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REPORT

OF THE

POSTMASTER GENERAL.

POST-OFFICE DEPARTMENT, }
Richmond, December 7, 1863. }

SIR: I have the honor to submit the following report of the operations of the Post-office Department for the fiscal year, from the 1st of July, 1862, to the 30th of June, 1863.

The revenues derived from postages were three millions three hundred and thirty-seven thousand eight hundred and fifty-three dollars and one cent. (\$3,337,853 01) The expenditures of the Department were two million six hundred and sixty-two thousand eight hundred and four dollars and fifty-seven cents, (\$2,662,804 57.) The excess of receipts over expenditures was six hundred and seventy-five thousand and forty-eight dollars and forty-four cents, (675,048 44,) thus showing the gratifying fact that the Department has been brought within the requirement of the Constitution, that its expenses shall be paid out of its own revenues after the 1st of March, 1863.

This presents a striking contrast when compared with the receipts and expenditures of the preceding year, and of the last year under the government of the United States. The receipts of revenue derived from postages for the year which ended June 30, 1862, were one million nine hundred and eleven thousand one hundred and eighty-nine dollars and five cents, (\$1,911,189 05.) The expenditures for that year were two million nine hundred and twenty-four thousand two hundred and ninety dollars and forty-eight cents, (\$2,924,290 48,) showing an excess of expenditure over receipts of one million thirteen thousand one hundred and one dollars and forty-three cents, (\$1,013,101 43.)

The receipts of revenue, derived from the same source, under the government of the United States, for the fiscal year which ended the 30th of June, 1860, were one million five hundred and seventeen thousand five hundred and forty dollars and fifty-five cents, (\$1,517,540 55.) The expenditures for the same year were four million two hundred and ninety-six thousand two hundred and forty-

six dollars and seventy-eight cents, (\$4,296,246 78,) showing that the receipt of revenues was one million eight hundred and twenty thousand three hundred and twelve dollars and forty-six cents, (\$1,520,312 46,) greater during the last fiscal year than for the last year under the government of the United States; and that the expenditures of the last year were one million six hundred and thirty-three thousand four hundred and forty-two dollars and twenty-one cents, (1,633,442 21,) less than for the last year under the government of the United States. Adding the increase of receipts to the decrease of expenditures between these two years, and there is an improvement of the revenues of the year which ended the 30th of June last, over those of the year which ended June 30, 1860, of three million four hundred and fifty-three thousand seven hundred and fifty-four dollars and sixty-seven cents, (\$3,453,754 67.)

The chief causes of this improvement are the increased rates of postage, which went into operation with the beginning of the last fiscal year; the abolition of the franking privilege; the reduction of the cost of the service by a careful revision of the post routes in each State, discontinuing such as were useless, reducing the frequency of trips on such as it was thought would be sufficiently supplied by a less number, and so improving the system of routes by adapting them to the new leading lines of communication and changed condition of the country, by its growth and settlement, as to give greater postal facilities with less expense than could have been given without this revision. And to these causes may be added our inability, owing to the presence of the enemy's fleet, to perform the greater portion of the service in steamers on the Gulf of Mexico, and on the bays and rivers, which was carried on in times of peace, with the consequent reduction of expense.

REVENUE ACCOUNT.

The balance standing to the credit of the revenue account of the Department on the 30th of June, 1862, was	\$1,209,916 16
Receipts from July 1, 1862, to June 30, 1863,	3,337,853 01
The amounts placed in the Treasury for the use of the Department, being grants in aid of its revenues, under acts of Congress, were, under act No. 340, approved Dec. 31, 1861, for printing blanks for the Post-office Department,	\$16,000 00
Under an act approved Sept. 27, 1862, to pay the amounts due to citizens of the Confederate States for postal service rendered prior to the 1st of June, 1861, under contracts and appointments made by the Government of the United States,	800,000 00
Amount carried forward,	\$4,547,769 17

Amount brought forward,			\$4,547,769 17
Under acts approved 9th and 13th of October, 1862, to supply deficiencies in the revenue of the Department for the months of December, 1861, and January, 1862,	261,114 78		1,077,214 78
Making the aggregate of revenues and grants,			\$5,624,983 95
The expenses of the Department from July 1, 1862, to June 30, 1863, including the amount paid on account of service performed prior to 1st June, 1861, and arrearages for the previous fiscal year were,			3,239,319 49
Leaving to the credit of the Department on the 1st of July, 1863,			\$2,385,664 46
The postal revenue for the fiscal year being,			\$3,337,853 01
And the expenditures for the same period,	\$3,239,319 49		
Less the sums paid on account of services rendered prior to June 1, 1861, under contracts and appointments made by the United States,	\$502,017 19		
And for Confederate States transportation which accrued prior to July 1, 1862, and remaining unpaid,	233,644 50	735,661 69	2,503,657 80
The excess of revenue over adjusted expenditures was,			\$834,195 21
Deduct from that excess the balance of transportation due for that year, and unpaid on the 30th of September, 1863, viz :			159,146 77
And the excess of revenue over all expenditures incurred was,			\$675,048 44

*DETAILED STATEMENT of receipts and expenditures for the
fiscal year which ended June 30, 1863.*

RECEIPTS.

From letter postage paid in money,	\$753,069 84
From newspapers and pamphlets,	188,665 52
From sale of postage stamps,	2,392,332,63
From surplus of emoluments and box rents,	3,785 02
	<u>\$3,337,853 01</u>

EXPENDITURES.

For transportation of the mails,	\$1,869,349 22
For compensation of Postmasters,	862,873 57
For compensation of clerks in post-offices,	91,352 56
For ship, steamboat and way letters,	771 41
For advertising,	12,915 62
For mail-bags,	256 35
For office furniture,	1,460 00
For blanks and printing,	14,047 76
For wrapping paper,	9,338 18
For mail locks, keys and stamps,	756 75
For mail depredations and special agents,	21,068 31
For miscellaneous payments,	20,539 69
For postage stamps,	12,572 78
For amounts paid for services performed prior to June 1, 1863, under contracts and appointments made by the United States Government,	502,017 19
Making,	<u>\$3,239 319 49</u>

Excess of receipts over expenditures of all kinds, in- cluding the amounts paid on account of service performed prior to June 1, 1861, and for trans- portation for the year which ended June 30, 1862,	98,533 52
Or excluding all payments not made on account of the service of the current year,	<u>\$675,048 44</u>

The foregoing information is shown in detail by the report of the Auditor of the Treasury for the Post-Office Department, hereto appended, marked [I].

On the 12th of February last, I submitted detailed estimates of the receipts and expenditures of the Department for the fiscal year ending June 30, 1863, and asked for the appropriation of two million eight hundred and sixty-nine thousand and ninety-nine dollars and ninety-six cents, (\$2,869,099 96,) of the accruing revenues of that year, derivable from postages. This appropriation was not then made. The actual expenditures of that year, as now ascertained, are set forth

in the foregoing detailed statement, and amount to the sum of two million seven hundred and thirty-seven thousand three hundred and two dollars and thirty cents, (\$2,737,302 30,) excluding the sum of five hundred and two thousand and seventeen dollars and nineteen cents, (502,017 19,) paid on account of services rendered prior to the 1st of June, 1861. I, therefore, ask that the sums specified in the foregoing detailed statement of expenditures for that year be now appropriated, less the sum of \$502,017 19.

This will leave the sum of six hundred thousand five hundred and fifty dollars and seventy-one cents (\$600,550 71) of the accrued revenues of that year unappropriated. It is respectfully requested that this sum be appropriated in bulk, so that it may be covered into the Treasury for the future use of the Department.

DETAILED ESTIMATE of Receipts and Expenditures for the year ending June 30, 1864.

RECEIPTS.

The actual balance in the Treasury to the credit of the Post-Office Department, after the appropriations above requested shall have been made, on the 1st of July, 1863, will be	\$2,385,664 46
Estimated receipts for the fiscal year ending June 30, 1864, based on the actual receipts of the preceding year,	3,337,853 01
Amount of balance to the credit of the Department, and estimated receipts,	<u>\$5,723,517 47</u>

EXPENDITURES.

Transportation,	\$2,157,846 43
Compensation of Postmasters,	862,873 57
Compensation of post-office clerks,	116,352 66
Ship, steamboat and way letters,	771 41
Advertising,	12,915 62
Mail-bags,	7,309 85
Office furniture,	1,460 00
Blanks and printing,	74,047 76
Wrapping paper,	29,338 18
Mail-locks, keys and stamps,	756 75
Mail depredations and special agents	26,068 31
Miscellaneous payments,	20,539 69
Postage stamps,	27,572 78
	<u>\$3,337,853 01</u>

Leaving an estimated excess of means over the estimated expenses of the year, of	<u><u>2,385,664 46</u></u>
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In the foregoing estimates, it is assumed that the receipts of the Department for this year will be equal to those for the preceding year. And an increase of expenditure is estimated for in the items for transportation of the mails, compensation of clerks in post-offices, blanks and printing, wrapping paper, postage stamps, mail depredations and special agents, and mail-bags, on account of the increased cost of the items enumerated.

As we have no more reliable data than those herein presented, on which to base estimates of the receipts and expenditures for the fiscal year ending June 30, 1865, it is assumed that the receipts of that year will be the same as for the year which ended June 30, 1863, as hereinbefore stated, and that the expenditures will be the same as those estimated for the year ending June 30, 1864. I, therefore, respectfully request that an appropriation, the same in items and amounts, be made for the year ending June 30, 1865, out of the revenues arising from postages, as is above requested, for the year ending June 30, 1864.

I have, heretofore, asked for an appropriation of the sum of two hundred and seventy-six thousand three hundred and fifty-five dollars and twenty-three cents, (\$276,355 23,) of the revenues of the Department, derived from postages, for the year which ended June 30, 1862, to enable the Treasurer to close the accounts of the Department for that year. I repeat the request for that appropriation, it not then having been made.

Though the sum standing to the credit of the Department, at the end of the last fiscal year, is considerable, and the estimates for this and the succeeding year do not contemplate its reduction, it is to be remembered that we cannot foresee the contingencies which, during the war, may again reduce the receipts below the expenditures. and that, if this should happen, and we should not have a sufficient sum in reserve, we should be compelled to reduce the postal service to an amount which the receipts would pay for, as no future appropriations can be made from the general treasury for the use of the Post-Office Department. It is also believed that the restoration of peace will, when it occurs, reduce the receipts of the Department, by reducing the amount of general and official correspondence, to which the existence of our armies and the absence of so many of our people from home and friends have given rise; and that, when this shall take place, it will be important to have a sufficient balance in the Treasury to meet the deficiency, until it can be supplied by the revival of trade and the general business of the country. For these reasons, it is believed that any reduction of the rates of postage would, at this time, be impolitic.

CONTRACT BUREAU.

Mail Lettings during the year ending June 30th, 1863.

On the 31st of December, 1862, advertisements were published, inviting proposals for carrying the mails of the Confederate States in

the States of Virginia, North Carolina, South Carolina, Georgia and Florida, from the 1st of July, 1863, to June 30th, 1867, the proposals to be received until 3 P. M., March 31, 1863, and decisions to be made and contracts awarded by April 30th, 1863.

The number and lineal length of routes, thus advertised and open to competition of bidders, were as follows, viz :

In Virginia,	510 routes ;	lineal length	8,183 3-4 miles.
In North Carolina,	213 “ “ “		7,651 1-4 “
In South Carolina,	131 “ “ “		3,887 3-4 “
In Georgia,	190 “ “ “		5,165 1-4 “
In Florida,	43 “ “ “		2,173 1-2 “

Total number of routes, 887 Ag'te of lineal length, 27,061 1-2 “

Owing to the fact that Congress had, on the 11th of October, 1862, repealed an act, approved 21st of April, 1862, which exempted from the performance of military service all persons engaged in the transportation of the mails, the number of those proposing to become contractors for the incoming term of four years became very limited; and on the 11th of March, within twenty days of the expiration of the time specified for receiving proposals, only 114 bids had been received at the department, being 773 less than the number of routes open to competition.

This condition of affairs made it manifest that the department would be unable to obtain contracts for mail-service in those States without the aid of an act of Congress, exempting contractors and drivers of post-coaches and hacks from the performance of military duty. Hence, on the 14th of March, 1863, I felt it to be my duty to bring this serious embarrassment which threatened the postal service of the country to the attention of the President.

On the 11th of April following, Congress, by the passage of a joint resolution, authorized the Postmaster General to extend the time for receiving bids for transportation of the mails in these States until the first day of May, 1863; and on the 14th day of April, 1863, that body passed the following act of exemption, viz :

“ *An Act, to exempt Contractors for carrying the mails of the Confederate States and the Drivers of Post Coaches and Hacks from Military Service.*

“ The Congress of the Confederate States of America do enact, That the contractors for carrying the mails of the Confederate States shall be exempt from the performance of military duty in the armies of the Confederate States, from and after the passage of this act, during the time they are such contractors ; provided, that no more than one contractor shall be exempt on any route, and that no more than one member of any firm of contractors shall be exempt, and no contractor on any route of less than ten miles in length, and on which the mail is carried on horse, shall be exempt under this act; and if one or more members of any such firm be exempt from age or other cause from

the performance of military duty, the other member, or members of such firm, shall not be exempt by this act on account of being mail contractors: and provided further, that no person to whom a contract for carrying the mails may be transferred, with the consent of the Post-Office Department, after the passage of this act, shall be exempt from military service on that account.

“**SEC. 2.** That drivers of post coaches and hacks for carrying the mails on all routes where the weight of the mails requires that they should be carried in coaches or hacks, shall be exempt from military service in the armies of the Confederate States from and after the passage of this act, so long as they continue to be employed as such drivers: provided, the contractor, by whom any such driver is employed, shall take and subscribe an oath to be furnished to the enrolling officer, that the weight of the mails on his route requires the use of coaches or hacks for their conveyance, and that he has not a greater number of drivers employed in his service than are indispensable to enable him to fulfill his contract for carrying the mails, and that he will not, while a contractor, employ a greater number of drivers than may be indispensably necessary for that purpose; and that he will give notice to the enrolling officer when any such drivers ceases to be in his employment.

“**APPROVED April 14, 1863.**”

The greatest available publicity was given to these acts of Congress, and, in the meantime, the proposals already received at the Department were retained unopened until the 1st of May.

Although the extended time was too limited to give as general public notice as was desirable to secure an enlarged competition, yet numerous proposals were received; and a number of those on routes over ten miles in length, and on which the mails could be carried on horseback, were remarkably low.

The whole number of routes let to contract under the advertisement, and the aggregate cost per annum of service thereon in each State, were as follows, viz:

In Virginia,	253 routes;	actual cost of service,	\$98,867 63
In North Carolina,	199 “ “ “ “		96,135 02
In South Carolina,	124 “ “ “ “		49,930 00
In Georgia,	173 “ “ “ “		78,882 03
In Florida,	36 “ “ “ “		28,652 00
Total No. of routes	785	And ann'l ag'te of cost	\$352,466 68

The number of routes not let to contract was, in *Virginia*, 57, on 38 of which there were no bids submitted; on 17, the bids were regarded as too extravagant for acceptance; whilst 2 were omitted as unnecessary.

In *North Carolina* 14, on 10 of which there were no bids submitted; on 3 the bids were deemed extravagant; whilst on 1, action has been suspended.

In *South Carolina* 7, on 2 of which there were no bids submitted; whilst on 5 action has been deferred.

In *Georgia* 17, on 1 of which there was no bid submitted; on 11 the proposals were regarded as extravagant, whilst 5 were omitted as unnecessary.

The total number of lineal miles length of routes, and of annual transportation of the mails, let to service in these States, independent of railroad routes, is as follows, viz :

In Virginia,	7,052	lineal miles, and an'l	
transp'n thereon,			1,387,646 miles
In North Carolina,	7,026 1-4	lineal miles, and an'l	
transp'n thereon,			1,181,440 "
In South Carolina,	3,787 1-4	lineal miles, and an'l	
transp'n thereon,			593,684 "
In Georgia,	3,859 1-4	lineal miles, and an'l	
transp'n thereon,			956,426 "
In Florida,	1,735	lineal miles, and an'l	
transp'n thereon,			297,544 "
Total number,	<u>23,459 3-4</u>	of lined miles, and of	<u> </u>
		an'l transp'n thereon	<u>4,416,740</u> "

The average cost of service for one trip a week in these States for each lineal mile length of route, on which mail service is performed, and for each mile of actual transportation, per annum, is as follows, viz :

In Virginia, for each lineal mile per annum, \$7 41, and for transportation about 7 cents per mile.

In North Carolina, for each lineal mile per annum, \$3 46, and for transportation about 8 cents per mile.

In South Carolina, for each lineal mile per annum, \$8 65, and for transportation about 8 1-5 cents per mile.

In Georgia, for each lineal mile per annum, \$7 58, and for transportation about 8 1-4 cents per mile.

In Florida, for each lineal mile per annum, \$10 01, and for transportation about 9 3-4 cents per mile.

The cost, per annum, of railroad service in the foregoing States is,

In Virginia,	\$157,662 00
In North Carolina,	77,864 00
In South Carolina,	136,327 00
In Georgia,	160,475 25
In Florida,	27,777 50

Total,	\$560,105 75
Add cost of routes let to contract, as above,	352,466 68

Total cost in these States,	\$912,572 43
Add cost of transportation in the other States of the Confederacy, let to contract during the previous year, on routes other than railroads,	800,891 00

Amount brought forward,	\$1,713,463 43
And on railroads,	444,602 50
	<hr/>
Total cost of transportation per annum,	\$2,158,065 93
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The number of mail contractors in Virginia, is	240
The number of mail contractors in North Carolina, is	157
The number of mail contractors in South Carolina, is	112
The number of mail contractors in Georgia, is	145
The number of mail contractors in Florida, is	31
The number of mail contractors in Tennessee, is	61
The number of mail contractors in Alabama, is	131
The number of mail contractors in Mississippi, is	88
The number of mail contractors in Louisiana, is	48
The number of mail contractors in Arkansas, is	86
The number of mail contractors in Texas, is	124
	<hr/>
Total number,	1,253
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Of this number 147 obtained contracts upon bids for a nominal rate of compensation per annum.

By the act of April 14th, 1863, hereinbefore copied, contractors for carrying the mails on post-routes of more than ten miles in length, and the drivers of post-coaches and hacks for carrying the mails, were exempted from military service during the continuance of their contracts, or their employment as such, on the terms specified in the act. The Department has encountered much difficulty, and has been subject to no little embarrassment, on account of the action of the military authorities charged with the execution of the law of conscription.

I recognize fully the necessity of calling into the military service all who are capable of bearing arms, and who can be spared from other employments. But, under this law, the number to be exempted was too small to affect materially the military operations; and yet the exemption of that small number, under the circumstances which induced the adoption of the policy, was necessary to keep in successful operation the postal service, and to satisfy the demands of the public by the proper and speedy transmission of intelligence.

RAILROAD SERVICE.

The Department has omitted to advertise for proposals for mail service on railroad routes, because of the fact that it is authorized, under existing laws, to make contracts with railroad companies without advertisement; and as there can be no competition for such service, the effect of an advertisement would simply be to invite proposals for an increase of compensation, which could not be granted unless the postal facilities furnished by the route should have so increased as to change the classification of the road, under the act approved May 9th, 1861.

Most of the railroad presidents have executed contracts with the Department for the transportation of the mails from the 1st of July,

1863; but there are some who refuse to execute contracts, although they are offered the maximum rate of compensation for the first-class roads. At the same time they express their entire willingness to carry the mails, but are unwilling to place their roads, and mail service on them, under even that limited control of the Department, which is necessary to give regularity, certainty and security to the service.

The only remedies for the evils which must result from the transportation of the mails without the restraining influence of contracts for its faithful performance, which the Department can apply, are, 1st, to withhold payment for services performed without contract; and, 2d, if they still refuse to contract, then, to withdraw the mails from such roads and endeavor to obtain some other mode of conveyance.

In view of the requirements of the law upon this subject, it will be my duty to apply these remedies to all roads, whose presidents persist in their refusal to comply with the requirements of the Department in relation to contracts; for, although the practice has existed, to some extent, of permitting the mail service to be performed on railroads without contracts, and paying for such service by what are termed "Orders of Recognition," such practice was clearly a violation of the law which forbids payment for mail service, until contracts shall have been executed according to law and the regulations of the Department.

Wealthy corporate monopolies should not be permitted to occupy such a position in relation to the postal service of the country, on the great trunk lines of mail communication, as would place such service completely within their control, not only upon the main lines, but, also, upon the numerous minor mail-routes leading therefrom; for of what avail would it be for the Department to enforce, on the part of the contractors upon these latter lines, a strict compliance with the terms of their contracts in relation to schedules of arrivals and departures of the mails, if railroad lines are permitted to carry the mails at pleasure without the obligations of contracts to compel their observance of fixed schedules, which are the essential element in a great net-work of post-routes? It would be unjust, if the law would tolerate it, to relieve them of conditions which are required of all other contractors.

The Department has never possessed, or attempted to exercise, any other authority over the schedules of arrivals and departures of mail-trains upon railroads than that necessary to require them to run in conformity with schedules "agreed on" between them and the Department; and these schedules have usually been arranged in conventions held by the officers of connecting lines so as to obtain the uniform and close schedules of connection required by their own interests.

If any road, forming part of a through line between important points, be permitted to carry the mails without executing proper contracts for the faithful performance of such service, the Department will not have the power to prevent them from adopting any schedule they may deem best suited to their local business, without regard to

their effect upon the regularity of the mails on their own lines, or of their proper connections with others.

APPOINTMENT BUREAU.

The whole number of post-offices is	8,287
Number filled by Presidential appointment,	88
Number of postoffices established from July 1st, 1862, to June 30th, 1863,	137
Number discontinued,	400
Number of resignations of postmasters,	602
Number of postmasters removed,	62
Number of postmasters who died,	93
Number of postmasters appointed,	1,480
Number of postmasters commissioned,	1,225

Which is shown by States, and in detail, in tabular statement marked (2).

The number of requisitions made by postmasters for postoffice blanks, wrapping paper and twine, all of which were filed, from the 1st of July, 1862, to the 30th of June, 1863, was, 10,646

Post bills furnished,	234,611 sheets.
Accounts of mails received,	119,140 "
Accounts of mails sent,	77,186 "
Accounts current,	39,533 "
Accounts of newspapers,	16,683 "
Accounts of prepaid matter,	889 "
Signature post-bills,	236,760 "
Accounts of mails received for distribution,	5,080 "
Accounts of mails sent from distributing offices,	16,970 "
Wrapping paper,	628,320 "
Cotton twine,	373 pounds
Hemp twine,	250 "

Which is shown by States, and in detail, in tabular statement, marked (3).

Whole number of special mail agents,	10
Number appointed from July 1st, 1862, to June 30th, 1863,	3
And one resigned, and one was removed during the year.	
Whole number of route agents	87
Number appointed from July 1st, 1862, to June 30th, 1863,	28
Number removed,	9
Number who resigned,	10
Number who died,	3
Number of marking and rating stamps sent out during the year,	109

In reporting the operations of this bureau, which is charged with the procurement of paper, printing, and the furnishing of postmasters with blanks, wrapping paper and twine, it is proper to refer to the difficulties which have been encountered during the present fiscal year in obtaining material for these purposes. The amount of paper thus used is very large, and has risen in price from ten cents per pound, the rate at which it was furnished to the Department in 1861;

to one dollar a pound now ; and some of the mills are asking more than this. At these rates it has been found impossible, from its scarcity, to procure what was needed to supply the post-office.

On account of the policy, which resulted from the necessity of our situation, of refusing to exempt postmasters, except those appointed by the President and confirmed by the Senate, from military service, many changes have been made, and new and inexperienced postmasters have been appointed in the place of those more familiar with the duties. This has been, and is, producing some irregularity in the business of postoffices, and delays in the transmission of mail matter ; and from the difficulty of obtaining final settlements with the out-going postmasters, suddenly called into the military service, it will probably result in some pecuniary loss to the Department.

In all appointments of clerks of this Department, route agents and postmasters, during the last and present fiscal years, they have been limited to persons exempt from military duty by being over the age required for the army, or on account of having been disabled by wounds, or from other causes. On account of the great number of men who have been called into the military service, we have made frequent appointments of females to be postmasters in the class of smaller post-offices ; and they have been generally found faithful and efficient in the discharge of their duties.

FINANCE BUREAU.

The report of the chief of the finance bureau shows that the balance in the Treasury and its branches, to the credit of the Postoffice Department, on the 1st of July, 1862, was \$1,505,083 77

The amount deposited by postmasters in the different depositories of the Department, from July 1st, 1862, to June 30th, 1863, was 984,583 78

Amount of appropriation by act of September 22d, 1862, to pay contractors for services rendered prior to the 1st of June, 1861, \$800,000 00

Amounts appropriated by acts of October 9th, and October 13th, 1862, in aid of the revenue of the Department for the months of December, 1862, and January, 1863, 261,214 78

Amount appropriated by act of 31st December, 1861, making additional appropriations to defray the expenses of public printing, 16,000 00

1,077,214 78

Making the amount in the Treasury and its branches, from all sources, to the 30th of June, 1863, \$3,566,882 33

Amount brought forward,	\$3,566,882 33
The number of warrants on the Treasury, issued from July 1st, 1862, to June 30th, 1863, was 2,061, amounting to	1,457,644 40

Leaving in the Treasury and its branches on the 30th of June, 1863,	\$2,109,237 93
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Which was distributed as follows :

Richmond,	\$1,379,994 67	
Charleston,	471,394 57	
New Orleans,	110,020 10	
Augusta,	15,981 04	
Galveston,	93,107 43	
Little Rock,	4,656 22	
Savannah,	28,556 53	
Selma,	5,527 37	
	<hr/>	\$2,109,237 93

The number of warrants issued from July 1st, 1862, to June 30th, 1863, as above stated, was 2,061, amounting to	\$1,457,644 40
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The number of drafts issued during the same period was 3,109, amounting to	481,335 62
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Amount paid by warrants and drafts,	<u>\$1,938,980 02</u>
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The number and denomination of postage stamps supplied to post-masters from July 1st, 1862, to June 30th, 1863, were as follows :

Number of 2 cent stamps,	557,200	value	\$11,144 00
“ 5 “	87,953,977		1,897,698 85
“ 10 “	10,417,700		1,041,770 00
“ 20 “	95,100		19,020 00

Making	49,023 977	<u>\$2,969,632 85</u>
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The number of dead letters opened, and containing \$13,700 93 in money, registered and sent out for delivery from July 1st, 1862, to June 30th, 1863, was	1,618
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Number of dead letters opened and filed, containing \$15,357 23 in money, not sent out during the year, was	794
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Number of dead letters, containing drafts, checks, bills of exchange, and other enclosures of value, amounting to \$691,567 75, registered and sent out for delivery,	1,313
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Total number of dead letters containing money and valuables,	<hr/> 3,725
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Number of unpaid letters held for postage and returned to the dead letter office,	31,395
Number of drop letters held for postage and returned to the dead letter office,	11,816
Number of dead letters,	475,116
Total number of dead letters opened from July 1st, 1862, to June 30th, 1863,	518,327

The number of quarterly returns received and passed to the Auditor from July 1st, 1862, to June 30th, 1863, were as follows:

For the quarter ending September 30th, 1862,	5,751
“ “ December 31st “	5,660
“ “ March 31st, 1863,	5,252
“ “ June 30th, “	4,336
Total returns for the year,	20,999

The large number of 31,395 letters for transmission through the mails, and of 11,816 drop letters, that is, letters for delivery from the office at which they are mailed—making in all 43,211 letters, which were sent to the dead letter office because the postage was not pre-paid on them, as required by law, will serve to show how many persons were, in that way, disappointed by the non-delivery of these letters, and may have attributed their disappointment to the defective organization or management of the postal service, when it was attributable to a failure, on the part of those sending them, to comply with the requirements of the law by pre-paying the postage on their letters.

There are a number of letters filed in the “Dead Letter Branch” of the Department, which contained funds amounting to \$6,413 71, for the return of which to the proper parties the finance bureau has made repeated, but ineffectual, efforts. In order to secure the several sums for delivery to the owners thereof, at some future time, I have caused accurate lists to be prepared of these letters and their contents, and have deposited in the Treasury of the Confederate States, to the credit of the “Dead letter Fund,” \$6,400 in treasury notes, and \$13 71 in specie.

MILITARY TELEGRAPHING.

The number of agents and operators of Military Telegraph Lines in service on the 1st of July, 1862, was	17
The number appointed July 1st, 1862, to June 30th, 1863,	44
Total number employed during the year,	61
Number who resigned during the year,	26
Number who were dismissed during the year,	2
	— 28
Leaving in service June 30th, 1863,	33
Number of watchmen in service July 1st, 1862,	3
Number of watchmen appointed from July 1st, 1862, to June 30th, 1863,	7
	—

Total number employed during the year,		10
Number of watchmen whose services were discontinued,		1
		<hr/>
Leaving in service June 30th, 1863,		9
Number of military telegraph offices in operation July 1st, 1862,		16
Number established from July 1st, 1862, to June 30th, 1863,		30
		<hr/>
Total number in operation during the year,		46
Number discontinued,		13
		<hr/>
Leaving in operation June 30th, 1863,		33
Number of miles of military telegraph lines in operation on the 1st of July, 1862,		211
Number of miles built from July 1st, 1862, to June 30th, 1863, (at an average cost of \$48 per mile,)		238
		<hr/>
Total number of miles in operation during the year,		449
Number of miles taken down,		27
		<hr/>
Leaving in operation June 30th, 1863,		422
Cost of agents and operators from July 1st, 1862, to June 30th, 1863,	\$12,480 16	
Cost of watchman,	2,964 50	
		<hr/>
Total cost of agents, operators and watchmen,		\$15,444 66
Cost of instruments and materials furnished to the various offices from July 1st, 1862, to June 30th, 1863,		12,546 00
Cost of repairs of lines for same period,		313 75
Cost of military lines built during same period,		11,425 41
Cost of military lines built prior to July 1st, 1862, but paid for in this year,		2,304 03
Cost of incidental expenses during same period,		634 66
		<hr/>
Total cost of building and operating Military Telegraph lines during the year,		\$42,668 51
Receipts from offices for private dispatches during the year,		3,153 15
		<hr/>
Excess of expenditures during the year,		<u>\$39,515 36</u>
Value of property on hand, in use, June 30th, 1863,	\$125,040 00	
Instruments and material,	34,229 86	
		<hr/>
Total value,	<u>\$159,269 86</u>	

Heretofore, all messages sent over the military telegraph lines on the business of the Government, including messages relating to mili-

tary matters, have been sent free of charge, and the receipts from offices on these lines have been limited to sums charged for the transmission of messages on private business. If the usual rates had been charged on messages sent over these lines for the Government, it is believed they would have more than repaid the expenditures, by which they have been built and operated.

TRANS-MISSISSIPPI SERVICE.

In May, 1862, after the fall of New Orleans, anticipating difficulties in keeping up the postal service on routes across the Mississippi river, I sent instructions to Special Agents Blair operating on the East, and Talbot on the West, of that river, directing them to be vigilant in their efforts to keep up that service, giving them special instructions as to how they were to proceed, and authorizing and directing them, when the mails could not be carried by the usual routes and modes of conveyance and by existing contracts, to make temporary contracts for carrying them by any other routes and modes of conveyance, which could be made available.

Congress, acting on the supposition that this service might be improved by the appointment of additional agents, enacted the law of October 6th, 1862 authorizing the Postmaster General to employ additional Mail-Agents to superintend the transportation of the mails across the Mississippi river; and, on the 14th of the same month, R. A. Hundley and Charles Ayliff were appointed as additional Special Agents for that purpose, and were furnished with similar instructions to those above mentioned as having been given to Special Agents Blair and Talbot. They were all directed to co-operate with each other in carrying out these instructions, and in the procurement of all information necessary to their execution.

After the fall of Vicksburg, renewed instructions were sent out to all of these Agents, urging on them the importance of increased vigilance and energy in the performance of their duties, and giving them such additional directions as were required by the new emergencies. And the rate of pay to Contractors, carrying the mails on such routes as were still in operation, leading to and from the river, was greatly increased, after the service on the route between Vicksburg and Monroe had been interrupted by the enemy, on account of the increased weight of the mails thrown on them, and as an additional inducement to the successful performance of that service.

Previous to the fall of Vicksburg and Port Hudson, communication across the Mississippi river and Valley had been rendered irregular and uncertain by the military operations of the enemy. Since their fall and occupation by them, we have had no reliable postal service across that river. This interruption of the mails, in addition to the injury and inconvenience resulting from the hindrance of the cheap, rapid and regular transmission of intelligence on social and business subjects, has prevented the Government from employing this means of conveying its dispatches and official correspondence to officers west of that river, and receiving communications from them. And it has

prevented that communication, which was necessary to secure the evidence of the performance of service by contractors for carrying the mails; and, in consequence of this, they have not recently been regularly paid, and many of them have not been paid at all for the performance of this service, as recent payments became due.

This condition of things must be changed, or there is danger that the postal service in the States west of the Mississippi will be broken up. Recently, contracts have been made with parties of enterprise and means, by which I am led to hope that postal intercourse will be secured with those States with more or less regularity, though fixed schedules of arrivals and departures of the mails have not been secured, and that we may obtain the forwarding of the back mails each way. But I am fully persuaded we cannot rely upon any service, which can now be performed across that river, for the means of keeping the postal service beyond it in successful operation. This will be better understood when it is remembered that contractors for carrying the mails cannot be paid until evidence is furnished to the Department, from each end of any route, that the service has been performed. This evidence is usually forwarded through the mails. As a means of paying contractors and, at the same time, collecting from postmasters the moneys in their hands belonging to the Department, a collection-order is sent out to the contractor on each route, authorizing him to collect the funds of the Department in the hands of each postmaster on his route, or so much thereof as may satisfy his claim for service. Then, each postmaster is required to take duplicate receipts for all payments made to contractors, and to forward one of them to the Auditor of the Treasury for the Post Office Department. After these receipts are returned, the evidence of his performance of the service furnished, and after the balance due the contractor has been ascertained, a warrant on the Treasury, or some one of its branches, or a draft on some draft-office, is sent to him to secure his final payment. The Department sends letters of appointment, removal and instructions, and all blanks, wrapping-paper, postage stamps, mail-locks and keys, &c., to postmasters through the mails; and receives quarterly returns, evidence of the performance of service and of the payment of contractors, &c., from them. And besides these, an extensive correspondence is all the time kept up with postmasters, contractors and the agents of the Department, in relation to changes and irregularities in the service.

These facts are presented to show that the Department cannot rely on the uncertain communication, which we may expect across the Mississippi, to keep up the service west of that river. In order to preserve to the people of that portion of the Confederacy the necessary postal facilities, I recommend that Congress authorize the appointment of an officer, to be employed west of the Mississippi, and who shall be vested by the Postmaster General, and, if necessary, by the President, from time to time, with such powers, and charged with such duties as will enable him to appoint, remove, and instruct postmasters and subordinate agents of the Department; make new contracts or annul existing ones, if need be, as authorized by law; receive returns

in relation to the service; make preliminary settlements with contractors, and make to them partial or full payments, as directed by instructions; distribute postage stamps, post-office blanks, wrapping paper, &c.; and to perform, generally, all such duties as may be required of him, in conformity with law, to keep up the postal service. All his acts to be subject to the final revision and approval of the Postmaster General and of the proper accounting officers and, where necessary, to the approval of the President.

Before disposing of this subject, it is proper for me to say that, among the means recently adopted for securing mail service across the Mississippi, was the establishment of an express mail line, under the authority of "An act authorizing the establishment of express mails," approved May 1, 1863, and the making of a contract with a party represented to have ample means of carrying it out, for the conveyance of letters and packages, twice a week, between Meridian, Mississippi, and Shreveport, Louisiana. On all letters or packages sent by this line, the postage to be pre-paid, is at the rate of forty cents for each single letter of one-half ounce in weight, and forty cents for every additional half ounce, or fraction of a half ounce. Public advertisement has been made, giving directions for the manner of transmitting letters by this line.

APPOINTMENT OF AN ADDITIONAL AUDITOR.

Your attention is respectfully called to the necessity for the appointment of an additional Auditor. The First Auditor is now charged with the settlement of the accounts of the State, Treasury, Navy, and Post-office Departments, and of the Department of Justice. The Second Auditor settles the accounts of the War Department. The duties of the First Auditor are believed to be so great as to render it physically impossible for him to give them that personal supervision, which is necessary to the correct and speedy settlement of the numerous accounts which are now required to be settled in his bureau, and to secure systematic accuracy in his books, and a convenient arrangement of the files of his office for present use and future reference. Indeed, the rapid growth of the duties of this officer, in connection with the accounts of the other Departments, has made it necessary for him to remove his office, and that of his chief clerk and other clerks engaged in the settlement of those accounts, to another building somewhat remote from this Department, rendering it inconvenient for its other officers to obtain his advice and direction in the adjustment of its accounts.

Leaving out of view the number of accounts he is required to audit for the other Departments, he was required, during the last year, to settle the quarterly accounts of six thousand one hundred and forty-one postmasters, and one thousand five hundred and thirty-four regular and special contractors for carrying the mails; the monthly accounts of ten special mail agents and eighty-seven route agents; and the monthly accounts of forty-eight telegraph agents, operators, and watchmen—making in all thirty-three thousand four hundred and forty accounts annually.

In addition to the settlements of these accounts, the amount of correspondence between the Auditor's office and the various postmasters and contractors is very large, embracing frequent instructions to both, relating to the correction of accounts and the payment of balances by postmasters; in sending out collection orders to contractors; receiving and preserving the evidence of payments made on them; and in transmitting warrants and drafts to pay contractors, and orders for the collection of balances in the hands of postmasters for transfer to draft and deposit offices, &c.

Under the government of the United States, the clerical force engaged in auditing the accounts of the Post-Office Department was greater than that engaged in the Department proper. The proportion must, of necessity, be about the same here. I mention this to show the amount, as well as the importance, of the business of auditing for this Department.

The importance of the duties entrusted to the Auditor's office will be more readily comprehended by an examination of the act, approved May 16, 1861, "to provide for auditing the accounts of the Post-Office Department." The mode of settlement of the accounts of this Department differs materially from that used in connection with all other classes of public accounts, in this particular: that, while all other accounts are subjected to the revision of a Comptroller of the Treasury after they have passed through an examination in the Auditor's office, the accounts of this Department are fully and finally adjusted and closed by the Auditor, except in cases of appeal. All suits and legal proceedings for the collection of sums due the Department, and correspondence with District Attorneys and Marshals, are conducted by the Auditor, instead of being done by the Department of Justice, as is the case in regard to the other Departments.

These marked distinctions, in conjunction with the number and magnitude of the accounts of the Department, and the necessity for a prompt adjustment of them, and a close collection of its revenues to insure its ability to meet the requirement of the Constitution, that it shall pay its expenses out of its revenues, make it important that an Auditor should be provided, who can devote his entire attention to the adjustment of these accounts, and to the vigorous collection of the revenues of this Department; and I would respectfully suggest that the efficiency of the Department, and the interest of persons engaged in its services, would be greatly promoted by the appointment of a Third Auditor, to be charged with the duties in connection with the Post-Office Department, now performed by the First Auditor, and I recommend the passage of a law for that purpose.

COMPENSATION TO BUREAU OFFICERS AND CLERKS.

It is my duty to call your attention to the inadequacy of the compensation of the bureau officers, clerks and employees of this Department, for some time past, owing to the depreciation of the value of our currency, and to the high prices of all the necessaries of life.

Their present compensation, which would be ample if it would com-

mand the means of living at the ordinary rates, is not sufficient to pay their board, leaving out of view their necessary clothing, lodgings, fuel, and such medical attentions as they may happen to require. This condition of affairs has caused several of the clerks, whose services were valuable to the Department, to resign their places, and seek other employments to obtain a support. Others of them have continued in the discharge of their duties, under circumstances which do credit to their patriotism. It is necessary, in justice to their situation, as well as to secure the good of the service, that they should be paid enough to defray the ordinary expenses of living. This may be done either by the improvement of the currency, or by furnishing the necessaries of life in kind, or by an increase of their salaries.

I have the honor to be,

Very respectfully, your obedient servant,

JOHN H. REAGAN,

Postmaster General.

The PRESIDENT.

ESTIMATES

ACCOMPANYING

POSTMASTER GENERAL'S REPORT.

POST-OFFICE DEPARTMENT, }
Richmond, Nov. 7, 1863. }

SIR: I have the honor to submit the following estimates of the sums required for the compensation of the Postmaster General, chiefs of bureaus, clerks, messengers, and laborers of the Post-Office Department, for six months, from the 1st of January to the 30th of June, 1864, under the following named acts of Congress, to wit: "An Act to determine the salaries of the Vice President and of the Heads of Departments," approved February 1, 1861; "An act further to provide for the organization of the Post-Office Department," approved March 9, 1861; "An act to amend an act further to provide for the organization of the Post-Office Department, approved March 9, 1861," approved May 11, 1861; "An act to provide a compensation for the disbursing officers of the several Executive Departments," approved May 16, 1861; "An act to increase the clerical force of the Post-Office Department," approved January 23, 1862:

For the compensation of the Postmaster General, at \$6,000 per annum,	\$3,000 00
For three Chiefs of Bureaus, \$3,000 per annum,	4,500 00
For one chief clerk, \$1,500 per annum,	750 00
For one topographer, \$1,500 per annum,	750 00
For one disbursing clerk, \$1,400 per annum,	700 00
For four principal clerks, \$1,400 per annum,	2,800 00
For twenty-four clerks, \$1,200 per annum,	14,400 00
For nineteen clerks, \$1,000 per annum,	9,500 00
For two messengers, \$500 per annum,	500 00
For one messenger, \$400 per annum,	200 00
For one watchman, \$500 per annum,	250 00
For four laborers, \$1,50 per diem,	1,092 00
Making,	<u>\$38,442 00</u>

Amount brought forward,		\$33,442 00
In addition to the foregoing estimate, an appropriation is required for the increase pay of the employees of this Department, from the 1st to the 13th of January, 1864, inclusive, at the rate fixed by the Act approved October, 13, 1862, "to increase the pay of certain officers and employees in the Executive and Legislative Departments," to wit:		
One chief clerk, at \$250 per annum,	\$	8 93
One topographer, \$250 per annum,		8 93
One disbursing clerk, \$100 per annum,		3 57
Four principal clerks, \$100 per annum,		14 28
Twenty-four clerks, \$300 per annum,		257 04
Nineteen clerks, \$500 per annum,		341 43
Two messengers, \$250 per annum,		17 86
One messenger, \$200 per annum,		7 14
One watchman, \$250 per annum,		8 93
Three laborers, 75 cents per diem,		29 25
		<u>697 36</u>

Making a total of \$39,139 36

The amount of former appropriations, for the purposes before specified, which remained unexpended in the Treasury, to the credit of the Post-Office Department, on the 1st day of November, 1863, was:	\$51,734 49
From which deduct the amount which it is estimated will be expended for the months of November and December, 1863,	16,000 00
Will leave an estimated unexpended balance for the service of the next six months of	35,734 49
This will leave, to be provided for, by appropriation, for the next six months,	3,404 56
There remained unexpended in the Treasury, to the credit of the contingent fund of the Post-Office Department, on the 1st day of November, 1863,	23,826 13
Of this sum it is estimated that the contingent expenses of the Department, for the months of November and December, 1863, will be,	5,000 00
This will leave an estimated unexpended balance of the contingent fund for the service of the next six months, of	<u>18,826 13</u>

This, it is supposed, will cover the incidental and contingent expenses of the Department, for the next six months, and no additional appropriation is, therefore, required for that period.

I have, therefore, respectfully, to ask that the sum of three thousand four hundred and four dollars and eighty-eight cents (\$3,404 88) be appropriated for the pay of the Postmaster General, chiefs of bureaus, clerks, messengers, and laborers of the Post-Office Department, for six months, from the 1st day of January to the 30th of June, 1864.

I also respectfully ask an "appropriation for alterations, rent, damages, lights, &c., for a building for a post-office in the city of Richmond," as follows:

To supply deficiency under act approved May 1, 1863,	\$8,000 00
For rent, from 1st of January to 30th June, 1864,	3,000 00
For fuel,	800 00
For gas-light,	2,200 00
	<hr/>
	\$14,000 00

Very respectfully,

Your obedient servant,

JOHN H. REAGAN,

Postmaster General.

The PRESIDENT.

POST OFFICE DEPARTMENT. }
Richmond, Nov. 7th, 1863. }

Sir: I submit the following estimates of appropriations for the compensation of agents, operators and watchmen, and for the cost of materials, construction, repairing and operating military telegraph lines for six months from the 1st of January to the 30th of June, 1864, under the provisions of the act "relative to telegraph lines of the Confederate States," approved May 11th, 1861.

The actual expenditure for these purposes, for the six months which ended September 30th, 1863, were as follows:

Amount paid agents and operators,	\$9,945 75
“ “ watchmen,	2,356 66
“ “ office expenses,	77 95
“ “ office material,	13,273 19
“ “ construction,	11,264 44
“ “ repairs of lines and instruments,	576 13
“ “ incidental expenses,	456 15
	<hr/>
Total cost,	\$37,950 27

Taking the foregoing as a basis and allowing 25 per cent. increase on the amounts paid agents, operators and watchmen, and 100 per cent increase on the amounts paid for office material and construction in consequence of the scarcity of material, and the advance in price, the probable cost for the six months, ending June 30th, 1864, will be

For agents and operators,	\$12,432 18 3-4
For watchmen,	2,945 82 1-2
For office expenses,	77 95
	<hr/>
Amount carried forward,	15,455 96 1-4

Amount brought forward,	15,455 96 1-4
For office material,	26,546 38
For construction,	22,528 88
For repairs of lines and instruments,	576 13
For incidental expenses,	456 15
Total cost,	<u>\$65,563 50 1-4</u>

I, therefore, respectfully request that the sum of sixty-five thousand five hundred sixty-three dollars and fifty cents (\$65,563 50,) be appropriated for the purposes above named,

Very respectfully,

Your obed't serv't,

JOHN H. REAGAN,

Postmaster General.

APPENDIX

TO

POSTMASTER GENERAL'S REPORT.

AUDITOR'S OFFICE, POST OFFICE DEPARTMENT, }
November 26th, 1863. }

HON. J. H. REAGAN, *Postmaster General*:

SIR: I have the honor to submit the following report of the financial operations of the Department during the fiscal year, ending June 30, 1863; and, in this connection, subjoin tabular statements marked A, B, and C, exhibiting in detail the nature of the receipts and expenditures.

REVENUE ACCOUNT OF THE POST-OFFICE DEPARTMENT

The balance standing on the books of this office to the credit of the revenue account of the Department on the 30th June, 1862, was	\$1,209,916 16
The receipts from 1st July, 1862, to 30th June, 1863, shown in tabular statement A, were	3,337,853 01
The amounts placed in the Treasury for the use of the Department, being grants in aid of the revenue, under acts of Congress, were, under act No. 340, approved Dec. 31, 1861, "for printing blanks for the Post-Office Department,"	\$16,000 00
Under act No. 59, approved Sept. 27, 1862, "to pay deficit in the Post-Office Department under the provisions of an act to provide for the payment of sums ascertained to be due for postal service to citizens of the Confederate States by the Postmaster General,"	\$800,000 00
Amounts carried forward,	816,000 00 4,547,769 17

Amounts brought forward,	816,000 00	4,547,769 17	
Under acts approved the 9th and 13th Oct. 1862, "to supply deficiencies in the revenue of the Post-Office Department for the months of December, 1862, and January, 1863,"	261,214 78	1,077,214 78	
Making the aggregate of revenue and grants,		<u>\$5,624,983 95</u>	
The expenditures of the Department from 1st July, 1862, to June, 1863, including arrearages of the previous fiscal year, paid during the last fiscal year, as shown in tabular statement B, were,		<u>3,239,319 49</u>	
Leaving to the credit of the revenue account on the 1st July, 1863,		<u><u>\$2,385,664 46</u></u>	
The postal revenue for the fiscal year, as per table A, being		3,337,853 01	
And the expenditures for the same period per table B,	3,239,319 49		
Les the sums paid on account of United States indebtedness to mail contractors assumed by the Confederate States, amounting to	502,017 19		
And Confederate States transportation, which accrued prior to July 1, 1862, and remained unpaid as per last report, on 30th September, 1862, amounting to	233,644 50	735,661 69	2,503,657 80
The excess of revenue over adjusted expenditures was		834,195 21	
Deduct from that excess the balance of transportation due and unpaid on 30th September, 1863, viz:		159,146 77	
And the excess of revenue over all expenditures incurred as exhibited in statement C, was		<u><u>\$675,048 44</u></u>	

The net revenue of the Department from postages, being the aggregate amount of balances due the Confederate States by postmasters on the adjustment of their quarterly accounts to 30th June, 1863, after

retaining their compensation and deducting the expenses of their offices, was,

For the quarter ending September 30, 1862,	\$510,411 93
For the quarter ending December 31, 1862,	543,648 51
For the quarter ending March 31, 1863,	530,236 23
For the quarter ending June 30, 1863,	740,999 15

And the total net revenue from postage, \$2,325,295 82

The amount of letter postage paid in money was, during the

Quarter ending September 30th, 1862,	184,164 88
Quarter ending December 31st, 1862,	185,326 23
Quarter ending March 31st, 1863,	183,330 72
Quarter ending June 30th, 1863,	200,248 01

Total, \$753,069 84

The number of accounts audited during the year, and on which the foregoing sum was ascertained, was, for the

Quarter ending September 30, 1862,	5,350
Quarter ending December 31, 1862,	5,187
Quarter ending March 31, 1863,	4,810
Quarter ending June 30, 1863,	4,418

Making the total number audited, 19,765

It was discovered in auditing the above number of accounts that errors, amounting to fifty cents and upwards had been made against the Confederate States in 6,675 of them; and copies of that number of accounts current showing the errors were prepared and transmitted to the respective postmasters with proper instructions.

The gross amount of postage stamps sold during the year, was, \$2,392,332 63

The amount used in the pre-payment of postage and cancelled was, 1,857,798 41

Leaving afloat and principally employed as currency, 534,534 22

CONTRACTORS ACCOUNTS.

The average number of contractors accounts settled in each quarter, was,

On regular mail routes,	1,534
On special mail routes,	223
Of route and express agents,	128
Of mail messengers and local agents,	124

Making the total number each quarter, 2,009

And the whole number of settlements during the year, 8,036

The amount charged to "accrued transportation" and placed to the credit of mail contractors and others for mail transportation during the year, was,

For services on regular mail lines,	\$1,653,903 00
For the supply of special officers,	24,379 10
For salaries of route agents,	80,477 74

Total,	<u>\$1,758,759 84</u>
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The amount credited to "accrued transportation" and charged to contractors and others for over credits and damages,

	\$6,564 54	
Of fines imposed upon contractors,	1,030 84	
Of deductions from contractors' pay,	136,312 97	143,908 35

Leaving the net amount to the credit of contractors and others,

	\$1,614,851 49
Add balance due to contractors and others and remaining unpaid on the 30th September, 1862,	233,644 50

1,848,495 99

Deduct amount actually paid for mail transportation, excluding U. S. claims during the year,

1,689,349 22

And the balance remaining unpaid September 30, 1863, is shown to be,

150,146 77

The amount of the appropriation to provide for the payment of sums due citizens of the Confederate States for United States postal service performed prior to June 1, 1861, was,

\$800,000 00

The aggregate of United States claims settled by drafts and warrants to September 30, 1863, was,

502,017 19

Leaving an unexpended balance of,

297,982 81

COLLECTION OF THE REVENUE OF THE DEPARTMENT.

The number of Post-offices in operation during the fiscal year was 6,141.

The following Post-offices, twelve in number, were made "depositories," and were authorized and directed by the Postmaster General to receive and retain, subject to drafts from the Department, the revenue of certain adjacent offices, as well as the revenue of their own:

Atlanta, Ga.

Columbus, Ga.

Cuthbert, Ga.

Columbia, S. C.

Columbus, Miss.

Grenada, Miss.

Greenville, S. C.

Knoxville, Tenn.

Mobile, Ala.

Macon, Ga.

Raleigh, N. C.

Spartanburg, S. C.

125 are "draft offices," and with the foregoing "depositories" paid during the year, 3,192 drafts issued by the Postmaster General, and countersigned, entered, and sent out by the auditor, for sums amounting in the aggregate to,	\$508,779 71
112 are "depositing offices," and turned over to the Treasurer, Assistant Treasurer, and other Confederate States Depositories, during the year, (exclusive of amounts deposited at Galveston and Little Rock), during the last quarter,	1,047,782 49
5,546 are "collection offices," and paid during the year, on orders issued by the auditor to mail contractors,	480,102 40
346 are "special" and "mail messenger offices," deriving their supplies chiefly from the revenues of this class of offices; the cost of this supply was,	<u>24,379 10</u>

Showing the amount paid into the Treasury, and for the uses and purposes of the Post-Office Department by the postmasters, after deducting their compensation, and the incidental expenses of their offices to have been,

\$2,061,043 70

1,890 treasury warrants were issued by the Postmaster General, and countersigned, charged, and sent to the Treasury by the Auditor for sums amounting to,

\$1,269,960 93

With great respect,

Your obedient servant,

J. W. ROBERTSON,
Acting Auditor.

(A.)

STATEMENT exhibiting the Receipts of the Post-Office Department under their several Heads for the Fiscal Year ending June 30th, 1863.

	3d quarter, 1863.	4th quarter, 1862.	1st quarter, 1863.	2d quarter, 1863.	Total under each head.	Aggregate amount.
Letter postage.....	\$184,164 88	\$185,326 23	\$183,330 72	\$200,248 01	\$ 753,069 84	
Newspapers and pamphlets.....	45,248 24	44,901 42	46,211 10	52,304 76	188,665 52	
Postage stamps sold.....	487,754 48	542 194 86	509,857 48	822,525 81	2,392,332 63	
Surplus of emolu- ments.....	24 00			3,761 02	3,785 02	
	\$117,191 60	\$772,422 51	\$769,399 30	\$1,078,839 60		\$3,337,858 01

(B.)

STATEMENT exhibiting the Expenditures of the Post-Office Department under their several Heads for the Fiscal Year ending June 30th, 1863.

	3d quarter, 1862	4th quarter, 1862.	1st quarter, 1863.	2d quarter, 1863	Total under each head.	Aggregate amount.
Transportation.....	\$711,525 13	\$528,904 08	\$630,609 05	\$320,258 14	* \$2,191,306 41	
Compensat'n of post- masters.....	189,996 65	206,397 40	222,216 77	244,262 75	862,873 57	
Compensation of P. O. clerks.....	20,216 10	23,866 59	18,433 92	28,836 05	91,352 66	
Ship, steamboat and way letters.....	123 29	234 08	189 12	224 92	771 41	
Advertising.....	769 33	1,319 54	9 07 76	1,768 99	12,915 62	
Mail bags.....	18 78	59 59	118 98	59 00	256 35	
Office furniture.....	15 60	11 00	125 00	1,308 50	1,460 00	
Books and printing.....	543 87	10,883 55	2,512 34	108 00	14,047 76	
Wrapping paper.....	138 45	127 85	79 43	8,992 45	9,338 18	
Mail locks, keys and stamps.....	281 70		374 40	100 65	756 75	
Mail depredations and special agents.....	4,334 11	5,193 75	5,546 18	5,794 27	21,068 51	
Miscellaneous pay- ments.....	2,880 23	4,205 10	4,486 67	8,967 69	20,539 69	
Postage stamps.....	1,529 30	2,529 60	8,513 88		12,572 78	
	\$932,572 44	\$783,792 13	\$902,263 51	\$620,691 41		\$3,239,519 49

* Of this sum \$502,017 19 was paid for postal service rendered in the States of the Confederacy under contract or appointment made by the United States Government before the Confederate States took charge of such service. See act approved Sept. 27, 1862, chap. 16.

(C)

RECAPITULATION of Letter Postage, Postage on Newspapers and Pamphlets, Postage Stamps sold, Compensation of Postmasters, Incidental Expenses, and amounts credited to Contractors for the Transportation of Mails in each State, for the fiscal year ending June 30, 1883.

STATES.	Letter postage	Newspaper Postage	Stamps sold	Total Receipts	Completion of Postoffice	Incidental Expenses	Total Compensation and incidental expenses	Transportation accrued	Total Expenses	Excess of Receipts over Expenses	Excess of Receipts over Expenses
Virginia	\$ 77,040 51	\$ 42,246 50	\$ 710,816 89	\$ 829,603 03	\$ 110,233 78	\$ 29,073 21	\$ 175,325 99	\$ 175,233 01	\$ 350,690 00	\$ 488,883 93	\$ 488,883 93
North Carolina	91,513 14	25,319 72	212,925 48	329,758 34	113,794 15	7,046 23	120,840 38	151,761 86	282,602 30	80,166 64	80,166 64
South Carolina	90,175 74	23,919 17	277,332 50	397,517 41	101,746 50	14,910 22	116,656 72	170,194 86	295,851 68	101,665 83	101,665 83
Georgia	167,482 45	35,224 28	419,107 99	621,824 72	171,211 67	28,296 61	199,578 86	212,044 05	411,673 23	210,251 49	210,251 49
Florida	74,599 22	3,087 68	20,788 24	48,375 04	19,757 84	1,653 89	19,223 55	22,072 01	51,695 74	40,860 97	40,860 97
Alabama	107,870 60	22,950 60	358,889 46	529,710 66	113,222 97	11,371 21	124,624 18	152,428 31	307,628 49	58,507 20	58,507 20
Mississippi	48,844 60	12,631 14	192,190 95	263,556 75	75,955 19	7,599 65	83,554 84	156,428 91	269,155 55	10,340 35	10,340 35
Louisiana	20,211 14	2,560 31	26,012 50	48,723 65	18,762 70	63 64	19,426 34	60,169 63	114,888 42	66,134 72	66,134 72
Texas	55,222 88	6,363 37	79,400 84	131,890 19	48,343 92	1,786 59	50,130 51	96,167 13	218,297 35	80,301 19	80,301 19
Arkansas	17,119 36	1,877 21	23,202 89	41,898 51	13,172 21	1,298 51	14,470 72	90,540 65	111,031 37	69,614 56	69,614 56
Tennessee	33,743 26	12,359 03	136,519 27	182,621 56	40,394 60	4,498 65	44,893 25	70,869 72	124,762 97	58,178 63	58,178 63
Arizona Territory	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Deduct miscellaneous items	\$ 753,899 97	\$ 183,681 62	\$ 2,826,238 96	\$ 3,763,820 55	\$ 802,568 23	\$ 105,773 48	\$ 908,309 81	\$ 1,610,067 14	\$ 2,478,376 95	\$ 249,701 47	\$ 1,029,748 04
Add miscellaneous items	363 13	19 10	69,614 47	837 24	.....	.....	337 21	.....	337 24	65,397 23	65,397 23
Total	\$ 753,680 81	\$ 183,695 52	\$ 2,892,352 63	\$ 3,834,067 99	\$ 802,573 57	\$ 105,773 48	\$ 908,647 05	\$ 1,610,097 14	\$ 2,478,714 19	\$ 249,701 47	\$ 1,105,840 29
Add receipts on account of surplus emoluments											
Deduct excess of expenditures over receipts											
" Amount paid to route agents,..... \$ 80,405 21 " for supply of special officers and mail messengers,..... 24,379 10 " for ship, steamboat and way letters,..... 771 41 Amounts allowed and paid at the Department, viz.: For wrapping paper,..... 9,324 78 Advertising,..... 16,083 61 Mail bags,..... 125 60 Office furniture,..... 1,000 00 Blank books and printing,..... 14,447 70 Mail locks, keys and stamps,..... 756 75 Mail deposit-uns and special agents,..... 21,068 21 Clerks for post-offices,..... 2,913 24 Miscellaneous,..... 6,619 40 Postage stamps and stamped envelopes,..... 12,672 78 Total excess of receipts over expenditures,..... \$ 675,043 41											

A TABULAR STATEMENT, showing the number of Post-Offices in existence, also the number established and discontinued, and the number of resignations, removals, deaths and appointments of Postmasters, and the number of commissions issued to Postmasters from July 1st, 1862, to June 30th, 1863, inclusive.

STATES.	Number of Post-offices.	Number of offices established.	Number of offices discontinued.	Resignations.	Removals.	Deaths.	Number of appointments.	Number of commissions issued.
Alabama.....	768	28	81	99	5	15	234	213
Arkansas.....	619	2	8	17	4	4	27	17
Florida.....	167	9	11	22	3	4	43	47
Georgia.....	815	14	40	92	8	13	184	169
Louisiana.....	307	1	26	32	5	3	49	31
Mississippi.....	568	18	50	57	6	8	89	73
North Carolina.....	1,070	23	37	62	6	12	322	256
South Carolina.....	576	8	25	37	2	12	121	92
Tennessee.....	955	4	9	34	7	4	66	53
Texas.....	710	14	47	61	13	2	89	52
Virginia.....	1,732	16	66	89	7	16	251	222
	8,287	137	400	602	62	93	1,430	1,225

Respectfully submitted,

B. N. CLEMENTS,
Chief of Appointment Bureau.

POST-OFFICE DEPARTMENT, }
Appointment Bureau. }

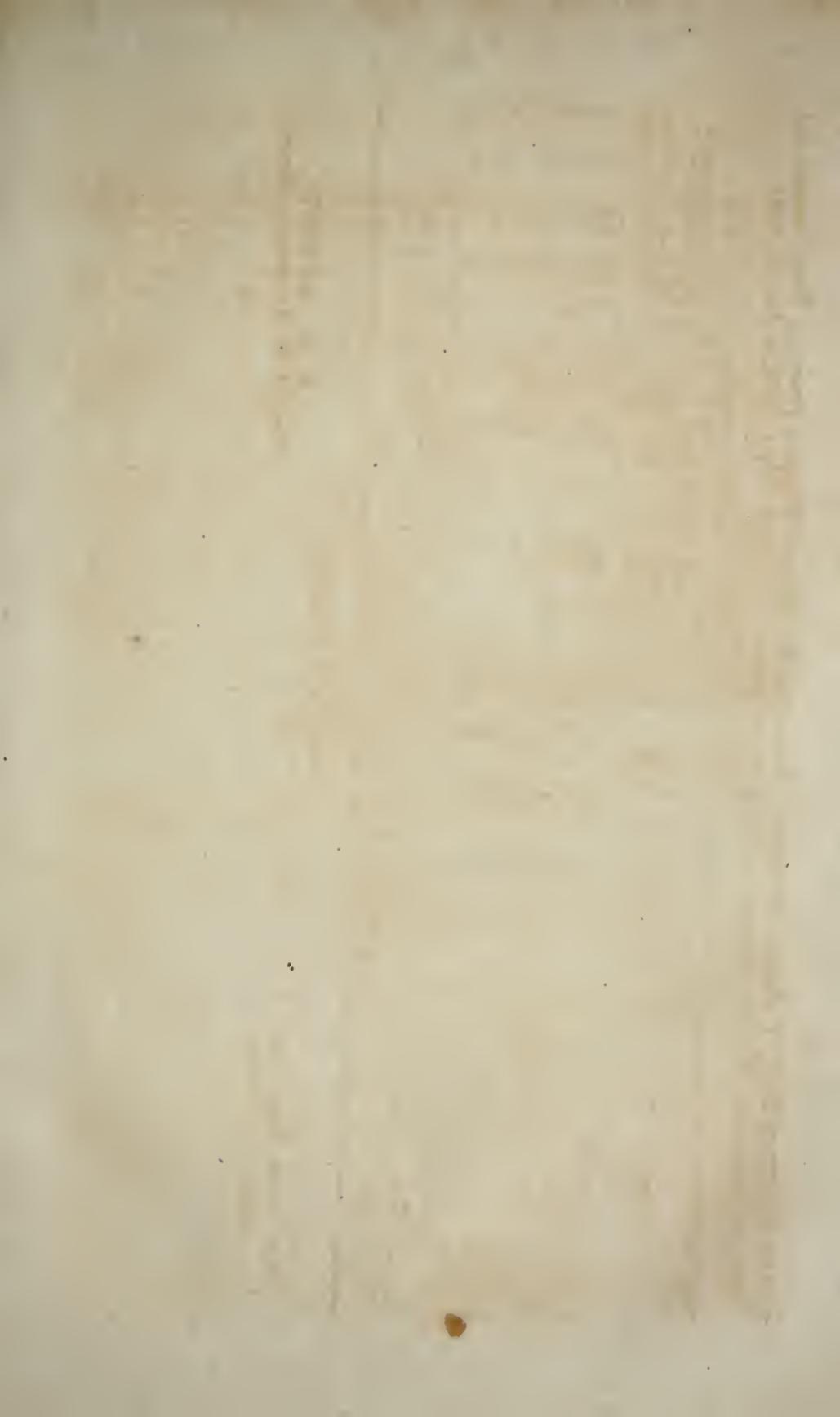
TABULAR STATEMENT showing the number of Requisitions for Blanks, Wrapping Paper and Twine, received and filled; the amount issued to each State, and exhibiting the total quantity issued from July 1, 1862, to June 30, 1863.

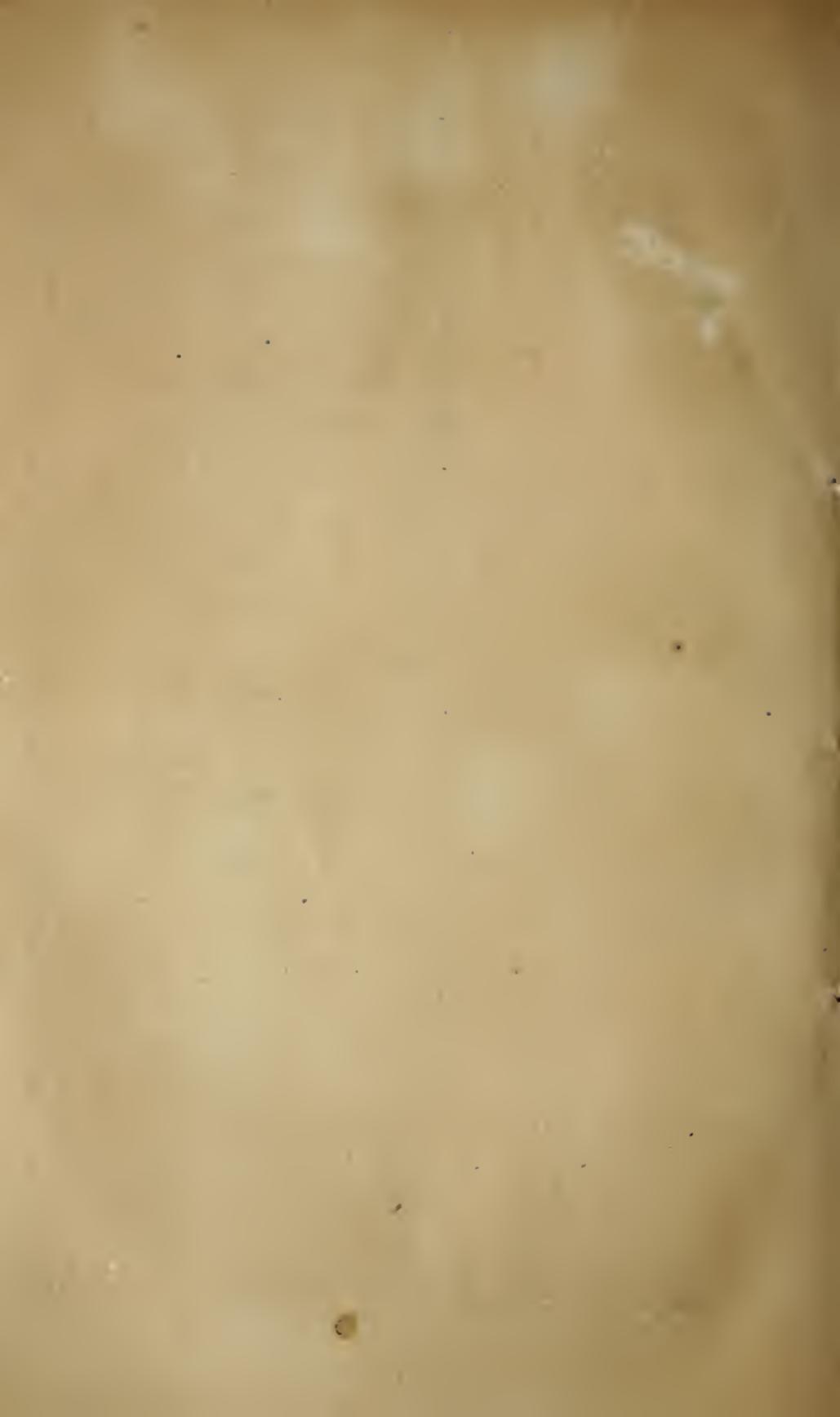
STATES.	Post Bils of Sheets	Mails received.	Mails sent.	Accounts Current.	Accounts of Newspapers.	Prepaid Matter	Signature Loat Bills.	Mails received for Distrib'n.	Mails sent from distrib- ing offices.	Wrapping paper, r'n's	Wrapping paper, qrs.	Twine, cotton pounds	Twine, hemp, pounds.	No of requisitions filled & filled	Total number of R'n's, Qrs. & Shts.		
															r'n's.	Qrs. Sheets.	
Virginia.....	11 09	2 06	11 017	6 715	3 207	140	35 000	1 47 5	3 250	350	418	113 1/2	2 207	6	488	15	11
New York.....	31 60	14 42	17 253	6 271	2 582	175	33 340	400	1 000	128	326	28 1/2	50	1 784	218	4	4
North Carolina.....	22 91	10 649	6 401	3 601	2 355	70	20 500	800	1 000	90	213	36 1/2	35	1 114	109	16	2
Georgia.....	28 65	21 600	13 505	6 852	2 688	60	71 520	1 975	7 000	372	227	125	123	1 798	82	7	8
Alabama.....	34 652	11 12	7 575	4 338	1 856	110	28 080	508	2 120	111	138	17	60	1 156	31	15	3
Arkansas.....	4 583	0 379	1 358	970	445	20	2 440	0	0	6	29	1	226	1	17	1	1
Florida.....	17 504	10 014	6 827	3 238	1 128	100	10 440	200	200	77	148	23	148	821	493	6	6
Mississippi.....	6 73	3 190	2 497	1 246	629	69	3 920	15	15	15	55	5 1/2	10	240	10	11	16
Louisiana.....	2 105	0 259	1 420	1 125	378	20	6 270	21	42	22	91	3	156	36	7	7	7
Arkansas.....	14 304	7 528	5 3 9	1 892	856	44	6 691	42	42	42	108	15	640	10	11	16	16
Tennessee.....	17 315	10 508	6 515	4 135	1 905	100	6 786	0	0	20	83	5 1/2	601	601	1 865	18	20
Total in Sheets.....	204 011	119 140	77 180	39 555	10 683	856	2 36 780	5 081	16 970	r'n's	q'rs.	573 lbs.	250 lbs.	10 046	950		
Total in Quires.....	488 r'n's	218 r'n's	160 r'n's	85 r'n's	34 r'n's	1 r'm	493 r'n's	10 r'n's	35 r'n's	1 300 r's	1 300 r's	573 lbs.	250 lbs.	10 046			
Quires.....	15 q'rs	4 q'rs	16 q'rs	7 q'rs	15 q'rs	17 q'rs	5 9 q'rs	11 q'rs	7 q'rs	14 q'rs	628 3/4 q'rs						
Sheets.....	11 117 4	4 511 8	2 511 8	5 511 8	3 511 8	1 511 8		16 511 8	2 511 8								

Respectfully submitted,

B. N. CLEMENTS,
Chief of the Appointment Bureau.

Post Office Department, }
Appointment Bureau.





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