## THE DAILY EVENING BULLETIN .- PHILADELPHIA, TUESDAY DECEMBER 4, 1866 - TRIPLE SHEET.

## Report of the Postmaster General.

8

Post OFFICE DEPARTMENT, November 26, 1866.—SIR: The revenues of this depart ment for the year, ending June 30, 1866, were Ment for he year enting June 30, 1865, were \$14,386,986 21, and the expenditures \$16,352, 079 80, showing au expess of the latter of \$965,093 09. Anticipating this deficiency, a special appropriation was made by act of Congress approved July 28, 1866.

The decrease of revenue compared with the previous year was 11-5 percent, and the increase of expenditures 12 percent, and the in-crease of expenditures 12 percent, and includ-ing the standing appropriation for free mail matter, \$700,000, as a legitimate portion of the revenues yet remaining unexpended, the actual deficiency for the past year is only \$265,093 09-within \$51,141 of amount esti mated in the annual report of 1864.

That portion of the revenues accumulated in depository and draft offices, under the the Auditor, \$2,641,074 38; and retained by postmasters for salaries and office expense 84,994,256 44.

..... \$17,583,0

15,806,34 priations for the free matter, unexpended for several years, are deemed sufficient; The following amounts will, however, be required from any money in the treasury \$900,000 California For steamshipservice between San Francisco, Japan and China, for one year feom July, 1, 500.00

For steamship service between the United States and Brazil, for the same period...... 150,00 \$1,550.00 For detailed information as to the finance

of the department, reference is made to the full and satisfactory report of the Auditor. hereto appended

The number of postage stamps issued during the year was 347,734,325, representing \$10.816,661; stamped envelopes\_30,386,200, representing \$921,500 50; stamped envelopes bearing printed cards and requests 7,683,525, representing \$230,006 75; stamped wrappers 1,025,000, representing \$20,500; making in all \$11,988,668 25; a decrease of \$353,769 25, as compared with the previous year.

The aggregate of stamped envelopes and stamped wrappers issued during the year ended June 30, 1866, was 39,094,725, repre-senting \$1,172,007 25; an increase of 12,888.-550, representing \$424,557 25, or nearly 50 per cent; being largely in excess of issue during any previous year since the intro duction of stamped envelopes.

The sale of stamps, envelopes, &c., during the past year amounted to \$12,204,729 54, or \$216,061 29 more than the issues; showing the absorption to that extent of the stock remaining unsold in the hands of the pest-masters, which amounted on the 1st of July,

masters, which amounted on the 1st of July, 1865, to \$447,710. (See Appendix.) The issues of postage stamps and stamped envelopes during the current fiscal year, from 1st of July to 1st Novemder, are \$360,-765 in excess of the issues for the corre-sponding period of last year, being at the rate of more than one million of dollars per annum

The increased demand since 1st July for envelopes with printed cards and requests for returning direct to the sender, if not promptly delivered to the address, is very notable, being about 663 per cent. The general use of such envelopes will tend largely to reduce the number of dead

During the year, 66 cases of claims, on ac count of robberies by armed forces, invol-ving an amount of \$4,225 06, have been acted apon. Filty-seven of these claims, amount-ing to \$3,852 04, have been allowed under the provisions of the acts approved April 29, 1864, and March 3,1865, and nine, amount-ing to \$374/2 have been priorted and ing to \$37402, have been rejected as not com ing within the provisions of the law CONTRACTS.

tion, comprising nearly nine-tenths of the autoad routes. All the routes in these states were duly advertised to be let to conrect; a part from the lat January, 1866; and he residue from 1at July, 1866; but on a rarge number of them no proposals were received under the advertisement, and on meny others the bids were extravagantly nigh. In the latter case, offers of the highest

high, in the latter case, offers of the highest admissible rates were submitted by he department to the lowest oldders; and in some instances negotiations were opened through special agents, postmasters, and leading citizens. By all these means combined; the amount of service here stated has been ob-reined tained. The existing contracts in all the States

named, except Tennessee, will expire on the 30th June, 1867. New advertisements, in-viting proposals for four years' service from 1st July, 1867, are now being issued, under which it is hoped all routes of real utility in the whole section will be lot the whole section will be let.

By a recent order of the department, the overland mail route to California, of which Atchison, Kansas, had been the initial point, has been changed so as to have two point, has been changed so as to nave two points of departure—one from Junction city, Kansas, on the Union Pacific Railroad route (eastern division), running from Wyandotte, Kansas; and the other from Fort Kearney, ebraska, on the Union Pacific Railroad

route, running from Omaha city, Nebraska, The lines: from these two points meet at Denver city, in Colorado Territory. The Junction City road connects at Wyan-dotta with the pacific railway from St. Louis, Mo., making a continuous railway connec

tion with the eastern cities. By this route the stage travel is diminished one hundred nd sixty-eight miles, and the time occupied in the transit should be proportionally reluced. The mails to and from California, which before were sent via Chicago and St. Joseph, were consequently ordered, on the 15th of August last, to be sent via St. Louis, Wyandotte and Junction City. The reports So far received of the could ward in the reports so far received of the actual running of the mails since the change took effect do not show the average diminution of time in the

performance of the through trip which the department was led to expect, though the capacity of the route for superior expedition is proved by the fact that in one or two intances the mails have been received at New York in nineteen days from San Francisco, a day less than the shortest time even made previous to the change. Subsequently, however, the extension of the Chicago an Northwestern Railway to Omaha City, which is necessary to form a continuous line

by rail to Fort Kearney, has become so nearly completed, that, on the 13th of November instant, orders were issued to for-ward via Chicago, Omaha City and Fort Kearney, all mails destined for the overland route from the distributing offices at Port and, Boston, Hartford, Albany, New York, Philadelphia, Pittsburgh, Buffalo, Cleve-and and Detroit—the expectation being that mails from that portion of the country

represented by these distributing offices will and their quickest transit by the northern route.

route. The preparation of post-route maps for publication has been continued by the topo-grapher, and is well advanced. Two sheets, exhibiting the post offices and mail service of the New England States, are in the hands of the engraver, and will be ready for dis-tribution and sale early this winter. The amount of fines imposed and deduc-tions made from the pay of contractors for failures and other delinquencies during the year was \$62,956.48, and the amount remit-ted for the same period was \$6,654.39. leav-

ted for the same period was \$6,654 39, leav-ing the net amount of fines and deduction

A table is annexed, showing the number, description, and cost of mail bags, looks and keys purchased during the year; the amount expended for mail bags of all kinds being \$53,627.50. This compared with the expenditure of the preceding year, (\$91,-715\_86,) shows a curtailment of \$38,088.36. FOREIGN MAIL SERVICE.

The aggregate amount of postage, sea, inapon the correspondence

ompanied with an assurance of the desire of that government to conclude a new con-vention on a more liberal basis, reducing the present rates of international postage and granting enlarged mail facilities. The necessary steps were at once taken to accomplish that object, and I have the satisfaction of announcing that a preliminary basis for a new postal con-vention has been agreed upon by the two post departments, reducing the interna-tional charge on a single letter from twenty-four to twelve-cents; admitting into the mails printed matter of every kind, and patterns of merchandise, at such rates as the despatching country shall establish; and granting to each country, reciprocally, the right to transmit correspondence in closed bags, or in the ordinary mails, through the other, at the same rates of charge paid by the inhabitants of the country through which the correspondence is forwarded. The principal advantages of the new ar-rangement may be briefly stated as follows: 1. A reduction of the international letter

postage to one-half of the existing charge. 2. The removal of all restrictions upon the exchange of printed matter in the mails at reduced postage charges.

3. The compulsory prepayment of postage upon letters and other mail matter, avoiding entirely the keeping of complicated postage accounts upon international corres-

4. A reduction of postage with all other countries to and from which correspondence is transmitted in the British mail, or in closed bags through the United Kingdom. The establishment of uniform and reasonable charges for the sea and territorial transit of correspondence. in closed mails; and of correspondence. in closed mails; and granting to each post department the right to make, use of all mail communications established under the authority of the other, for a despatch of correspondence, either in open or closed mails, on the same terms as those applicable to the inhabitants of the country providing the means of transmission.

6. The postage of all international letters to belong wholly to the despatching country, and no charge whatever to be made by the receiving country on delivery.

7. Each post department to make its own arrangements for the despatch of mails to the other, by well appointed ships, sailing on stated days, and to pay the owners of such ships for the conveyance of the mails which it despatches.

No time has yet been agreed upon for carrying the new convention into operation, but it is confidently expected that the British office will consent to name as early a date as practicable, that the public may receive, without unnecessary delay, the benefit of the reduced rates of postage, as well as of more frequent means of mail communication between the two

countries. The postal convention with Venezula, referred to in the last report, was executed on the part of Venezula on the 26th of June, and went into operation on the first of Osto-

ber last. A copy thereof is annexed. Negotiations have been commenced with the post department of Brazil, for a postal convention to regulate the exchange of correspondence with that empire, by means of the direct line of subsidized mail packetsplying between New York and Rio de Janeiro, via St. Thomas, Para, Pernambuco and Bahia. The draft of articles submitted by this department as the basis of the convention, proposes the establishment of low rates of postage both upon letters and printed matter, the avoidance as far as practicable of postage accounts between the respective post departments, and adopts the leading improvements recommended by the Paris international postal conference. A copy of the contract for the mail service to which was executed by the United States and Brazil Mail Steamship Company on the 29th of August, 1865, is annexed hereto.

The Pacific Mail Steamship Company of New York, to which was awarded the con-tract for the China mail service, authorized ne actor February 17, 1865, has executed a contract for that service, a copy of which is annexed. The high reputation of this company, their experience and undoubted esources, and the zeal and energy which they have manifested in making preparah tions for the service, afford a guarantee of the success of this great national enterprise to extend and develop American commerce, by obtaining control of the vast and con-stantly increasing trade of Japan and China, which the advantages of our geographical position should enable us to possess The contract is for monthly trips between San Francisco and Hong Kong, touching at the ports of Henolulu in the Sandwich and Yokohama (Kanagawa) in Islands Japan, both on the outward and inward Japan, both on the outward and inward passages, by a line of first class A merican sea-going side-wheel steamships of not less than 3.500 tons burden, government meas-urement, and of sufficient number, not less than four, to perform the stipulated service. The Great Republic, the first of the new steamships building specially for this ser-vice, was launched at New York on the 8th of November instant, is now receiving her machinery, and is expected to be ready for sea about the 1st of May, 1867. She will register over 4,100 tons, government measure ment, or 1,100 tons more than the minimum tonnage named in the law; her extreme length is 380 feet, extreme breadth 50 feet, depth of hold 50 feet, and her draught when ordinarily loaded will be 21 feet. The second steamship, of similar size and propertions, is to be launched early in December of this year and will be propagation for this year, and will be prepared for service about the lst of July, 1867; and the machinery for two others of like dimensions is in course of two others of like dimensions is in course of construction. An inspection of hulls and machinery of these ships, as well as a gene-ral knowledge of the preparations making by the contractors, has satisfied me that by the contractors, has satisfied me that very possible exertion is being used to ful-fil the requirements of the law and contract. The company have tendered their first-class steamship Colorado to take the mails from San Francisco on the 1st of January, 1867, the day named in the law. This ship which has been withdrawn from the Pa-nama and San Francisco line to prepare her for service on the China route, is of the re-quired fonnage, and will, it is believed, fully comply in other respects with the terms of the law and contract, although the report of her inspection by a naval constructor, under comply in other respects with the terms of the law and contract, although the report of her inspection by a naval constructor, under instructions lately given by the Secretary of the Navy, has not yet been received. In the building of steamships for this line the contractors encountered a practical diffi-cuity, arising out of two conflicting condi-tions: first, the necessity of constructing ships that could make the long voyage of 7,087 miles between San Francisco and Hong Kong, by the route named in the law, with safety and success, as regards the main object for which Congress authorized the establishment of the line; and secondly, the practicability of securing that object with-out making the ships so large as to pre-clude, by their heavy draught, the possi-bility of entering the harbor of Honolulu, which has a depth of water, under favora-ble circumstances, of barely 21 feet. These two conditions, they allege, were found to be inconsistent, and they therefore assumed the responsibility of so constructing the ships as to attain the more important ob-jects of the subsidy, while necessarily plac-ing a practical difficulty in the way of the adopts the leading reforms in international postal intercourse, recommended by the responsibility of so constructing the postal conference held at Paris in May, 1863, it was negotiated and signed at forence on the 14th of June, 1866. This convention, a copy of which is annexed will be carried into execution as soon as notice is received from the post department of the line. They are, consequently, build increased size, and proportionally more expensive to the sep in service, than was necestarine de the sex string postal convention between this country and the Units government, under date of July 25, 1866, of its purpose to to terminate the excising postal convention between this country and the Units and the Units and the Units and the Units of the line. They are, consequently, build they have been returned free, 83 which the exchange of correspondence in closed bags can be effected. Notice was given by the British government, under date of July 25, 1866, of its purpose to terminate the existing postal convention between this country and the Units and the Units and the Units and the Units are as which govern the navigation of the Pa-

cific ocean, render it unwise, if not incompa-tible with the complete success of the enter-prise, to require the steamships to touch at the Sandwich Islands on their passages bethe Sandwich Islands on their passages be-tween San Francisco, Japan and China. This is conclusively shown by the report of my predecessor to the Senate Committee on Post Offices and Post Roads, dated June 11, 1866, in which are embodied explanations furnished by Rear Admiral C. H. Davis, su-nerindent of the United Ustates Navel Observe perindent of the United States Naval Observatory, respecting the proper routes to be pursued by steam vessels navigating the Pacific cocan between San Francisco, Kanagawa and Hong Kong Admiral Davis, referring to the ad-vaniages of the great circle, or direct route vantages of the great circle, or direct route between China and San Krancisco, so clearly defined by natural laws, uses the following explicit language: "It is impossible, in es-tablishing a route between two continents

for the improvement of intercourse and trade, to overlook or neglect such advan-ages as these. It is hardly too much to say that it would amount to an absurdity to select the models of our ships with special reference to speed; and to propel them through the water with engines of enormous power. and then to permit those aids and advan-tages which nature offers to us as her own means of co-operation. At any rate, if we are prepared to leave this field of enterprize at no distant day to those who will obey the laws governing the navigation of the great sage

of the great seas. These considerations with regard to the eastern voyage appear to dispese of the whole question. They show that touching at the Sand wich Islands on the return from China would prolong the voyage so many days unnecessarily that an additional line of steamers must soon be established, provided the inter-course between China and America is to acquire that importance which is confidently

A careful consideration of the subject has satisfied me of the correctness of the views expressed by my predecessor in that report. That the steamships of the main line between San Francisco, Japan and China should not be required to touch at the Sandwich Islands does not, in my judgement, admit of reason-able doubt; but the condition upon which-such release should be granted is a question exclusively for the determination of Congress. A wiseand liberal policy towards a notional enterprise of this magnitude would seem to jestify the release without imposing onerous conditions, in consideration of the increased expenses incurred in building ships for the service of great size and aug mented speed, as well as of the important public interests involved in the success of the line

APPOINTMENTS.	
The number of nost officer established de-	
the year	
Number discounted	1,143
Increase of offices	636
Number of post offices in operation of the	507
Increase of offices Number of post offices in operation on the 20th Jute, 1865	
lotal number in operation on the solution	20.550
Autor of post offices in operation on the 30th Juse, 1855 lotel number in operation on the 30th of June, 1856 Number of post offices in the States not engaged in the rehealion	
Sinmber of post officer in the Statistics	23, 928
in the rebeilion	
Non ber in the late insurant States	20,550
2.778 were re op ned during the year.	
Number of efficers subject to appointment by	8,839
	1
President	709
Number of offices re-opened in the douthern	23,119
States up to November 1	
States up to Rovember I	3 234
Appointments made to fill vacancies by resig-	
nation of postmasters	3 1
Dation of postmasters.	4,679
To fill vacancies in suspended offices.	2,778
By change of names and size	1,065
By change of names and sites	192
By establishment of new offices	217
2. Compliantificate of thew old ces	1,143
Total number of encolaterate	
Total number of appointments	19.074
Number of cases acted upon	
No. of special agents 35 Agere's compen'n	10 816
	23,865
Akeree Compen'n	96 200 J
No. of fonte agenta	105,482
Aggre'e compen'n	35,919
No. of baggage-masters . 39 Aggre'e compen'n	1.800
Contract Contraction of Contractiono	
The free deline 758	\$6,266
The free delivery system is in operation	
in forty-six of the principal cities.	The

number of carriers employed was 863, at an aggregate compensation of \$589,238 41. This mode of delivery has steadily grown

An investigation into the cause of the non-delivery of letters confirms the state-ment made in the last report, that three-fourths of the whole number fail to reach the parties addressed through faults of the writers, and it has been ascertained that the proportion of letters fully addressed returned from offices where the free delivery is established is less than 3 per cent. From some of these offices returns have been re-ceived, in which not a single letter so addressed appears without a satisfactory reacont, of dead letters are returned from these offices, and it thus appears that a more care-ful attention to the details of address on the part of writers, together with a more extensive use of request envelopes, would mate-rially promote the certainty of delivery and greatly diminish the number of dead letters. POSTAL MONEY-ORDER SYSTEM. The number of money-order offices now

in operation in 766, being 347 more than at the date of the last annual report, and measures have recently been taken to establish 67 additional offices in the Pacific States

\$3.977,250 24 52.050 73 3,903,890 22

Excess of issues over pay-

From the establishment of the system on November 1, 1864, to July 1, 1865, a period of eight months, the orders issued amounted of eight months, the orders issued amounted to \$1,360,122 52, and the orders paid and repaid to \$1,313.577 68. On comparing these amounts with the corresponding transac-tions of the last fiscal year, it appears that the business has been almost trebled. The average amount of each order issued during the was \$16 32

The average amount of each order issued during the year was \$16 32. The whole number of duplicates was 1,432, of which 1,124 were issued to replace origi-nals lost in the mails or otherwise, 296 were In lieu of orders invalidated by age, and 12 to replace orders illegally indorsed. The sum of \$2,710,685 53 being surplus funds accruing at the smaller offices from

the transaction of the money order business. was transmitted to first-class offices used a depositories, either by national bank drafts or in registered packages by mail. The re-ceipts and expenditures for the last fiscal year, as adjusted and reported by the Auditor, were as follows, viz:

\$35.799 99 eminm received on exchange.

ions to postmasters. 563 44 533 00 23,664 27

Excess of receipts over expenditures...... This sum represents the gross swoun: of revenue de ived from the transaction of the money-order business for the past year, and if we deduct their errom the amount of the deficiency in the receipts as compared with the expenditures turing the period of eight months ending July 1, 1865, as stated in the inst annual report, vix..... 7,138 79

7,047 37 There remains the sum of. 90 82 As the proceeds of the system from its commencement up to the close of the last fiscal year.

The cost of blanks for postmasters, which are furnished by the department of public printing, is not included in the foregoing

The present charge of fee established by law for an order of twenty dollars or less is ten cents, and for an order exceeding twenty dollars, twenty-five cents. These rates are defective in this respect, that an applicant who desires to remit any sum under forty dollars, could do it more cheaply by two orders than by one, insamuch as two orders for twenty dollars each would cost him but twenty cents, while for a single order of forty dollars he would have to pay twenty-five cents. The manifest tendency of this state of things is to augment unnecessarily dollars, could do it more cheaply by two tate of things is to augment unnecessarily the number of orders issued, invoiving a waste of time and of clerical labor at both the issuing and paying offices, as well as increasing the liability to error. The adop-tion of an additional rate of fifteen cents for all orders of more than ten, but not exceed-ing thirty dollars, without any change of the present fees for orders of ion dollars without present fees for orders of ten dollars or less, or for orders exceeding thirty dollars, would remedy the defect in question, and promote xpedition and accuracy in the transaction of the business. At some post offices, particularly those located at centres of trade and commerce, the number of orders paid very greatly ex-ceeds the number issued, so that the pay-ment of orders constitutes the chief business of these offices and on the number of these offices, and as the postmaster's compensation for paying orders, being one eighth of one per ceat. on the amount thereof, is much less than for issuing them, for which he receives one-third of the fees, it is recommended that the commission for paying orders be increased from one eighth to one-fourth of one per cent., so as to afford postmasters at such offices a compensation proportionate to their services. In case of the loss of a money order, the owner, in order to obtain a duplicate thereof is required "to furnish a statement under oath of affirmation," setting forth the loss or destruction of the original, together with a certificate from the postmaster by whom it was payable that it has not been and will not be paid. A certificate must also be obtained from the issuing postmaster that the order in question had not been and will not be repaid to the purchaser. In the majority be repaid to the purchaser. In the majority of cases the applicant's information with regard to the loss of the original order is limited to the fact that it was mailed is imited to the lact that it was malled at a certain office, but failed from causes unknown to him to reach the person ad-dressed. He is obliged, however, to fur-bish a statement to that effect under oath, which is to the administered by the bar. (which is to be administered by the postmaster without charge,) and to defray the master without charge,) and to deiray the cost of a five cent revenue stamp affixed to such statement. This additional expense is burdensome to the owner, who is rarely to be blaraed for the loss of the original order, for which the regular fee had already been paid to the department. and the latter har. paid to the department, and the latter hav-ing undertaken, in consideration of that fee, Ing understaten, in consideration of that fee, te transfer through the mails the sum of money represented by the order, should perform that duty without exacting any further compensation. Experience moreover shows that the certificates of both post-masters afford complete security control masters afford complete security against the erroneous issue of a duplicate in lieu of an order that had been once paid. It would seem therefore, that the legal requirement from the applicant of a sworn statement a to the loss or destruction of the original is entirely unnecessary, as well as onerous, and should be abolished. For similar reasons no charge whatever should be made for the no charge whatever should be made for the issue of a dupticate order to replace an ori-ginal that has become invalid because not presented within one year after its date, or because improperly indorsed. In such cases the invalidation of the order is in it-self a negative for any negligence of the holder; who, on application, should receive payment of his money by means of a dupli-cate without a second fee.

funds, amounting to \$617, sent in a registered package from Natchez, Mississippi, to St. Louis, Missouri, was lost by the destruction of the mail steamer City of Memphis, on the slst of May, but in consequence of delay in obtailing satisfactory evidence that this sum had been duly counted, registered, and mailed, and had, subscaturative has total and had been duly counted, registered, and mailed, and had subsequently been totally destroyed, the claim of the postmaster at Natchez to be credited therewith was not allowed by this department and transmitted to the Auditor in time to be inserted in his report. ~

MISCELLANEOUS. In addition to the details of this report, I submit a few suggestions: The condition of all the branches of this department is most all the branches of this department is most encouraging. The general plan proposed by my predecessor for re establishing postal service in the late insurgent States has been to a large extent carried out; and efficient service, with economical expenditures, has resulted. Just as rapidly as the condition of the countries and the necessities of the

of the countries and the necessities of the people will warrant, new post offices will be opened, and mail service increased. The surplus of revenues over expendi-tures for the fiscal year ending June 30, 1865, was not anticipated for the year ending June 30, 1866. The expense incident to re-establishing mail service in the Southern Stotes where such service had heep inter-States, where such service had been inter-rupted by the rebellion, it was known would increase largely the general outlays of the department beyond what had been required during either of the preceding four

There is no better evidence of national. prosperity than the constant increase from year to year of revenues derived from domestic and foreign postages. There is no better evidence of the increasing general infurnished by the loaded mails. The change in modes of conveyance from

carrier pigeons and special messengers, and post riders with billets and small packages and a few letters, to railroads and steamboats, carrying every day hundreds of tons of letters and newspapers and books, all through the length and breadth of the land through the length and breadth of the land is an extraordinary commentary upon the increasing wealth and prosperity of the na-tion, and the energy and intelligence of the people. The few thousand pounds of postal revenue in Franklin's time for a single year, give place now to fifteen millions of dollars annually, a sum greater than the annual revenues of the federal government during the administration of John Quincy during the administration of John Quincy Adams.

This service, under the liberal patronage of the government, has done more to aid in developing the resources of the country than anything else except the cultivation of the soil. It has done more to aid in enlightening and Christianizing the people than ening and Unrishanizing the people than anything else except thespelling-book and Bible. The post office and mail route travel with civilization, and mark its progress as distinctly as the school house and meeting

house. It has always been an erroneous theory in the history of the postal service of the United States that it was established or sustained on the principle of wholly defraying its own expenses out of its own reve-nues; or, in other words, on the principle that it should be self supporting. It is a prest public negative great public necessity, to accommodate pri-vate citizens, and it will not do to say that no mail route shall be opened, or post office established, until the business on the proposed route or of the proposed office shall pay all expenses.

Large sums of money are paid every year to contractors for carrying mails beyond our frontier, across the central wilderness, to the Pacific States; and other large sums are paid for service on lines tributary to the main lines, to accommodate as yet sparse settlements. From these, comparatively small returns come back in the shape of postal revenues. Yet these very agencies invite settlement and encourage enterprise in material development, so that there comes back to the people in real wealth almost as many millions of dollars as the government expends thousands in this particular branch f service. Of service. Congress has wisely appropriated five hundred thousand dollars per year to pay for carrying mails from San Francisco to China. There is an excuse, in sending mails for paying this money to a private company in aid of a great commercial enter-prise. This money so expended will come prise. This money, so expended, will come back from the China seasin goods and wares and merchandise to our own markets, or, n seeking European markets, in transpor ation paid across the continent. Whether the people pay in postage stamps for transmission of letters through the mails, or whether they pay by appropria-tion of public money, the ends sought and the ends attained are the same. While a lavish expenditure of public money is to be avoided, there ought to be a liberal expenditure for extending mail facilities by land and by sea In another, respect I recommend more liberality. The clerks and employes of the Post Office Department have not been well paid for the services they have performed. The salaries of clerks in the Post Office Department during the four years of war were not increased, while all the expenses of living were more than doubled. The salaries were fixed in times of peace and low prices. They were not raised when war raised prices. Clerks were compelled to run in debt, and, and, in many cases, their families suffered from want. They worked theithfully and abilifinity and honesity in authfully and skillfully and honestly in discharging important duties for the Go-vernment. I submit that they ought to have some reasonable allowance for the past, and an increase of salary in the future. Clerks in post offices, letter carriers, and route agents are not paid what they ought to be paid. Honest, industrious men are re-quired for all these duties, and they ought to be paid a fair and living compensation for their labor. Their employment is unin-terrupted, except by sickness. The letter-certiers claim peculiar consideration carriers claim peculiar consideration. They travel every day from early in the morning until late at night, in heat and cold and rain and snow, in heat and cold and rain and snow, all through the cities, distributing letters and papers without compensation enough to pay house rent. I feel that the government ought to pay all these employes better, be-cause they earn more, and because the government can afford to pay more. I plead the cause of all these employes because it is just to them that I should, and I ear-nesdly ask pormission and units and nestly ask permission and means to pay them better. them better. The foreign postal service has grown to such magnitude that increased care and re-sponsibility fall upon those having the direct charge of it; and I respectfully ask that authority be given to appoint a super-intendent of foreign mails, and an additional clerk for that branch of the service. I clear recommend that authority be given I also recommend that authority be given to appoint a superintendent of the opening and distribution of dead letters. The law regulating the franking privilege ought, in my opinion, to be amended. I do not think the privilege should be abollshed. I think it a necessity for the different de-partments, as well as for Congress. But great abuses have grown up under it. To avoid frauds and a misuse of the privilege, I recommend such a change in the law as to reconice the written signature of the present require the written signature of the person exercising the privilege upon the matter franked; and to relieve the heads of departments and bureaus of great labor, that a franking clerk be authorized by law for each department of the government, with the right to frank all matter pertaining to the department for which he is appointed. Respectfully submitted:

Receipts: Fees on orders issued... 35,503 0 Expenditures:

There were in the service of the depart ment on the 30th June, 1866, 6,669 contract-ors for the transportation of the mails.

Of mail routes in operation there were 6,930; aggregate length 180,921 miles; aggregate annual transportation 71,837,914 miles; aggregate annual cost \$7,630,474; including the compensation of route agents, local agents, mail messengers, postal railway clerks, and baggage-masters in charge of mails, viz., \$779,710, the aggregate annual cost was \$8,410,184. Thisservice was divided as follows:

Railroad routes: length 32.092 miles; an Malitoria routes: tength 02.092 miles; annual cost \$3,391,592, about 11 cents per mile.
Stsamboat routes: length 14;346 miles; annual transportation 3,411,962 miles; annual transport 19 cents per miles.

nual cost \$440,844, about 13 cents per mile. Celerity, &c.: routes' length 134,483 miles

annual transportation 37,816,485 miles; annual cost \$3,798,038, about 10 cents per mile. The length of routes was increased over

the preceding year 38,581 miles; the annual transportation, 13,724,420 miles; and the cost, \$1,393,590, the increase arising principality of the increase arising principality of the increase of the second pally from the restoration of service in the Southern States.

A table herewith annexed shows the rate of pay per annum for mail transportation in operation in late Insurgent States on the 80th June, 1866, \$1,170,529, compared with the amount due for service actually rendered in those States in the year ending with that date, \$769,218; the difference, \$401,311, resulting from the fact that much of the resulting from the lact that much of the service was in operation only part of the year. The net postal receipts from those States for the same period being \$693,835, the liabilities (without including the compen-

the liabilities (without including the compen-sation of route agents, local agents, and mail messengers) exceeded receipts by \$75,383. A table is annexed showing the mail ser-vice in operation in these States, September 30,1866, compared with the condition of the service in the same States, November 1, 1855, the date to which the statements on this subject were made up in the last annual report. From this table it will be seen that there are in operation in the States enu-merated ninety railroad routes, with an there are in operation in the States enu-merated ninety railroad routes, with an aggregate length of 8,1703 miles, at a cost of \$557,581 per annum; twenty-six steamboat routes, with an aggregate length of 5,557 miles, at a cost of \$195,665 per annum; and 1,137 "star service" routes, (celerity, &c,) with an aggregate length of 46,4422 miles, at a cost of \$1,062,477 54 per annum; making the whole service now in operation in these States, of all grades, 1,253 routes, with an aggregate length of 60,170 miles, at a cost of \$1,845,623 54 per annum. Compared with the service in operation on the list of of \$1,845,623 54 per annum. Compared with the service in operation on the 1st of Nov. 1865, viz, seventy-one railrosd routes with an aggregate length of 6,242 2-10 miles, at a cost of \$437,257 per annum; twelve at a cost of \$457,257 per annum; twelve steamboat routes, with an aggregate length of 3,8693 miles, at a cost of \$93,260 per an-num; and 154 "star service routes, with an aggregate length of 8,1864 miles, at a cost of \$177,743 per annum, there appears an in-crease of nineteen routes, 1,928 55-100 miles, and \$150.324 annual cost of railroad service and \$150,324 annual cost of railroad service; fourteen routes, 2,971<sup>1</sup> miles, and \$102,305 annual cost of steamboat service; and 983 routes, 38,2561 miles, and \$884,734 54 annual cost of "star service;" makin a total increase of 1,016 routes, 41,872 55-109 miles, and \$1,137,363 54 annual cost.

Another table is annexed showing the number, termini, and length of southern railroad routes not in operation September 30, 1866; the number being only fourteen, and the aggregate length 696 12-100 miles. Comparing this with ninety routes in operaion, having an aggregate length of 8,1703 files, shows a remarkable progress in the suscitation of the railroad system of the path. There being two thousand two outh. undred and fifty routes in all the States numerated, these statements show more han half the whole number to be in opera-

exchanged with foreign countries, was \$2,-289,219 30, being an increase of \$469,290 70, as compared with the previous year. Of this amount \$1,840,800 92 ac-crued upon the mails exchanged with Great Britain France Penseis Branco Great Britain, France, Prussia, Bremen, Hamburg, and Belgium; \$328,341 33 on mails exchanged with the British North American Provinces, and \$120,077 05 on the corres-pondence transmitted to and from the West Indies Mexico Control and from the West Indies, Mexico, Central and South America. The transatiantic mail steamship lines employed in the service of foreign governments conveyed mails, the postages on which amounted to \$975,109 23; and those employed in the service of this department conveyed

mails, the postages on which amounted to The United States' portion of the postages

The United States portion of the postages upon the correspondence exchanged with Great Britain and the continent of Europe amounted to \$775,647 59; with the British North American Provinces, \$188,833 53; with the West Indies, Mexico, Central and South America, \$120,077 05. The number of letters exchanged in the mails with foreign countries was 9 430 546.

mails with foreign countries was 9,430,546; of which 4,886,916 were sent from, and 4,543,-530 received in the United States. Of this number 8,564,847 were exchanged with Earropean countries, an increase of 1,851,330 ver the number exchanged in 1865.

The number of newspaperssent to foreign sountries was 2,804,442, and the number received from foreign countries 1,331,724, making a total of 4,186,166. Of this number 3,828,135 were exchanged with Europe, be-ing an increase of 29,157 on the number in

The increased correspondence with foreign countries, particularly with the conti-nent of Europe, during the year is unprece-dented, amounting to more than twenty-five per cent. as compared with the previous vear.

year. The cost of transatlantic mail service per-formed by steamships employed by this department, under the provisions of the ex-isting law, allows the sea and inland pos-tage to American and the sea postage only to foreign steamers, was \$525,307 46. The cost of ocean transportation of mails to and from the West Indles, by steamers receiving different rates of compensation within the limit of the postages, was \$57.-871.69, being \$20,742 32 less than the amount of United States postages upon the mails

of United States postages upon the mails onveyed.

The amount paid for sea and isthmu transportation of the mails exchanged with Central and South America, via Panama, was \$17,377 45.

was \$17,377 45. The excess of postage collected in the United States upon the correspondence ex-changed with Great Britain and the conti-nent of Europe was \$500,627,76; causing balance against the United States on settle-ment of the international postage accounts, amounting in the aggregate to \$278,714 19 For full particulars of the operation of the Appendix, and to the report of the Auditor annexed hereto. A liberal postal convention has been and

A liberal postal convention has been con-cluded with the kingdom of Italy, which adopts the leading reforms in international noted interconventional

in favor with the pu the large cities, where its progress has been most marked, the local postage shows a gratifying increase. Experience has shown its anperiority over the old system of box delivery, and the results of the last two years commend it to Congress as a perma-nent branch of the postal service. Its effects in saving time to the public; in insuring the correct delivery by inducing the habit of directing letters to street and number; in reducing the great number of advertised and dead letters; in facilitating correspondence, especially local; in obviating the ne-cessity of the many fruitless calls at the post office, are relied on to prove its advantages over the old system of office delivery. (See abular statements in the Appendix.)

DEAD LETTERS

The whole number of dead letters received, examined and disposed of during the year was about four and a half millions, upwards of 40 per cent. of which were from fortyseven of the larger post offices. About six bundred thousand other letters were re-ceived, being unmailable for want of prepayment of postage, or on account of mislirection or illegible address.

During the year there were registered and remailed to the respective owners, as enclosing money in sums of one dollar and upwards, 32,814 letters, containing an ag-gregate of \$244,589 99, of which number 27, 48, containing \$221,066 19, were delivered eing 90 per cent. The number of letters enclosing sums of money less than one dollar, remailed to the respective owners, was 13,834, containing an aggregate amount of \$3,652 55. Of these, 11,175, containing \$3,-001 23, were delivered.

001 23, were delivered. The number of letters containing papers of value other than money, as deeds, bills of exchange, drafts, checks, &c., received, re-gistered and returned for delivery to the owners, was 26,610, and the nominal value of the enclosures therein was \$7,826,881 68. The number of these letters delivered was

The number of these letters delivered was 24,053, being 85 per cent. The number of these letters delivered was 24,053, being 85 per cent. The number of letters and packages con-taining photographs, daguerreotypes, and articles of jeweiry, was 67,016, of which 53, 572 were sent out, (containing for the most part, photographs and daguerreotypes,) and 42,746, or 80 percent., delivered. A large number of packages containing miscellaneous articles, for which no owners could be found, were sold at public auction, the proceeds amounting to \$3,543 14. The number of letters returned, nuopened, to foreign countries during the year was 193,754, the amount of unpaid postage on which was \$9,879 40. The number received from foreign countries in the same condi-tion during the same and a

from foreign countries in the same condi-tion during the same period was 72,440, and the amount of unpaid postage thereon \$2,-039 26. (For additional particulars see Ap pendix.)

The number of congressional and official papers returned to the proper departments was 17,806. The number of letters enclosing soldiers

The number of letters enclosing soldiers' discharges and other military papers sent to the Auditor General's office, &c., was 8,918. The number of ordinary letters remailed to the writers was 1,746,156, being an in-crease of 583,472 over the number of the same character returned the year previous. Of these 1,275,845 were delivered. The whole number of letters of all de-scriptions sent out during the year was

scriptions sent out during the year was 2,093,444, of which 1,602,224 were delivered, Of the number of ordinary letters sent out

for delivery since the 1st July last, from which time, in accordance with the law, which time, 'n accordance with the law, they have been returned free, 83 per cent, were delivered, being an increase of 17 per cent; over the percentage delivered during the same period of the year, previous, Abeut, 2,500,000 dead letters have been destroyed during the year. 'Of these up-wards of 60 per cent, were ordinary busi-ness direntaris advertisements of lottery and

ness oirculars, advertisements of lottery and gift enterprives, notices of corporate socie-ties, and tradesmen's bills; the remainder being composed of letters not signed, or so

During the last fiscal year five cases have occurred of the payment of orders to persons who had forged the signatures of the payees. These persons had previously, through lack of precaution or injudicious confidence of the remitter or payee, been put in possession of all the information required to obtain payment of the order. To forge or counterpayment of the order. To forge or counter-feit a money order is made a penal offence by the act of May 17, 1864, but there is no provision of law to punish the forgery of the payee's signature, and as the latter orime is liable to be often repeated, especially at the large offices; there is a necessity for addi-tional legislation to provide an adequate punishment for it, as well as for any attempt of the payment of a money order by to obtain payment of a money order by fraudulent means.

A remittance of surplus money-order

ALEXANDER W. RANDALL. Postmaster General. The President.

OLIVES FABORES, GAPEES, &c.-Olives Far (Stuffed Olives), Nenparell and Superfine Cap and French Olives; fresh goods, landing ex Napol III., from Harre, and for sale by JOS, B. BUSSI 4 OD., 105 South Delawars aronne.