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PEW 1749

## COMMUNICATION PROM POSTMASTER GENERAL.

Confederate States of America,

Postoffice Department,

Richmond, Va., March 6, 1863.

Sir: Herewith I enclose you a copy of a correspondence between Campbell Wallace Esq., President East Tennessee and Georgia Railroad Company, and myself in relation to mail pay on railroads, and other subjects.

Very respectfully,
Your obedient servant,
JOHN H. REAGAN,
Postmaster General.

Hon. W. P. Chilton, Chairman Com. on Postoffices and Postroads, Ho. Reps. Conf. Cong. Confederate States of America,

Postoffice Department,

Richmond, Va., March 4, 1863.

Dear Sin: Your letter of the 10th February, ult., was received by due course of mail, and I have been prevented from answering it sooner by a pressure of business. I can but thank you for the generous and patriotic expression of your views recommending a reduction of the mail pay to railroads to a uniform rule of fifty dollars per mile, during the war, as a means of enabling the Postoffice Department to keep up the mail service. At a convention of the officers and representatives of the railroad companies, which was held at Montgomery soon after the organization of our Government, they eheerfully and patrotically met the views of the Department by con-

senting to a reduction of the rates of mail pay.

But this consent was coupled with a resolution which required a considerable increase of expenditure by the Department for the payment of messenger service, which had before that time been paid by the railroad companies. And, on the whole, the reduction of the cost of railroad service has not been reduced as much as was at the time expected. As bearing on your proposition, I would mention that at the railroad convention recently held at Augusta, the proceedings of which I have not yet seen, I have been informed a resolution was adopted for the appointment of a committee to urge upon Congress the propriety of increasing the rates of mail pay to railroad companies. If I am correctly informed as to this, it would indicate that they would not probably consent to the reduction you so patrioti-

cally propose.

I have for some time past been endeavoring to accommodate the views of the officers of many lines of railroad, I may say of nearly all, by agreeing with them to the arrangement of schedules at a rate of speed of about, fifteen miles per hour, instead of the present schedules. This they represent to me as made necessary on account of the difficulty of keeping up the motive power and rolling stock of the several roads as well as from the difficulty of getting iron to repair the roads. If this slower rate of speed shall be adopted, I am advised it will be beneficial to the roads by facilitating transportation. And for this and the decreased speed in the transmission of the mails, which is the special advantage derived from conveying them by railroad, they may possibly consent to some reduction of present rates of pay. If our railroads would consent to the rates of mail pay received by those of other countries, it would greatly relieve the Department, and possibly enable it to pay its own

expenses without a further reduction of the mail facilities of the country. And when the current amount of transportation gives them full employment, as at present, and especially if slow schedules should be agreed on, so as to favor transportation, and while mesenger service is paid for by the Department, I can see no good reason why they might not agree to a reduction of mail pay.

A reduction of the railroad pay for transportation of the mails to a maximum rate of one hundred dollars per mile would produce a saving to the Department of one hundred and seventy-five thousand, three hundred and ten dollars (175,310 00.) And a reduction to a maximum of fifty dollars per mile would produce a saving of four hundred and eighteen thousand, four hundred and ninety-five dollars (418,495 00.) A reduction of the expenses of the Department by an amount equal to this latter sum, if it can be made, would enable the Department to meet its future liabilities, it is believed, without further additional aid from the Treasury and without the necessity of future reductions of the service.

While I do not regard it as probable that the railroads would consent to this latter reduction, I should have hopes that they might consent to deductions to a maximum of seventy-five dollars per mile, with the twenty-five per cent. allowed for night service when performed, upon the arrangement of such slower schedule as will accommodate their freight and travel. I will call the attention of the committee on postoffices and postroads, of the two houses of Congress to your recommendation, that they may give it such consideration as its importance requires. In answer to that portion of your letter in which you suggest that I withdraw my recommendation for an increase of the postage on newspapers, and for the repeal of the law authorizing the sending of newspaper exchanges through the mails free of postage, I would say that these recommendations were not made on account of any hostility to newspapers or on account of a want of appreciation of their general usefulness, or the special and great service they have rendered our country in the struggle through which we are passing. I agree with you in the belief that the history of the world does not furnish evidence that the press has ever before been more free, as a general thing, from personality or licentiousness, in times of either peace or war than it has been in the Confederato States for the last two years, and that no government was ever more nobly and patriotically sustainded by the press than ours. But the same just meed of praise may with equal propriety be bestowed on those who compose our gallant and faithful armies, and those who, unable to go to the tented field, both men and women, have voluntarily contributed so much, and to the amount of untold thousands freely and without price, to sustain them; yet it is not proposed to give these any special immunities, or to foster their industry at the expense of other pursuits. And these recommendations were made because their adoption would add to the revenues of the department, and so far aid in securing postal facilities to the country, without inflicting a wrong on any, and because it is contrary to the principles of our government and the genius of our institutions to foster or

promote any part of it, or any of its citizens at the expense of others. He who eats must pay for his food; and he who reads ought to pay for his books and papers. The State governments may, if they think proper, make provision for the education of the people, but the Con-

federate government has no such power.

But independently of the questions of policy and power, so far as the publishers of papers are concerned, they are not at all agreed as to the propriety or justice of authorizing the transportation of exchanges through the mails free of postage. Soon after the organization of our Government, and preparatory to my first recommendations on the subject, from personal interviews and correspondence, I ascertained that, in the main, the costly daily papers were opposed to it, while the smaller papers, less frequently issued, generally favored it. This, as it was explained to me, arose from the fact that the publishers of dailies, when applied to for an exchange with less costly papers, found it to be regarded as rather injudicious to refuse such exchanges, while to make them was to submit to a tax equal to the difference in the value of the papers in each case. And while there is no compulsion to make free exchanges, the above is an illustration of the practical operation of the law in the class of cases referred to.

You, no doubt, observed too that, even at the increased rate of postage on newspapers which I recommend, one newspaper, weighing three ounces, would be sent from Richmond to Knoxville for one cent, while correspondents would have to pay sixty cents for three ounces weight of single letters between the same points. I only recommended such an increase of postage on newspapers as I hoped Congress would adopt, and not what my own convictions of justice and propriety induced me to think would be really right and proper. So that, while appreciating the high motives which prompted your views,

I am led to a different conclusion from yours on the subject.

With much respect,
Your obedient servant,
(Signed,)
JO

JOHN H. REAGAN,

Postmaster General.

Campbell. Wallace, Esq, Pres't E. Tenn. and Ga. R. R. Co., Knoxville, Tenn.

> Office East Tenn. and Ga. Railroad, Knoxville, February 10th, 1863.

Hon. Jno. H. Reagan, Postmaster General C. S. A., Richmond, Va.:

Dear Sin: In view of the difficulties in the way of Congress making appropriations cut of the Confederate Treasury for the support of the Postoffice Department after March, and aware of the great reduction of mail facilities that must take place after that time in order to make that department self sustaining, as required by the Constitution, I sug-

gest that it would be proper for Congress to limit the price to be paid the railroad companies for carrying the mails to fifty dollars per mile, commencing the first of April, and to continue until the end of the

war, and no longer.

I am satisfied that the railroad companies of the Confederate States would cheerfully acquiesce in such a law rather than the people should be restricted in their postal facilities. I would make the rate uniform, giving to all the roads the fifty dollars per mile, as it is not so much the weight of the mails carried that enters into the cost of the transportation, as it is the preparation for the work, and that expense is about the same per mile to the second and third class roads as it is to the first. For instance, this company, under your classification, are receiving one hundred and fifty dollars per mile, while some other roads, carrying lighter mails, but at an equal expense, receive only one-third of that sum.

I do not wish to be understood as intimating that the price now paid first class roads for mail service is too much. On the contrary, my experience in many years of railroad management has been that often I would gladly have given up the mail contracts rather than adopt schedules which were necessary for mail facilities, when I knew that such schedules would lose the company in local travel five dollars for every one received from the government for carrying the mail. But our government is now in its infacy, this is the day of our trial, and from many years' intercourse with the gentlemen who control the railways in the Confederate States, I do not feel that I am hazarding much when I say that you will find them, without exception, acquiescing in such a law, not grudgingly, but cheerfully.

The result to the finances of the Postoffice Department, while not bearing heavily on the roads, would, according to the figures in your report, be a saving of not less than a half million of dollars per annum on your present contracts, which saving will be much greater when the Confederate States will have reclaimed her railroads and extended her mail facilities in territory now overrun by the Federals.

In this connection I would respectfully suggest, that you withdraw your recommendation to increase the rate of newspaper postage and the suggestion to tax printing establishments with postage on their exchanges. I cannot well conceive of any one thing that would be more disastrous to the prosperity of our young Republic than any action of Congress lessening the facilities for furnishing the people with information, or transmitting the operations of those engaged in preparing, in suitable form, that information for the people. press has been everything to us in this crisis and should not, in my opinion, be placed alongside with the ordinary industrial pursuits of the country. Its mission is to elevate man; its work is with the intellect; and in proportion as you foster a virtuous free press, you build up a virtuous free people and make them strong to defend that freedom. The history of the world does not furnish evidence that ever before has the press been more free from personality and a tendency to licentiousness, in times of either peace or war, than it has been in the Confederate States for the last two years, and never before has a Government been more ably and patriotically sustained by the press. Give the newspaper publishers, then, every needed facility for cheap transportation. They have not advanced their prices in proportion to their increased expenditures. Newspapers, to circulate freely and widely, must be cheap—cheap in price, cheap in postage. Like salt, the consumption is in proportion to the cost. Cheap salt creates a large consumption, and hogs, horses, cattle, sheep and bacon, always give unmistakable evidence of the advantages of cheap salt. So with the mind—the man. Give communities the advantage of cheap books, cheap newspapers, cheap mail facilities, and you will always reap a rich reward in good morals and a highly cultivated people, willing to sacrifice all else than the right to govern themselves; and herein lies the strength and power and success of the Confederate States in this unnatural and terrible war.

Truly, your friend,

(Signed,)

C. WALLACE, President.



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