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SUPPLEMENTAL REPORT

OF THE

POSTMASTER GENERAL.

POSTOFFICE DEPARTMENT. }
Richmond, February 12, 1863. }

TO THE PRESIDENT :

SIR: At the opening of the present session of Congress, I did not submit estimates for appropriations for this department for the fiscal year from the 1st July, 1863, to the 30th June, 1864, because I had not at that time the means of determining the effect which the act of the 19th of April last, establishing a uniform rate of letter postage of ten cents, from and after the 1st July last, and the act of the 21st of the same month, reducing the rates of commissions to be allowed to postmasters as compensation for their services, which was also to go into operation on the 1st July last, would have on the revenues of the department. And the information necessary to the preparation of these estimates, is also necessary to enable Congress to determine the sum which will be required, if any, in addition to the current revenues of the department, to keep up the postal service.

The accounts of the department for the quarter which ended the 30th September last, being the first quarter after the above named laws went into effect, have now been made up; and I am enabled, on the data furnished by them, to present revised estimates for the present fiscal year, and to submit the necessary estimates for appropriations for the next fiscal year.

The actual expenditures for the year which ended the 30th June last were	\$2,924,290 48
The actual receipts for the same year were	1,911,189 05
Excess of expenditures,	\$1,013,101 43
The estimated expenditures heretofore submitted for the present fiscal year, ending the 30th of next June, are	\$3,376,268 99
Estimated receipts for same year,	1,911,189 05
Estimated excess of expenditures,	\$1,465,079 94

Unexpended balance of appropriations from the General Treasury to meet this excess,	1,476,233 45
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Which would leave an estimated balance in the Treasury to the credit of the Postoffice De- partment, at the end of the present fiscal year of	<u>\$11,153 51</u>
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The revenues of the department for the quarter which ended the 30th September last, being the first quarter of the current fiscal year, and the first quarter after the above named laws, increasing the letter postage, and reducing the commissions of postmasters, went into effect, were:

From letter postage paid in money,	\$184,208 13
From postage on newspapers and pamphlets paid in money,	45 243 28
From surplus of emoluments from box rents,	24 00
From postage stamps sold,	<u>487,799 58</u>
Making,	<u>\$717,274 99</u>

If this rate of receipts should continue for the remaining three quarters, it would produce an aggregate of receipts for the year, of two millions eight hundred and sixty-nine thousand ninety-nine dollars and ninety-six cents, (2,869,099 96); being an estimated increase, based on the actual returns of the first quarter of the current fiscal year, over the actual receipts of the year, which ended June 30, 1862, and which formed the basis of my former estimate for this year, of nine hundred and fifty-seven thousand nine hundred and ten dollars and ninety-one cents (\$957,910 91). Notwithstanding the reduction of the rates of commissions paid to postmasters as compensation for their services, the estimated increase of receipts for postages for the current fiscal year, based upon the actual receipts and commissions for the quarter which ended the 30th September last, it is estimated will increase their compensation eighty-eight thousand two hundred and thirty-eight dollars and ninety-three cents, (\$88,238 93.) for the year. Deducting this sum from the estimated increase of receipts for the present year, resulting from the increased rates of postage, and the reduced rates of commissions allowed to postmasters, would leave a nett estimated increase of eight hundred and sixty-nine thousand six hundred and seventy-two dollars and one cent, (\$869,672 01). This latter sum is to be added to the former estimate submitted by me of the revenues of the department for the current fiscal year, and subtracted from the former estimated deficiency of one million four hundred and sixty-five thousand seventy-nine dollars and ninety four cents, (\$1,465,079 94,) and reduces that deficiency, which was based on the receipts of last year, to five hundred and ninety-five thousand four hundred and seven dollars and ninety-three cents, (\$595,497 93).

This correction of my former estimate of the receipts and expenditures of the current fiscal year, requires that the sum of eight hun-

dred and sixty-nine thousand six hundred and seventy-two dollars and one cent, (\$869,672 01,) shall be added to the sum of eleven thousand one hundred and fifty-three dollars and fifty-one cents, (\$11,153 51,) which it was then estimated would remain in the Treasury to the credit of this department at the end of the year, and shows that the estimated amount which will remain in the Treasury to the credit of this department at the end of the present fiscal year, will be eight hundred and eighty thousand eight hundred and twenty-five dollars and forty-nine cents, (\$880,825 49).

It is possible that a larger amount of postage stamps may have been sold and absorbed as currency during the first quarter of this year than the average sales for the three remaining quarters; and if so, this will, to that extent, affect the accuracy of this estimate. And the available revenues of the Department may be in some degree affected by the success of the Auditor, in their collection and use in payment for the service.

In view of the foregoing results from the operations of the acts referred to, I beg leave to submit revised estimates in detail of the receipts and expenditures of the Department for the year ending June 30, 1863, and also for the year ending June 30, 1864.

ESTIMATED EXPENDITURES FOR THE YEAR ENDING JUNE 30, 1863:

For transportation of the mails,	\$2,493,389 86
“ Compensation of Postmasters,	759,966 60
“ “ Clerks in Postoffices,	98,821 29
“ Ship, steamboat and way letters,	777 09
“ Advertising,	6,879 03
“ Mail bags,	714 77
“ Office furniture,	81 81
“ Blanks and printing,	30,000 00
“ Wrapping paper and twine	8,000 00
“ Mail depredations and special agents,	25,206 50
“ Miscellaneous payments,	17,112 07
“ Postage stamps,	22,869 50
“ Mail locks, keys and rating stamps,	689 40
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	\$3,464,507 92

ESTIMATED RECEIPTS FOR THE YEAR ENDING JUNE 30, 1863:

From letter postage, paid in money,	\$736,832 52
“ Newspapers and pamphlets,	180,973 12
“ Surplus emoluments from box rents,	96 00
“ Postage stamps,	1,951,198 32
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	\$2,869,099 96
Estimated excess of expenditures,	\$595,407 96
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Amount carried forward,	\$595,407 96

Amount brought forward,		\$595,407 96
Amount of appropriations remaining to the credit of the Department on the 30th June, 1862,	\$682,806 93	
To balance of appropriation under act of April 3d, 1862, as per estimate of March 11th, 1862,	532,211 74	
Amount appropriated by act of October 9, 1862,	130,607 39	
Amount appropriated by act of October 13, 1862,	130,607 39	
	<hr/>	\$1,476,233 45
Which would leave a balance in the treasury to the credit of the Department at the end of the current fiscal year, of		<hr/> <hr/> 880,825 49

ESTIMATED EXPENDITURES FOR YEAR ENDING JUNE 30, 1864:

For transportation of mails,	\$2,800,164 08
“ Compensation of postmasters,	759,966 60
“ “ of clerks in postoffices,	98,821 29
“ Ship, steamboat and way letters,	777 09
“ Advertising,	6,879 03
“ Mail bags,	714 77
“ Office furniture,	81 81
“ Blanks and printing,	30,000 00
“ Wrapping paper and twine,	8,000 00
“ Mail depredations and special agents,	25,206 50
“ Miscellaneous payments,	17,112 07
“ Postage stamps,	22,869 59
“ Mail locks, keys, and rating stamps,	689 40
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	\$3,771,282 14

ESTIMATED RECEIPTS FOR THE YEAR ENDING JUNE 30, 1864:

From letter postage, paid in money,	\$736,832 52
“ Newspaper and pamphlet postage,	180,973 12
“ Surplus emoluments from box rents,	96 00
“ Postage stamps,	1,951,198 32
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	\$2,869,099 96
Estimated excess of expenditures,	\$902,182 18
Deduct amount of estimated unexpended balance remaining in the treasury to the credit of the Department on 30th June, 1863,	880,825 49
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Estimated deficiency for year ending 30th June, 1864, \$21,356 69

The estimates of expenditures for the year ending June 30, 1864, are greater by the sum of three hundred and six thousand seven hun-

dred and seventy-four dollars and twenty-two cents, (\$306,774 22.) than the estimated expenditures of the present year. This results from an increase of the estimated cost of transportation, made in consequence of the facts that contracts for carrying the mails for the next four years from the 1st of July next, are to be made during the coming spring in the States of Virginia, North Carolina, South Carolina, Georgia and Florida. The present cost of transportation in these States other than by railroads is three hundred and six thousand seven hundred and seventy-four dollars and twenty-two cents, (\$306,774 22.) per annum. On account of the augmented prices of every thing, and of the fact that the competition for the new contracts will be reduced in consequence of mail contractors, their drivers and riders, who are liable to military duty, being now required to go into the army, it is deemed advisable to add in the estimates for next year one hundred per cent. to the present cost of transportation other than by railroads in these States.

The estimated deficiency for the next fiscal year of twenty-one thousand three hundred and fifty-six dollars and sixty-nine cents, (\$21,356 69), may be met without an appropriation from the general treasury, if Congress will enact laws to carry into effect the recommendations made in the report which I had the honor to submit on the 12th of January last, recommending an increase of the postage on newspapers, and the repeal of the law authorizing newspaper exchanges to be carried free of postage, to which recommendations attention is respectfully called. It is estimated that if the changes therein recommended are made, they will produce an increase of the receipts of the Department of sixty or seventy thousand dollars per annum. If these changes should be made, it will only be necessary for Congress to appropriate the revenues of the Department arising from postage for the fiscal year ending June 30, 1864. If they are not made, it will be necessary for Congress to provide the sum of twenty-one thousand three hundred and fifty-six dollars and sixty-nine cents, (\$21,356 69), to cover the estimated deficiency of revenues for that year, or for the Department to curtail the service so as to avoid the expenditure of that amount.

It will be seen from the foregoing that, from the aid heretofore given this Department by appropriations from the general treasury, its operations may be carried on until the 30th of June, 1864, if allowed to use the full amount of the appropriations heretofore made; and will secure another year in which to ascertain whether the Department can be sustained by its own revenues.

By reference to the estimates submitted by me, on the 31st December last, it will be seen that in consequence of the failure of Congress to appropriate the accruing revenues of the Department, the accounts for the fiscal year which ended on the 30th June, 1862, cannot be closed until an appropriation of two hundred and seventy-six thousand three hundred and fifty five dollars and twenty-three cents, (\$276 355 23), of the accrued revenues of that year shall be appropriated. This resulted from the fact that no appropriation of the accruing revenues of the Department has been made to a later date

than the 1st of March, 1862. And hence, though in fact it has been using its accruing revenues in anticipation of their being appropriated, if now called on to close the accounts of the Department without further legislation, it would appear that the entire amount of appropriations heretofore made from the general treasury, in aid of its revenues, has been already expended, and that the amount to be expended between this and the 30th of June, 1864, according to the foregoing estimates, would have to be paid out of the accruing revenues of the Department hereafter to be appropriated. In consequence of the failure of Congress to appropriate the accruing revenues of the Department, I have not been enabled, by the use of covering warrants, to place them in the treasury, as required by the 1st section of the act of July 2, 1836, "to change the organization of the Postoffice Department, and to provide more effectually for the settlement of the accounts thereof," so as to use them in payment of its liabilities. This will appear more fully by the following exhibit of appropriations and expenditures up to the 31st of December, 1862.

The appropriations and expenditures of the Department from the 1st of June, 1861, to December 31st, 1862, are as follows, viz:

APPROPRIATIONS.

Amount of revenues appropriated by act approved 16th March, 1861,		\$1,727,218 49
Amount of grant from the general treasury by same act,	\$320,060 36	
Amount of grant from the general treasury by act approved 29th of August, 1861,	500,000 00	
Amount of grant from the general treasury by act approved April 3, 1862,	1,451,602 31	
Amount of grant from the general treasury by act approved October 9, 1862,	130,607 39	
Amount of grant from the general treasury by act approved October 13, 1862,	130,607 39	
Total of grants,		<u>2,532,877 45</u>
Aggregate of revenues and grants appropriated,		<u><u>\$1,260,095 94</u></u>

EXPENDITURES.

Amount of expenditures during the month of June, 1861, as exhibited in Auditor's statement, submitted January 12, 1863,		\$135,927 24
Amount of expenditures between the 1st of July, 1861, and 30th June, 1862, as exhibited in same report,		2,924,290 48

Estimated amount of expenditures between the 1st of July, 1862, and December 31, 1862, as based upon the revised estimates for the current year, hereinbefore set forth,

1,732,253 96

Aggregate of expenditures,

4,792,471 68

Deduct amount of appropriations,

4,260,099 94

Leaving,

\$532,375 74

For which no appropriation has yet been made.

In view of the foregoing, if not otherwise directed by the action of Congress, I shall treat the appropriations heretofore made from the general treasury, in aid of the revenues of this department, as having been expended, and use the accruing revenues, which have accumulated in consequence of not having been heretofore appropriated, in payment of its liabilities for this and the succeeding year.

The tabular statement prepared by the Auditor, and hereto annexed, shows in detail, and by States, under the appropriate heads, the amount of revenues collected, and the cost of their collection, for the quarter which ended the 30th September, 1862.

This revision of my former estimates and submission of estimates for the next fiscal year, makes it necessary for Congress to appropriate the following amounts from the accruing revenues of the department.

For the year which ended June 30th, 1862, \$ 276,355 23

For the current fiscal year ending June 30th 1863, 2,869,099 96

For the fiscal year ending June 30th, 1864, 2,869,099 96

I have the honor to be,

Very respectfully,

Your obedient servant,

JOHN H. REAGAN,
Postmaster General.

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