after proposals for service on all the routes are submitted—not relinquishing, however, the right to place a greater number in operation, if it shall be deemed expedient to do so.

The proposals should specify the number of trips to be performed during the year, and, as near as may be, the day of the month on which the vessel conveying the mail is to depart from the port at each end of the route. The department contemplates on route No. 1, a semi-monthly conveyance for eight months of the year, and a monthly conveyance for the residue of the year ; on No. 2, a like frequent conveyance ; and on No. 3, the same ; on No. 4, a monthly conveyance ; on No. 5, as frequent a transportation as two or three times a month ; on No. 6, a trip once in two months ; and on No. 7, twice or three times a month.

The proposals should specify the mode of conveyance, whether by steamship or sailing-packet ; and set forth the size, rate, and description of the vessel, with sufficient particularity to enable the decision to be made on the advice of the proper officers of the naval service, whether the same is or is not convertible into a ship of war. And special notice is hereby given, that, agreeably to the provisions of the act of Congress aforesaid, those proposals (being acceptable in other respects) will be preferred which shall engage to carry the mail in a steam ship or ships, and shall stipulate to deliver said ship or ships to the United States, or to their proper officer, on demand made, for the purpose of being converted into a vessel or vessels of war ; the United States being bound, on their part, to pay the fair full value thereof at the time of delivery, to be ascertained by four appraisers, appointed two by the President of the United States, and two by the owner or owners, with an umpire in case of disagreement, to be appointed by the President of the United States.

It should be shown, by the certificate of a postmaster, or other equivalent testimony, that the bidders are American citizens, and that the mail is to be transported by them "in American vessels, by American citizens."

The postage fixed by law upon mailable matter to be transported by these lines is as follows: "Upon all letters and packages not exceeding one-half ounce in weight, between any of the ports of the United States and the ports of England, or France, or any other foreign port not less than three thousand miles distant, *twenty-four cents*, with the inland postage of the United States added when sent through the United States mail to or from the post office at a port of the United States. Upon letters and packets over half an ounce in weight, and not exceeding one ounce, *forty-eight cents*; and for every additional half ounce, or fraction of an ounce, *fifteen cents*. Upon all letters and packets not exceeding one-half ounce, sent through the United States mail between the ports of the United States and any of the West India islands, or islands in the Gulf of Mexico, *ten cents*; and *twenty cents* upon letters and packets not exceeding one ounce: and *five cents* for every additional half ounce or fraction of an ounce. Upon each newspaper, pamphlet, or price current, sent in the mail between the United States and any of the ports and places above enumerated, *three cents*, with inland United States postage added when the same is transported to or from said ports of the United States in the United States mail." The bidder may propose for an annual sum of compensation, to be named in the bid; or, in lieu thereof, for the whole or a certain proportion (to be named in the bid) of the postages accruing on the mail matter conveyed over the route.

He may embrace in his offer a stipulation to carry an agent of the Post Office Department with the mails, or he may omit it, at his discretion. Such stipulation may induce a preference to be given in favor of a bid equal in other respects, over a bid not containing it.

Indentures of contract are to be executed by the accepted bidder and by his sureties, by or before the 1st day of May next. It is to provide, among other things, that the pay of the trip is to be forfeited when the trip is not performed, and a due proportion when a grade of service is rendered inferior to that specified in the contract; and that fines may be imposed, unless the delinquency be satisfactorily explained in due time, for failing to take from, or to deliver into, the post office at the port of landing, the mail belonging thereto, or any part of said mail; for suffering the mail, or any part of it, to be wet, injured, lost, or destroyed; for conveying it in a place or manner that exposes it to depredation, loss, or injury; for refusing, after demand made, to convey a mail by any additional steam-ship or vessel run by the contractor on the route, over and above the specified number of trips in the contract, and for not arriving at the time set; also for transmitting intelligence, or furnishing the means of transmitting intelligence, in advance of the mail. The Postmaster General may annul the contract for repeated failures; for violating the post office laws; for disobeying the instructions of the department; for refusing to discharge a carrier when required by the department; for assigning the contract without the consent of the Postmaster General; or for setting up or running an express, as aforesaid.

The Postmaster General may alter the contract, and alter the schedule, he allowing a *pro rata* increase of compensation, within the restrictions

imposed by law, for the additional service required, or for the increased speed, if the employment of additional stock or carriers is rendered necessary; but the contractor may, in such case, relinquish the contract, on timely notice, if he prefers it to the change. The Postmaster General may also discontinue or curtail the service, he allowing one month's extra pay on the amount dispensed with; and the contract "may at any time be terminated by joint resolution of the two houses of Congress."

The route, the service, the yearly pay, the bidder's name and residence, and the name of each member of the firm, where a company offers, should be distinctly stated in the proposals.

The following is the form of the guarantee, which should be filled, the first blank with the name of the guarantor; the second with that of the bidder; and the third and fourth with the beginning and terminating points of the route; and, after being dated, should be signed by the guarantor, who must be shown, by the written certificate of a postmaster, or other equally satisfactory testimonial, to be a man of property, and able to make good his guarantee. This guarantee, so certified, should accompany each bid:

"The undersigned \_\_\_\_\_ guarantees that \_\_\_\_\_, if his bid for carrying the mail from \_\_\_\_\_ to \_\_\_\_\_ be accepted by the Postmaster General, \_\_\_\_\_ shall enter into an obligation prior to the 1st day of May next, with good and sufficient sureties to perform the service proposed.

"Dated \_\_\_\_\_,"

The bid should be sent under seal to the First Assistant Postmaster General, and the words "Mail proposals—Atlantic routes," or "Gulf of Mexico routes," as the case may be, written on the face of the letter, and should be despatched in time to be received by or before the 15th day of January next, which will be the last day for receiving proposals under this advertisement.

The acceptance or non-acceptance of the bids will be determined by the 31st day of January next.

The service is to commence with the trip nearest to the 1st day of May, 1846; but if the bidder shall not consider himself able or prepared to put the service in operation on or about that day, he will specify the day of commencement in his proposals. Offers to commence service at an earlier date will be considered. The contract term will expire with the voyage ending on or about the 30th day of June, 1850.

C. JOHNSON,  
*Postmaster General.*

POST OFFICE DEPARTMENT,  
*Washington, D. C., October 4, 1845.*

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No. 11.

*March 29, 1845.*

The appropriation of \$8,000 to meet the expenses of the *Magnetic Telegraph* between Washington and Baltimore being placed under the charge and direction of the Postmaster General, and it appearing that, un-

der a previous appropriation embracing the same object, which was made for the purpose of testing the practicability and utility of said telegraph, the Secretary of the Treasury, under the authority conferred by act of Congress, had appointed S. F. B. Morse superintendent, at a salary of \$2,000 a year, and two assistants, Messrs. Alfred Vail and Henry J. Rogers, together with keepers of laboratory and inspectors of wires, at a further allowance of at least \$3,000 a year—

*Ordered*, That said amount be disbursed out of said appropriation, to wit:

To said S. F. B. Morse, superintendent, at the rate of \$2,000 per annum.	
To said Alfred Vail, assistant, at the rate of - - - 1,400 per annum.	
To said H. J. Rogers, assistant, at the rate of - - - 1,000 per annum.	
To said two keepers of laboratory and inspectors of wires, \$300 each - - - - -	600 per annum.

And that the salaries be paid the officers monthly, from the time of their qualification, by the chief clerk of the department, as the clerks are now paid, and that said superintendent and assistants take the oath required by the act of 1825, section 2.

It is further directed that the offices of the said superintendent and assistants be kept in the post offices at Washington and Baltimore, and that the magnetic line be extended from the depot in Baltimore to the post office as early as practicable, and that it be used at its present location until that is effected.

That the offices in Baltimore and Washington be kept open, for the reception and transmission of despatches, from eight o'clock in the morning until ten o'clock, from one p. m. until three o'clock p. m., and from five until seven p. m., each day, Sundays excepted.

For the transmission of each despatch there shall be paid in advance, at the office from which it is sent, by the applicant, one quarter of one cent for each telegraphic character. Upon the reception of a despatch at either office, it shall be the duty of the officers to have the same translated in a fair handwriting, carefully enveloped and sealed, and the magnetic characters immediately destroyed, and to place the despatch in the hands of the penny post for delivery, who shall be entitled to receive the same compensation therefor as for the delivery of letters transmitted now by mail.

*It is further ordered*, That the said superintendent and assistants in no case communicate to, or permit to be seen by any person the contents of any despatch, except the individual or individuals to whom it may be addressed.

*It is further ordered*, That the expenses attending the extension of the telegraphic line to the post office in Baltimore, as well as all other contingent and incidental expenses, be paid, upon a statement of the expenses and a certificate of the correctness thereof by the superintendent, upon the order of the Postmaster General.

*It is further ordered*, That the superintendent keep an accurate account of the income as well as the expenditures, and report the same at the end of each fiscal quarter to the Postmaster General, to be applied to the payment of the expenses of the establishment, or so much as may be necessary, and that the superintendent pay the same under the same rules and regulations now applicable to payments by postmasters.



In consideration of the facilities allowed by the railroad company to the superintendent and his assistants in attending to the business of the telegraph, it is further ordered that the free use of the telegraph be conceded to said company, for the transmission of communications relating to the business of their road.