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CURTAILMENT OF POSTAL SERVICES

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BEFORE THE
COMMITTEE ON POSTAL OPERATIONS
OF THE
COMMITTEE ON
OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
EIGHTY-EIGHTH CONGRESS
SECOND SESSION

JUNE 16, 17, AND 18, 1964

Printed for the use of the
Committee on Post Office and Civil Service



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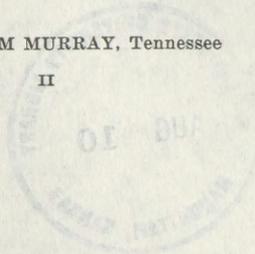
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CONTENTS

Statement of—	Page
Fascell, Hon. Dante B., a Representative in Congress from the State of Florida.....	17
Gronouski, Hon. John A., Postmaster General of the United States; accompanied by Hon. Frederick C. Belen, Deputy Postmaster General; Hon. Ralph W. Nicholson, Assistant Postmaster General, Bureau of Finance; Hon. W. M. McMillan, Assistant Postmaster General, Bureau of Operations; and John D. Swygert, Director, Installations Management Division, Bureau of Operations.....	26
Hallbeck, E. C., president, United Federation of Postal Clerks.....	106
Henderson, William B., executive vice president, Parcel Post Association, Inc.....	135
Horton, Hon. Frank J., a Representative in Congress from the State of New York.....	49
Hulfish, James W., director of information, Audio-Visual Association, Inc., Fairfax, Va.....	86
Keating, Jerome J., president, National Association of Letter Carriers; accompanied by James H. Rademacher, vice president; J. Stanly Lewis, secretary-treasurer; Charles N. Coyle, assistant secretary-treasurer; James P. Deely, director, health benefits department; George A. Bang, director, life insurance department; and J. Don Kerlin, legislative counsel.....	53
MacKay, John W., president, accompanied by David Silvergleid, secretary, National Postal Union.....	126
Morris, Hon. Thomas G., Congressman from New Mexico, letter presented for the record.....	105
Pepper, Hon. Claude, a Representative in Congress from the State of Florida.....	20
Van Deerlin, Hon. Lionel, a Representative in Congress from the State of California.....	96
Weltner, Hon. Charles L., a Representative in Congress from the State of Georgia.....	95

CURTAILMENT OF POSTAL SERVICES

TUESDAY, JUNE 16, 1964

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTAL OPERATIONS OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10 a.m. in room 215, Cannon House Office Building, Hon. Thaddeus J. Dulski (subcommittee chairman) presiding.

Mr. DULSKI. The subcommittee will come to order.

The Subcommittee on Postal Operations, Post Office and Civil Service Committee, House of Representatives, under the authority of House Resolution 151, is beginning today a series of hearings on the curtailment of mail service under orders recently issued by the Post Office Department.

We are most pleased to welcome our good friend, Postmaster General Gronouski and his staff to meet with us here this morning.

The Postmaster General by letter dated March 9, 1964, advised the House Subcommittee on Treasury-Post Office Departments and Executive Offices Appropriations of certain reductions that could be made in the budget request for fiscal year 1965. These reductions were based, in part, on adjustments in parcel post delivery service effecting reductions in 697 positions and \$3,714,000, and adjustments in post office window services effecting reductions of 1,103 positions and \$5,286,000. This amounts to a total reduction of 1,800 positions and a reduction in funds of \$9 million.

It was stated in the letter of March 9, 1964, that these adjustments in parcel post delivery and window service would not result in the impairment of essential mail service. It was also stated, and I quote:

Those marginal services which are curtailed are not sufficiently valuable to postal customers to justify their costs.

The announcement of these cuts, effective May 4, 1964, was made by Post Office Department regional letter No. 64-74 dated April 10, 1964.

By order dated April 16, 1964, the Department announced that additional employees would be assigned to weekend shifts in major post offices to sort third-class mail in order to prevent a backlog and congestion due to lack of space. The effect of these additional employees working on weekends would provide a balanced workload and insure more efficient use of manpower.

The purpose of the cuts was stated as necessary to substantially reduce employment and costs in the postal field service.

Clarifying amendments to the May 4 order were issued by the regional letter 64-88 dated April 28, 1964, to exclude from the curtailed service order certain offices where the strict application would not result in any reduction in manpower or costs.

Regional letter 64-106, dated June 3, 1964, gave recognition to complaints due to service adjustments which became effective May 4. A flexible plan was then installed to improve service in the Nation's post offices which permitted simple local variations to correct some of the problems arising because of the May curtailment.

Our subcommittee and Members of Congress have received complaints from citizens' associations, a local junior chamber of commerce, employees who have lost their positions, and from postal patrons concerning these recent curtailments of postal service.

It is because of these numerous complaints that it was felt necessary that our subcommittee hold public hearings to afford an opportunity for the true facts to be spread on the record. I am sure I speak for all members on the subcommittee when I say that our primary aim in holding these hearings is to be sure that we will continue to have the best possible postal service at the lowest possible cost.

We all are in favor of strict economy in the Government, calling for a dollar's worth for a dollar spent. On the other hand, I believe it would be false economy if these curtailments result in the impairment of essential mail service.

We would like to know whether the objectives stated in the original order are being met. These objectives are:

- (a) Reduction of expenditures without seriously impairing postal services.
- (b) Reduction in number of temporary employees, work hours of substitutes, and contract vehicle hire.
- (c) Reassessment of other weekend services for possible further service adjustments.

We would like to have some discussion on this new policy of assigning employees to weekend shifts to handle third-class mail, particularly when this policy seems to be contrary to congressional policy that third-class mail is "fill-in" mail to be worked in slack times.

I would like to place in the record at this point the letters I have referred to, together with other pertinent documents.

(The documents referred to follow:)

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., March 9, 1964.

HON. J. VAUGHAN GARY,
Chairman, Subcommittee on Treasury-Post Office Departments and Executive Office Appropriations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The President on March 9 transmitted to the Congress an amendment to the 1965 budget which reduced the amount originally requested by \$41.9 million. A part of this reduction applies to the Post Office Department.

As I indicated to you and your committee when I testified on our 1965 appropriation request, I had proposed to the President some further reductions that could be made in our 1965 request. One proposal, the consolidation of 14 regional accounting and data processing operations into 6 postal data centers, had been acted on as I testified. My other proposals were on the President's desk at the time of my appearance before you.

Reductions in the Post Office Department budget included in the amendment submitted by the President are :

	Savings in positions by June 30, 1965	Savings in dollars, fiscal year 1965
Consolidation of regional accounting and data processing functions.....	300	\$500,000
Parcel post delivery service.....	697	3,714,000
Post office window service.....	1,103	5,286,000
Consolidation of 300 additional 4th class post offices.....	150	200,000
Miscellaneous, mainly reduction in maintenance service.....	850	3,000,000
Total.....	3,100	12,700,000

I am attaching a set of revised budget sheets that show the effect of these changes on the various appropriations and activities of the Department.

In summary the effect is as follows :

	Savings in positions by June 30, 1965	Savings in dollars, fiscal year 1965
"Administration and regional operations" appropriation.....	300	\$500,000
"Operations" appropriation.....	2,800	12,200,000
Total.....	3,100	12,700,000

In our testimony we discussed the savings from consolidation of the regional accounting and data processing functions. These savings were not reflected in the budget as submitted, but they are a part of the reductions made in the President's amendment.

As I stated to the committee, this limited adjustment in parcel post delivery and window service and the acceleration in the consolidation of fourth-class post offices will not result in the impairment of essential mail services. Those marginal services which are curtailed are not sufficiently valuable to postal customers to justify their cost. I want to emphasize that these cuts in no way affect the processing and delivery of first-class mail.

Specific services that will be affected by these reductions are as follow :

The delivery service on parcel post routes (routes dealing with parcel post exclusively), will where feasible, be reduced from the present 6-day service to a 5-day service. The particular day of the week eliminated will be determined by the local postmaster on the basis of local conditions. In certain post offices some window services will be curtailed on Saturday. Postal customers will however continue to get all essential services having to do with purchase of stamps or deposit or delivery of mail. In some of the post offices where it is now provided we will eliminate window service on Sunday. These actions will be considered carefully in the case of each post office involved so that in taking them we will cause the least possible inconvenience to postal patrons.

Our 1965 budget, adjusted to reflect these reductions, provides for an increase in 1965 yearend employment of 1,700 over the yearend ceiling for 1964. This is a 0.3-percent increase to handle the estimated 2.8-percent increase in mail volume.

In the adjusted "Operations" appropriation the total increase in employment is 1,911. In terms of man-years the increase is 2,672, or 0.4 percent. This anticipates a 2.6-percent increase in clerk productivity. (Of the 2.8-percent increase in mail volume, 2.6 percent would be handled without increase in clerk man-years.)

The reductions in the Department's original request that the President has now transmitted to the Congress are proper and desirable at this time. The original budget was, itself, very tight and assumed that improved management, better controls, and maximum effort would result in sharply increased productivity. The further reductions do require some reductions in service, which, as I have pointed out, are not basic. I don't believe any reduction could be made in the original operations budget without affecting service.

CURTAILMENT OF POSTAL SERVICES

I assume that you and your committee will want to take this information into consideration as you act on our 1965 request. I would like to suggest that this letter and the attached sheets be made part of the record of the hearings just concluded.

Sincerely yours,

JOHN A. GRONOUSKI,
Postmaster General.

INFORMATION SERVICE,
POST OFFICE DEPARTMENT,
Washington, D.C.

For p.m. release Tuesday, March 10, 1964.

General Release No. 46

The cut of an additional 3,100 postal jobs during the fiscal year starting July 1—as announced by President Johnson Saturday—will result in limited adjustments in some postal services without impairment of any that are essential, Postmaster General John A. Gronouski said today.

The Post Office Department expects to save an additional \$12.7 million during the 1965 fiscal year as follows:

1. Three million seven hundred and fourteen thousand dollars and 697 jobs by reducing delivery service on exclusively parcel post routes from 6 to 5 days.
2. Five million two hundred and eighty-six thousand dollars and 1,103 positions by reducing some window services.
3. Three million dollars and 850 positions by miscellaneous reductions, such as a reduction in maintenance services.
4. Five hundred thousand dollars and 300 positions by the recently announced consolidation of regional accounting and data processing functions.
5. Two hundred thousand dollars and 150 positions by consolidation of 300 small—primarily fourth-class—post offices.

These economies—a part of President Johnson's newly announced program to trim 7,265 positions from the overall Federal payroll—will mean a Post Office Department cut from a 1965 budget allowance of 597,454 positions to 594,354, Mr. Gronouski pointed out.

He explained that the Department is already making the personnel reductions announced earlier that will cut staff during the second half of the current 1964 fiscal year (by June 30) from 595,000 to 590,000. But annual mail volume is expected to increase from about 70 to 72 billion pieces during the 1965 fiscal year starting in July—a 2.8-percent increase—and an estimated 1.3 million additional families must be provided with service.

"In relation to the increased workload for the coming fiscal year," Mr. Gronouski observed, "the 594,354 positions which are now recommended to Congress represent a very significant reduction of personnel requirements. The increased mail volume and service would normally have required a staff of well over 600,000 for the coming fiscal year.

"The earlier personnel cut announced by the President—a reduction of 5,000 positions for the remainder of the present 1964 fiscal year—has placed the Department in a better position to keep fiscal 1965 employment well below the 600,000 mark despite the heavy increase in volume," Mr. Gronouski said.

The 3,100 new job cuts will not be significant in the economy of any locality. They will be distributed between hundreds of post offices, branches, and stations—and they will be achieved by leaving vacated jobs unfilled.

Emphasizing that the planned service adjustments affect only marginal areas of service and do not impair major services—such as the processing and delivery of first-class mail—Mr. Gronouski noted that the reduction on parcel post routes will be made under conditions which will minimize any inconvenience.

The particular day of the week that is cut will, for example, be chosen by the local postmaster to fit local conditions.

In connection with the window service cut, Mr. Gronouski noted that, in certain post offices, window service will be curtailed on Saturdays, but postal customers will continue to get all essential services, such as those for sale of stamps or deposit or delivery of mail.

In some of the big post offices where it is now provided, Sunday window service will be discontinued.

The third area of economies—miscellaneous—includes items such as reductions in vehicle service and in maintenance of facilities and equipment in line with newly established criteria.

The fourth area of savings—consolidation of regional accounting and data processing work—is an internal economy step which will be achieved by merging work that has been spread among 14 postal regions into 6 regions. This has no effect on public services.

This program—to save \$4 million a year ultimately—will save \$500,000 in fiscal 1965.

The consolidation of small post offices is an acceleration of an already existing program for the merger of offices that once existed far from downtown areas but which are now generally encompassed by big city metropolitan areas. The normal pattern is that—while savings are made by reducing the number of post offices that must be maintained—the customers formerly under the jurisdiction of the small offices will now get better service. They will get delivery service to their doors instead of having to call for their mail at the post offices.

RL No. 64-74

POST OFFICE DEPARTMENT REGIONAL LETTER

APRIL 10, 1964.

Operations: Subseries No. 162-IMD

Subject: Service adjustments.

I. PURPOSE

To announce certain service adjustments and changes which have been determined as necessary to substantially reduce employment and costs in the postal field service.

II. SERVICES AFFECTED

- A. Window services on Saturdays and Sundays.
- B. "After hours" window service.
- C. Parcel post delivery.

III. OFFICES AFFECTED

All first-, second-, and third-class offices and all classified stations and branches.

IV. EFFECTIVE DATE

May 4, 1964.

V. SATURDAY WINDOW SERVICE

A. Hours of service: Unless specifically authorized by regional directors, window service on Saturday as outlined below shall in no instance exceed 4 hours.

B. Stamp and parcel post windows: Only one consolidated stamp and parcel post window shall be opened. Separate stamp and parcel post windows shall not be maintained, and patrons shall be encouraged to make maximum use of available stamp vending machines.

C. Registry and COD windows: At offices where there is sufficient volume, regional directors may authorize a separate consolidated window for these services. Otherwise, all registry and COD windows shall be closed and the services made available at the consolidated stamp and parcel post window. At those large offices where the registry and COD sections are so physically located in the building as to preclude the consolidation of their activity at one consolidated window or at the consolidated stamp and parcel post window, the regional director may authorize the separate operation of each window.

D. Money order windows:

1. Domestic and international money orders will not be issued and all money order windows will be closed.

2. Rural carriers, and those star route carriers who provide rural features, shall not accept money order applications on Saturdays. Postmasters shall provide all rural and star route patrons with an appropriate notice to this effect.

3. C.o.d. money orders shall not be issued on Saturdays. C.o.d. funds collected too late on Friday for the issuance of money orders on that day, and all c.o.d. funds collected on Saturday shall be treated as trust funds in accordance with section 438.6, Postal Manual, and the money orders issued on Monday.

E. Postal savings windows: All postal savings business at first- and second-class offices will be suspended on Saturdays.

F. General delivery windows: If it is not feasible to provide general delivery service at the one combination stamp and parcel post window, one general delivery window will be opened.

G. Lock box call windows:

1. Lock box call windows may be opened only in those offices where this service is usually provided, and then only if it is not possible to combine this service with the one combination stamp and parcel post window.

2. Provisions must be made for patrons to call for parcels on which carriers have "left notice" of attempted delivery.

H. Miscellaneous window service: All windows such as inquiry and claims, information, meter settings, trust fund deposits, box rent collections, etc., shall be closed.

VI. SUNDAY WINDOW SERVICE

All window service on Sundays shall be discontinued. This includes lock box call windows.

VII. AFTER HOURS WINDOW SERVICE

No "after hours" window service will be provided on any day of the week.

VIII. PARCEL POST DELIVERY SERVICE

A. Parcel post delivery service will be provided on a 5-day-week basis, except that 6-day service shall be continued on all mounted, mailster, rural, and box delivery star routes (except triweekly rural and star routes).

B. The days on which parcel post delivery will not be provided shall be determined locally by the postmaster taking into consideration the following:

- (1) Workload and volume.
- (2) Consistent lightest day of week.
- (3) Storage space.
- (4) Vehicle utilization.
- (5) Manpower availability.
- (6) Weekday afternoon closing of business concerns.

Postmasters may, depending on any or a combination of the above factors, adjust parcel post deliveries so that various sections of the postal district will receive deliveries on different days, provided the entire delivery area is given a 5-day-week delivery coverage. It is preferred that nondelivery days be confined to Tuesdays, Wednesdays, or Thursdays, if local circumstances and conditions permit. Only under unusual circumstances should Saturday be selected as a non-delivery day.

C. First-class parcels, air parcel post, and perishable articles must continue to be delivered 6 days a week. Delivery of these articles on the day parcel post delivery is suspended should be accomplished by employees assigned to collection, relay and interstation service and/or by special delivery messengers.

D. Special delivery parcels must be delivered in accordance with present policies.

IX. GENERAL INSTRUCTIONS

A. Reductions in window services and parcel post deliveries must be reflected by an immediate reduction in the man-hour apportionment and man-hour usage of each office.

B. All reassignments of regular employees necessitated by these service adjustments must be in accordance with article XII of the basic agreement with the employee organizations (POD publication 53).

C. At offices where unusual conditions prevail, regional directors may authorize reasonable exceptions to these instructions. The Bureau of Operations must be advised on any exceptions made. In no instance, however, shall any exceptions be made which would be in conflict with the basic agreement with employee organizations.

X. OBJECTIVES

A. It is expected that these service adjustments will substantially reduce expenditures without seriously impairing essential postal services.

B. Immediate reductions in the number of temporary employees, work hours of substitutes, and contract vehicle hire should be made at all first- and second-class post offices.

C. Regional directors and postmasters should make a realistic reassessment of other weekend services provided in all post offices in the events further service adjustments have to be made.

XI. REPORTS

Reports shall be submitted each accounting period in accordance with instructions and forms to be supplied as soon as they are available.

XII. DURATION OF INSTRUCTIONS

The instructions in this regional letter shall continue in effect until superseded by additional directives.

W. M. McMILLAN,
Assistant Postmaster General.

RL No. 64-74
Amendment No. 1

POST OFFICE DEPARTMENT REGIONAL LETTER

MAY 18, 1964.

Operations: Subseries No. 168-IMD.
Subject: Service adjustments.

Section XI is amended to read as follows:

"XI. REPORTS

"A. Reports shall be submitted each accounting period on forms 152-X, 'Report of Postal Service Adjustments,' and forms 153-X, 'Summary of Postal Service Adjustments.' Supplies of these forms with appropriate instructions have been supplied all regions.

"B. Savings reported on forms 152-X by the various post offices for the balance of postal fiscal year 1964 should be identified and captured by formal reversion of these hours. Instruct post offices to submit form 110, 'Estimate of Paid Work Hours,' requesting reduction in their man-hour allowances consistent with the man-hour savings indicated on forms 152-X. In the event an office requires a part or all of these reduced hours for other purposes, instruct the office to submit separate request and justification.

"C. In some cases, regional offices may have reduced man-hour allowances for the fourth quarter of fiscal year 1964 in anticipation of service adjustments. In those cases, actual savings reported on forms 152-X should be compared with those originally estimated and appropriate adjustments made.

"D. During postal fiscal year 1965 should subsequent service adjustments occur resulting in additional man-hour reductions reported on forms 152-X, the reversion procedure outlined above will be observed."

W. M. McMILLAN,
Assistant Postmaster General.

RL No. 64-74
Amendment No. 2

POST OFFICE DEPARTMENT REGIONAL LETTER

MAY 25, 1964.

Operations: Subseries No. 162-IMD.
Subject: Service adjustments.

Section XI-B is amended to read as follows:

"B. Savings reported on forms 152-X by first-, second-, and third-class post offices must be identified and captured by formal reversion of these hours. Instruct postmasters at all first-class offices to submit forms 110, 'Estimate of Paid Work Hours,' reverting to the actual number of man-hours saved consistent with the savings reported on forms 152-X. Instruct postmasters at all second- and third-class offices that their man-hour allowances will be reduced by the actual savings reported by them on forms 152-X. The forms 152-X submitted by second- and third-class offices will be the basis for reducing the allowances of these offices and forms 110 should not be required. All postmasters must be advised that their allowances will be formally reduced on the basis of the forms 110 or 152-X submitted and under no circumstances must these hours be used for any other purpose. In the event an office requires a part or all of the hours

reverted, the postmaster must submit a supplemental estimate on forms 110 (first and second class) or forms 112 (third class) with adequate justification for the request."

W. M. McMILLAN,
Assistant Postmaster General.

POST OFFICE DEPARTMENT REGIONAL LETTER

RL No. 64-88

APRIL 28, 1964.

Operations: Subseries No. 166-IMD.
Subject: Service adjustments.

I. PURPOSE

To provide clarifying amendments to RL 64-74 and to emphasize to all concerned the necessity for reducing manpower and costs to the greatest possible extent while maintaining essential postal services.

II. OBJECTIVE OF SERVICE ADJUSTMENTS

The sole objective of the service adjustments to become effective on May 4, 1964, is to reduce manpower and costs. To this end the clarifying amendments outlined below are applicable only to rural carriers and those star route carriers who provide rural features, and to those offices where the strict application of the provisions of RL 64-74 would not result in reduced manpower usage.

III. SATURDAY WINDOW SERVICE (MONEY ORDERS)

1. Paragraph V (D-1) (money order windows) is amended to read: "Domestic and international money orders will not be issued and all money order windows will be closed, except at small offices where no additional clerical hours will be required on Saturdays incident to providing money order service. At those small offices where the postmaster personally provides window service on Saturday or where the use of clerical help is at an irreducible minimum and no reduction therein is possible, all of the services usually provided, including the issuance of money orders, will be authorized. Before authorizing continuance of window finance services other than those specified in paragraph V (B and C) of RL 64-74, the regional director will assure himself that no additional clerical hours will be used incident to such services."

2. Paragraph V (D-2) is amended to read "Rural carriers and those star route carriers who provide rural features shall accept money order applications on Saturdays. At offices of the fourth class and small Presidential offices (as specified above) where money order service is to be provided on Saturday, rural carrier money orders will be issued in the normal manner. At those offices where Saturday money order service is not provided, arrangements will be made to accept money order funds from rural carriers, and the money orders will be issued on the following Monday. Separate instructions on accounting for these funds will be issued as soon as possible."

IV. ACTION

Regional directors will issue appropriate instructions to implement these amendments prior to May 9, 1964.

W. M. McMILLAN,
Assistant Postmaster General.

INFORMATION SERVICE,
POST OFFICE DEPARTMENT,
Washington, D.C.

For a.m. release, Saturday, April 11, 1964.

General Release No. 70

As part of its six-point program to reduce mail delays and damage, the Post Office Department announced today it is assigning additional employees to weekend shifts in major post offices.

The order—providing handling at the post office within 24 hours for third-class mail (circulars, advertisements, samples, announcements, some phonograph records, films, etc.)—will affect mostly clerical employees in the 4,363 first-class post offices (those with annual receipts of \$40,000 or more).

The Department said careful studies show the order—to go out next week—will prevent backlog and congestion due to lack of space, provide a balanced workload for delivery employees and insure more efficient use of manpower.

It should also prevent such mail piling up in post offices over the weekend and being delivered in large batches on a Tuesday or Wednesday, after processing on Monday.

The hours affected are 4 to 6 p.m. on Saturdays and all day Sunday. Only a very limited quantity of third-class mail has been worked at those times—all other mail is.

Other highlights of the six-point program—announced March 21 and now being given top priority for all of the more than 34,000 post offices—are:

1. Increased emphasis on error-checking procedures under which local clerks who sort bundles of incoming mail make out slips indicating the sorting errors which they find in the bundles, enabling officials to more effectively trace errors in mail routing and eliminate them.

2. More sorting breakdowns of mail at the point of origin rather than sending many unsorted loads of mail forward to be sorted at other points along the way. This will prevent mail piling up at en route points and cut down on rush operations that cause errors.

3. Frequent checks on local collection and delivery points so that little-used street letter boxes are moved to points where deposits are heavier and where the boxes will do the most good.

4. Establishment of more careful inspection of mail bags used in post offices to detect mail that may be accidentally left inside.

5. Surveys at local levels of incoming air, rail, and truck transportation schedules so that there can be closer coordination of transportation and home or business delivery.

The Department said the step was taken in view of the urgent work demands and requirements to move increasingly heavy quantities of mail—increasing about 2 billion pieces annually over the present 70 billion.

Much of the third-class mail, too, has some—though not usually urgent—time value, such as a sale announcement by a local store. Trade sources estimate third-class mailers send about \$2 billion worth of mail annually—and that such mail generates about \$28 billion in sales. Some 5 million Americans are said to be employed in industries and businesses relying primarily or largely on third-class mail.

INFORMATION SERVICE,
POST OFFICE DEPARTMENT,
Washington, D.C.

General Release No. 95

Saturday, May 9, 1964.

Postmaster General John A. Gronouski today ordered the Nation's postmasters to "speed up and clean up" parcel post delivery.

At the same time, Mr. Gronouski reported that an analysis of his recent May 4 order on parcel post indicated that there will be almost no adverse effect on parcel deliveries.

The new speedup order on parcel post is directed primarily at first-class offices—those in larger cities. Instructions will be sent soon requiring that all parcels on hand each day in the early morning hours must be delivered the same day.

Under the directive, no incoming parcel post shipments will be allowed to remain unworked on post office platforms, in trailers, or in railway storage cars. They will be processed so that carriers can make delivery the same day, Mr. Gronouski explained.

The new order is in addition to instructions effective this month ordering assignment of additional staffs to weekend duty in post offices—a further step that will prevent mail congestion in post offices and speed deliveries.

An important part of the Postmaster General's new "speed up and clean up" order will be an increase in the number of city routes on which letter carriers delivering all types of mail are mounted on vehicles—from 25,000 to 35,000. The increase will begin in November, as additional vehicles become available.

All regular "mounted" routes provide 6 day a week parcel post delivery.

The May 4 order on service adjustments placed some parcel post delivery on a 5-day instead of a 6-day week. Many postmasters are achieving the reduction by cutting off exclusive parcel route deliveries to downtown sections on Sat-

urdays—when there is little demand for parcel delivery. At the same time, they are generally choosing a midweek “slow” day for incoming parcel post to cut exclusive parcel route service to residential areas.

Under the order placing more personnel on duty over weekends, the heaviest volume of incoming parcel post is delivered on Monday and the next heaviest deliveries are on Thursday and Friday. The net effect of the parcel post adjustment, officials believe, will be that parcels affected by the 5-day-week order will be even less than the 6 to 8 percent originally estimated—and probably will run only a few percentage points of the total incoming volume.

Here are some other points about the scope of the May 4 parcel post adjustments:

Parcel deliveries are not affected at all on 24,934 (soon to become 35,000) city routes where carriers are “mounted,” on 32,299 rural delivery routes and on 7,802 contract (star) routes delivering mail.

On 78,576 city delivery foot routes parcels up to 2 pounds (and not bigger than a shoebox) will still be delivered 6 days a week. About one-fourth of all parcel post packages are 2 pounds or less.

About 28,000 small- and medium-size post offices which have no parcel post routes, of course, are not affected by these adjustments.

(The Parcel Post Association commented on the parcel post adjustments as follows: “While it may save money, most important, from our viewpoint, the plan could improve parcel post service.”)

[From the Postal Bulletin, 20414, Apr. 16, 1964]

ALL POST OFFICES—DISTRIBUTION: THIRD-CLASS MAIL

Effective immediately with receipt of these instructions, section 333.321e of the Postal Manual will be amended as follows:

Distribute principally on day tours between the hours of 6 a.m. to 6 p.m. to provide for dispatch within 24 hours from time of receipt. Where necessary, distribution shall also be performed on other tours to—

- (1) Provide for dispatch within 24 hours from time of receipt.
- (2) Prevent backlog and congestion due to lack of space.
- (3) Provide a balanced workload for delivery employees.
- (4) Insure full utilization of on-duty regularly scheduled clerical employees.

Whenever it is necessary to distribute third-class matter between the hours of 6 p.m. and 6 a.m. on more than 3 days in any 1 workweek, the postmaster shall make a special report to the director of local services in his region.

The report should be submitted in time to reach the local services division on Tuesday following the workweek involved and must include information as to why it was necessary to perform this distribution and the number of hours used to do so.

These instructions will be incorporated into the Postal Manual at an early date. (Bureau of Operations, Apr. 16, 1964.)

POST OFFICE DEPARTMENT REGIONAL LETTER

RL No. 64-106

JUNE 3, 1964.

Operations: Subseries No. 169-IMD.
Subject: Window service adjustments.

I. BACKGROUND

The service adjustments which became effective May 4, 1963 (involving some curtailment in the hours of window services, especially on weekends, and reduction of deliveries on parcel post routes to 5 days a week) have enabled the Department to bring the employment and rate of expenditures in line with the reduced budget submitted to the Congress. At the same time it is evident that these adjustments as applied in some areas have apparently caused quite serious inconvenience and have resulted in severe criticism.

II. PURPOSE

To emphasize the necessity for maintaining the newly established employment and expenditure rate. And, to provide regional directors and postmasters with the flexibility they need to permit them, within present rates of man-hour usage, to restore those window services which were curtailed as a result of the order of May 4.

III. GENERAL POLICY

Wherever a demonstrated need exists and whenever it is possible or feasible to alter the adjusted patterns of window service to more nearly meet the requirements of individual communities by the skillful utilization of available employees under the present employment and expenditure rates, action should be promptly taken to place needed alterations into effect.

IV. ACTION BY REGIONAL DIRECTORS

A. Set a new window service clerical allowance at a rate not in excess of the reduced rate as reflected in the column headed "After adjustment" on form 152-X for each office.

B. Advise postmasters to submit to you by June 20 any suggestions they care to make which would permit them, within their new allotments, to restore those window services curtailed as a result of the order of May 4. Even partial restorations should be considered.

C. Transmit all recommendations and suggestions from those offices with annual receipts of \$5 million or more, together with your appraisal, to the Bureau of Operations for review and subsequent instructions.

D. Promptly review the suggestions and proposals from the smaller offices (those with annual receipts of less than \$5 million) and take direct action to implement those that are feasible.

E. Instruct all postmasters to refrain from making any local announcements of proposed changes until such changes have been approved.

F. Encourage imaginative plans designed to get the most service out of each dollar spent.

V. POTENTIAL CHANGES

A. "Stagger" the work force schedules so that service can be extended over a longer period. Often both an earlier opening and later closing hour can be arranged by staggering the reporting time of window employees and reducing the number of windows to be open simultaneously during the day.

B. Windows should be consolidated where feasible so that each window clerk is fully employed throughout his tour of duty, but do not overconsolidate to the point where customers are forced to stand in long lines.

C. In the larger offices frequent window checks and tabulations by half-hour periods should be made to determine the necessity for or feasibility of needed changes.

D. In the smaller offices it may be possible to provide money order service on Saturday morning at the one consolidated window. If so, do it.

E. At night and on Sundays, a simple bell or buzzer system can often be of good advantage in providing lockbox call service without additional manpower being authorized for this specific purpose.

F. In those small offices where only one combination window is open on a daily basis, all of the normal services provided on weekdays at this window may also be provided on Saturday.

VI. GENERAL INSTRUCTIONS

A. No consideration is being given at this time to making any changes in the delivery of parcel post 5 days a week. The procurement of 10,000 additional mailsters this year will permit the replacement of a number of parcel post routes, thus providing parcel post service for 6 days a week in numerous residential areas that don't have it now.

B. The 4-hour limitation on Saturday window service should not be relaxed except in those cases where the manpower required can be offset by reducing service on a weekday.

C. C.o.d. money orders may be issued by stations and branches if such action will relieve the main office manpower situation. This is now being done to good advantage in the New York and Wichita regions.

D. The instructions in this regional letter do not supersede the instructions in 843.1, postal manual. Instead, they serve to emphasize the need for imaginative interpretation and application of those instructions at the local level.

VII. SUMMARY

It is the Postmaster General's desire that regional directors and postmasters participate as partners in the development of "tailormade" improvements in the services provided, and he is anxious that this be done promptly. The quick accomplishment of sound and logical plans can only be attained by close cooperation, understanding, and solicitation of ideas.

W. M. McMILLAN.

INFORMATION SERVICE,
POST OFFICE DEPARTMENT,
Washington, D.C.

For release 1:45 p.m. Monday, May 25, 1964.

General Release No. 110

Postmaster General John A. Gronouski announced today a flexible plan to improve service in the Nation's post offices.

The program for "tailormade" improvements—presented to the Post Office Department's 15 regional directors at a conference here—provides:

1. Sixty-eight big-city post offices (with annual receipts of \$5 million and up) will survey their manpower, services, customer needs and service deficiencies and develop local improvement programs within their present budgets and manpower allocations.

They will submit their plans by June 20 to their regional directors, who will send them to Washington by June 30, with their recommendations. If feasible, the plans will get a prompt green light.

2. The remaining 34,000 post offices also will submit master plans for local service improvement programs to their regional directors, who will promptly make final decisions on the plans. These programs must also be within present budgets and manpower allocations.

Mr. Gronouski noted that the recent May 4 service adjustments—while very limited in scope—had resulted in complaints from some areas. However, he said, analysis by postal experts indicates simple local variations can correct most of the problems.

This is the first time, Mr. Gronouski said, that a flexible "partnership with the postmaster" approach of this type has ever been used on such a scale in the administration of postal directives. Normally, management directives try to fit every office of the same class into the same mold, without permitting as much leeway for local adaptations.

As one example of how the new program will work, Mr. Gronouski pointed out that post offices can submit plans for "staggering" their work force so that a 5 p.m. closing can be extended to 6 p.m., where community needs require it. This can be done, for example, by having an employee come to work an hour later in the morning and stay an hour after the other window clerks have closed their windows.

"I want to emphasize, however, the Postmaster General added, "that this program is not just a one-shot plan to work out one idea. We expect imaginative management plans from postmasters which will enable them to meet their own needs and provide better service—without additional costs.

"And we expect them to use this new procedure permanently to improve service—not just to correct current service problems."

He noted that the May 4 adjustments were a vital part of an overall economy program in postal service. The Department will spend \$150 million less in the year starting July 1 as a result of its economy and efficiency programs.

According to official projections made in 1960, the Department would have had 614,000 employees in fiscal 1963. In reality, employment was kept down to 587,000—a saving of 27,000.

"Our economies were an important factor in helping to obtain President Johnson's \$11 billion Federal tax cut," Mr. Gronouski pointed out.

While the economies were sizable, the postal service still has enough for its needs, Mr. Gronouski emphasized. "We are running on a tight budget—with tight manpower controls—but it is an adequate budget," he said.

"Inevitably, when you try to cut out the fat in any organization, there will be some complaints—often from the same people who holler the loudest for economy."

As a specific example of how postal economies are being achieved without harm to service, Mr. Gronouski pointed out that the San Francisco post office had a total of 7,173 hours a week at windows, much more than normal for an office of its size. Hours at the San Francisco office have been reduced to 6,463, a saving of 710 hours and \$2,485 a week (about \$130,000 annually). "There is no reason why the remaining hours, properly distributed, cannot provide fully adequate service to meet the specific needs of the community," Mr. Gronouski commented.

He added that San Francisco Regional Director R. R. Holmquist will work with the postmaster of San Francisco and the city's community leaders to provide the postal service the city needs—within the present operating budget.

Parcel post provides another illustration of how the economies are being made without hurting service, Mr. Gronouski noted. The Post Office Department has parcel deliveries 6 days a week on 140,000 delivery routes (rural carriers, contract carriers, foot carriers—who can carry parcels up to 2 pounds each—and carriers mounted on vehicles), he pointed out.

The only reduction in parcel post service—putting several thousand routes that serve parcel post primarily on a 5-day instead of a 6-day week—involves about 6 percent of total parcel post, he said.

"And this is more than offset by programs such as the order placing more staffs on weekend duty in post offices, by the order to postmasters to deliver all parcels in the first delivery after they arrive, and our new parcel post task force, which is working closely with mailers to provide improved handling, packaging, and delivery for the service," he explained.

He noted also that 6-day delivery of perishable parcel post and air parcel post was not affected—nor was any regular basic service, such as 6-day home and business delivery, special delivery, etc.

Post offices, branches, and stations with more than one window open on Saturday morning were cut down to one window (with some exceptions authorized), but the one window provides all essential services, such as stamp sales and mail registry, Mr. Gronouski pointed out. He noted also that this involves only several thousand of the 34,000 post offices; most offices never had more than one window open on Saturday.

Mr. Gronouski said reports from most areas indicated approval of the steps as sound economy moves—not harmful to essential services—but problems were encountered in some areas.

"We learned that much of the trouble stemmed from the simple fact that there was not enough leeway in the regulations for postmasters to adjust their allocated manpower to local situations. As a result, we not only will have prompt correction of any existing problems—but we will have a plan of action at each local level to keep service at their best."

Experiments on the plan for tailored adjustment of services at the local level are already underway, Mr. Gronouski revealed. He said the Washington, D.C., post office is keeping windows open at the main office and at many of its stations and branches from 8 a.m. to 6 p.m.

A similar experiment is being conducted by the Baltimore postmaster, he said. Both changes are without additional cost—through rescheduling of manpower.

Mr. Gronouski noted also that the program—by providing greater flexibility at local levels to improve service—should be welcomed by employee groups. "We count heavily on their continued cooperation, and feel that the excellent work of our dedicated employees will help give real impetus and meaning to this new plan in providing important service improvements."

(A list of the 68 offices whose last official report indicated receipts of \$5 million or more a year is attached. Several post offices may have recently reached the \$5 million mark, but are not officially reported yet.)

THE 68 POST OFFICES WITH RECEIPTS OF \$5 MILLION OR MORE ANNUALLY

LISTED BY REGIONS

Atlanta region :	Denver region :	Philadelphia region—Con.
Atlanta	Denver	Pittsburgh
Charlotte	Phoenix	Trenton
Jacksonville	Salt Lake City	St. Louis region :
Miami	Memphis region :	Des Moines
Boston region :	Birmingham	Kansas City
Boston	Memphis	St. Louis
Hartford	Nashville	San Francisco region :
New Haven	Minneapolis region :	Long Beach
Providence	Milwaukee	Los Angeles
Chicago region :	Minneapolis	Oakland
Chicago	St. Paul	Sacramento
Detroit	New York region :	San Diego
Grand Rapids	Albany	San Francisco
Cincinnati region :	Bronx	Seattle region :
Akron	Brooklyn	Portland
Cincinnati	Buffalo	Seattle
Cleveland	Flushing	Washington region :
Columbus	Jamaica	Baltimore
Dayton	Long Island City	Richmond
Indianapolis	Mount Vernon	Washington
Louisville	New York	Wichita region :
Toledo	Rochester	Oklahoma City
Dallas region :	Syracuse	Omaha
Dallas	Philadelphia region :	Tulsa
Fort Worth	Harrisburg	Wichita
Houston	Jersey City	
New Orleans	Newark	
San Antonio	Philadelphia	

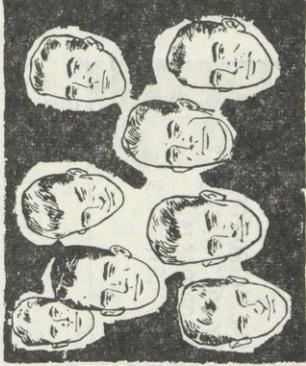
"TAILOR MADE" LOCAL SERVICES IMPROVEMENT PLAN

the Directive



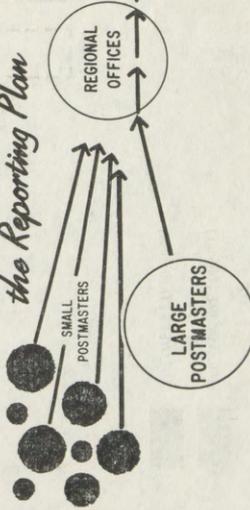
REGIONAL DIRECTORS

REGIONAL DIRECTORS TO INSTRUCT POSTMASTERS TO WORK OUT PRACTICAL PLANS TO IMPROVE THEIR SERVICE AND MEET LOCAL NEEDS AT NO ADDITIONAL COST.



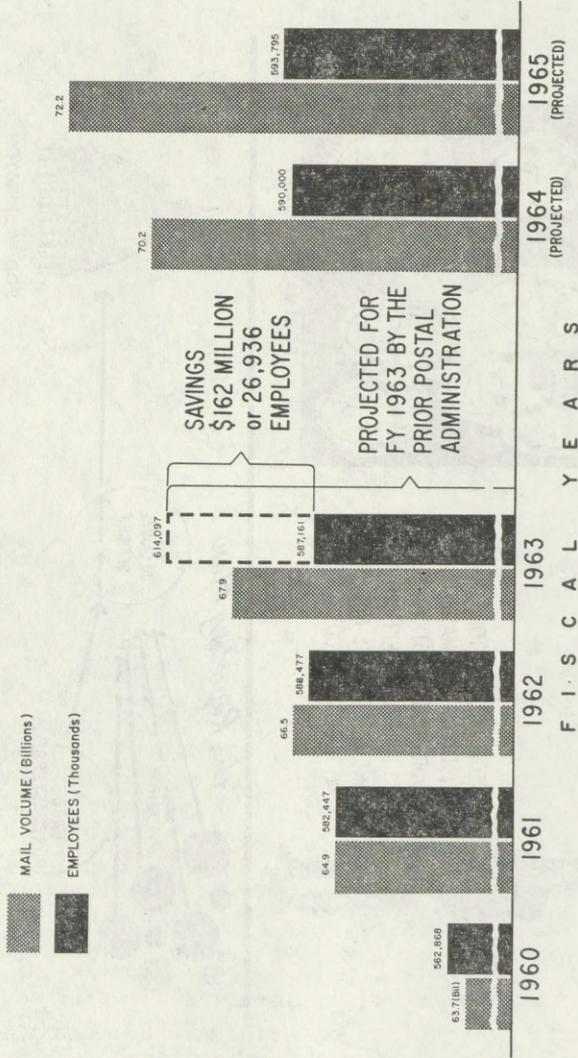
POSTMASTERS

the Reporting Plan



FIRST TIME PLAN -- A new program announced by Postmaster General John A. Gronouski May 25, 1964 provides for locally tailored service improvement programs to be developed by postmasters to meet their community needs. Big city post offices (those with receipts of \$5 million or more annually) will submit plans through postal regional directors, who will then send them to Washington with their recommendations. Smaller offices will work out their plans with directors.

MANPOWER SAVINGS



MAIL UP, COSTS DOWN - This chart shows dramatically how mail volume has soared since 1960 while manpower costs have been held down. The left-hand bars show mail volume - the right-hand bars show mail volume - the right-hand bars total employment. In 1960, employment was projected officially at more than 614,000 for the 1963 fiscal year, but actual employment was 27,000 less - as shown by dotted lines.

Mr. DULSKI. Our first witness will be our esteemed colleague and friend from Florida, Mr. Fascell.

STATEMENT OF HON. DANTE B. FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. FASCELL. Thank you, Mr. Chairman and members of this committee. I appreciate the committee offering this forum for a full discussion of the facts the chairman has outlined in his statement. Let me emphasize at the outset that I am not unmindful that the Postmaster General and the staff of his Department have done an outstanding administrative job, and that I am fully in accord with their present policy aim of achieving a more efficient and economical operation. I have no quarrel with the objective of reducing the deficit in the Department and, for that matter, the national deficit. I feel we should take every action to see that some improvement is made in these areas, but I feel this committee can perform a valuable service by reassessing all the facts relating to the curtailment of mail service recently ordered by the Post Office Department.

Let me also say that I do not want to superimpose my judgment on departmental policy as such, but it is my prerogative to attempt to determine what services may be essential, and what, in the eyes of people other than the members of the Department, may impair such services.

I have been one of those in Congress who contends that the Post Office Department is not a business, but that it is primarily a public service. While operational costs are always of great importance, they become a secondary factor when laid against the continuance of services necessary to the people of this country. We are all grateful, therefore, that this committee is reassessing and reexamining the recent curtailment of mail service in order to determine whether such action was in the best interests of the people of the United States.

Certainly the Post Office should be encouraged to cut costs through the reduction of waste and inefficiency, but facts have been brought to my attention which indicate that the recent move to promote economy has instead resulted in a reduction of essential services. A May 6 article in the Miami Herald, one of Miami's two outstanding daily newspapers, clearly states the effects of the curtailment, as follows:

Clerks at stamp, money order, and postal savings windows of seven Greater Miami post offices now close their windows at 5 o'clock, 4 hours earlier than usual.

The same offices will operate only half a day on Saturday, handling only stamps.

The new hours, 8:30 a.m. until 5 p.m. weekdays, and 8:30 a.m. until 12:30 p.m. Saturdays, will apply to the main post office, and those at 40th Street, Miami Beach, Little River, Coral Gables, International Airport, and the Biscayne Annex.

The postal stations referred to in the article formerly kept windows open until 9 p.m., 7 days a week, and one, the International Airport station, had been open 24 hours a day.

The adverse effects of the new post office hours have already been felt by our citizens. The following excerpt is from a May 2 letter by Mr. Norman J. Emmer to the Miami News, our other excellent daily paper:

I am very concerned regarding the new policy of closing hours at parcel post windows. Speaking as a small businessman, I feel that the Post Office Department is making a mistake in not keeping at least one window open on a 24-hour

basis as has been done in the past. The new procedure of closing at noon on Saturday, all day Sunday, and 5:20 p.m. weekdays, is causing a hardship on all businessmen who close later than the new hours. This would mean that they would have to either take off from their daily work to take care of their mailing or hire someone to do it for them, thereby incurring expenses.

Mr. Emmer is not the only one of Miami's local businessmen to be affected. Widespread dissatisfaction was noted by the News on May 1:

Businessmen in our own area are justified, we believe, in their complaints that curtailed window service at the post office and airport will cause them expensive hardships.

Not only have the hours of the Miami post offices been reduced, but also their range of activities. There are no longer any money order or postal savings transactions on Saturdays. Since parcel post service has been cut to 5 days a week instead of 6, there are no longer any Wednesday deliveries.

Mr. Stanley M. Gold, the legislative representative of Miami Local 172 of the United Federation of Postal Clerks, sent me a letter in which he outlined some of the changes in Miami. He also pointed out their harmful effects.

On the curtailment of service which the post office calls service adjustments, here is some information which I hope you can use:

1. Window service on Saturday for sale of stamps and acceptance of parcel post, registered and c.o.d. mailing is now available for 4 hours on Saturday morning instead of the 8 hours which some of the large stations had and still need.

2. Window service on Sunday and after hours, which was had in about six large stations in Miami is now closed. On Sundays and after hours many times you would see long lines of customers. The post office claims they have stamp- vending machines available—but they break down and don't know how to answer questions.

3. No parcel post delivery on Wednesday. The post office claims many businesses are closed Wednesdays and we claim only a few are closed.

I am voicing my objections to the curtailment of postal activities not only because they constitute the impairment of essential services, but also because of the readjustment and replacement of personnel assigned to carry on these services. Although the assistant postmaster for our area, James G. Reeder, gave no estimate of how many Miami postal employees would be laid off, he did say that the cut would affect the jobs of temporary workers. There is no good reason why capable workers should be forced onto the unemployment rolls because their jobs were unnecessarily eliminated.

In summary, I believe the facts will prove that the curtailment of postal service in Miami cannot be justified by arguments of economy. It might be possible to save money by cutting postal service in other areas, but it cannot be done in Miami without causing great harm. Our citizens are being deprived of essential services; our businessmen are forced to suffer unnecessary delays and expenses; and postal employees of the Miami community are facing the possibility of unemployment due to a needless elimination of their jobs.

I am satisfied that this committee will examine the nationwide effects of the curtailment very carefully, and I feel that such an investigation will bring to light facts proving the need to reestablish essential postal services in many areas.

Let me thank you for this opportunity to express my feelings and the feelings of my constituents on the very important issue which concerns this committee.

Mr. DULSKI. Thank you very much, Mr. Fascell. We respect your judgment in this as in many other fields.

Mr. DANIELS. Mr. Chairman, may I ask a question?

Mr. DULSKI. Mr. Daniels.

Mr. DANIELS. Is it a fair deduction from your testimony that curtailment of services may well take place in some post offices in the country?

Mr. FASCELL. I think so.

Mr. DANIELS. It is a matter of discretion on the part of the Postmaster General as to which post offices should have the services curtailed and which should not have the services curtailed?

Mr. FASCELL. I think that is a fair statement, Mr. Daniels.

Mr. DANIELS. Thank you very much.

Mr. DULSKI. Mr. Cunningham.

Mr. CUNNINGHAM. Mr. Fascell, you have been in Congress a long time.

Mr. FASCELL. Some people think too long, but I debate that with them every 2 years.

Mr. CUNNINGHAM. I am not one who thinks so.

Mr. FASCELL. Thank you.

Mr. CUNNINGHAM. When people have a complaint, of course, they do and should write their Congressman. Would you have any way of knowing whether complaints have increased lately as compared to the terms of your service here? Do you get more complaints now or just average?

Mr. FASCELL. Mr. Cunningham, it would be difficult for me to say that my office has received more complaints now than 5 or 8 years ago. To be perfectly honest, I believe that any time you make a major change in the policy of the Post Office Department, its effects will be immediately reflected, especially in the office of a Congressman who represents an area like Miami.

I served on this committee several years ago, and feel somewhat attuned to the problems you face. When a Member serves on a particular committee, he receives a great deal more mail concerning matters with which the committee deals. Although the amount of mail is a relative thing, I feel I have had sufficient complaints on this issue to require that I present the problems of my constituents and make my own views known.

Mr. CUNNINGHAM. You have had sufficient complaints to make you feel you should bring them to the attention of this committee?

Mr. FASCELL. Yes, and to make my appearance here and let you know I object to these curtailments. It is a question of what is essential in a given area. In our area we feel this is a curtailment of essential services, whereas it might not be somewhere else.

Mr. CUNNINGHAM. Thank you.

Mr. DULSKI. Mr. Johnson.

Mr. JOHNSON. I was not here when you began your statement. Did you put in the record the extent to which service has been curtailed in Miami?

Mr. FASCELL. Yes, I did, Mr. Johnson.

Mr. ROYBAL. What is the population of Miami?

Mr. FASCELL. The population of the Greater Miami metropolitan area is a little over 1 million. The population of the city itself is around 300,000.

Mr. ROYBAL. Does the city itself have a post office open on a 24-hour basis?

Mr. FASCELL. I think there is one window now. I am not sure. We had six stations at one time that provided all-day Saturday service, but I do not think that is the case now.

Mr. ROYBAL. The service is curtailed on Saturday?

Mr. FASCELL. Under the general order, yes. The Miami post offices I mentioned are only operating a half day on Saturday, from 8:30 a.m. to 12:30 p.m. Since there are no longer any money order or postal savings transactions on Saturday, the stations only handle stamps.

Mr. ROYBAL. You do not have even one window open on Saturday?

Mr. FASCELL. We have a limited number of windows open for only 4 hours on Saturday.

Mr. ROYBAL. But the rest are closed?

Mr. FASCELL. Yes.

Mr. ROYBAL. I ask that because the same situation is true in Los Angeles.

Mr. FASCELL. You have the same problem in your metropolitan area as we do, and we are here this morning to point out these problems. I do not know how we can arrange things to satisfy all sections of the country, but I wanted to lay out the problems of Miami for the record.

I want to say again that I very much appreciate the function of this committee. It must determine whether our postal service is meeting two objectives: the efficiency and economy required by the Postmaster General, and the services essential to our citizens.

Mr. DULSKI. Thank you very much, Mr. Fascell.

Mr. FASCELL. Thank you. I have another engagement, otherwise I would be glad to stay here. But I know my colleague, former Senator Claude Pepper, will do a fine job in following me up.

Mr. DULSKI. Before calling on our distinguished friend from Florida, Mr. Pepper, I am happy to welcome the chairman of the full committee, Mr. Murray. There is great interest in this matter before the committee and his guidance is always respected. Mr. Corbett, I am told, had another engagement, but will be here later on.

Our next witness is the distinguished gentleman from Florida, Congressman Pepper.

STATEMENT OF HON. CLAUDE PEPPER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. PEPPER. Mr. Chairman and members of the committee, I am pleased to be able to back up my amiable and good friend and colleague here, Dante Fascell, in the protest he is making against this curtailment of postal services. I have attended a good many of the meetings which have been held by various groups of postal employees and they were the first ones to alert me about the concern they felt concerning this curtailment of services. They felt it would have the inevitable effect of curtailing employment among the ranks and would also curtail essential services to the public.

This paper in my hand is the first page of the Miami News of April 15, 1964. This is one of our leading papers with countrywide and statewide circulation. You can see the prominence given to the curtailment of postal services on the front page of this paper. This is the

paper owned by the Cox family of Ohio, of Governor Cox, who was the Democratic presidential nominee in 1920. The headline on the front page is: "Postal Officials Told To Slash Services." The article states:

Postal officials in Miami learned today they will have to cut down their services to the public starting May 4.

The information came in a bulletin from the United Federation of Postal Clerks.

The order comes from the Post Office Department in Washington. Officials here would say only that "we have received oral advice that instructions will be issued."

They refused to speculate how these would affect Dade County's 3,294 regular and temporary postal workers.

The curtailments—"to reduce expenditures without seriously reducing service"—would include:

Saturday window service not to exceed 4 hours.

Only one window to be open for both stamp and parcel post services on Saturday.

No money orders will be issued on Saturdays.

All postal savings business will be suspended Saturdays.

After-hours and Sunday business will be discontinued. (Officials here said five offices provide 8:30 a.m. to 11 p.m. service for special delivery and airmail messages.)

Parcel post delivery trucks will be limited to 5 days a week instead of 6.

The Bulletin says these reductions "must be reflected by immediate reduction in man-hour apportionment and man-hour usage of each office."

The nationwide order also has as its objective "reducing the number of temporary employees and work hours of substitutes."

It will be in effect "until further notice."

So it appears that these postal groups are right in believing that at least some of the temporary employees would be laid off, which would add to the number of unemployed that we already have in Dade County, where the number of unemployed has been augmented by the number of Cuban refugees we have had in our area. As a matter of fact, we have been adjudicated a labor surplus area largely on account of the Cuban refugees. The Cuban refugees, while our people I believe have made a commendable record in being host to them—we have offered them every courtesy and hospitality in fleeing from Communist oppression and have tried to be as helpful to them as we could—but nevertheless the fact they are there—and they are as a class educated and people of good character and have made a good record of conduct since they have been there—but the fact they get some subsistence from the Federal Government makes it easier for them to take a job at a lower wage than our people. So they have had an inevitable effect on our labor market and have contributed to the unemployment and somewhat to the lowering of the wage scale of our local people. So it does not help our situation any for the Government to come along and adopt a policy that will result in laying off some of our postal employees.

In the second place, we all know there are a lot of people who do not have freedom of access to the post office such as the boss has. Working people usually have to take Saturday to do the personal things they have to do, and to curtail their opportunity to do these things on Saturday it seems to me would be a denial of postal service to these people that they are entitled to enjoy.

I believe in economy and want to support it where it is proper, but I do not see why the Government of the United States is not large enough to render adequate postal service to all the people of our coun-

try, and I think these little cutbacks annoy and handicap more than they contribute. I think the savings are relatively minor but the accumulated denial of service will be major in the total impact on the population of the country, particularly that part of the population who works 5 days a week and has only Saturday to take care of the personal matters they do not have time to take care of during the week.

I do not know how many people, including business people, have complained about this inconvenience caused by this cutback in the postal service. So it seems to me we are justified in voicing the complaint of our people, not only the postal employees but the public. Many housewives have spoken to me about it, also. They feel this is the time they want to send a money order or use the parcel post services and the windows are not open and they have complained as well as business people and a lot of working people. They have complained about the services they have been denied since these cutbacks have been in effect.

So, Mr. Chairman and members of the committee, I would like to voice the complaint as well as I can on behalf of the people of my district and my area and I would like to leave for the record, if I may, some of these letters that have come in and this newspaper article and other data that might be pertinent, and ask that it be incorporated in the record along with my remarks.

Mr. DULSKI. Thank you. Without objection they will be included in the record at this point.

(The material referred to follows:)

[Reprinted from the Miami News, Apr. 15, 1964]

POSTAL OFFICIALS TOLD TO SLASH SERVICES

(By Henry Cavendish, reporter of the Miami News)

Postal officials in Miami learned today they will have to cut down their services to the public starting May 4.

The information came in a bulletin from the United Federation of Postal Clerks.

The order comes from the Post Office Department in Washington. Officials here would say only that "we have received oral advice that instructions will be issued."

They refused to speculate how these would affect Dade County's 3,294 regular and temporary postal workers.

The curtailments—"to reduce expenditures without seriously reducing service"—would include:

Saturday window service not to exceed 4 hours.

Only one window to be open for both stamp and parcel post services on Saturday.

No money orders will be issued on Saturdays.

All postal savings business will be suspended Saturdays.

After-hours and Sunday business will be discontinued. (Officials here said five offices provide 8:30 a.m. to 11 p.m. service for special delivery and air mail messages.)

Parcel post delivery will be limited to 5 days a week instead of 6.

The bulletin says these reductions "must be reflected by immediate reduction in man-hour apportionment and man-hour usage of each office."

The nationwide order also has as its objective "reducing the number of temporary employees and work hours of substitutes."

It will be in effect "until further notice."

MAY 9, 1964.

Congressman PEPPER.

DEAR SIR: You have the authority to do something about this postal and postal employee mess that is now in progress and I sincerely hope that you see that it is cleared away and soon. As you know most of these boys have fought valiantly for their country and now have to fight for their jobs and worry themselves sick over not knowing from day to day what's going to happen to them—and, besides, we the voting people want adequate mail pickup in our outlying boxes, and not an every other day pickup. We are now working on a petition to leave the postal service as is, and we expect about 10,000 signatures.

Sincerely,

L. E. ORNER.

MIAMI, FLA., April 16, 1964.

Congressman CLAUDE PEPPER,
House Office Building, Washington, D.C.:

Local 172, United Federation of Postal Clerks, Miami, Fla., strongly protests the curtailment and elimination of services to the public as reported in the Miami News April 15, 1964. Although our organization is in support of President Johnson's economy program we feel it would be unjust for the general public to suffer by the lack of necessary postal services such as the recently announced curtailments reported in the Miami News. A copy of the article will be sent under separate cover to your office immediately.

HANK GREENBERG,
Executive Vice President,
BILLY J. MACK,
President,

Local 172, United Federation of Postal Clerks, Miami, Fla.

UNITED FEDERATION OF POSTAL CLERKS,
Miami, Fla., April 18, 1964.

HON. CLAUDE PEPPER,
Representative, Third District,
State of Florida.

DEAR SIR: I have enclosed newspaper clippings from the Miami Daily News, dated April 15 and 16, respectively, stating the Post Office Department's intention to curtail certain postal services to the public starting May 4.

These are the clippings I promised to send you, as mentioned in my telegram of April 15. We of Local 172, United Federation of Postal Clerks, Miami, Fla., hope that you might feel as we do, that this curtailment of service to this or any other community, will not serve the best interest of the public or the Post Office Department.

The cutback of substitutes in the postal service will surely add to the ranks of unemployment and the reduction in services to the business houses, merchants, and the general public, will surely tend to lessen the public's opinion of a postal service that has always been considered the best in the world.

We therefore hope you will help to restore these services before they are taken away from the public. Thanking you in advance for your consideration and help, I remain,

Most respectfully yours,

BILLY J. MACK,
President, Local 172, UFPC.

Mr. EUGENE M. DUNLAP,
Postmaster, Miami Main Post Office,
Miami, Fla.

DEAR MR. DUNLAP: This is to protest the curtailment of service in the North Dade area. Until recently we were able to mail our letters at 7 o'clock in the evening on 125th Street in North Miami, and later at the post offices in North Miami and North Miami Beach, and the Little River Post Office had a pickup service until 10.30 in the evening. This enabled us to mail late business mail and have it delivered the following morning.

Now if my mail is late, I cannot get it delivered for 2 days. You have managed to increase ordinary postage by 25 percent during the past 2 years, and instead

of giving better service, I am getting worse service. As a small businessman in this area, good postal service is vital to me and other numerous people in my position.

I very strongly protest the action taken by you recently and I recommend you reinstate adequate service in this area. If you wish to cut, cut out the junk mail instead of burdening the small businessman.

Very truly yours,

GERARD G. MOSS, C.P.A.

BRANCH 2577,
NATIONAL ASSOCIATION OF LETTER CARRIERS,
Hialeah, Fla.

HON. CLAUDE PEPPER,
Member of Congress,
Washington, D.C.

DEAR MR. PEPPER: At our last branch meeting the membership voted to send letters of protest to the Members of Congress concerning the curtailment of parcel post. A bulletin was issued from the Atlanta region that third-class mail will be dispatched within 24 hours after receipt. We feel that parcel post is more important than this third-class advertisement.

We would appreciate any help that you can give us that would help to restore the parcel post service to the public.

I would like to congratulate you on your reelection to Congress. We enjoyed very much the meeting with you at the dedication of the Bright station here in Hialeah, and we are looking forward to talking with you again in the near future.

Thank you in advance for your consideration.

JAMES D. HENDERSON, *President.*

GETTINGS & GETTINGS,
West Palm Beach, Fla., May 29, 1964.

POSTMASTER GENERAL,
Washington, D.C.

HONORABLE DEAR SIR: The writer appreciates economy in Government at all times but the recent moves in our local postal setup attributed to economy are beyond my comprehension and meet only with disgust.

I refer to the services at the Southboro branch of the West Palm Beach post office. This branch office is located in a business area and in the only industrial area of the city.

Because of cuts in delivery to our places of business, most of us acquired post office boxes. The local post office is equipped with services at four windows for the public. However, during the morning, when business people can conveniently pick up mail, only one window is open and, as a result, there's long lines of people waiting to be served—and to make matters worse, there is no parking available other than on the street (U.S. Highway No. 1) where about five vehicles can be parked at one time. Thus, the businessman who pays for a post office box to reduce delivery troubles and costs cannot get near the only window open between 8 and 9:30 in the morning—unless, of course, he wants to sweat out the line while he is doubled parked on U.S. 1.

The average businessman is needed in his office from 9:30 a.m. until noon—when more than one window is opened at the post office—so, he waits until noon to pick up the parcel post package, registered letter, or to buy stamps. What happens at noon?—The line again is long in front of the only window open—the other office employees are on their lunch hours and he must double park—sweat out the one window line or come back later. If he can get away from his office or allow his secretary to leave in the afternoon, he might get service at the “one of four available windows” provided he doesn't run into the afterschool housewife lineup at the one window.

I have tried for 3 days to get a package from the local post office but, because of lack of parking space, because of long lines at the one window, I just haven't been able to get into the office and tend to my business.

At the new higher rates, the service is worse than before the rate increase and I as well as all other local businessmen am fully disgusted with the post office in South West Palm Beach.

How do we get mail, business mail, delivered before noon? Mail delivery to offices, industrial plants, etc., is in the afternoon post office boxes are no help because we can't park near the office during the 8 to 9:30 a.m. period and, to get a package, a registered letter, purchase stamps, etc., costs us three or four trips to the one window only to find long lines while three windows stand blank.

Thoroughly disgusted,

MATT F. GETTINGS.

Mr. DULSKI. We know of the years of experience you have had and the information you have given us is very valuable.

Any questions?

Mr. WILSON. You say the curtailment of services on Saturday has caused a hardship on those people that have no opportunity to get to the post office except on Saturday?

Mr. PEPPER. Yes. I say to the distinguished gentleman from California I have been surprised at the number of people who have spoken to me about it. The working people, particularly, feel that this curtailment is primarily aimed at them or they are primary victims. They say they do not have the access to the post office other people have. They have to work during the week and Saturday is the only day they have to do some of these things.

Mr. WILSON. That seems to be the greatest complaint I have. They do not get home until after the post office is closed and they had been accustomed to these services on Saturday.

Mr. PEPPER. As I say, I have heard complaints not only by working people but by business people and particularly many women have told me they wanted to go to the post office on Saturday and do many of these things.

Mr. WILSON. Thank you.

Mr. DULSKI. Mr. Cunningham.

Mr. CUNNINGHAM. Congressman Pepper, you have served here long and faithfully and I know in my 8 years we receive complaints from time to time, a good many of them are unfounded, but some of them may be legitimate. During your years of service in the Senate and in the House, do you feel your complaints in recent weeks or months have been greater than in other periods of time that you have served?

Mr. PEPPER. I will say to the able gentleman from Nebraska that I have noticed there have been more complaints about this proposed cutback than I recall having received in other cases of similar character.

Mr. DULSKI. Any other questions?

Thank you very much, Congressman Pepper.

Mr. PEPPER. I thank the able committee for the privilege of appearing before you and I appreciate your permitting me to appear this morning.

Mr. DULSKI. The next witness is the Postmaster General. We are glad to have you take time out from your busy schedule to come here this morning. If you wish, you may introduce the members of your staff accompanying you. Of course we know the gentleman on your left, Mr. Belen.

STATEMENT OF HON. JOHN A. GRONOUSKI, POSTMASTER GENERAL OF THE UNITED STATES; ACCOMPANIED BY HON. FREDERICK C. BELEN, DEPUTY POSTMASTER GENERAL; HON. RALPH W. NICHOLSON, ASSISTANT POSTMASTER GENERAL, BUREAU OF FINANCE; HON. W. M. McMILLAN, ASSISTANT POSTMASTER GENERAL, BUREAU OF OPERATIONS; AND JOHN D. SWYGERT, DIRECTOR, INSTALLATIONS MANAGEMENT DIVISION, BUREAU OF OPERATIONS

Mr. GRONOUSKI. On my far left is the Assistant Postmaster General, Bureau of Operations, Mr. McMillan; you all know Mr. Fred Belen, the Deputy Postmaster General, to my immediate left; Mr. Nicholson, Assistant Postmaster General, Bureau of Finance, is to my immediate right; and Mr. John Swygert, Director, Installations Management Division, Bureau of Operations, is to my far right.

I welcome this opportunity to testify before your subcommittee and to tell you about some dramatic accomplishments in the Post Office Department. I am happy to report that by our actions:

We have averted a postage rate increase—probably a 6-cent letter now and a 7- or 8-cent letter later.

We have improved postal service nationally—and have initiated local improvements in thousands of offices.

We will save in fiscal 1965, \$391 million and potential payroll costs of 42,000 jobs over what the previous administration officially forecast we would have to expend.

We have cut the postal deficit from \$407 million to \$71 million—a total of \$336 million—in 2 years.

We have contributed through our economies to President Johnson's frugal budget, which was a major factor in accomplishing the \$11.5 billion income tax reduction. That reduction put \$100 million more in the pockets of our 590,000 employees in our 34,000 post offices.

We have made service adjustments as part of a \$12.7 million saving. And I must disagree with those who claim that \$12.7 million isn't important. It is a lot of money where I come from, and I know that the American taxpayers do not want the Federal Government to ignore such a saving.

Also, we have put in additional new service improvements—a same-day cleanup for parcel post, a task force to speed parcels and reduce damage in transit and a program to prevent mail congestion in large offices over weekends so that the mail is sorted and ready for the carriers on Monday morning.

We recognize the reluctance of employees to work on weekends—and we expect postmasters to use this measure as judiciously as possible. But mail is a time commodity and we are in a communications business.

Weekend employment never has been anything new for us—and people coming into the postal service must certainly understand this. Our national agreements with employee organizations provide for negotiating methods of determining the individuals who will perform such work on weekends.

In fact, we found that many offices already were using substantial work forces on weekends and their parcel delivery picture had been better as a result.

In taking these steps, I have been mindful of my responsibility as Postmaster General. That responsibility is to give good postal service.

But I also have another responsibility—to provide good government. I am trustee of a huge amount of the taxpayers' money—some \$5 billion annually—and I have no intention of wasting any of that money because of pressure applied by a few people with axes to grind.

We are saving 697 city carrier jobs and 1,103 clerical jobs through our parcel post and window service adjustments. The 697 jobs represent 0.5 percent of a total work force of 132,156 regular city carriers. The 1,103 clerical jobs amounts to 0.6 percent of a total of 188,176 regular clerks and mail handlers.

I can understand our employees' concern about jobs but those are very small trees for such big axes.

Our parcel post adjustment affected less than 6 percent of the total parcel post volume. Ninety-four percent of all parcel post continues to be delivered on a 6-day basis. And even this small adjustment is more than offset by such steps as the daily cleanup and weekend work which is delivering many more parcels on Monday that used to wait until Tuesday. A spot check at Newark, N.J., showed 50 percent more parcels are delivered.

And yet, judging from some newspaper editorials, you would think we were wrecking the service.

The truth is we are saving it—not only now, in terms of service, but because economies such as this will help lower a parcel post deficit running at \$69 million a year. If the deficit isn't lowered it could mean ruinous rate increases.

I have seen newspaper editorials that criticize me because in several thousand post offices I have limited service to one window on Saturday morning.

But, if we did not take some sensible economy steps, the same editors soon would be beating on my door protesting a rate increase which would have to be across-the-board and include the second-class newspaper rates.

I have heard cries of loss of jobs—but every career employee has had his livelihood safeguarded.

The service adjustments do not mean that we will have less jobs in the postal service in fiscal 1965. In fact, we will have more manpower to keep pace with the tremendously growing volume of mail. But you would never know it from the campaigns that have been staged.

The addition of 697 new positions to offices with city delivery would add about one-tenth of a person to each office.

The addition of 1,103 new positions to first-class offices, stations, and branches would add about one-eighth of a person to each installation.

Put another way—the service adjustments mean the absence of one-tenth of a person per city delivery office for parcel post service.

They mean the absence of one-eighth of a person from each of the installations in major cities dealing with window service.

As you know, Mr. Chairman, we made these moves only after the Congress was fully informed and after the House of Representatives had voted its approval.

You will recall that in my testimony earlier this year before the Subcommittee on Appropriations, headed by Mr. Gary, of Virginia, the details of our planned adjustments were disclosed in advance and we received the subcommittee's concurrence—as well as the subsequent concurrence of the full committee and the House in approving our appropriation—which took the adjustment into account.

The testimony at the appropriations hearing was made public prior to the adjustments and the letter submitted as part of my testimony is on pages 418 and 419 of the committee report.

We are following the mandate in the act approved by your own Post Office and Civil Service Committee. This act, as you know, stated in effect that postage rates should be adjusted to meet deficit costs.

The intent of the act is being carried out and the deficit has been reduced drastically. Without economy measures and careful management, the need for further postage increases would already have arrived. I feel we have averted such a need that would have arisen by now.

That is only part of the package.

Besides averting a rate increase which we would have had to request in our biennial report last April 15, besides helping create a climate for passage of the tax cut, our economies are part and parcel of a Government-wide economy program. This program is geared to making funds available to alleviate some of the ills that infest our affluent society—food for the hungry—housing for the poor—medicine and hospitalization for our indigent elderly—education for our children.

This is another reason why—as trustee of this \$5 billion organization—I must try to save—not yield to every pressure to spend.

Does anyone really think that I, as manager of the biggest civilian payroll in Government, should not be concerned with saving manpower costs—alone among our Federal agencies?

I think it is a question of “Whose ox is being gored?”—a question of whether we are going to gore those whose special interests lie in expanding Federal employment—or gore the taxpayer.

Some have told me this isn't “good politics.” I don't know about that. But it is good government, and when the day comes that good government no longer represents good politics, then I will cast my lot with good government.

Wasting money is not good government and I am not going to do it because of high pressure campaigns fueled by distorted propaganda.

I am happy to see the House has passed a pay raise for postal and Federal workers generally. I want to say a word about that.

We are safeguarding the best interests of our employees too when we economize. I think the old-fashioned American idea of better pay for better work is a good one.

Our employees deserve a pay raise for the very good reason that they are helping us economize and provide good service. But let me remind you that President Johnson was able to include this pay raise in his legislative program because we are economizing throughout the Federal Government.

The big concern over a small adjustment in service also is hard to understand in light of the flexibility program I ordered on May 25.

In my review of the May 4 adjustments, I concluded the problem was not the adjustments, but the way they were being applied—too rigidly.

In some cities my directive was interpreted too literally, and I take full responsibility for that misinterpretation. For example, service was cut off at an arbitrary hour across the country rather than at varied hours to fit local conditions.

Other adjustments were made which threatened services that some communities had come to consider essential to their needs. This was not my intention, and I have so advised our postmasters.

To allow a reasonable time for adequate study, we have asked postmasters to submit, by June 20, flexible, locally tailored plans to their regional directors for any specific changes that they desire to meet local needs. These plans must be within their available budgets and manpower allocations for the new 1965 fiscal year.

This gives our postmasters more leeway than ever before in such matters to use their ingenuity and resourcefulness not only in respect to the question of window service but to all other aspects of postal operations.

In the case of the 68 largest post offices, each with \$5 million or more in annual receipts, I have told regional directors to relay their plans to me promptly, with their own recommendations. I will see that every feasible plan is approved.

All other postmasters will get a green light on every feasible plan, directly from their regional directors. This will enable postmasters to iron out any localized problems.

I urge you to keep in mind that pressure groups, scattered, one-in-a-million complaints about service failures or payroll padding, do not make a sound, efficient postal system. We can provide it best by good management and carefully considered economy.

I ask you to consider too what serves both the people—and I do not exclude postal people—and the postal system best: Service frills, or keeping a nickel letter—proper pay and a proper payroll or pressure programs and a padded payroll?

I feel certain that this committee—so closely associated with the postal system and concerned with its successful operations, as I am—will cut through the maze of half-truths and misstatements and form its own objective judgment. I welcome your interest and ask for your help as I carry out my mission to provide the best possible service at the lowest possible cost.

Mr. DULSKI. Thank you, Mr. Postmaster General.

Before we proceed with any questioning, Mr. Murray, do you have any comments to make at this time?

Mr. MURRAY. No.

Mr. DULSKI. Mr. Postmaster General, I notice you use the phrase "pressure groups." I do not think any of us who have made objections to postal cuts are members of pressure groups. These are people who use the post office as a service. I think our committee has worked very diligently trying to promote public service.

In my statement I list the three objectives of the regional letter No. 64-74. Could you comment on those objectives?

Mr. GRONOUSKI. At the bottom of the page?

Mr. DULSKI. Yes. The first is reduction of expenditures without seriously impairing essential postal services.

Mr. GRONOUSKI. When I came in office about September 30 of last year, I started looking at our budget, which had already been pretty well formulated. Between that time and the time that our budget went before the committee we had cut out about \$150 million from the budget, which I think is a very substantial saving and which included this \$12.7 million that we are referring to here.

We have, in my judgment, cut out very small and, as I have said on a number of occasions before, what I regard as very marginal services. For instance, the example that is brought up very often is parcel post. On the overwhelming volume of parcel post, some 94 percent, there has been no change at all. And yet statements are made that we have cut parcel post 20 percent. On the 6 percent of the total parcel post volume affected we have cut it 20 percent, but on 94 percent we have not cut it at all.

And on window services, in the vast majority of post offices there has been relatively little change. Where we have made adjustments we have reduced the number of windows open on Saturday and in most cases, where windows were open on Saturday historically, we found the business could be handled by one or two windows at that particular office. We have found we could satisfy the needs of customers with fewer windows open on Saturday.

As I have said before, it is true that in some few communities there have been certain kinds of service, window service being the main item here, that have become customary. There are some communities—I have one example in mind—where it so happens that the payday is on Saturday morning and people have to write money orders on Saturday morning and we have asked the local postmaster there to come up with a readjustment to meet those needs. There are communities all over the country that differ from other communities and we have asked the local postmaster to adjust the plans to meet those local conditions. But in some 2,800 post offices we have not adjusted the services at all. Where we have adjusted them, for example, in San Francisco—where we were subjected to considerable newspaper comment—in San Francisco we have had about 7,173 hours of window service during the week. We cut it back to 6,463 hours. I have no doubt we can give San Francisco proper service with 6,463 hours a week. I have asked the postmasters to look at the problems in the light of local conditions and to come up with plans to meet the need of the local community. I am certain they can do it.

Mr. WALLHAUSER. May I ask this question: The office in Newark, N.J., I understand, has closed its money order window on Saturday.

Mr. GRONOUSKI. Yes.

Mr. WALLHAUSER. However, not far away, or reasonably close down the street the contract station does cash money orders on Saturday. Does not this seem incongruous to you that the Government should not give the service to people who cannot cash their money orders in any other way and yet a contract station down the street is allowed to do it?

Mr. GRONOUSKI. As a matter of fact, I think if they can get the service at a contract station down the street they do not need the service at the post office.

Mr. WALLHAUSER. They do not know it. It so happens some people may go in that drugstore, but the public does not know that they can go down the street and get the service.

Mr. GRONOUSKI. I think this is a public service the newspapers could give the public.

Mr. WALLHAUSER. I think the Department should give the information rather than the newspapers.

Mr. GRONOUSKI. I will get in touch with the postmaster in Newark and ask him to publicize it.

Mr. CUNNINGHAM. Mr. Postmaster General, it is always a pleasure to have you appear before us. In listening to your statement, this has been a running debate on this committee in the 8 years I have been here, and I am wondering what your philosophy is. Do you adhere to the belief that the income in the Post Office Department ought to be sufficient to cover the expenditures or do you believe that the postal service is a public service and that income and expenditures need not necessarily be balanced?

Mr. GRONOUSKI. In the first place, basically we are rendering a public service in the Post Office Department and I think the primary concern should be public service. The fact, for example, that 80 percent of our mail is business oriented indicates how important this is as a business service. I think we should place at the top of our priority list the service consideration. But, in the context of this, I do not think, on the other hand, the Post Office Department should be a WPA. I do not think we should ignore, within the context of giving this service, the need to run the Department as businesslike as possible. Whether this comes out even or not is not the major point, in my judgment. I think there are a lot of items in the public service which Congress has recognized, such as mail for the blind, educational mail, and so forth, and such as delivering mail to the outposts of Wisconsin where there is a small population and where you obviously cannot cover the cost but where it is essential when I go fishing in northern Wisconsin that I get my mail.

Mr. CUNNINGHAM. I think you will get your mail if you go there.

Mr. GRONOUSKI. I think so, they will particularly get it to me.

I think there are a lot of areas where if we ran it on a pure profit-and-loss basis we would cut out services that are essential.

So I think we are fundamentally a service organization but, on the other hand, in my judgment, recognizing that fact, we should still run it as businesslike within that framework and as economically within that framework as we can.

Mr. CUNNINGHAM. I realize that, but I am getting at the fundamental theory whether it should be run as a public service and major consideration should not be given to the deficit.

Mr. GRONOUSKI. I think it should be run primarily as a public service but it is my judgment within that framework we should be very concerned with running the service as economically and efficiently as possible.

Mr. CUNNINGHAM. You say: "We have averted a postage rate increase—probably a 6-cent letter now and a 7- or 8-cent letter later." This would indicate to me you do not consider the Post Office Department's service a public service.

Mr. GRONOUSKI. Well, as a matter of fact, as I am sure you are aware, the law provides we must come in for postal increases if the gap gets too large. The reference I am making is that there are a lot of considerations here and one which is of vital concern to the public is the cost of sending a letter. And unless we are very careful to husband our resources and operate as economically as possible we could very easily in a short time get this budget completely out of hand and make it essential for us to come in, in conformity with the law, for a postal increase. That is one of the things in the back of our mind. We have to concern ourselves with operating the Department as economically as possible both from the point of view of good budgetary policy and from the point of view of the alternative of rate increases.

Mr. CUNNINGHAM. What is the amount of money you expect to save by this curtailment?

Mr. GRONOUSKI. In this particular area it is about \$9 million.

Mr. CUNNINGHAM. You mean the reason for this meeting being held involves a saving of about \$9 million?

Mr. GRONOUSKI. You will have to ask the chairman why this is being held. I did not request it.

Mr. CUNNINGHAM. Evidently some complaints have come in. You say this curtailment will save \$9 million?

Mr. GRONOUSKI. Essentially, in this particular area, but the overall savings as against the budget proposals when I came in office run about \$150 million, and this is a \$9 million portion of the total. If I were to add in every \$9 million I would get back to the \$150 million.

Mr. CUNNINGHAM. You say:

We will save in fiscal 1965, \$391 million and potential payroll costs of 42,000 jobs over what the previous administration officially forecast we would have to expend.

Mr. GRONOUSKI. That is correct.

Mr. CUNNINGHAM. Which previous administration?

Mr. GRONOUSKI. In 1960 the projection was made. We must make projections—I think we are making them through 1969 now—and in these projections which were made in 1960 it was projected that we would have 42,000 more employees than we actually have now, and we would have \$391 million more in the budget than we have.

Mr. CUNNINGHAM. You say:

We have cut the postal deficit from \$407 million to \$71 million—a total of \$336 million—in 2 years.

You cut the budget? Congress had something to do with it, did it not?

Mr. GRONOUSKI. Congress had something to do with it, but if we had had this \$391 million increase in cost that was projected the deficit would be in the \$400 million category.

Mr. WILSON. Will the gentleman yield at this point?

Mr. CUNNINGHAM. Yes.

Mr. WILSON. I was interested in that statement, too, Mr. Gronouski, where you say:

We have cut the postal deficit from \$407 million to \$71 million—a total of \$336 million—in 2 years.

Could this have been caused by previous postal rate increases that just caught up with this budget? What specifically has been done by your administration to make this enormous cut?

Mr. GRONOUSKI. Essentially this has been a result of a whole series of programs. One is the development of the ZIP code program which, in my judgment, is the central core to improve efficiency in the Department.

Secondly, we have had a continual program of having management studies of our Department which have been very substantially successful in rearranging the program for the scheduling of employment; in rearranging the boxes where mail was sorted; in rearranging the schedule of transportation, and so on, which has greatly added to the efficiency of the Department.

Mr. WILSON. You also refer to the fact there is no further need for increase in employment. How much has the greater use of electronic equipment been a factor in this?

Mr. GRONOUSKI. Actually—and this is included in our \$12.7 million figure—we intend by the end of fiscal 1965, by consolidating our 14 regional processing offices to 6, 3 of which have already been completed, to have a \$500,000-a-year payroll saving by reason of this consolidation. But I do not think per se much of this can be laid to electronic machine processing. I do not think this is a big payroll saver. Essentially what it does, it handles a larger volume of data more efficiently and effectively.

Mr. WILSON. I was asking about the manpower. Does the use of this electronic equipment have this effect on manpower and will it in the future?

Mr. GRONOUSKI. Not significantly. In the future it might very well, but we are talking about things on the drawing board.

Mr. WILSON. The main reason for this lower deficit has been increased postal rates, has it not?

Mr. GRONOUSKI. I think the fact we cut \$150 million this year from a budget that was very carefully considered makes the point pretty clear that a substantial part of the savings is in our very carefully preparing the budget and very carefully analyzing our needs.

Mr. WILSON. I thank the gentleman for yielding to me.

Mr. CUNNINGHAM. You mentioned this saving of \$9 million and you qualified that, but it did not seem clear to me. Are you saying in effect that if this curtailment which resulted in the calling of this meeting was rescinded by you, you will come to Congress and ask for a 6-to 8-cent mail increase for \$9 million?

Mr. GRONOUSKI. I am saying this is part of a package of careful budgeting which makes it hopeful and certainly as of our report last April 15 makes it possible for us to stand pat on the request for rate increases. We came in with a very, very, tight budget this year, as tight as I could possibly make it. I do not take the position I understand has been taken in the past by Government agencies that I should come in with a margin for Congress to cut. We have the administrative machinery to come up with that type of budget and I think we owe it to the Congress to come up with that type of budget. And while \$9 million does not seem like a lot of money, it is a lot of money with the tight budget we had. If this curtailment were rescinded we would have to have \$9 million.

Mr. DULSKI. Will the gentleman yield?

To answer your question as to why this meeting was called, we knew this was a big problem and the reason for the meeting is to find out,

if we can, the justification for this \$9 million cut at the expense of the curtailment of the postal service. I feel that this committee has already rendered a service by having the benefit of your testimony here this morning.

Mr. GRONOUSKI. I was not being frivolous when I said I did not know why it was called. I just did not feel as a witness before the committee that I should put words in your mouth. I concur in what you say. I did not want to say it for you, however.

Mr. CUNNINGHAM. In the years I have been around here, Mr. Postmaster General, each time the administration, whether Republican or Democrat, comes to the Appropriations Committee and says this is bare bones—evidently you say here we will save, in fiscal 1965, \$391 million on payroll costs of 42,000 jobs over previous administrations' official forecasts. They made very careful analyses. Most of your people are career people. Do I assume that they were wrong then and now this error has been discovered and you have made these additional savings?

Mr. GRONOUSKI. I am not saying they are wrong. I do not think they knew what was going to happen in the next 3 years in terms of administrative and management programs. All I can say is my evaluation indicated that the budget figures I have submitted were adequate to run a good postal service at the least possible cost.

Mr. CUNNINGHAM. You say further that we have contributed through our economies to President Johnson's frugal budget, which was the major factor in accomplishing the \$11.5 billion income tax reduction.

If this is a frugal budget, how is it we are going to be in the next few days voting another increase in the national debt?

Mr. GRONOUSKI. All I can say is that for the first time in as long as I can reasonably remember President Johnson came in with a budget \$500 million under the previous year. If that is not frugal, I do not know how to define the term.

Mr. CUNNINGHAM. I know, but you can come in with a budget and then when there are built-in expenditures, you eventually have to take the bull by the horns, so to speak, and say that we cannot meet our bills and we are going to have to increase the public debt. The two do not go together.

I can say we ought to spend x number of dollars, but yet if the realities involved tell me different, I have to come to the proper people and say, I am sorry, but we have to increase the debt. The two do not seem to go together.

Mr. GRONOUSKI. As a matter of fact, I just recount the fact that we still are running a deficit but the President has cut the deficit about in half compared to last year from about \$11 billion to about \$5.8 billion, I do not remember the figures precisely. Obviously, it is not a balanced budget, but in my judgment it is a frugal budget. In that area that I feel myself quite expert, on my own budget, I can tell you it is very frugal. The fact that this committee is meeting today emphasizes the frugality of that budget.

Mr. CUNNINGHAM. On that point, of course, \$9 million out of—what is the total budget?

Mr. GRONOUSKI. A little over \$5 billion.

Mr. CUNNINGHAM. I know the postal employees are quite disturbed. They feel embarrassed because they receive all these complaints. I have a stack of telegrams from my district. I am wondering whether their morale is injured to the point where they would not have the gumption to work up to their full capacity and that that would be quite expensive to the Department. Would you say that would be the case?

Mr. GRONOUSKI. I think, sir, that in this administration—it is continuing with my administration of the Post Office Department—we have created the best labor-management climate in the history of the Post Office Department. As I go around the country—and I do this very frequently—meeting with postal employees, I find nothing to lead me to believe anything but that morale is very high. I think that the fact that the President has fought so hard, along with many of you, for the pay raise bill for postal employees has been very much appreciated by the employees throughout the country.

We feel very strongly that the postal employees should have comparable wages with private enterprise. This is what we are trying to do, what the administration has been trying to do, with its pay raise bill.

Mr. CUNNINGHAM. You were directed by this committee and the Congress in the last pay bill to follow the comparability principle.

Mr. GRONOUSKI. Of course, it is the Congress that passes pay raises. I do not. I am very happy that this House has seen fit to pass it.

The point I make is that essentially I feel that we have had—I have many letters from State and local and national officers of the postal unions which reflect this feeling—that we have a very good climate of labor-management relations. Nothing so epitomizes that more than the recent labor-management conference we just concluded, and which we are about to sign in a week or so, where we have met in free and full discussion and hammered out—

Mr. CUNNINGHAM. I think that is a nice step forward, frankly. The only thing is they have never had a forum before and a close working relationship between them—the employees and management. They have an awful long way to go to work out some of the problems. I did mention the many telegrams that I have received from my district where they are quite disturbed about the cutback.

Mr. GRONOUSKI. I might say I have personally expressed on numerous occasions—I express it again today—that I feel very strongly that if we did not have the employee organizations and the kind of program we have with these employee organizations, we would have to invent one because I think there is nothing more important to the self-respect of employees and nothing more important to the Postmaster General and the Post Office itself than having a good working arrangement with employees, having a vehicle for them to express their concerns and having a table which we can sit around and discuss those concerns. I feel very strongly about that.

Mr. CUNNINGHAM. What is the deficit in the various categories now, first-, second-, third-, and fourth-class mail?

Mr. GRONOUSKI. May I provide this for you?

Mr. CUNNINGHAM. Which is the biggest?

Mr. GRONOUSKI. May I ask Mr. Nicholson to get out his sheaf of data?

Mr. CUNNINGHAM. Which is the biggest?

Mr. NICHOLSON. After all postal rates that have now been enacted are in effect, on a dollar basis they are pretty close. The total deficit in second-class mail will be \$204 million, in third-class mail \$207 million. This is a comparison of revenues from those services with fully allocated costs to these services.

Mr. CUNNINGHAM. Third-class mail is preferential mail. It has to be worked in after the preferential mail. Are not newspapers given comparable treatment to first-class mail?

Mr. NICHOLSON. About 42 percent of our second-class mail is given what we call "red tag" or news value treatment.

Mr. CUNNINGHAM. Mr. Postmaster General, you referred to the criticisms from the editorials. Would you consider recommending an increase in their rates for newspapers?

Mr. GRONOUSKI. We have expressed ourselves on this matter in our annual report to both Houses on April 15. We felt that given the state of our budget and given the economies that we have introduced and are carrying out, that it was not necessary for us to recommend a rate increase.

Mr. CUNNINGHAM. You do not recommend a rate increase for second class?

Mr. GRONOUSKI. I hope you are not implying that editorial policy would have anything to do with my rate posture.

Mr. CUNNINGHAM. It might—

Mr. GRONOUSKI. It does not, sir.

Mr. CUNNINGHAM. It might ring a good note in the ears of a lot of Congressmen who might support such a rate increase for newspapers, but we are in the same position as you are at the moment.

Mr. GRONOUSKI. While on the one hand I do not succumb to pressure, on the other hand pressure does not make me vindictive.

Mr. CUNNINGHAM. With this new pay bill, tell me what your next fiscal year deficit will be.

Mr. GRONOUSKI. The pay bill is to cost about \$235 million a year for the Post Office Department.

Mr. CUNNINGHAM. What will be the total deficit?

Mr. GRONOUSKI. Not counting the public service feature, counting the net deficit, it is \$306 million, given the present \$71 million plus.

Mr. CUNNINGHAM. \$306 million. Is it your intention to recommend an increase in postal rates?

Mr. GRONOUSKI. I hope not, but I have to study it more carefully. I have not looked at the budget for next year as carefully as I will have to before making a judgment.

Mr. CUNNINGHAM. Thank you.

Mr. DULSKI. Mr. Daniels.

Mr. DANIELS. On your directive of April 10, 1964, ordering curtailment in the parcel post delivery service and post office window service on Saturday, you said it would result in a saving of 697 city carrier jobs and 1,103 clerk jobs. Could you tell this committee just how you expect to effect a saving in those jobs? Would it be accomplished by laying off employees who are presently employed in the Post Office Department or by not hiring substitutes and temporary employees on Saturdays?

Mr. GRONOUSKI. Actually, for fiscal year 1965, we anticipate not a reduction but an increase of about 4,800 employees in our work force. Obviously, we hire many more than that in a year. We have about 60,000 employees that we hire every year on turnover because they retire or leave the service for one reason or another.

What is our established and fixed policy is that no regular employee will be laid off as a result of this action but, rather, we will curtail our hiring of employees, new employees. In effect, it will come from attrition. No regular employee in the Post Office Department will be affected.

Mr. DANIELS. Will it result in a reduction of work hours of the present employees?

Mr. GRONOUSKI. Not of regular employees. They are running about 40 hours a week.

Mr. DANIELS. You expect to hire 4,800 more employees during fiscal 1965. How does that compare with your declared policy of reducing the work force by 5,000?

Mr. GRONOUSKI. What we were looking at last October, November, December, and January is what was the kind of employment force we would need in fiscal year 1965. We had about 595,000 employees on November 22, I think that was the cutoff date, 1963. We felt that we could legitimately and reasonably get down to 590,000 employees by June 30 this year.

Our increase of 4,800 approximately to take place as our volume increased about 2.5 billion during 1965, and what we have done—we have already done this—is we have gotten down to our 590,000. Now we will be adding to this as demand and volume increases.

Mr. DANIELS. New employees will not be put on the payroll unless the volume of work warrants it?

Mr. GRONOUSKI. That is right.

Mr. DANIELS. The 697 employees' jobs that will be saved will be saved in the parcel post delivery service area?

Mr. GRONOUSKI. Yes. What we are talking about is this. We have about 16,000 full-scale parcel post delivery routes, about 9,000 of those are regular, 7,000 are part time. We also have about 25,000 motorized mailster routes. We are adding, starting in November, about 10,000 more of these mailster routes, which will take a lot of the pressure off parcel post because they carry regular parcel post deliveries.

We have rural routes that are motorized, and these also carry full parcel post service on a 6-day basis.

What we are talking about is a reduction from 6 to 5 days in these particular routes which handle about 6 percent of the parcel post, which are fully parcel post and the employees we have, these 697 employees, are assigned to openings as they develop, and they are developing every day. There is not a one of these being laid off. I want to make that point clear. None will be laid off as long as I am Postmaster General.

Mr. DANIELS. You say this original directive was literally interpreted by some of your postmasters and as a result worked certain inequities.

Mr. GRONOUSKI. Yes. As a matter of fact, as I said in my prepared statement, I take full credit for a misinterpretation because, as

I reread the order, subsequent to its issue, while there was a provision which asked the postmasters to ask for adjustments in the event this worked a particular local hardship, this was not emphasized. The emphasis was on what I regarded as a rigidity in this picture.

Mr. DANIELS. In other words, you are now asking your postmasters throughout the country to reevaluate their operations?

Mr. GRONOUSKI. Yes.

Mr. DANIELS. What are the peak hours of services that would necessitate having a window open and when may they curtail service? What may be in effect in Miami might not necessarily be true in a small town like Oshkosh; is that right?

Mr. GRONOUSKI. That is right. I might say, by the way, that I have met many postmasters since this time that I made this revision of the May 4 order, and I find nothing but delight coming from them because they feel, and they have long felt, that the central office has not taken them into full partnership in management. This is one of the things I have been trying to develop.

For instance, I have had the 68 largest postmasters in to the office to discuss their own postal problems since I have been in office. I intend to have them in on other occasions. I want them to feel, and they want to feel, that they are not totem poles sitting out there, that they have some brains themselves, and they do have brains, and they do have ingenuity and ideas. I want them to bring to bear and they want to bring to bear on their local problems their local abilities and their local understandings.

I want them to relay this back to us. I want them to have their inputs into this thing considered and recognized. This is exactly what I am trying to develop here. It is something the postmasters have long asked for. It is something that I feel to be necessary because all brains do not originate in Washington. These guys run the post office. I am not kidding myself. They are on the firing line.

Mr. DANIELS. We all realize the importance of economizing and saving \$9 million. However, the post office primarily renders service to the public. When it comes down to a question of service to the public or saving \$9 million, which should have priority?

Mr. GRONOUSKI. This is almost like: When did you stop beating your wife? Let me make this point. I suppose if we had 24-hour service every day in Oshkosh, there would be some people who would like this and would want improved service. This would probably double our budget if we did this around the Nation.

I think you can always add hours and add employees and add some marginal amount of service. I think there always has to be a judgment as to where does that line cut off.

Mr. DANIELS. I did not mean to throw you a hot potato.

Mr. GRONOUSKI. My genuine thinking is the line cuts off where I have cut it off, obviously, or I would not have done it.

Mr. DANIELS. One further question. You indicated earlier in your testimony that you proposed to save in fiscal 1965 a total of \$150 million.

Mr. GRONOUSKI. Yes, sir.

Mr. DANIELS. This package here will cover a total sum of \$12,700,000, \$9 million by virtue of curtailment of parcel post delivery service and post office window service. From what other areas do you expect to save and economize?

Mr. GRONOUSKI. The first thing we looked at very carefully and made substantial savings in were such things as our transportation budget where we asked for something like \$15 million less than we would have asked for on the basis of growth in 1965 in volume of mail. We have cut in our building program something like \$33 million before we ever got to this kind of thing. My memory is failing me now.

I might say, for instance, we just had a team of 15 of our most competent production skilled inspectors look over the whole detail of the Chicago post office where we have had some problems. We found, for instance, that better scheduling of mail in and out of that post office was in order because this is a central point for the transportation system, the working of some of the mails over the weekend which had not been done in sufficient quantities before. For instance, that will permit carriers to go out with a full pack on Monday where they previously did not have a full pack. Just on the clock time, the average carrier in Chicago, there are 8,000 to 10,000 of them, was punching in 55 minutes early on Monday because we did not have mail to give them. Yet there were tons of mail sitting in the post office over the weekend. If 55 minutes is clock time, I should imagine, because all human beings are alike—I would be like that on this situation, too—there is probably more time saved because if a carrier goes out with a light load, because there is no mail to give him, he will probably slow down in his travel around the route. It is a natural human reaction, and I do not criticize him. Even the punch-in time of these 8,000 to 10,000 carriers, 55 minutes early, they came in just because they did not have the mail because we were not working over the weekend.

Mr. DANIELS. How much would that save in the Chicago office?

Mr. GRONOUSKI. About 10,000 hours, about \$2.50, about \$25,000 every Monday.

Let me give one example. We had a study at Houston just recently. A management team saved 73 temporary employees without any effect on service just by rescheduling workhours. This is the sort of thing that is going on all the time. It is not the sort of thing you can make a big news story out of because this is a piecemeal management study. This is the kind of thing we are doing to improve the efficiency of our post office.

Mr. DANIELS. Thank you, Mr. Postmaster General. I think you are doing a fine job.

Mr. DULSKI. Mr. Johnson.

Mr. JOHNSON. Mr. Gronouski, I notice in the pay raise bill that has just passed the House, 10 percent of the costs are supposed to be absorbed by you people, or \$23.5 million, during the coming fiscal year. How do you propose to absorb \$23.5 million? Are you going to curtail services further in order to save that?

Mr. GRONOUSKI. This is a matter that will ultimately have to be taken up with the Bureau of the Budget. I understand as the bill is written this is a Government-wide absorption, not pinpointing each department. We are in a particularly vulnerable position in this case because 78 percent of our total costs are payroll, whereas in many other areas of Government this is not the case.

We are hopeful that we can convince those that are involved in the allocation that we need not bear the full 10 percent in our particular Department because I think this would be very serious for us.

Mr. JOHNSON. You had no liaison with the Bureau of the Budget whereby they figured you could save 10 percent of this pay raise?

Mr. GRONOUSKI. I think the discussions with the Budget Bureau will be after the bill becomes law. We have not had a detailed discussion with them. I can tell you right now I am going to make the case certainly, and to me it is a pretty obvious case. I think probably the reason why Congress did make it Government-wide rather than pinpoint departments is that there would be some flexibility. I am hopeful we will not have to meet the problem of the absorption.

Mr. JOHNSON. If you had to make such apparently great curtailment of service in order to save \$9 million, you certainly will not be able to save \$23.5 million.

Mr. GRONOUSKI. I beg to differ in this respect, that I do not think we have had a great curtailment of service. Rather, I think it has been minor, involving 6 percent of parcel post and 94 percent is delivered just as before.

Beyond that, we introduced a lot of features in this parcel post that is improving service very substantially. Up until a short time ago we were getting the situation of parcel post being brought back to the post office undelivered every day with a carryover of 6 to 8 loads of parcel post which delayed parcel post sometimes 2 or 3 days. We had parcel post jamming us on Sunday which did not get delivered sometimes until Wednesday.

We put in an order, which was effectively carried out, which was checked in 53 of our major cities, it is working right now, where parcel post will be cleaned up on everyday delivery. This alone will improve parcel post and is now improving parcel post infinitely more than any reduction in service resulting from the curtailment of 6 percent of the parcel post routes. I do not think there is a very substantial curtailment of service. I think we would find it very difficult to absorb \$23 million, certainly.

Mr. JOHNSON. Do you think these two gentlemen that came from Dade County, Fla.—do you think it is illusory on the part of the people there that service is being curtailed?

Mr. GRONOUSKI. The example they pointed out is exactly why I asked the postmasters to give me a review, and Miami being one of the 68 largest postmasters, that will come to my office, to give me a review of what their local problems are and to give them an opportunity to use their local ingenuity, their brains, to come up with a better allocation, better staggering of window hours, for instance, which might be feasible in some places.

This is exactly why I have introduced this concept of flexibility into the adjustment. I think there are cases where a rigid, flat across-the-board interpretation of the order is going to work hardships. I think within the budget and the manpower limitations we have established these can be adjusted if the local postmaster is given the opportunity, and I think we have given them the opportunity in full measure, to use his own ingenuity to resolve them.

Mr. JOHNSON. One more question. You have been referring back to 1960. I have the postal budget here wherein in 1960 the gross revenue of the Post Office Department was \$3,239 million. Now in 1965, with your raise in rate apparently as of April 1, reflecting in 1965, your income will be \$4,559 million or an increase in revenue paid

by the people of \$1,300 million a year. In other words, your cost even of running the Post Office Department since 1960 has gone up over a billion dollars a year. I was wondering where your savings are.

Mr. GRONOUSKI. You must remember also we are the biggest growing business in this country. We have had something like 2½ to 3 percent increase in volume of mail. This involves a couple billion pieces of mail every year that has to be handled.

We have also had some pay increases since that time which are reflected in this increased cost. We have had to expand the number of employees to meet the increase in volume of mail. This is an inevitable development as the country grows and as mail volume grows. Our mail volume is growing much faster than the population is growing.

Mr. JOHNSON. I might also observe that this coming year your deficit will be \$774 million as a result of the pay raise, less, of course, \$463 million that the Treasury pays you by reason of public service paybacks. Is that right?

Mr. GRONOUSKI. Right.

Mr. JOHNSON. Which will leave you approximately 300-some-million dollars deficit.

Mr. GRONOUSKI. \$306 million.

Mr. JOHNSON. \$311 million deficit you will have in the coming fiscal year.

Mr. GRONOUSKI. I think our figure came out to \$306 million.

Mr. JOHNSON. That is all; thank you.

Mr. DULSKI. Mr. Nix.

Mr. NIX. Mr. Chairman, first I want to apologize for being late. I still have been unable to have anything to do with the scheduling of the Pennsylvania Railroad.

Mr. GRONOUSKI. You mean somebody else has service problems?

Mr. NIX. A moment ago, Mr. Postmaster General, you said the employees were down to 590,000, I believe.

Mr. GRONOUSKI. Yes.

Mr. NIX. What was the number 6 months or a year before that?

Mr. GRONOUSKI. The number of employees in November on which we based our judgments and estimates ran close to 595,000. Actually, 594,805. In December it was 595,571. Is that what you are asking?

Mr. NIX. That is the question. What happened to those who are not there now?

Mr. GRONOUSKI. It is a matter that we did not hire. In that period we would hire 30,000. Instead of 30,000 people we hired 25,000 in replacing employees who retired or left the service for one reason or another.

Mr. NIX. What I am concerned with is this.

Mr. GRONOUSKI. I want to make the point that we did not lay off regular employees and we are not doing so.

Mr. NIX. When you say regular employees, you are referring to which class of people? People who are there permanently, substitutes, or—

Mr. GRONOUSKI. The normal career regular employees and career substitutes. We have temporary employees that know they are temporary, and they are called in simply when the volume is there. In fact, we are using less temporary employees every year. In the last

3 years we reduced the number of temporaries by some 50 percent, which is part of the policy that we have espoused and which our employee organizations have espoused, and we agree with them.

Mr. NIX. Under the proposed change, the vast number of people on the civil service list who are from time to time employed as temporary employees have very little chance of future employment; is that right?

Mr. GRONOUSKI. What do you mean by that? You mean to get on the regular rolls?

Mr. NIX. Yes. First of all, I understand they are called, they are given an assignment with the understanding that these assignments are temporary assignments. I would like to know, first of all, what chances will they have in the future, what are their expectations for employment?

Mr. GRONOUSKI. If they are on the civil service roll and if openings come up and if they come within the reach that would permit the postmaster to hire them, they are very good on their civil service score—

Mr. NIX. If your plan is to decrease—

Mr. GRONOUSKI. The plan is not to decrease. We will add 4,800.

Mr. NIX. It is to economize?

Mr. GRONOUSKI. Sure.

Mr. NIX. I just cannot see how they could have any reasonable prospects of employment if that is the plan. If they would have reasonable prospects, I would like to have that explained to me. I want to know how because I have a great number of such people and I will be called upon to explain it to them. I would like to get it from an authoritative source.

Mr. GRONOUSKI. Inevitably, if we came up with a budget calling for 10,000 or 15,000 more employees, their chance would be better. Obviously, to the extent that we maintain a tight rein on the budget and the payroll, the chances for anybody getting a job with the Post Office are less. We are still expanding employment by 4,800, but that does not give them as much opportunity as if we expanded by 9,800.

Mr. NIX. Obviously. Expanding 4,800 is considerably less than the expansion in other years, so there is a decrease and there is expected to be a further decrease in the rate of employment.

Mr. GRONOUSKI. As a matter of fact, you are right. In some years postal employment has gone up by 20,000. In my judgment, this is not consistent with this year as I looked over our budget—this is not consistent with good sound budgetary policy.

Mr. NIX. You mentioned parcel post delivery and window service. How can that be adjusted without the elimination of some persons who are now employed?

Mr. GRONOUSKI. We have not eliminated any regular employees. We have given them other assignments as they opened up. We have a big attrition, we have 590,000 employees. There is a continual turnover of something like 10 percent of them every year. We are assigning these people to other carrier jobs, other clerk jobs which are opening up every day.

Mr. NIX. What is the justification for concluding that this will not impair essential mail service?

Mr. GRONOUSKI. In the first place, you are talking about the windows?

Mr. NIX. Yes.

Mr. GRONOUSKI. First, in something like 28,000 post offices there has not been a change. Second, we are maintaining the same Saturday 4-hour service that we have maintained in a vast majority of the remaining post offices. The only thing we are doing is recognizing that we can do more work at one window where we have previously used two, or at two windows where we have previously used three. We think we can handle the job.

Mr. NIX. In other words, that which has been done in the past, services given in the past were in excess of what was demanded. It was not necessary; is that what you are saying?

Mr. GRONOUSKI. I am saying that this is on balance. We always have to—when we are looking at spending of taxpayers' money, we always have to, in my judgment, if we are going to properly evaluate, we have to look at the marginal services versus marginal cost. What we have reduced is, in my judgment, very marginal services. I suppose anybody from a service point of view could make a case for all post offices having all windows open all the time, but some way you have to make a judgment. It is my responsibility as trustee of the taxpayers' money to make that kind of judgment. This is the kind of judgment I have made. I think it is a sound judgment.

I think there are cases where, because of too inflexible application, for which I take full responsibility, that we have caused some problems that should not have been caused. I recognized this error and am rectifying the error. Where essential services are being denied and the postmaster explains this thoroughly, we can make adjustments which will restore essential services. This is precisely why I have asked the postmasters to use their management skills to come up with recommendations.

Mr. NIX. In simplified form it means that these curtailments were made because services curtailed were not necessary; is that right?

Mr. GRONOUSKI. What I think are very minor and small curtailments, I think they have been blown way out of proportion because they are not big, I think they have certainly been made because in the whole picture of our budget and service pattern the marginal costs of these minor services that have been curtailed have not been worth to the taxpayer what the taxpayer has been paying for them.

Mr. NIX. The taxpayer, in my opinion and in the opinion of many in my district, seems to hold a different view. In certain post offices some window services will be curtailed on Saturday. Has any comparable service been initiated to take up that slack to give service where that is taken away?

Mr. GRONOUSKI. In the first place, as I pointed out, in a vast majority of the post offices they get the same service on Saturday they always had. The standard practice over the years has been to have post office windows open until noon on Saturday with relatively few exceptions. In most cases, where in some communities they were getting far more service than the pattern in other communities in the country, we have adjusted them downward.

Now, again, if, because of a specific need in a specific community, it is found by the local postmaster that he can make some other arrangement by staggering hours, opening windows longer on Saturday, for example—in Washington, for instance, they have been open

since this order went into effect, they cut them back to noon, they are open now to 2 o'clock on Saturdays. Where the postmaster sees a need and where, in his judgment—obviously, I am going to make a judgment—but basically he convinces me there is an essential service missing, if he does that, we are going to make adjustments in that particular case.

Mr. NIX. In other words, some restriction is placed on the local postmaster to make a judgment as to whether or not the service meets the requirements.

Mr. GRONOUSKI. That is exactly what I intend.

Mr. NIX. If he justifies that to you, then you would, of course, accede to whatever he wished?

Mr. GRONOUSKI. But let me make this further point. I do not want to kid anybody. I feel that, overall, we can handle the job of prevailing topnotch mail service with the number of employees and the budget we have presented to the Congress. I think, within this framework, adjustments can be made in local post offices to meet essential needs.

Mr. NIX. One last question. A great number of mailboxes have been removed in places where, traditionally, they have been placed for the use of the general public. Is there any restriction on the number of mailboxes in any given area?

Mr. GRONOUSKI. As a matter of fact, I think you are probably referring to a Philadelphia case that came to my attention. This was a judgment made by the local postmaster. I am perfectly willing to review his judgment on this if you feel it has caused a hardship.

However, again, I think that we must rely in a business, as far flung as we have, with 34,000 postmasters across this land, we must rely on the judgment of the postmasters. That does not mean they are always right, it does not mean we will not overrule their judgment from time to time, but it does mean that we cannot, if we are going to run a decent organization, we cannot act as if the postmaster is a zombie in his community. We have to listen to what he says and give great respect to his judgment.

If he is wrong and if it can be established he is wrong, we will countermand his judgment. But we cannot run every postmaster job in this country. Otherwise we would not need the postmasters.

Mr. NIX. I take away with me the fact that, No. 1, there would be no layoff. Second, the fact that a man who has taken the examination and has qualified and is on the civil service list has a reasonable expectation of employment under this program.

Mr. GRONOUSKI. Sir, if everybody that took an examination for the post office got a job, we would have three times the employees we have.

Mr. NIX. His expectation of employment is not materially lessened by virtue of this program?

Mr. GRONOUSKI. This is the obvious point I made and I recognized earlier as being an obvious point. It is that to the extent that we come in with a frugal budget and limited payroll and limited employment, we obviously are cutting down anybody's expectation to get the job because we are going to hire 4,800 more. If we were hiring 9,600 more, there would be more expectation.

There is, as I mentioned previously, a very big turnover in the Post Office Department besides this 4,800 increase we have, I think something like 60,000 turnover, which makes room for jobs for other people, replacement jobs. If the employee has an adequate civil service exam, if he is high enough on the list, he has a good prospect of getting a job.

Mr. NIX. I think I can reach the conclusion that I can say their chances as of the moment are not reasonably good and they should take another examination for something else.

Mr. GRONOUSKI. Actually those in the top three—as you know, we select our employees from the top number—if they are in the top level of the exam, their chances are very good because there is such a great degree of attrition in the Department.

Mr. NIX. Thank you.

Mr. DULSKI. Mr. Roybal.

Mr. ROYBAL. Thank you, Mr. Chairman. Mr. Gronouski, I am somewhat disturbed over your written statement where you say that you are the trustee of some \$5 billion annually, that you have no intention of wasting any of that money because of pressure applied by a few people with axes to grind. You have also said there are cases where the interpretation of your orders resulted in hardship. Then you went on to say that you have asked postmasters to study their particular problems and make recommendations to you.

Obviously, then, you have come to the conclusion that the operation is not meeting all the requirements and that it may not necessarily be true, then, that these people are just a few who have axes to grind.

Mr. GRONOUSKI. I would make just a couple of comments. I think there has been quite a bit of misrepresentation. For instance, I have heard so many statements that parcel post was cut 20 percent, which is a lot of nonsense. I have had so many statements that people are losing, regular postal employees are losing their jobs, which is nonsense. I have heard all kinds of statements of that sort that lead me to think that there are at least some people who are trying to misrepresent the case.

Now, I have never held myself up as a tin god who cannot make a mistake. I do not do so now. As I said in my prepared statement, I think there has been misinterpretation, which is probably my fault, of the order. I think there have been justifiable complaints in some isolated cases.

I have full confidence that the postmaster will come up with recommendations to correct that. I do not think overall, I do not think, for instance, that our failure to expand our work force in the letter carrier area by 697 employees out of some 132,000 regular employees is a terrible blow to any group. If we were laying off 697, I would say that would be a reason for a real serious complaint, but we are not doing that. Failure to expand by 697 is not a terrible blow to a work force of 132,000 or any organization that is involved with it. I think it has been blown completely out of context and completely out of range of reason.

Mr. ROYBAL. I am glad to have that clarification because I was left with the impression that this statement was more of an attitude on your part than anything else. I realize now you actually meant that there are people throughout the country that are making unjustifiable complaints. This no doubt happens in Los Angeles as well as

in Washington or any place else. But as a general rule, is it your general belief that there are areas throughout the country that need attention?

Mr. GRONOUSKI. Yes, sir.

Mr. ROYBAL. You have then directed your postmasters to examine it and make recommendations?

Mr. GRONOUSKI. That is right.

Mr. ROYBAL. You also said that they must stay within the budget allocated to that particular area. How can they have a free hand if they are restricted by a budgetary ceiling?

Mr. GRONOUSKI. If I told 34,000 postmasters that they could meet every problem they had by expanding the work force, I would have twice as big a work force as I have. I have got to keep control of the situation.

Now, dividing into 15 regions—the regional directors are the ones from Washington's point of view who are on top of the situation in a local case. In California we have Mr. Ray Holmquist. So on down the line. I am asking them to first give a look to every one of these requests in terms of their overall manpower commitments. There may be—and I expect to find this to happen—in some cases as I get these reports in they will say, we could be a little tighter in post office A but would rather loosen up a little in post office B. I am asking them to make this kind of judgment. I feel very strongly, my staff has worked hard to make this judgment, because it is a judgment that has come as a result of a great deal of hard work and travail on our part, I can assure you, it is always difficult to hold budgets in line, it is a lot easier to talk about bigger budgets. I have made the very, what I think to be, sound judgment that the overall manpower limitations we have imposed are adequate to provide the service if we give some local variation to meet local conditions.

Mr. ROYBAL. Is it possible that a study of post offices throughout the country may show a post office in California, for example, having need of an increase of 10 percent in order to operate efficiently and let us say a post office in Washington or elsewhere being able to operate their particular post office at 10 percent less than now?

Mr. GRONOUSKI. It is certainly possible. As a matter of fact, we are making these studies all the time.

Mr. ROYBAL. In that event, will the post office that needs the increase of 10 percent not be restricted to their budgetary ceiling?

Mr. GRONOUSKI. If this is the judgment of the postmasters and the regional directors and if we, after looking it over, feel there is a necessity for maintaining the essential services, and if it fits within our overall budget limitation; yes.

Mr. ROYBAL. I am pleased with that statement because it actually makes the postmaster in the particular area the man who will make the ultimate determination as to what is needed in his area.

Mr. GRONOUSKI. I will not quite put it that blandly because it is not quite accurate. We are asking him to come up with recommendations. We want this checked by the region and we want, in the case of the largest post offices, to check it ourselves. We are asking them to initiate this kind of judgment. We still retain the right to make our own judgments on it.

Mr. ROYBAL. But he is included in the team that will make the eventual determination?

Mr. GRONOUSKI. That is right; he participates and he participates basically in the decision.

Mr. CUNNINGHAM. Will the gentleman yield for a moment?

Mr. ROYBAL. Yes.

Mr. CUNNINGHAM. All these things Mr. Roybal has been talking about, if the local postmaster feels that adjustments are necessary in the order that he has received from you, he has to go through the regional office first; is that right?

Mr. GRONOUSKI. That is right. We feel very strongly that we ought to maintain regional control.

Mr. CUNNINGHAM. I feel strongly that these adjustments will not be made if they have to go through the regional office.

Mr. GRONOUSKI. You will just have to look at the record, sir, after it is made.

Mr. CUNNINGHAM. I have a record of my region. I have read it.

Mr. GRONOUSKI. I have great confidence in our regional offices.

Mr. CUNNINGHAM. Thank you.

Mr. ROYBAL. Thank you.

Mr. DULSKI. Mr. Wilson.

Mr. WILSON. In line with Mr. Roybal's questions, we can throw the monkey right back on Mr. Shaw's shoulders in the Los Angeles area and relieve you of any complaints; is that right?

Mr. GRONOUSKI. I would not want to do that. I take strong exception to the proposition that I am "passing the buck." The "buck" stops here. I know it. I am willing and, I think, able to take any gaff. I am a great believer in Harry Truman's statement that if you can't stand the heat, get out of the kitchen.

Mr. WILSON. I think people want somebody closer to be able to complain to and to criticize rather than have them too far away.

Mr. GRONOUSKI. I am saying Mr. Shaw, using that example of Los Angeles, should be part of this management team and a very vital part of this management team, and his judgment should weigh heavily. But one of the reasons I am having these large postmaster proposals come to my office is that I want to stop the "buckpassing." I am asking for a cooperative management.

Mr. WILSON. I did not mean to say you were "passing the buck."

Mr. GRONOUSKI. Somebody said that in one of the newspapers.

Mr. WILSON. In connection with these 697 city carrier jobs that apparently directly apply to parcel post service that are being saved and 1,103 clerical jobs that are being saved, does this involve any more overtime for other employees to make up the saving of these jobs?

Mr. GRONOUSKI. Our total commitment is both numbers and dollars.

Mr. WILSON. In other words, the jobs are being eliminated completely?

Mr. GRONOUSKI. The jobs are being eliminated, but these persons are not being fired.

Mr. WILSON. I realize that, because you are increasing the size of the Post Office. I think it will be an interesting thing for us to determine in the months to come whether the philosophy of Mr. Summerfield, which was to hire people apparently to take care of problems, rather than to try and make other adjustments in the postal service,

whether that is a better one than apparently the policy you are adopting. According to the chart I have here, in the last year of the Summerfield operation there was a 21,000 increase in employment in the Post Office. I think the year before that it was 17,000 or so. The first year of the other administration it drops down almost to 7,000, 8,000. Is there any reason for the great disparity between numbers hired during those years?

Mr. GRONOUSKI. I cannot speak for Mr. Summerfield, who is a gentleman I have not even met, unfortunately, but I can speak for myself in saying that to the suggestions that I have occasionally received, probably in a half kidding way, that "you are out of your head not to boom this employment in an election year," I say that I do not conceive of my job as being one to manage the Post Office in that fashion. My job is to manage it the best I know how year in and year out, and to the occasional remark that I have gotten, that having a tight budget in an election year is just political nonsense, I say I learned my politics a different way, that good government to my way of thinking is good politics. I will live or die on that statement.

Mr. WILSON. Apparently, the support you and previously Mr. Day gave to the pay raise is one of the first times the Postmaster General has supported postal employees' pay raises. Would you say that has been possible because of stabilization of employment and that the change from hiring large numbers of people made it more possible for you to support a pay raise for the regular employees and these who had longer service?

Mr. GRONOUSKI. I think our employees on the whole operation have shown very substantial efficiency gains. I think these efficiency gains have been reflected both in better productivity obviously for the Post Office and the ability to operate the Post Office effectively with a far less increase in staff than previously.

In my judgment, when we have that kind of cooperation from employees and we have them doing a good job when obviously their pay rates are substandard according to ordinary private enterprise standards, I think it is incumbent upon the person in top management to recognize this and to recommend a pay increase.

I think it involves both the increased efficiency overall in the Post Office and I think it involves as a result of our ability to hold down the overall payroll in terms of number of jobs.

Mr. WILSON. Thank you very much.

Mr. DULSKI. If there are no further questions, the committee stands adjourned. We want to thank you and your staff for coming.

(Whereupon, at 12 noon, the subcommittee adjourned, to reconvene Wednesday, June 17, 1964, at 10 a.m.)

CURTAILMENT OF POSTAL SERVICES

WEDNESDAY, JUNE 17, 1964

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTAL OPERATIONS OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 a.m., in room 215, Cannon House Office Building, Hon. Thaddeus J. Dulski (chairman of the subcommittee) presiding.

Mr. DULSKI. The subcommittee will come to order. We are very happy to have with us one of our distinguished colleagues from the great State of New York, Representative Frank Horton.

Mr. HORTON. Mr. Chairman, because of our previous conversations, you know of my deep interest in this problem of the curtailment of postal services.

Mr. DULSKI. Will you please proceed with your statement?

STATEMENT OF HON. FRANK J. HORTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. HORTON. Mr. Chairman, thank you for giving me this opportunity to appear before your subcommittee and express my views on the reduced mail services which the Post Office Department is imposing on the mail-using public. Since the effect of these curtailed operations first became evident, they have distressed me; I congratulate the subcommittee for its responsibility in conducting this investigation and making a full disclosure of the facts surrounding the situation.

One would have to be very innocent and sheltered to believe that there are not many areas of Federal Government spending where prudent management cannot cause substantial savings for the American taxpayer. I never have hesitated to endorse expenditure reductions where there is demonstrated proof that they achieve real—not imagined—economy, and where that economy is in the best interests of my constituents and our country.

However, of late, we in the United States are witnessing a phenomenon which parades under the banner of "economy," but does not save any money. It may conserve a political image, but nothing else.

I now believe that the Post Office Department has joined the players in the game of "Let's Pretend Economy." Despite proclamations of economy and better service, the elimination of essential mail services is working a great disadvantage on postal patrons the Nation over.

I might also indicate to the committee that I received numerous letters because of my position on the District Committee from people in the District complaining of service right here in this very area.

My district has been hard hit by what the Post Office calls "certain adjustments and changes" that took effect on May 4 of this year. The results of these curtailments are widely apparent and disturbingly felt.

In the past month, I have received numerous complaints from my constituency on the deterioration in postal service. Mail delays are reported with increasing frequency, poor or no window service is occurring in more and more areas, and errors in deliveries are becoming a steadily increasing problem.

I find it difficult to reconcile the Post Office Department's reduced services with constantly mounting mail volume. Every day more people use the mails and depend on good service for vital business or personal reasons. Yet, in the face of this obvious demand for the best possible postal service, our service return has declined while our postage stamp investment has climbed.

For the sumcommittee's information, I would like to quote some pertinent excerpts from a letter I received only a few days ago from Willaim G. Martin, president of Local No. 215 of the United Federation of Postal Clerks. Mr. Martin, as a working postal clerk, is intimately aware of the service cutbacks which have gone on in the Rochester (N.Y.) Post Office. His comments are very revealing of why no savings have been realized despite curtailed services.

I might also add parenthetically that not only have I received correspondence from Mr. Martin on this, but I have talked with him personally in Washington and in Rochester concerning this curtailment. Mr. Martin's letter is as follows:

By now you are probably aware of the relaxing of some of these curtailments in the large cities. We have added to our Saturday window service a little bit, but still have not returned to normal. Even so we are not offering any service to public on Saturday afternoon, and still there is no money order, postal savings, box rental, or meter settings. The parcel post delivery rules still have not been relaxed therefore leaving delivery on just 5 days a week.

The working of third-class matters on a 24-hour basis, has been written into the Postal Manual, so this looks as though it will continue indefinitely. This order has already resulted in the working of employees at 1 a.m. on junk mails in the Rochester Post Office, once or twice a week since they put the order out. They have also started to work these mails on weekend, which was never allowed. This is of great concern to our substitute employees which were originally scheduled early in the day to work these matters, and now are being ordered to work these mails following the clean up of first-class matters late in the evening. With proper planning this would not be necessary, and all of these mails could be worked during the daylight hours.

Let's look behind the reason for all these changes, economy, like you say, all false. They curtailed Saturday service so that the original hours spent by employees giving service to the public could be expended on distributing the mails. They changed the third-class order so that they could cover up their shortcoming on being unable to judge the mails so that these mails could be worked during the day. The Saturday curtailment hurt the public, and the third-class order is costing them 10-percent extra pay for night pay, so what have they saved?

As you know in Rochester we are short about 62 employees, since November 1962, and with these employees we would not have to sacrifice all these changes. Last pay period the substitute employees averaged 101 hours during the 2-week period. The regular employees worked about 2,000 hours overtime, during this same pay period. During the present pay period the regular employees have worked about 3,000 hours overtime, and the subs are still working 12 hours a day. The vacancies that we have would just about reduce any need for this overtime, and long hours, but as I have told you before, they intend to cut 1,750 jobs in the New York region before July, and this goal still remains regardless of the extra expense of overtime. This is economy?

Mr. Chairman, Mr. Martin's questions indeed are timely and, I am sure you agree, pertinent to this hearing. They are my questions, too, and the questions of millions of our fellow citizens.

It is tragic that the loyal and dedicated postal workers of America—the clerks and carriers—are made to bear the brunt of these false economies.

The mailmen and mail clerks are deserving of our everlasting respect and gratitude. As Jerry E. Bishop wrote not long ago in the *Wall Street Journal*: "The mailman on the route, for instance, is frequently a model of courtesy and dependability." I think this is true all over the country. And, writing of "less familiar figure, but no less deserving of appreciation, the anonymous mail clerk," Mr. Bishop commented—

he shows an uncanny knack for deciphering illegible handwriting, routing to their proper destination letters on which the addresses would defy the most expert military cryptographers. Equally as impressive, the clerk often is able to direct a missive to its correct address despite an error by the sender.

There is probably no American who does not know the truth of these statements or would dispute this comment.

A portion of a broadcast editorial by Richard M. Tobias, news director of radio station WHAM in Rochester, N.Y., is as follows:

Now it goes without saying that there is probably no more dedicated a group of people in the Government than the postal workers of America. For far too long they have suffered long hours, pathetic pay, and public abuse.

An economy move in the redtape and red ink of the U.S. postal system is most assuredly not in our best interests if it is predicated on the simplicity of slashing jobs.

One of the things that ought to be pointed out, which Mr. Martin in his letter emphasized, is that we are some 62 employees short. The thing that impresses me is that, for example, in the city of Rochester, as I am sure is the case in your area and other urban areas, particularly where there is an increase of business such as has occurred in the Rochester area—Eastman Kodak is in our area, Xerox is a new and growing corporation and mail volume is tremendous, General Dynamics has been growing in our area—many businesses have been growing and the volume of mail has been going up. Instead of providing more employees to meet the demand for this additional service, the Post Office Department is cutting back the services. So instead of really being short 62, if they had been adding proportionately what they should to take care of the increased mail, I think they are really between 100 and 150 postal employees short in the Rochester area.

Mr. Chairman, again I wish to thank the subcommittee for hearing me today. I hope the outcome of your study will establish that the Post Office Department has chosen the wrong way to go about the business of cutting costs. I also hope it will convince the Department of the need to restore these services, to better serve the mailing public, and to provide improved working conditions in the post offices of this country.

One other thing that should be pointed out is this. There is much difficulty of which the public is not aware. I have had postal clerks, these anonymous postal clerks who are working in the backroom, so to speak; out from the public view, telling me that they are not able to take care of this mail and much of it has to sit and wait for a day

or two. The general residential public does not know this. The resident does not know, for example, that his Life, or Time, or letters are delayed a day or two or a week or so in the case of some periodicals. Yet, as this subject comes more the public knowledge, there will be increased demands for service. I think the Post Office Department, rather than cutting these services, should provide additional services to meet this added volume.

Mr. DULSKI. Thank you very much for your statement. You not only have furnished us a short and concise statement, but also many facts from people who actually move the mail. Your testimony proves that there is a great deal of demand for better postal service from people in growing areas where the mail should be handled promptly and efficiently. I want to commend you for your statement. I know of your sincerity in representing your constituency. We will give every consideration to your statement. Are there any questions?

Mr. WALHAUSER. I have no questions, Mr. Chairman, but I would like to join with you in complimenting the distinguished gentleman from New York. It has been my privilege and pleasure to have served with him on another committee. I know how dedicated he is. I believe he represents his district ably and I am sure he represents the people who are affected by this decree very well. I just want to say that I hope he continues to enjoy the good will of his people back home.

Mr. HORTON. Thank you.

Mr. DULSKI. Mr. Nix.

Mr. NIX. I also would like to compliment the gentleman because of the facts pertaining to Rochester that have been submitted. I would like to mention, however, another arresting portion of his statement. He says:

However, of late, we in the United States are witnessing a phenomenon which parades under the banner of "economy," but does not save any money. It may conserve a political image, but nothing else.

Mr. HORTON. What I had reference to there is this: There apparently is an attempt, particularly in the Post Office Department, to indicate that there is economy in this program. This is not so, as demonstrated by Mr. Martin's letter and by some of the other facts I have tried to bring out to the subcommittee.

The point I am trying to make is that this is false economy; it is not economy, but it is made to appear to the general public that economies are being made.

As Mr. Martin points out in his letter, economies are not being realized. Economies are going by the wayside when you are paying overtime and you do not have the additional people to do the necessary jobs.

Mr. NIX. In other words, I understand that you in no sense seek to attack the economy program of the administration. You are speaking specifically of this program in the U.S. Post Office Department.

Mr. HORTON. As I have indicated in the sentence before the paragraph you read, I stated:

I never have hesitated to endorse expenditure reductions where there is demonstrated proof that they achieve real—not imagined—economy, and where that economy is in the best interests of my constituents and our country.

That is my belief whether it is the Congress that does it, the House that does it, whether it is a subcommittee of the House, or whether it is the administration. I endorse any attempts to achieve real economy.

The point I am trying to make is that real economy is not being achieved in this program. In places where there is a demand for additional service, when you are cutting that service, you are not practicing economy.

Mr. NIX. With that explanation, I can with greater freedom give my approval to what the distinguished gentleman has said.

Mr. HORTON. I thank the gentleman.

Mr. DULSKI. Are there any other questions? Thank you very much.

The next witness to be heard is the president of the National Association of Letter Carriers, Mr. Jerome Keating, and his staff.

Jerry, we are happy to have you here. We know of the great work you have done. I am sure your statement will bear out the facts you have given to me and to other members of the committee.

We are very happy to have you with us.

STATEMENT OF JEROME J. KEATING, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS; ACCOMPANIED BY JAMES H. RADEMACHER, VICE PRESIDENT; J. STANLY LEWIS, SECRETARY-TREASURER; CHARLES N. COYLE, ASSISTANT SECRETARY-TREASURER; JAMES P. DEELY, DIRECTOR, HEALTH BENEFITS DEPARTMENT; GEORGE A. BANG, DIRECTOR, LIFE INSURANCE DEPARTMENT; AND J. DON KERLIN, LEGISLATIVE CONSULTANT

Mr. KEATING. Mr. Chairman and members of the subcommittee, my name is Jerome J. Keating. I am president of the National Association of Letter Carriers, an organization composed of 170,000 members located in every State and possession of the United States. I am accompanied today by our resident officers, all located in our national headquarters in Washington, D.C. James H. Rademacher, our vice president, is a letter carrier from Detroit, Mich.; J. Stanly Lewis, our secretary-treasurer, is a letter carrier from Burbank, Calif.; Charles N. Coyle, our assistant secretary-treasurer, is a letter carrier from Portland, Oreg.; James P. Deely, the director of our health benefits department, is a letter carrier from Philadelphia, Pa.; George A. Bang, the director of our life insurance department, is a letter carrier from Omaha, Nebr., and I am a letter carrier from Minneapolis, Minn. We also have with us J. Don Kerlin, our legislative consultant, who was formerly on the staff of the Senate Post Office and Civil Service Committee and who has had 30 years of service in the Government, including a number of years in the Bureau of the Budget. Mr. Kerlin was detailed by the Bureau of the Budget to conduct the study of the Post Office Department that led to the Carlson report.

Every officer of the National Association of Letter Carriers is a former letter carrier. James P. Deely has had 45 years of service to his credit, and I am now in my 41st year. George A. Bang has 35 years of service. The shortest period of service by anyone in our group is 21 years. We have all delivered parcel post and we are going to speak to you from knowledge gained in years of experience. Our testimony will not be based on theory of imaginative thinking—it will be based upon the solid foundation of experience.

We are greatly distressed to be here in the role of complainant—we would much prefer to be here paying homage to the Post Office Department for the splendid service it might be rendering to the American people, but we are faced with facts and the simple fact is that the quality of the postal service the American people are receiving has been deteriorating for a great many years. The great change in rapid decline of service came in 1950 when there was a major reduction in number of deliveries, number of collections, directory service, and other features that once made the U.S. postal service the best in the world. With the decline in service has come a similar decline in our opportunity to boast. Alas, we no longer boast—now we apologize.

In our opinion, based upon hard-won experience, the postal service of the United States is in the process of swift and continuing deterioration. Something must be done to preserve and improve it. I am pleased that this subcommittee has dedicated its efforts to that task.

We are greatly distressed over the callous regard shown service by present day postal administrators. The prime consideration now goes to economy and curtailment. Service is seldom stressed as the prime objective. Postal administrators have slashed and sliced and reduced the postal service in as many ways as the human mind could devise—without actually killing it. The service, or course, as a result of their ministrations, is a mere shadow of its former self, but it is still technically alive and breathing.

The Post Office used to perform innumerable services to the American people which have long been forgotten in the interest of economy. And now we have this most recent curtailment order, which took effect on May 4, which has made the post office almost inaccessible to millions of working people throughout the country, and which has reduced the once-proud parcel post system into a national laughing-stock. The most recent curtailment came to the United States during a period of unparalleled sustained prosperity that has continued for a recordbreaking period of 40 straight months.

The Post Office Department claims that by severely limiting the use of windows in post offices on Saturdays it will save \$5.5 million a year out of a budget in excess of \$5 billion.

Here is an example of what that order is accomplishing. This is a picture of the lobby of the post office in New Canaan, Conn. The line you see there, stretching across the lobby, and through the door, stretches out on the street and around the corner.

Many of these people, Mr. Chairman, are working men and women who cannot get time off during the week to go to the post office. They must use the post office on Saturday even if it means giving up half of their holiday to get their business done.

You will see one man in the line holding a letter. Very probably he wants to buy a few stamps, but he will have to wait for all the parcel post customers ahead of him before completing this single operation.

I might add that there is no information window in operation on Saturdays, either. Somewhere in that serpentine line there is probably a little old lady who wants to find out how she can send a package to her grandson in South Vietnam. She will very likely get her answer in a couple of hours or so, unless the 12 o'clock whistle blows before she gets to the window. At noon, the window falls like a

guillotine, even if the customer is in midsentence. This scene is being repeated every Saturday in almost every post office in America.

I want to refer to this picture for a moment. Over the postmaster's head there is a sign reading "Closed." The postmaster, he is there on the right, apparently waiting to close the door sharply at 12, on the other side there is another sign that reads "Closed." We have the ZIP code program, the zip is out of it by this time, I think. We have NIMS, ABCD, POMSIP, and other programs, but we now have a new program, the closed program—c-l-o-s-e-d—program. We have another addition to our list of alliterative programs in the Post Office Department. This we do not like. Some of the others we do not think too much of, either.

The parcel post situation is even worse.

As you so well know, Mr. Chairman, the parcel post system has been the sick man of the post office for years. For far too long it was forced, by law, to operate on a break-even basis. Whenever it started to lose money, the Postmaster General was forced either to cut service or to petition the Interstate Commerce Commission for a rate increase. Sometimes the Postmaster General did both. This, of course, led to a loss of business, as customers abandoned parcel post for the express systems operated by private enterprise. And, of course, this loss of business forced further rate increases and further service curtailments.

We had hopefully thought that Congress had put an end to this frustrating nonsense when it granted the Department a moratorium on the necessity of operating parcel post on a break-even basis, on June 29, 1963. Under the provisions of that act it was understood that the Department would not reduce parcel post service any further, but would work toward finding solutions that would improve the service and get back some of the lucrative business it had been losing to its competitors.

This has not been done. The curtailment order which limits parcel post delivery to 5 days a week represents a service cut of 16 percent. It followed, typically, on the heels of a 13-percent increase in rates.

The Department says that this curtailment will save \$3.5 million a year. If this were a solid figure, we would still maintain that the curtailment was creating a tidal wave of aggravation and disorder to achieve a saving that is almost inconsequential in a \$5 million budget. But, Mr. Chairman, we have evidence to prove that the curtailment in many cities is not saving any money whatsoever. It may actually be costing the Department more money.

We want to explain to you briefly what has happened to our parcel post system. The curtailment of deliveries, the confused operations at terminals, and the breakage of parcels through new labor-saving (?) machines and the sack system has driven the most desirable business out of the post office and to private contractors. We have 1½ million new families to serve every year, the delivery territory increases by 5.6 percent every year, but in the past 10 years the parcel post volume has remained almost constant. There has been a constant change in the composition of the parcels handled by the Post Office Department—the more profitable business has sought other means of delivery. The Post Office Department retains the less profitable business. Inasmuch as this has been thoroughly understood by the officials of the Post Office Department, the orders issued on May 4 are most incredible.

On November 1, 1938, the President of the United States issued a proclamation establishing a special flat pound rate, regardless of zone, for books in the fourth class. This was brought about through the complaints of the book publishers that they were discriminated against in the rate structure, and that the educational factor was ignored when it came to books. The act of July 20, 1953, extended the preferential educational rate to motion pictures, printed music, phonograph recordings, and other categories. All of these types of parcel post were granted lower rates and are referred to as "special rate mailings."

Since 1958 until 1963 the number of pieces of parcel post and catalogs declined from 1,077 million pieces to 869 million pieces while "special rate mailings" increased from 97.5 to 214 million pieces. In 1953 special rate mailing amounted to 5 percent of the total volume and in 1963 they amounted to 19 percent. From 1953 to 1963 parcel post and catalogs declined in volume by 26 percent while special rate mailings increased by 206 percent. This decline has been brought about by broken parcels, inferior pickup service, and delivery curtailments.

The Post Office Department is left with the type of mail that loses money. The parcel delivery firms seek the type of parcels on which the rate of profit is the highest. This is made up of good-sized parcels traveling a short distance in large quantities. The parcel service companies pick up parcels from large mailers and are interested in good-sized parcels traveling a short distance—this is the business on which a profit can be made. They are not concerned with single parcels mailed by private individuals, they are not interested in parcel post going a long distance, they are not interested in small parcels.

The Post Office Department reports a growing percentage of smaller parcels in the mail. The number of parcels mailed in 1963 was less than one-half percent less than the number mailed in 1962. Total weight was down nearly 3 percent.

In the face of these facts it is incredible that the Post Office Department continues to follow policies that can only drive the most profitable parcel post business out of the mails. The Mount Arbor Nurseries in Shenandoah, Iowa, because of poor service, report that in 1960 they shipped 229,182 orders by parcel post and by 1963 they shipped only 142,794 orders by parcel post.

I have never known a businessman that discouraged and drove out the profitable transactions, but that is exactly what the Post Office Department has consistently been doing for several years.

No matter what happens to the profitmaking side of the business, we will always have parcel post. We will need it to deliver small packages, special rate mailings, parcels to the farmers of America, parcels going long distances, parcels mailed by individuals.

We reiterate the fact that parcel post service has been deteriorating over the years, and at an alarming rate.

I have in my hand here, Mr. Chairman, a collection of forms 1571—service curtailment forms. Each one of these forms represents a serious breakdown of service, involving a large number of parcels.

These forms, years ago, were quite rare. They have become quite commonplace before this service curtailment. Now that the curtailment is in effect, they have created a paper snowstorm in every post office in the land.

These forms in this box come from one city—Gloversville, N.Y. This is a city of 22,000 persons. In all of 1962, there were 219 curtailment slips filed in Gloversville, far too many by any standard. However, in 1963, the figure jumped to 574.

In the first 4 months of 1964—or up until the curtailment order was issued—there were 444 curtailment slips filed. This would have meant that by the year's end this figure would have reached over 1,300. Of course, now that the curtailment order is in effect, the figure for Gloversville will be stratospheric by the end of this year.

Certainly in that city the post office couldn't do the job in a 48-hour week.

Mr. CUNNINGHAM. Mr. Chairman, may I interrupt?

Mr. DULSKI. Yes.

Mr. CUNNINGHAM. These curtailment slips are something new to me. Will you tell us how it operates and perhaps show us a sample?

Mr. KEATING. When a carrier does not complete the delivery on his route, he is expected to fill out one of these forms listing the exact number of pieces of mail or numbers of sacks of parcel post that have not been delivered.

In some places the men are discouraged from filling out those curtailment slips. They should do it because it protects them, it shows when the routes are not finished. The people who come in to adjust the routes cannot do it intelligently unless they know the amount of mail curtailed and the days it is curtailed. These are required forms, but they are not filled out as often as they should be. There are a lot of people who do fill them out. These are some examples, and we will show you more before the day is over.

I never knew that the Post Office Department was under the security regulations until I got this memorandum sent in from the Chicago region, the regional director, dated May 21. This reads:

All postmaster, Chicago region, first-, second-, and third-class offices: Effective immediately, all requests for information or statistics pertaining to employee complements, man-hours, or costs must be referred to the regional director for prior approval unless such request emanates from the regional office or from the Post Office Department. Please see that all employees in your office concerned are properly informed on this matter.

So evidently we are under the security regulations. That was news to me, but apparently it is true.

On March 24, 1964, I received a letter from Mr. William B. Henderson, executive vice president of the Parcel Post Association. This is a quotation from that letter:

As you will appreciate, I've had numerous sad reports from members of the loss of business and damage to shipments as a result of the parcel post fiasco of last November and December and through January and most of February. I have discussed the situation with the Department, of course, and have some hope there will eventually be some improvement. But I'm certainly not optimistic.

The "fiasco" of which took place before the curtailment order of May 4, when the Department was unsuccessfully trying to cope with parcel post on a 48-hour week basis.

In Buffalo, incidentally, the Christmas parcel post situation was such a fiasco that some Christmas packages were being delivered during the last week of March.

The president of our branch in Garden Grove, Calif., writes me as follows:

The poor condition of parcel post delivery has existed in this office for 5 years. With delivery as poor as this, it is only natural that the people would look for another type of delivery. Most of our parcels are from individuals living at a long distance * * *. One of our four regular runs is not delivered Tuesday, Wednesday, Thursday, or Friday. Subs take out the excess on these runs the day after the regular's day off. I do believe more time is used in this manner and it only serves to disrupt the orderly delivery of parcel post.

The president of the branch in Flushing, N.Y., has written as follows:

Even before the curtailment, we were unable to keep the parcel post mail current * * *. We were curtailing parcel post daily.

The parcel post in the Flushing district has backlogged so much that some stations were running out of storage space on workroom floors, or were attempting to keep it from the view of the patrons and starting to store unworked bags of parcel post in the swing rooms. A good example of this is my own station (station A) where you must walk around stored curtailed parcel post in the swing room to get to your locker.

Mr. Chairman, I could cite several hundred similar cases to prove the point. The parcel post situation was in serious disrepair before the curtailment order, when the Post Office Department was trying to do the job in 48 hours.

Now, what is the situation since they are trying to do it in 40 hours?

We asked our local leaders to let us know the situation in their offices. Immediately, we were inundated by whole bundles of curtailment forms from every section of the country.

We have two boxes of forms. These are forms that had to do with curtailments that occurred before an order—I have not gotten to the order yet, that order went in, these are more recent ones.

This box is filled with forms 1571, literally thousands of them, and each single slip concerns packages delayed in delivery.

In the Flushing, N.Y., post office during the 9 working days between May 11 and May 20, an average of 834 bags of parcels and 935 larger parcels were curtailed each day. There are about 12 pieces of parcel post in a bag. So this adds up to a grand total of almost 12,000 pieces of parcel post delayed in that one post office every single day.

This estimate is low because the 12 pieces of parcel post in the bag are large parcels, and we have a great many small parcels. The total count, I am sure, would be much larger, but we have tried to be conservative in our estimates.

This is a pretty spectacular figure. However, the same story is repeated over and over again in almost every city in the country.

Parcel post is lying around in post offices gathering dust because there is no way to deliver it. Parcels by the score are "taking rides" on trucks 3 and 4 days in succession and then being returned to the office because the carrier could not complete his route.

The president of our branch in Rochester, N.Y., has this story to tell:

For the past 2 weeks, on Monday morning, there has been little better than 1,000 sacks of parcel post unworked when the carriers left the office on their routes. This has also happened on other days, but the number of sacks has been less. There have been some days when carriers could not complete their routes and the part that has been curtailed has not been delivered until 3 or 4 days later. Carriers have been told to deliver their routes out of sequence in order

to deliver the parcels that were curtailed the day before. The saving in time has been very small when compared to the delay in mail, poor working conditions and the amount of auxiliary help used in an attempt to cover up the poor service being rendered to the public.

The people who rely on the postal service are thoroughly disgusted and feel that complaints do no good. When they complain they are told that necessary "adjustments" are being made but that service is not affected. The employees are completely in a quandary as to how so much money can be spent on these so-called efficiency teams that are traveling around the country, and yet we hear management crying the blues about the lack of money for postal operations * * *.

I think you, Mr. Chairman, and the members of this committee know how bitterly the public resents this new attack upon parcel post. You hear from your constituents. The Postmaster General rates the complaints at less than 1 percent. The figure was 0.003 that he quoted. Perhaps the patrons don't know there is a Department—perhaps they have given up. Our members—even though they are in no way responsible for the situation—hear the brunt of the complaints because they are the representatives of the post office whom the patron actually sees. So the patrons pour out their wrath on the inoffensive letter carrier.

I am certain, however, that the Postmaster General has been the recipient of some bad information. The Chicago Regional Bulletin, under date of May 8, carried a banner headline:

EXTRA—EXTRA

Effective May 11, 1964, automatic data processing will be used to analyze postmasters' daily reports on mail delays and damage.

On the back is a printed form and complete instructions as to how that information shall be filled out. Surely this complicated processing would not be necessary if the complaints were as infrequent as we have been led to believe. As further evidence of the delays and also evidence of such losses, let me present the following.

Here is another regional bulletin that reached my desk today under date of June 12. They have a half-page report on mail delays and damages. Still they tell us there are no delays, there are no complaints. It is the greatest issue that is concerning the regional director in the Chicago region.

The secretary of our branch at Montclair, N.J., has this comment to make:

I wonder what would be the reaction of Department officials * * * if they were put in the position of Mr. Kanter, owner of one of Montclair's largest stores, who lost the sale of a \$200 dress because it took the package—special delivery—8 days to arrive here from his Spring Lake store? I would like also to refer them to Myrtle Small, proprietor of one of Montclair's most exclusive shops, who lost the sale of an expensive bracelet because it took 6 days—special delivery—to arrive here from Hattie Carnegie in New York City?

Our files are filled with angry complaints from patrons. The complaints come from people who depend upon an efficient postal system for their living.

The temper of the public is reflected in the editorial comment of the newspapers of the country. When I testified on this matter before the Appropriations Subcommittee in the other body, Mr. Chairman, I submitted a whole sheaf of angry editorials denouncing the service curtailments. Lest you think I am repeating myself, I want to assure you that the editorials I have included with my testimony today are all new and different. They are equally unhappy, however—equally angry—equally disgusted.

Here is a sheaf of editorials you have with the testimony.

I would also like to say, Mr. Chairman, that except for a few minor instances which were irresistible, all the examples of service breakdowns I have used in this testimony are different from those I used in my previous testimony before the other body. There is no reason for me to repeat myself. The supply of complaints and horror stories is almost inexhaustible.

Mr. Chairman and members of the committee, the National Association of Letter Carriers is a service organization. We have a deep and passionate concern for the efficiency and improvement of the service. We have great pride in the Post Office Department and in the work we perform. In recent years our concern has grown greater, and our pride has diminished.

We believe that the United States of America should have a postal service commensurate with its power, its wealth, its prestige.

We feel that service considerations should come before considerations of sterile economy.

We also feel that—even from an accountant's point of view—the economies being effected by this most recent curtailment are in no way comparable to the disruption of service they are causing, and the popular indignation they are creating.

We have made these complaints to the Department at all levels. As a result, the Postmaster General issued an order to the effect that all parcel post must be cleaned up daily.

The Department now says that it can do the parcel post job in 40 hours. Once again, Mr. Chairman, we have plenty of evidence to show that the Department was not able to do the parcel post job competently in a 48-hour week. How can they expect to do it within 40 hours? I know that the Postmaster General was sincere in his statement. Let us see how that order has worked out.

As for example, Mr. Chairman, I would like to begin with your home city of Buffalo. In the latter part of May, in order to clean up the mess in parcel post created by these ill-advised curtailments, the Post Office Department authorized the postmaster to hire 18 additional contract vehicles to do the work that the postal employees should have been able to do in the first place, and would have been able to do if delivery were made 6 days a week.

When the postmaster has to hire 18 additional vehicles to clean up the mess, he isn't saving the Department any money—of that we can be sure.

I would like to quote from a letter written by one of our responsible members in Fort Knox, Ky.:

The nondelivery of parcel post has been in effect for 2 weeks now. Our second week in Fort Knox found packages lying around from Monday, the 11th, at 3 p.m. to Thursday, the 14th at 6 p.m. My assistant had to deliver relays on one 8-hour route and make the last collection. This was on Wednesday, the 13th. Thursday, the 14th, I took 2 hours overtime and cleaned up all the parcels * * *. The day we don't deliver requires at least 5 to 6 hours and we use about 4 hours of overtime the next day. I see no gain here in Fort Knox.

I now quote from a telegram I received from our branch 43 in Cincinnati, Ohio:

All parcel post cleaned up on Monday last. We used 20 rented trucks, 100 hours overtime, and 70 additional sub hours. You realize our day of curtailment is Saturday.

To recapitulate: As a result of curtailing parcel post on Saturday in the interest of economy the Cincinnati Post Office had to rent 20 trucks and use 100 overtime hours and 70 additional substitute hours to clean up the mess. What kind of economy is this?

I might say that when the curtailment day occurs in the middle of the week, the savings are almost nonexistent. In these cases the post office trucks, which are in short supply anyway, sit idly in the garage while the parcel post piles up. The next day brings another wave of parcel post, and almost inevitably there aren't enough trucks or men to handle the load. This means hiring more trucks, paying overtime and extra substitute time, or just letting the parcel post accumulate forever.

Many offices have completely ignored the order of the Post Office Department to complete parcel post deliveries every day. We have many, many curtailment slips establishing the fact that since the order was published.

All these slips that have been made out since the Postmaster General issued an order that there should be an absolute cleanup of parcel post every day. The order was issued, it was sent out to the 600 largest offices, but this is evidence of how well it is being observed. The Postmaster General recently said he issued a special order that we are going to have tailormade service. I have never known a tailor who could make suits unless he had enough bolts of goods. Apparently these tailors do not have enough goods on their shelves to make the suits that the tailormade service is going to provide:

One carrier from Orange, N.J., reports:

I want to report curtailment of parcel post on my route of a complete trip on the date of June 4, 1964.

An officer of the branch in that city called the attention of the postmaster of Orange to the Postmaster General's letter. The officer reports:

He (the postmaster) informed us that the letter did not mean anything. One wonders, the officer declared, why the Postmaster General spends his time writing such letter if they do not mean anything at the local level.

We wonder, too.

Assistant Postmaster General McMillan has written many complainants as follows:

The adjustment of parcel post deliveries to 5 days a week involves only those routes operated solely for the delivery of parcel post. These routes handle only about 6 percent of the total parcel post volume, and we do not feel that this limited adjustment should result in any hardship on users of this service.

The 6-percent figure is most misleading. I attempted to find out how they arrived at a 6-percent figure. The percentage, as near as I can compute it, refers to the number of people who deliver parcel post exclusively. It is not a true figure for the number of parcels. While it is true that rural carriers, mounted carriers, star route carriers, and carriers using mailsters deliver parcel post, this is only a small part of their delivery. There are 14,300 routes where carriers deliver only parcel post.

A most modest estimate of the number of parcels each one delivers per day would be 120. 120 times 14,300 equals 1,716,000 parcels per day. Multiply that by the normal working year of 306 days and you get 535,096,000 parcels. According to the Department figures, the

total number of parcels handled in 1963 was 1,075,850,000. According to this computation, the amount of parcel post handled on strictly parcel post routes amounts to 49.7 percent: not 3 percent.

We have used an extremely low figure. Many of our men on business routes will deliver 350 to 400 parcels a day; 120 is exceedingly low. We modified the number of routes because some are part-time routes. I would say that actually the parcel post man more nearly delivers 65 percent of all parcel post, maybe it was 66 percent, then the 6 was lost off when the Assistant Postmaster General sent our his bulletin. Certainly, it is many times 6 percent.

One last complaint eloquently expressed in a letter to Postmaster David R. Trevethick of Salt Lake City, Utah, by Mr. A. G. Brain, Jr., of Brain, Kay, McQuarrie, Inc., Pharmaceuticals. The letter reads:

DEAR MR. TREVETHICK: We are engaged in the pharmaceutical and drug business and last Saturday, one of our wholesale drug firms in Phoenix, Ariz., sent us a telegram requesting that we ship them via parcel post a small supply of a particular drug which was needed in one of the hospitals in their area.

The drugs were packaged and we tried to ship them via parcel post on Saturday, here in Salt Lake City, which was impossible.

The package was taken to the parcel post annex at the Union Pacific station and we were advised that they no longer accepted parcel post shipments on Saturday. We then took the package to the new post office on the corner of State Street and First South and this office was also closed. We then drove to Sugarhouse station because of the inability to obtain parking in the downtown area near the general post office, and we found the Sugarhouse post office also closed.

In a city the size of Salt Lake City we consider it shameful that it is almost impossible to mail a parcel post shipment on Saturday.

Something must be wrong with the Government and especially the Post Office Department when it is next to impossible to mail a parcel post package such as was the case with this small shipment of drugs.

Our postal costs have risen to a staggering \$712 over the same period last year. Our parcel post shipments, especially through the Denver area to our accounts in Texas invariably experience breakage and damage. Our damage and loss through parcel post is greater than it has ever been in the 20 years that we have been in business.

Plain and simple, the costs in postal rates and service continue to rise and the service continues to deteriorate.

We are not in the shipping business, nor have we been overly concerned, until just recently, at the extremely poor postal service but we feel obligated to bring this matter to your attention.

For almost 20 years, we always received our daily mail delivery just after 8 o'clock in the morning. Now that the postal service has been streamlined, we now receive our mail around 9:30 in the morning and because of Saturday delivery, which is close to noon, we have had to suspend the services of one girl on Saturday because the mail arrives too late for us to do any business with it.

We are extremely critical of the mail services here in Salt Lake City and we feel that this is a problem that comes directly under your jurisdiction.

Our only concern is prompt and efficient service for our clients, such as hospitals and pharmaceutical distributing firms. Problems which you might have regarding working hours, wages, employees schedules, etc., is no concern of ours.

If the poor and deteriorating postal service in Salt Lake City is something that you can correct, we feel that it merits immediate and emergency attention.

We can only express our reaction to the poor methods of handling mail and parcel post shipments here in Salt Lake City and how it is affecting our business and probably the general economy of the immediate area.

May we ask you a question? Just where can one go to mail a parcel on Saturday afternoon in Salt Lake City? It is practically impossible to obtain a parking space in the downtown area and the man that approved the establishment of the new post office on First South and State Streets must have been out of his head because there are no parking facilities to speak of and this business of running around the block four or five times looking for a place to park is expensive and aggravating.

Our disgust with services here in Salt Lake City prompts us to send a copy of this letter to Senator Moss and Senator Bennett as well as the two newspapers. In our opinion, this poor postal service cannot go on as rates continue to go higher while the services gets poorer.

Please be assured that we have other things to do than write long letters to the Post Office Department but we feel that our tax money and postal revenue money is not properly handled in the Post Office Department. In fact, we regard it as a sorry mess, along with many of our business associates.

If what we have stated in this letter is not true and exactly as we find the situation here in Salt Lake City, we will write you a formal letter of apology.

This for your information.

Very truly yours,

A. G. BRAIN, JR.,

President, Brain, Kay, McQuarrie, Inc., Pharmaceuticals.

Too many postal officials have lost sight of the basic purpose for which the Post Office was established. Service is now spelled *Service*. The testimony presented yesterday clearly indicated that Department officials apparently feel that they are appropriation administrators—not postal administrators. Service to the public was not considered, it was scarcely mentioned.

The basic purposes of the postal service are to pick up the mail, sort it as few times as possible to assure that it reaches its destination, then deliver it. This should be done with the utmost promptness.

Nowadays, however, the mail is counted, several times, weighed, measured—sometimes mangled—sorted and finally delivered, if time and manpower are available.

To many officials, mail is to be studied, counted, and analyzed. I think we would be much better off if the officials sought means of getting it delivered.

Most seriously we are gravely concerned over the loss of the service concept. There is no greater incentive for outstanding work than the feeling that comes as a result of accomplishment. The curtailment expert peering through the murky haze of myopic eyes cannot detect the value of this. This, however, was the staff on which the flag of good service flew for many years. It saddens us to see it today at half mast.

The Post Office Department operates a big business—590,000 employees and \$5 billion in revenue. The American Telephone & Telegraph operates a much larger one. With 733,000 employees and operating income of almost \$10 billion. Fred Kappel, the president of A.T. & T., recently set forth in an interview in *Time* the A.T. & T. philosophy. He stated:

The first thing—

Says Kappel—

is to make sure that we don't ever settle for second best.

As a company that sells service in an economy whose biggest growth area is service, A.T. & T. can hardly help prospering and expanding rapidly.

There's a basic difference between us and a manufacturing concern—

Says Kappel.

They have a judgment whether they want to expand or not. We have no choice. We are obliged to serve people adequately, and so we are always going to be growing.

The Post Office Department is like the A.T. & T. It should be planning to meet the challenge of a growing population, to meet the chal-

lenge of expanding cities, to plan for adequate mail transportation. It should turn its face to the future—not to the past.

The members of our association feel that the continuing reduction in service, the continuing disregard of the needs of the public should be stopped.

Transportation and communication are the twins of progress. No first-class nation can exist or continue to exist without first-class communication. Our economy needs a good postal service.

We feel that it is necessary to call upon Congress to respond to the needs of the Nation and restore the service that was recently cut by legislation.

We appreciate greatly having had the opportunity of presenting this testimony to you.

(The following documents were submitted for the record:)



REGIONAL BULLETIN

CHICAGO REGION

Post Office Department
DONALD L. SWANSON
Regional Director



Issued as necessary for the information and guidance of Postal Employees and Postmasters.

Page 1 — 2 Pages

CHICAGO, ILLINOIS 60699

May 8, 1964

No. 107

EXTRA — EXTRA

EFFECTIVE MAY 11, 1964, AUTOMATIC DATA PROCESSING WILL BE USED TO ANALYZE POSTMASTER'S DAILY REPORTS ON MAIL DELAYS AND DAMAGE

See page two for particulars.

Regional Director

HEALTH BENEFITS

Public Law 88-284 provides, among other things, that an employee who is enrolled in a health benefits plan before December 31, 1964 and continues his enrollment until he retires may keep his health benefits after retirement if he is otherwise eligible.

Employees who plan on retiring soon may not have an opportunity to enroll in a health benefits plan after June 30, 1964. Therefore, postmasters should advise employees who are contemplating retirement that they should enroll before June 30, 1964 if they wish to continue health benefits coverage after retirement.

A complete discussion of the recent changes in Employee Health Benefits is contained in Postal Bulletin 20414, April 16, 1964.

Personnel Division

PFY 1965 FUNDS

Pending availability of PFY 1965 allotments sometime in June, purchase and bid documents affecting such funds cannot be finalized.

However, continue to prepare and send in to Region for processing, purchase documents as required by current regulations.

Finance Division

ROAD TESTS

There are two (2) kinds of road tests:

1. CIVIL SERVICE ROAD TEST. This is a part of the Civil Service examination for jobs which require motor vehicle driving skill. It is given ONLY to those applicants who are under serious consideration for appointment. It is given ONLY at a time when such applicants have met every other requirement for appointment. It must be given ONLY by a certified Civil Service Road Test Examiner.

2. INTERNAL DRIVER TESTS. These are given to employees already on the rolls. These tests may be administered by a qualified tester of the Postmaster's choice.

Rural carriers and substitute rural carriers are not subject to the pre-employment, Civil Service road testing. They are tested under the Internal driver test program.

All internal driver testing is to be conducted at the office where the employee to be tested is employed. Part 762.2 of the Postal Manual, sets forth the regulations governing internal testing of drivers. It also covers the regulations governing the issuance of U. S. Government Motor Vehicle Operator's identification cards (SF-46).

Personnel Division

AVON CALLING

Avon Products, Inc. is calling for help. This company, located in Morton Grove, Illinois is experiencing many delays in receipt of first class mail from offices in this region.

Although this mail is in distinctive green or buff colored envelopes with the address plainly printed, it is frequently returned to the address on the back of the envelope.

While the return address is located on the back of the envelope in the same relative position as is the address on the front, the word FROM appears in large and prominent letters immediately above the return address. The complaints received blame carelessness on the part of employees engaged in facing and distributing this mail for much of the mishandling.

Transportation Division

"ACCIDENTS

DON'T JUST HAPPEN

.... THEY ARE CAUSED"

Handle Parcel Post Carefully

YES — ELIMINATING DELAYS TO MAIL AND DAMAGE TO PARCEL POST

The Chicago Region is doing something about eliminating delays to mail and damage to parcels. During the past three weeks Postmasters at the larger installations and sectional center offices have intensified their reporting of mail delays and damage. There is indication that Postmasters also have taken positive action to eliminate delays and damage by preparing and processing the applicable Departmental forms designed for that purpose.

To speed the analysis of Postmaster's daily report, and to aid in the control of the program, IBM cards and Data Processing Equipment will be employed effective May 11, 1964.

HERE IS HOW THE NEW DAILY REPORTING SYSTEM WILL OPERATE. Prior to May 11th each Post Office (except 4th Class) will receive 16 predated IBM cards, one to be used each day except Sunday, starting May 11, 1964 and ending May 28, 1964, for reporting Mails Delay and Damage.

The IBM cards will be pre-punched in Region to show the following information: Month, Day, Post Office Name, Class and ZIP Code.

MONTH	DAY	POST OFFICE & STATE	CLASS	ZIP CODE
5	11	MEARS MICH	3	49436

POSTMASTER COMPLETE THIS SIDE OF CARD ONLY	REPORT OF DELAYED MAIL				REPORT OF DAMAGED PARCEL POST RECEIVED	
	Caused by:					
	Distribution errors.					
	1st Cl.Pcs. _____	2nd Cl.Pcs. _____	3rd Cl.Pcs. _____	4th Cl.Pcs. _____	_____ Pcs. mailed within local zone	
	Improper Labeling.					
	1st Cl.Pcs. _____	2nd Cl.Pcs. _____	3rd Cl.Pcs. _____	4th Cl.Pcs. _____	_____ Pcs. mailed within 1st, 2nd & 3rd zones	
Transportation Irregularity.						
1st Cl.Pcs. _____	2nd Cl.Pcs. _____	3rd Cl.Pcs. _____	4th Cl.Pcs. _____	_____ Pcs. mailed beyond 3rd zone		
*Other:						
1st Cl.Pcs. _____	2nd Cl.Pcs. _____	3rd Cl.Pcs. _____	4th Cl.Pcs. _____	How much time was used to recondition damaged parcels reported above		
Prepare the following P.O.D. forms where applicable and take action as indicated on the form.						
1619—Daily report of Mismatched Mail						
5029—Incorrect labeling of Mail						
5127—Delay to Transit Mail						
*Conditions that result in repetitive delays shall be reported by letter.						
_____ Postmaster				_____ Date		
Mail this form to: Chairman, Regional Delayed & Damaged Mail Committee, Chicago, Illinois 60699						
DO NOT FOLD, SPINDLE OR MUTILATE						

Sample IBM card that will be used by Postmasters effective May 11 (5 11) for submitting daily reports of Mails Delayed and Damaged.

At the close of business Monday, May 11, 1964, and on succeeding business days, Postmasters will take the card dated for that day (5 11) enter the information called for, sign and enclose the card in an envelope and mail it to the Chairman, Delayed and Damaged Mail Committee, Chicago, Illinois 60699.

Postmasters will note that the initial batch of cards received dated through May 28, 1964, have printing on the reverse side — subsequent supplies will be self-addressed and carry the penalty indicia and will obviate the necessity of enclosing the report in an envelope.

Eliminating damage and delays is a nationwide program and cost reductions and service improvements are directly related to the effectiveness of Postal officials and employees to see that;

1. Mail is placed in the proper distribution channels at point of origin;
2. That letter packets, pouches and sacks are properly labeled;
3. Scheduled transportation media and dispatches of value are connected;
4. Reporting delays by completion of the appropriate forms and taking action as indicated;
5. Promptly reporting separately by letter to the Chairman, Damaged and Delayed Mail Committee any condition of a repetitive nature observed at your office resulting in delays and damage to mail where local postmasters efforts to correct have been unavailing.

Concerning damaged Parcel Post, reports received from Postmasters indicate that greater care should be taken at the point of origin to see that parcels are properly prepared. Please review Chapter 120, Postal Manual concerning damage to flat mail.

Many flats are damaged due to being placed loose in a pouch. This type of damage is aggravated in transit, since more flexing occurs under these conditions than results when the piece is securely tied in a bundle.

Detach & Post as a daily reminder Director, P. S. O. Programs

[From the Post-Standard, Syracuse, N.Y., May 18, 1964]

POSTAL PROBE

A House Post Office Subcommittee will investigate curtailment of postal services.

It wants to know why the Post Office Department found it necessary to reduce parcel post deliveries from 6 to 5 days a week, why window service has been cut back and what various economy moves are accomplishing.

An inquiry is in order. Postal services have been deteriorating steadily. Congress has been receiving a flood of complaints, and the recent cutbacks apparently have caused widespread annoyance.

If the Department continues on its present course, the public is likely to wind up with practically no service. Retrenchment and economy in operations are laudable goals, but when they reach the point where postal reliability is sacrificed, they go too far.

The subcommittee will hear officials of the Department and then representatives of organizations affected by the cutbacks in service. The testimony should be enlightening. Congress should take a close look at the inconvenience being caused by recent policies.

[From the San Francisco Chronicle, May 11, 1964]

GRONOUSKI'S WINDOWS

The resentment of ordinary citizens over the shutdown of post office windows at night, on Saturday afternoon, and on Sunday has been growing in passion and ferocity for a week. One is hard put to recall a more desperate, niggardly, and contemptuous act of the Federal Government toward the American people whom it is supposed to serve.

Postmaster General Gronouski, who issued the 6 p.m. lights-out order, has undoubtedly estranged the affection of far more Americans for the Federal Government than any public servant since the era of the prohibition agents. He has shattered the postal tradition of serving the people no matter what the hour or weather. A New York Representative indicts him for the "rape of the postal service."

Until Mr. Gronouski retreats from his misguided edict, he will deserve no place in the pantheon of gigantic figures of the Post Office Department, among whom, may we remind him, are such figures as Benjamin Franklin, the first Postmaster General; Montgomery Blair, who was Abraham Lincoln's; Will Hays, who was Harding's; and Jim Farley, who was Roosevelt's. Some of these great Americans may have had their faults, but they took care of their patrons as well as the postmasterships.

[From the Montclair Times, Montclair, N.J., June 4, 1964]

PARCEL POST CUTBACK HIT—MBA URGES MERCHANTS TO WRITE PROTESTS TO WASHINGTON

An urgent request to all members of the Montclair Business Association to write to their congressional representatives and to the Postmaster General to protect the recent eliminating parcel post delivery on Wednesdays is contained in a letter sent last week by MBA President Donald Theobold.

Acting Postmaster William Rose has told the Times that the order from Washington specifies only that parcel post deliveries be limited to 5 days a week and that, although Wednesday is at the moment the day on which no deliveries are made, it may be changed to another day at some time in the future if some other day seems preferable.

In his letter to the merchants, Theobold gives five reasons for protesting the decision:

"Merchandise and other materials will be delayed 1 to 3 days longer (the service was slow enough before the curtailment).

"That special order you placed for the special customer will be delayed and result in slow service (our biggest asset—our service to our customer, will be in jeopardy).

"Less opportunity to display our merchandise.

"A more expensive means will be sought by shippers in order to get the merchandise to us. We, of course, pay the added freight cost.

"Once again the small businessman is struck a blow to knock him down and out of small business."

"I urge you to get up and fight," Theobold said. "Don't let them keep us down. Write to any or better still to all of our Government officials listed below and protest this curtailment and parcel post deliveries." He then lists Senators Case and Williams, Congressman George Wallhauser, Postmaster General John Gronouski, and local Postmaster William Rose as officials to whom letter should be addressed.

In a strongly worded sample letter enclosed, Theobold suggests saying that the curtailment will result in hardships to the writer's business, that because unusually heavy deliveries on Thursday will result in late deliveries that day, the curtailment really amounts to 2 days, and that as a result of the curtailment, he will be prevented from giving fast service to customers, lessen chances to dis-

play merchandise on time and properly, cause shippers to use more expensive means to get merchandise to him and increase his costs.

"You get my bills to me very fast (no delay here)," the suggested letter reads, "and yet hold up my selling products in the post office a whole day. I expect equal service for parcel post deliveries as I do my regular mail deliveries. You should give me good service or stop service completely"

[From the Day, New London, Conn., Apr. 27, 1964]

OPINION OF THE DAY—"THESE SWIFT COURIERS * * *

It's too much to expect that the public will take very kindly to the latest gimmick in the Post Office Department—something local postal employees have to apply under orders from Washington. The gist of it is curtailment instead of improvement in service. Kicks from the cash customers recently have had to do with poorer rather than better service—again on orders to curtail from Washington.

The sense of it all is that, by hook or crook, someone is bound he's going to put the Post Office on a paying basis. It's highly doubtful that it can be done, especially if the approach to it is to drive customers away rather than encouraging them to use the service more regularly, at a higher and more profitable rate.

The new rule involves, for instance, cutting out parcel post 1 day a week, drastically curtailing what window service is presently available on Saturdays. The customers are supposed to get to the post office on other secular days of the week, before the windows close, to transact any necessary business. The fact that many of them can't possibly do so under their own work schedules is seemingly brushed aside.

Like it or lump it, postal service is being curtailed or modernized. Various important functions of the Department, insofar as serving the public is concerned, will in effect be abandoned from Friday afternoon to Monday morning.

In short, someone is always thinking up a new restriction to stay these couriers from their appointed rounds, or save a few bucks at the expense of window service and it is not the rain, snow, heat, nor gloom of night. The old reliable postal service in several important respects has been limping along for some time.

In this instance Washington notes that the new rules have no bearing on fast handling of first-class matter. But they do give parcel post service a kick in the teeth, at a time when, in recent years, the rates for packages seem sometimes to have been raised well out of sight.

[From the Roanoke Leader, Roanoke, Ala., May 21, 1964]

THE EDITOR SAYS: I BELIEVE—

The annual observance of Mailbox Improvement Week (this week for 1964) is not a bad idea, but an even better idea would be at least a semiannual observance of Mail Service Improvement Week.

To paraphrase portions of the Post Office Department's release about Mailbox Week, the purpose of Mail Service Improvement Week would be "to call attention to the need for providing the American public with mail service at least equal to that of a few years ago."

During this proposed week, the Department "would be encouraged to examine its operations closely, reappraise some of the changes it has instituted, determine those areas in which bottlenecks occur, and take necessary steps to remove the causes of public dissatisfaction."

Of course, the Post Office Department shows great resourcefulness time and again in getting the mail delivered in spite of careless and almost illegible addressing by its patrons. Thus it deserves our sympathetic understanding and praise along with our complaints.

Take this instance. Only yesterday there was sent to the Leader office as an oddity an envelope addressed to "Mr. and Mrs. Frankie Taylor, Roanoke Groceries." No State given; worse still, no ZIP code. And yet the Taylors report that their letter arrived promptly from Smiths, Ala.

No reasonable person can find fault with postal service like this. What "bugs" reasonable men and women is for properly addressed pieces of mail to get lost in some terminal and arrive days late. Specifically, we at the Leader have rea-

son to suspect that the Atlanta Post Office has become a burying ground for parcels and a roadblock for other mail.

Then last week some picture engravings from Birmingham, desperately needed for use Tuesday and ordered in time to arrive on that day, didn't get here until Wednesday. We suspected that somewhere up the line we had been adversely affected by some of that new curtailment in the handling of parcels for reasons of economy.

Let's follow Mailbox Improvement Week with Mail Service Improvement Week.

[From the San Francisco Chronicle, May 7, 1964]

RINCON CLOSING—ONLY THE POST OFFICE STOPS THE MAIL

The post office remained adamant yesterday in its decision to blackout Rincon annex after dark despite heat and hail from Mayor John F. Shelley and a little snow from Supervisor William C. Blake.

Shelley wrote San Francisco Postmaster John F. Fixa to protest the drastic curtailment in nighttime and weekend window service that began Monday.

The mayor also wired the city's two Congressmen in Washington and asked them to build a fire under postal officials there.

BLAKE

And Supervisor Bill Blake, in Washington where he is serving a 2-week tour of active duty as a captain in the Naval Reserve, was equally irate.

"It's the same as telling any city to close its shutters and roll up its sidewalks at 6 p.m.—like some ghost town in the Jackson Hole area," he said.

But Fixa stuck to his closed windows and announced that the cutback in postal service here would save his office \$150,000 a year—\$50,000 of it at Rincon annex, alone.

SALARY

The yearly salary of one clerk to man a stamp window at Rincon annex after sundown would be \$6,000, the post office said.

It wouldn't, a postal official said, "be at all feasible to splurge with the six grand, and by doing so cut yearly savings to only \$144,000.

So the 3.5 million people in the bay area who use the U.S. system of mails will have to do it in the daylight from now on.

Rincon annex windows will be shut at 6 p.m. weekdays, 1 p.m. Saturdays—and won't open on Sundays at all.

However, the Chronicle learned, no such penurious measures will be in effect in the rear of Rincon annex.

Bulk mailings of letters and brochures by firms will continue at any time of the day or night, a post office official said.

Two men will remain on 24-hour duty at the rear platform of Rincon annex to receive and weigh hundreds of thousands of bulk mailings. And when things get really busy at the scales, as many as four employees are pulled off other jobs to work there, the Chronicle learned.

STAMP

But if a citizen needs a stamp or a postal money order after 6 p.m., P.s.t.—it "wouldn't be possible" to have any of those six men available on 24-hour duty to help the taxpayer out, the Chronicle was told.

That's because, the post office said, the economy order issued last March by Postmaster General John A. Gronouski specifically commanded the end of "after-hours" window service.

Postmaster Fixa, who the post office said "couldn't be reached" yesterday, issued a statement assuring the public that mail would move with the same speed as before the cutbacks—as long as people bought their stamps and weighed in their packages before 6 p.m. on weekdays.

EFFECT

Mayor Shelley, however, wasn't as sanguine about the effect of this blow to the city that spawned the Pony Express over 104 years ago.

"This is going to throw people into a real tailspin," the mayor said. Shelley noted that "many business people" got their letters and packages together between 4 and 6 p.m.—and then dropped by the Rincon annex on their way home.

He said, in his letter to Fixa, that "during the evening and weekend hours the service at Rincon annex was a very valuable one to the citizens of San Francisco.

SERVICE

"I worked very hard to get this service for San Francisco when I was a Congressman," Shelley said.

The mayor observed that Federal regulations prohibit the city staking the post office to a night clerk. Supervisor George Moscone suggested Monday that the city pony up the \$482.50 monthly salary for a night window man.

Moscone then wrote Controller Harry Ross, asking if the city could scrape up \$482.50 a month to help the Federal Government out.

[From the Standard-Star, New Rochelle, N.Y., May 13, 1964]

MENDELSON PUSHES FIGHT ON POST OFFICE CUTS

Murray Mendelsohn, Main Street luggage merchant, will carry the protest against cutbacks in postal service to Washington personally Thursday. He has been an outspoken critic of the curtailment of parcel post delivery and other services ever since the cuts were announced.

Mr. Mendelsohn will meet with Erward Kriz, Assistant to the Deputy Postmaster General in charge of the parcel post survey, Thursday morning. He will be appearing as a director of the National Retail Merchants Association and also as a director of the New Rochelle Chamber of Commerce which has filed a protest with President Lyndon B. Johnson and the Congress.

The New Rochelle Chamber took action originally on Mr. Mendelsohn's recommendation that instead of cutbacks the Post Office Department modernize and automate the service to improve it.

Mr. Mendelsohn will join a group of representatives of the Luggage Manufacturers Association Thursday afternoon in a conference with Senator Kenneth B. Keating on the possible repeal of excise taxes on luggage and leather goods.

[From the New York Times—Letters to the Times, May 9, 1965]

POSTAL CUTS PROTESTED

ECONOMIES THROUGH MODERNIZATION OF SYSTEM ADVOCATED

To the Editor:

It is distressing to learn that the Post Office Department is cutting back parcel post deliveries and post office window service in its current so-called economy drive.

It seems a peculiar time to initiate this economy drive, after parcel post rates were increased on April 1 by approximately 10 percent. One would ordinarily think that an increase in price would provide better service, not poorer. Apparently, our Post Office Department does not operate under the normal rules of economy.

As it is already outside of the normal rules, it would seem that it could swing the point a bit further and go all out in providing the modern mail service that a country such as ours needs and demands.

Our postal system is functioning basically the same as it did 100 years ago. With the tremendous increase in the volume of mail it is experiencing each year it is obvious that we cannot continue in the same old methods that might have been successful in the days of the Pony Express.

The only real solution for the Post Office is to spend the necessary funds to completely modernize and automate its entire system. Unless the Post Office is willing to do this it is entirely conceivable that our system will be bogged down in another 5 to 10 years.

Only the Federal Government can provide postal service. It is a function that it must handle to the best of its ability. These shortsighted economy drives merely postpone the day of reckoning and create more problems than they solve.

MURRAY MENDELSON.

NEW ROCHELLE, N. Y., *May 4, 1964.*

MOVE ILL TIMED

MAY 9, 1964.

To the Editor:

It is almost unbelievable that Manhattan as a result of the new "economy" drive of the U.S. Post Office has no postal window open after 6 p.m.

It seems to me that the people who are responsible for this strange decision have no idea how foolishly they acted. The Lexington Avenue office has been doing a landslide business at all hours, evening and night.

United Nations' delegates and aids; employees of the nearby advertising and public-relation agencies who often work late at night; bellboys from the big hotels in the neighborhood; newspapermen and foreign correspondents and many other people who work the night shift often stood in line at night to buy stamps and have their airmail packages weighed.

Today many steady customers of the Lexington Avenue post office, among them many foreigners, are at a loss to understand why the biggest city in the richest country of the world cannot afford a dignified 24-hour service of at least one stamp window at one of its more prominent post offices in the heart of the town.

Stamp machines are available, but they break down continuously, or if they do work, run out of stamps; and then there is the problem of getting change at night.

At a time when so much effort is being made to attract out of towners and foreigners to the World's Fair, and when the town is crowded with strangers, this "economy" move is about the most ill timed that could have been made.

EUGENE TILLINGER.

NEW YORK, *May 4, 1964.*

AGAINST "POSTAL ECONOMY"

MAY 19, 1964.

To the Editor:

I am shocked at the apparent acceptance by the public of the "postal economy" policy of Postmaster General John A. Gronouski.

Reduction of services is not economy. In effect it reduces communications efficiency and increases costs. It adversely affects business and can be explained only as a poor political gesture in an election year.

I deplore the reduction in postal services.

SOL A. GROSS, D.D.S.

BALDWIN, LONG ISLAND, *May 5, 1964.*

[From the Tazewell County News, Morton, Ill., May 21, 1964]

BETWEEN THE DEADLINES

(With Lloyd Pfederer)

George Annasenz, Morton postmaster, expressed his opinion last week that I have been criticizing the local post office too severely in this column. I will have to agree with him, that I have found more bad than good to write about concerning Uncle Sam's delivery of the mail.

I have always tried to make it clear that my criticisms were aimed at the policies established by higher echelons of the Post Office Department and not in the manner in which the local postmaster executes his duties. I think that Morton has an excellent post office operation, and I know that it can maintain its efficient operating status only because of the local postmaster and his staff.

The Morton post office is not lacking in the type of service it renders to the thousands of us who receive mail and parcels via post office boxes, city and rural

delivery. There is always an adequate amount of stamps on hand or other post office merchandise; the employees are always courteous and eager to provide efficient mailing services; come rain, snow or sleet, the mail is delivered without fail.

My primary concern, as previously reiterated, is not with the postmaster's administration of the local office. I am very much pleased that there are two dispatches of mail after 5 p.m. from the auto courtesy box on the curb, one of which just recently went into effect. I would like very much to see the service windows open at 8 a.m. instead of 8:30.

In the act of using the mails, we are all customers of the post office, and in the sense of customers, we are inclined to want more services, not less services, more window hours, not less window hours—in exchange for these we will not complain about postage rates going up. But to pay higher prices for fewer services is sort of reverse to what the general public wants.

Postmaster Annasenz also suggested that the public be informed about privileges granted to newspapers that qualify for second-class mailing permits, and I will be very happy to do so. Our agricultural paper, the Illinois Valley Farmer, has recently qualified for a second-class mail permit. Previously it was mailed under third-class bulk rate. The cost under bulk rate was approximately \$66, and under second-class rate about \$16, or about one-fourth as much. Not only is second-class rate much lower in cost, it also demands delivery priority over bulk mail. Why the difference in cost? I can't account for that any better than I can the fact that all Federal Government agencies mail at first class with franked privileges using no postage of meter stamp at all.

During the time the application for second-class mail was in process for the Farmer, we paid bulk rates with the understanding that we would be refunded such amounts of overpayment should the second-class permit be granted retroactive, which it was. The overpayment on some 40,000 to 50,000 pieces of mail amounted to \$1,009, which was paid back to us in good old U.S. currency.

[From the San Francisco Chronicle, May 5, 1964]

RINCON BLACKOUT—THE CITY MAY HELP KEEP THE MAIL FLOWING

The U.S. Post Office Department, that apparently penniless monolith in Washington, was offered a handout here yesterday by our somewhat better fixed board of supervisors.

The post office, sullyng its local image as one of the last outposts of Americans willing to brave "snow, heat, and gloom of night," is shutting down Rincon Annex after dark Monday through Saturday and altogether on Sundays.

The announced reason: economy.

The economy involved appears to be the salary of a single clerk assigned the responsibility of manning an after-dark stamp window.

The average salary for postal clerks with 5 years experience is \$482.50.

Supervisor George Moscone suggested at yesterday's board meeting that the city pick up the tab for the monthly salary.

"The turn-off-the-lights program in Washington has reached San Francisco," Moscone lamented. "I understand there will be no nighttime service for the 3.5 million citizens of the San Francisco Bay area."

He understands correctly.

Yesterday, the new post office daylight saving program was inaugurated.

"The public," said San Francisco Postmaster John Fixa, "can assist the President's economy program by mailing on weekdays."

Moscone said he does not intend to take a position opposing economy in Government, but, as he put it, "no useful purpose is served by turning off lights in the post office."

He proposed that the city pay a clerk's salary for at least a month—time for the Federal Government to get its financial difficulties straightened out.

Moscone asked Controller Harry D. Ross to report as soon as possible on the city's ability to pay the \$482.50 monthly salary. He also asked for a city attorney's ruling on the legality of the proposed generosity.

The supervisors were reminded of San Francisco's rich postal history.

This city was, of course, the headquarters of the founders of the Pony Express—Alexander Majors, William H. Russell and William B. Waddell.

In those chestier days, mail was shipped from here by river steamer to Sacramento and then stuffed into the pony expressman's mochila (saddlebag) for the treacherous journey across the land.

Perhaps the immortal words were more appropriately applied to these gallant horsemen than any of their successors:

"Not snow nor rain nor heat nor gloom of night stays these couriers from the swift completion of their appointed rounds."

Shall this great tradition die with the flick of a light switch?

Supervisor Moscone thinks it should not. And Supervisor Joseph Tinney agrees.

If the Government can't afford the clerk's salary, he said yesterday, he'll pony up the money himself.

Tinney, it would appear is a man with a sense of history.

[May 28, 1964]

SATISFIED WITH YOUR MAIL DELIVERY?—POSTAL SERVICE BLASTED: TOO HIGH, TOO LATE, TOO BAD!

(EDITOR'S NOTE.—The following is actually Ridgely Cummings' weekly column "Thursday Thaw." Because of the immediacy of the contents, because we have received complaints from readers on this score, and because news copy mailed to this editorial office on Saturday has been coming in as late as Tuesday, thus missing our deadline despite the fact the copy was mailed (theoretically) in plenty of time, we feel the article should be printed this week in this form).

CCNA—I would hate to turn into a public scold and wear out my welcome by too much complaining but sometimes a complaint in print accomplishes more than a lot of muttering and grumbling before the closed windows of the branch post offices.

It is time somebody directed a well-deserved kick in the pants toward that great institution which once served as our major medium of communication, before Alexander Graham Bell and Don Ameche invented the telephone.

Service at the post office is getting worse and worse even as the rates go up. The attitude seems to be that public memory is short and if public convenience is attacked gradually there will be no serious repercussions. This is unfair, immoral, and un-American.

As one who serves the weekly community newspapers I've been able to rely upon the mails for much of the material I send editors. But window service has been curtailed and pickup service from mail boxes has also been cut down so that many nights I must drive down to Terminal Annex just because Postmaster Shaw is trying to economize by taking a driver off a late evening pickup route.

There was a time when the windows at Terminal Annex were open all night and people with emergency communication problems could solve them at the expense of driving down to Sunset and Macy Street.

Then they cut down the window service hours to midnight, which was still all right for most people. Then it was cut to 10 p.m., causing considerable inconvenience.

Last week I missed the 8 p.m. pickup at First and Spring Streets in front of the Los Angeles Times building, where I am a frequent depositor because I've learned that letters mailed there are usually delivered the next morning. Perhaps the power of the Times has something to do with it.

There used to be a 9:20 p.m. pickup just outside city hall, with fair service from there, usually with delivery the next morning, or at least the next day, particularly for those newspaper clients of mine who send an office boy to the branch post office twice a day for the mail. Sometimes I use special delivery at 30 cents a crack which is too high but some clients complain this is no faster than regular delivery.

LATE PICKUP GONE

Having missed the 8 p.m. pickup, I looked at the box outside city hall before dropping my day's work therein and noticed the late pickup had been eliminated. I was running short of envelopes anyway so drove to Terminal Annex expecting to be able to buy some at one of the night windows.

All were closed even though it was not yet 9 p.m. There were indignant crowds gathered around the stamp machines, standing in line waiting to use them. Otherwise it was like a morgue. Nobody was on duty that I could find to complain to and get an explanation of what the newest economy measure was, although there were new signs posted giving the curtailed window hours.

With automation throwing people out of work, the sensible thing is to continue to give people jobs where they are needed for public convenience. And from what I've heard of supervisors supervising supervisors it would seem likely a few employees could be spared from coffee breaks and making out efficiency reports on each other to man a few windows for the public.

This idea of running the Post Office for profit is absurd. The Post Office Federal boss, I think they call him the Postmaster General, has long been a political plum appointment, given to some loyal supporter of the Presidential winner.

The appointee, usually some successful businessman who made enough to give political contributions by cutting costs, hence is more economy minded than service minded, uses Federal facilities to hand out sinecures. Also he has been known to run out of office good postmasters who happened to be appointed by the outgoing incumbent.

Good postal service is a public necessity, paid for out of our income taxes and other Federal taxes. The Post Office should be operated to provide maximum service. A nation that wastes billions giving military equipment to Yugoslavia and Ethiopia to spoil in its shipping crates looks very foolish when it pinches pennies at the expense of U.S. citizens who want to mail a letter or buy a stamp conveniently.

THIS IS PROGRESS?

Now growing up is a whole generation which has forgotten the 2-cent stamp and mail deliveries twice a day and pickups from mailboxes on street corners every few hours until 11 p.m. or midnight. Our grandparents would be amazed at how we have progressed backward in this vital service even while crisscrossing the world via telstar with boring commercials and trivial TV shows.

Some of the congressional candidates ought to pick up on this instead of hollering about Vietnam and they'd stand a better chance of getting elected.

[From the San Francisco Chronicle, May 6, 1964]

POSTAL CUTS ARE "ONLY BEGINNING"

The cutback in postal service in San Francisco, which went into effect Monday, is "only the beginning," an official of the Postal Workers Union warned yesterday.

"There's no telling how far it will go," said Emmett Andrews, national vice president of the United Federation of Postal Clerks, "but it will continue as long as the public fails to do something about it."

Andrews said he appreciated Monday's proposal by Supervisor George Moscone that the city pay to restore the service, "but I don't think the city of San Francisco should be reduced to supporting the Post Office."

PROPOSAL

Moscone proposed that the city pay to keep a clerk on duty at Rincon Annex post office at night, a service that went out Monday with the closing of Rincon at 6 p.m.

He also asked Controller Harry D. Ross to report on the city's fiscal ability to make such payments and he asked City Attorney Thomas O'Connor to determine the city's legal ability to do it.

As far as Postmaster John Fixa is concerned, however, Moscone's suggestion is impossible.

"It is contrary to postal regulations," he said, "for any Post Office employee to receive pay other than from Government funds for the performance of any postal service."

PROTEST

A more effective move, he said, would be for the people of San Francisco, as well as city officials, to protest to their Congressmen.

Andrews said that his union is less concerned with the loss of jobs held by postal workers, which will be absorbed anyway by the high rate of Post Office employee turnover, than it is by the loss of the mailman's image.

"We want to retain the image of service that the Post Office reflects to the general public," he said.

The cutback in service, the result of an economy directive from Washington, means the closing of Rincon Annex—the Bay Area's only after-hours post office—at 6 p.m. weekdays, at 1 p.m. on Saturday, and all day Sunday. Rincon formerly provided service daily from 8 a.m. to midnight.

CUTS

Other curtailments are the reduction of parcel post delivery from 6 to 5 days a week and closing of money order and postal savings windows at all San Francisco post offices on Saturday.

In addition, the main post office at Seventh and Mission Streets and all neighborhood post offices will close weekdays at 5:30 p.m. instead of 6 p.m.

There will be no reduction in the around-the-clock handling of outgoing or incoming mail, Postmaster Fixa said.

Andrews said the savings involved in the cutback at Rincon appeared to amount to no more than the monthly salary of one clerk—about \$482.

"That isn't enough saving to justify the loss of service," said Andrews.

[From the Southwest Virginia Enterprise, Wytheville, Va., June 4, 1964]

U.S. POSTAL SERVICE FLAYED BY SALEM NEWSPAPER—HIGHER COST—LESS SERVICE
AND IT'S CALLED EFFICIENCY

(NOTE FROM THE ENTERPRISE EDITOR.—The following is a portion of an editorial appearing in a recent edition of the Salem Times-Register. It was submitted to us by interested people. One more example is the dilemma and problems facing small newspapers. A recent demand for complete changing of handling mails requires 4 to 6 hours extra time—the big headache is that we have received numerous complaints of the Enterprise being delivered later than ever in the past.)

The remarkable progress of the U.S. Post Office within the last 10 years is enough to give the average stamp buyer a solid lesson in governmental economics. The more money taken in, the fewer services are offered. This is known as efficiency.

It began as an "economic move" in the Truman administration. Someone in the upper reaches of the postal power echelon decided that two letter deliveries a day were too many. Henceforth, only one home delivery would be made. This, the Post Office assured us, would mean much faster processing of mail.

Next, the price of stamps went up from 3 to 4 cents. This was necessitated by the increase in the speedup of mail brought about by the decline in the deliveries mentioned.

Between 1962 and 1963, 1,300 employees in the post offices over the country were eliminated, and the price of stamps went up to 5 cents.

And then, the Post Office announced that remarkable improvement called the ZIP code. The ZIP code, we were told, was necessary in order to speed the mail even faster than it already was not going through. As yet, the U.S. postal machines made necessary by the ZIP code are not in use, though entire businesses have geared their mailing practices to this automated phantom, after having been assured that the mail would travel at the speed of light. At present, we are told, that the ZIP code is merely a method of "educating the public."

Meanwhile, the productivity of remaining postal employees increased 12 percent. And we are told that subsequent economics will produce a savings to the taxpayer of \$12.7 million next year.

Therefore, by the logical reasoning of the postal authorities, the Post Office is further curtailing its services after hiking prices on all second- and third-class mail.

Henceforth there will be a reduction of parcel post deliveries which will be cut-back from 6 to 5 days a week. And this, of course, is a perfectly logical development. Rates on parcel post have increased 13 percent, while the services will be reduced 18 percent.

It merely stands to reason that the more you pay, the less you will receive.

But the customer is not supposed to mind the inconvenience. In fact, postal authorities call their cutbacks in service by the Federal gobbledegook term of "limited adjustments." And a stamp buyer is expected to stand in line all day, if need be, at the stamp window. Time was when there were three windows open on Saturdays. Now, only one window will be open for 4 hours. And there will be no money orders available on Saturdays.

This will be fine for the customer, however, who is being taught a valuable lesson in planning. If you want your stamps, taxpayer, you better show up on Friday.

And while you are making this limited adjustment it would be wise to adopt the plan-ahead philosophy of the Post Office and stock up on 5-cent stamps which come in \$5 rolls. This promotion of stamps is being undertaken by post offices all over the country in order to discourage the last-minute stamp buyer. The Post Office Department insists on cash on the barrelhead in advance of delivery.

No cash. No delivery. And the public be damned.

Of all the Government agencies in this country, none has a closer contact with the general public than has the Post Office. And none has a more deplorable public-relations program. Shorthanded, overworked, and plagued by governmental paperwork and political interference, postal employees often give short shrift to their customers.

[From the North Adams Transcript, North Adams, Mass., June 11, 1964]

EDITORIAL—PAYING MORE FOR LESS

The more the American people pay for postal service, the less service they get.

This process has been going on for a number of years, but to many people, including many Members of Congress, the latest curtailment of parcel post deliveries and window services, put into effect on the very heels of a 13-percent increase in parcel post rates, is just about the last straw.

The whole mess—and it really is a mess—will be aired next week before a House Subcommittee on Postal Operations. It is high time. In one of the most strongly worded statements ever directed at any Government department, the subcommittee's chairman, Representative Thaddeus J. Dulski, a New York Democrat, has denounced what he called the bungling and false economy of the Post Office Department. From the viewpoint of users of the postal service, Mr. Dulski's complaints would appear to have some basis in fact. Obviously, when service deteriorates as it has in the post office in spite of sharp increases in the costs of those services, something is wrong with the management. At least, Representative Dulski's attitude insures that when the postal officials testify they had better be prepared with a pretty good story. It would be nice if they could tell us how to get back to something resembling the superb postal service that prevailed back in the days of the 2-cent stamp.

The postal department's position in answer to complaints of the latest service cutbacks is that these were "limited adjustments in nonessential services."

The protests that have since been flooding in on Congress indicate that there is a wide divergence between the official opinion of what is nonessential and the public's opinion.

What has happened since May 4—the parcel post rate increase came April 1—has been that all over the country parcel post deliveries have been cut to 5 days a week and stamp, registry, money order, and postal savings windows have been slammed down in post offices all over the country not only on Saturdays and Sundays, as originally announced, but now on other days as well. In short, people who patronize the postal service not only are getting poorer deliveries than they used to but they are finding it ever harder to utilize other services provided over the years by the post office.

The argument that all this reduction in service will result in economies is little more than laughable. Department estimates, and they have been challenged, are that the latest cutbacks will save about \$9 million a year. In view of the fact that the Post Office Department budget last year was \$5 billion, a \$9 million savings is little more than peanuts, especially when compared to the public inconvenience being caused.

In any case, good postal service is not something that a dollar value should be put on. The idea is not to save money, but to provide the fastest, best, and most useful postal service that can be provided. It sounds fine for Postmaster General John A. Gronouski to boast of the lowest postal deficit since World War II, but the fact is that rapid postal delivery and efficient postal service is vital to the Nation's functioning at all. Coming at a time when our gross national product and business activity are at alltime highs, it is obvious that curtailment of postal service now is inexcusable. What is needed is an expanded and improved service. If it costs a little more money, it is money that should be spent.

Actually, it is probably unrealistic to expect really good service from an organization that is run on political lines. Any business would go into the red if its operating head was tossed out just as he was getting to learn the business, the case with Postmasters General. And no business could operate if its managers were selected principally on the basis of what political party they belonged to.

Someone has suggested that the Government should turn the entire mail delivery service over to the American Telephone Co., which seems to be able to provide good and even superb service "with a smile" and make a profit to boot.

In any event, it is high time that Congress served notice on the Post Office that its function is to serve the people of the United States, not spend its time thinking up ways to cut that service.

[From the Toledo Blade, Toledo, Ohio, May 6, 1964]

PARTIAL POST

Economizing by the U.S. Post Office Department is, of course, to be commended. But there are times when it seems the economy is hardly worth the lessening in the service which the postal system is supposed to provide taxpayers—as in the case of the reductions in service announced recently by Postmaster General John Gronouski.

As of May 11 throughout the country, there will be no more parcel post delivery on Saturdays, and in some outlying areas of large cities, such as Toledo, none on certain other weekdays. Simultaneously, there will be a cutback in other services on Saturdays and Sundays—an end to windows for money orders, postal savings, inquiry and claims, general information, meter settings, registered mail, and C.O.D. services on those days. Only skeleton service will be maintained at all through a single, consolidated window. And at the main post office, that service will be maintained only from 8:30 a.m. to noon on Saturdays.

These changes represent an honest effort by the Postal Department to reduce expenditures. But a cut of 20 percent in parcel post service (from 6 days to 5 days) is not necessarily followed by a 20-percent cut in the cost of that service, since the same amount of parcel post will have to be delivered in a shorter period. Total savings for the entire nationwide system for these most recent slashes in service are expected to be about \$12.5 million a year, which is a relatively small sum as Government expenditures go.

The Post Office is not in business to see how much of a deficit it can pile up by extending all kinds of services to everyone, whether they need it or not. On the other hand, it defeats its own purpose if, in trying to keep its deficits down, it prunes the basic job of delivering the mail to the point where it is giving only partial service—and then only on a curtailed basis.

[From the Times Record, Troy, N.Y., June 12, 1964]

THE POSTAL HEARINGS

Criticism of the May 4 Post Office Department decision to curtail parcel post deliveries and window service, coming as it did so shortly after the April 1 increase of 14 percent in parcel post rates is certain to play a big part in the hearings opening next week.

Not in many years has public outcry against the postal service been as bipartisan and as loud as in recent days. Congressmen are reporting a heavy increase in mail complaining of postal operations. Nor can the complaints be considered politically inspired. For example, Democratic Congressman Dulski of New York accused the Department of "bungling and false economy."

Postmaster Gronouski is a likeable fellow but it is too much to expect he could persuade the public to be happy paying more money for less service. This is especially true when the Department is also trying to convince the public it can reduce personnel while handling a heavy increase in mail.

The coming hearings are likely to ask some interesting questions. For example, the present policy has the effect of cutting the more profitable short-haul parcel post volume while retaining the expensive long-haul volume, thus making an increase in operational deficit inescapable. The public may also receive greater insight to the dispute said to be raging between the Department and employee groups over efforts to introduce automated equipment and work measurement systems.

The hearings are expected to be explosive. Judging from the kind of criticism being heard it is safe to predict Postmaster Gronouski will be hearing harsher words about his Department than have come to his ears since he took the difficult job.

Mr. DULSKI. Thank you very much, Mr. Keating. I am going to repeat what I said in the beginning, that I was sure when you came to this hearing this morning you would be armed with facts substantiated by samples and personal experience. I know that many of us have many questions to ask and I will refrain from any questions now and will appeal to the members of the committee to use their own judgment, because I am sure every member of the committee has some questions to ask.

Mr. Cunningham.

Mr. CUNNINGHAM. Thank you. I want to commend Mr. Keating. It was a well prepared statement, as usual. I like to hear statements from people who know what they are talking about.

Yesterday the Postmaster General said:

We have cut the postal deficit from \$407 million to \$71 million.

This was carried on the AP wire. Well, he didn't cut the postal deficit. We raised postal rates here in the Congress of the United States that cut that deficit, and I so elicited that answer from him yesterday. I am sorry the Associated Press didn't see fit to point that out, because this goes out all over the country that he made this terrific reduction in the deficit. It is another example of "service by slogan" and it gets to be somewhat monotonous, as you have pointed out.

I have only one thing to say. You people are being made the goats because you are the people who get the complaints, and this should not be. I think this curtailment of service has had a very bad effect on the morale of the carriers and when you have bad morale you do not save any money. Is that right?

Mr. KEATING. That is right. You know, I think everybody knows from his own inner-self that the job they can do is improved when they feel well, and when you are doing a good job you feel well. One carrier told me he was so ashamed of broken packages when he delivered them that he tried to sneak in without the customer seeing him. You cannot have good morale under those conditions and you cannot have good morale when the people supervising you and their supervisors have lost sight of the fact you are serving the public and when they do everything on the basis of what it will cost. I do not say you should ignore cost but actually if they give good service it will cost less money, in my opinion.

Mr. CUNNINGHAM. I asked the Postmaster General also as to his views on whether the postal service is a public service or whether we should always have a balanced postal budget, and I did not get a clear-

cut answer. But he said if the service was not curtailed it would mean another rate increase to a 6-cent letter now and a 7- or 8-cent letter later, which indicated to me he did not look on the postal service as a public service.

Mr. KEATING. That certainly would be indicated from what he said yesterday.

Mr. CUNNINGHAM. Thank you.

Mr. DULSKI. The Postmaster General, in saying he reduced the postal deficit from \$407 million to \$71 million, failed to say we increased the public service appropriation. In 1959 there was no public service appropriation and now it is \$463 million. So they are cutting the cake from the bottom and not from the top.

Any question, Mr. Daniels?

Mr. DANIELS. I want to commend the gentleman for a statement that is very well documented as to the postal service being rendered and, as usual, you have made a very, very impressive witness here this morning.

Yesterday the Postmaster General appeared here and testified to the effect that 94 percent of the parcel post service was not affected by the order, that the order merely affected 6 percent of the parcel post service. Do you care to comment on that remark?

Mr. KEATING. We pointed out, in referring to that statement of Mr. McMillan, that that figure is certainly very poor indeed because we have over 14,000 parcel post men and if they delivered 120 packages a day they would be delivering 49.7 percent of all the parcels. Actually, we made it conservative because they deliver more than that. All the parcel post men are affected, every last one who delivers only parcel post. I think they arrived at the small percent by taking the number of people and figuring a percentage, but all the men who deliver parcel post are affected and they deliver, in my opinion, the figure we quoted there—and we used a conservative figure—49.7 percent of the parcel post is affected. Actually I think it would be closer to 65 percent.

Then it was stated only 20 percent of that was curtailed. When no parcel post is delivered on Wednesday it takes about a week for them to catch up and it pushes them back all the way on the deliveries.

Another thing on this curtailment that I mentioned and that I think should be emphasized more is that one of the problems they have had in keeping up with parcel post is the shortage of vehicular equipment. And the order that had them closed down on Tuesday and Wednesday means that those trucks that are in short supply sit in the garage all day and certainly if you are short of equipment you would try to use it rather than otherwise.

I have a letter here where they were in short supply of vehicular equipment in one town in the Middle West and there was a truck in the garage for repairs and the carrier was instructed to use that truck although it was not fit to drive, but he was instructed not to drive over 5 miles an hour. The fellow reporting this was not the carrier but he said you could hear that truck coming for five blocks, it was in such poor condition. When you are short of vehicular equipment you can't possibly figure out how the Department came to such a conclusion.

Mr. DANIELS. I wish to quote from the Postmaster General's testimony given here yesterday :

Our parcel post adjustment affected less than 6 percent of the total parcel post volume. Ninety-four percent of all parcel post continues to be delivered on a 6-day basis.

Do you care to comment on that statement?

Mr. KEATING. That is absolutely and positively incorrect. As I have said, from 60 to 65 percent of the parcel post is affected.

Mr. DANIELS. As far as you know, will this impairment of service affect the jobs of any of the parcel post men?

Mr. KEATING. It affects their jobs in different ways. The people who will be laid off—and there are some who have been laid off, I have received letters from them—are by and large temporaries. It does affect the parcel post men in that certain parcel post men, particularly the utility men, have lost their assignment and have to float until they get another assignment. It affects substitutes perhaps in some areas; it cuts down the number of hours they work. But actually, in the long run, if they followed the Postmaster General's order and cleaned up, which they are not doing, it would cost the Department more money.

Mr. DANIELS. The Postmaster General said that this curtailment in service would effect a saving of 697 city carrier jobs and 1,103 clerical jobs through the parcel post and window service adjustments. In questioning him he stated it would not affect the jobs of any of the present employees. His statement really had reference to its effect on the employment of future help.

Mr. KEATING. They have already laid off some temporaries. I have had letters from temporaries who have been laid off. Some have actually lost their jobs and others have lost their assignment.

Mr. DANIELS. You do dispute that statement as to the effect of the order on present personnel?

Mr. KEATING. Yes, I do. You know, when the post office talk about personnel, one-tenth of the present personnel, or 58,000, are temporary employees. We think if they would look in that area they could save a lot of money by tightening up the service and having only career employees. But at the present time 58,000, or one-tenth of the employees, are temporaries. The temporaries have no rights of job retention. So when you have one-tenth of the force temporaries, they can lay them off and the statement is always made that no regular employee would lose his job; but one-tenth of the present personnel are temporaries.

Mr. DANIELS. So therefore the order affects the temporaries?

Mr. KEATING. That is right.

Mr. DANIELS. The hour is growing late and I do not want to take up too much time, but I compliment you on a very fine statement.

Mr. DULSKI. Mr. Wallhauser.

Mr. WALLHAUSER. Mr. Keating, as usual your statement is informative and complete so I do not think it is necessary to take the time of the committee, in view of the other witnesses to be heard, to ask many questions. But since we have gone through the cycle of raising rates and curtailing service, I would like to point out that in curtailing service we are helping to increase the problems of the Post Office Department by driving business away from the post office. For instance, we have in one small town in my district a private service that has probably taken \$30,000 a year of business from the Post Office De-

partment because of the poor service rendered by the Post Office Department. Do you agree that this, multiplied all over the country, is one reason why we find ourselves with so heavy a deficit in that particular area?

Mr. KEATING. There is no question about it. We lost the most profitable part of the parcel post business. A few years ago the number of pieces of parcel post and catalogs delivered was over 1 billion and it has dropped to 865 million pieces. Phonograph records and such have increased where they have a preferential rate, but the good-sized packages that travel a short distance—we have lost that business. These private firms pick up the parcels and deliver them within a relatively small area and that is where the profit is. You do not make a profit on parcels that go, say from here to Washington State or to some community on the top of the Rockies. It costs several times what you get in postage to deliver parcels to those places, but you do make a profit on those that go a mile away and that business we do not have; we are losing it every day.

Mr. WALLHAUSER. We have heard about a study being made. It is pretty late for a study; isn't it?

Mr. KEATING. It is late for a study, although I think if a study were made and if the deliveries were modernized—we have been advocating for years that they could eliminate some of the breakage by modernizing the system, and I think they could have a better pickup service. We used to go out and pick up the parcels at all the department stores. Trucks were sent out to do this. But more and more the Post Office Department is trying to get the public to do its work. The Department asks the public to route the packages. The reply of one of the officials of the Department to complaints about breakage was that they should wrap the parcels better. In order to wrap the parcels so that they would not break in an 8-foot drop you would have to encase them in concrete.

Mr. WALLHAUSER. The question of morale is very important and I know there is a lessening of morale among those who deliver parcel post mail. For instance, I have in my voluminous records a letter from a man who delivered parcel post mail for 38 years and he is now ready to bid for a foot delivery. There must certainly be a much lower morale than there was last year.

Mr. KEATING. They get constant abuse. The letter carriers and window clerks know more about the complaints because they have to face the public.

Mr. WALLHAUSER. Thank you for being so responsive. That is all I have.

Mr. DULSKI. Mr. Nix.

Mr. NIX. Thank you, Mr. Chairman.

Mr. Keating, a portion of your testimony makes it absolutely clear that you are not in agreement with the Postmaster General.

Mr. KEATING. That is right.

Mr. NIX. Members of this committee, with Mr. Olsen, visited the Chicago post office and found packages that had not been delivered, at least they were 3 days late and still on the floor. He wanted to know whether or not that was a common practice now.

Mr. KEATING. It happens very often. Three-day delays are not unusual in post offices.

Mr. NIX. And how long, approximately, has that condition existed?

Mr. KEATING. Well, it has been developing. I think perhaps a good example of what has been developing in curtailments is shown by these forms from Gloversville. They have been increasing for several years. The adjustments are considered not on the need of the public for service but on the matter of allowances and appropriations and there has been a tightening in that area for several years. The service has been getting worse year by year.

Mr. NIX. I want to make one other point absolutely clear. As you stated in your statement, "The great change in rapid decline of service came in 1950." You go on from there. So I take it that this is not something new?

Mr. KEATING. No, sir.

Mr. NIX. It is something that has come on over the years under one pretext or another. In consequence of that, the morale of the postal employees has been suffering for a great number of years?

Mr. KEATING. That is right?

Mr. NIX. So it is not attributable to this project at all, or it is not solely attributable to it?

Mr. KEATING. That is right.

Mr. NIX. It is something that has been going on and something that should have been corrected long ago?

Mr. KEATING. That is right. I might say this, Mr. Nix, however, we have called it to the attention of every postal administrator who has been in there. We have not been derelict. We are not a Johnny-come-lately in this criticism. We pointed out years ago what has been happening. I started in the Post Office Department in 1924 when the standards of service were high and you would not think of leaving a piece of mail; you would be in trouble if you failed to deliver a piece of mail. Now you are encouraged to curtail it.

Mr. NIX. Another point that was of interest to me, the Postmaster General said yesterday to me that no one would be laid off. I am concerned for those people who were given temporary employment, a great number of people, and now they will have no temporary jobs. Am I correct in that assumption?

Mr. KEATING. That is right. I have had letters from some that they have been actually laid off. With the substitutes, they may not be laid off but they just don't work. They only work when they are needed. There is not much difference between being laid off and working 2 hours a day, as I see it. You are just about laid off if you are working only 2 hours a day. You would be better off with unemployment insurance.

Mr. NIX. And am I correct in concluding that the proposal of the Postmaster General is not an economy, it is not needed, and it is a detriment to the service. Is that correct?

Mr. KEATING. That is right. I might say, Mr. Nix, we are very much disturbed over the delivery in your city of Philadelphia.

Mr. NIX. I am also, I might say.

Thank you, Mr. Chairman.

Mr. DULSKI. Mr. Barry.

Mr. BARRY. Mr. Keating, you have made one of your usual great contributions to this committee and also to the Nation. I think you have stated the problem as it exists. I sometimes wonder, however,

if we realize why we are where we are in relation to the situation already indicated here, with this affluent society and growing society. I wonder sometimes if the Post Office Department will be able to take care of the mail in the future if the mail increases per capita as our Nation increases in size in the number of persons who live here. Perhaps the Post Office Department will have to make a decision at some point that they can and cannot carry. During the depression the Post Office Department didn't have much business and President Roosevelt took the magazines away from the youth who used to deliver them, and now, because of the large increase in magazines and periodicals this, in itself, is a major business of the Post Office Department, carrying periodicals and magazines. So I just wonder, if you are in a small town and you have a postal facility and you get a large increase in volume, your trucks are too small and you do not have enough people to handle it, if everything grows at once.

So it seems to me at some point the Government has to decide there is some business they cannot handle or we will be in a position that all our facilities are too small. I am just stating the problem as I see it. I am not being critical of any decision. But I think you made a great contribution to us in original thinking and I wonder sometimes if we are really coming to grips with the problem.

Mr. KEATING. We have given those problems a great deal of consideration. I appreciate the fact the Post Office Department has some very grave problems. The problem of transportation has been very grave indeed. They have a tie-in with the railroads. The services is not what it used to be. There are delays at terminals. In fact, a lot of the delay occurs at the New York terminal and at the Chicago terminal, in particular. That is not a new story, particularly at the Chicago terminal. At least the last 10 years they have had tie ups, and even futher back than that. We realize there are tieups in the major cities, but we think instead of continuing to retrench and retrench they should meet the problems. But instead of meeting the problems management is running away from them and they are getting worse.

Parcel post has not increased in the last 10 years. It has remained constant. But the Post Office Department is losing the good business. You talk about larger plant equipment. The fact they do not deliver and hold packages over requires storage. There should be no storage in the Post Office Department. There is no point in storing mail and holding it for days. And every time you curtail service it means extra handling.

Mr. BARRY. No one disagrees with that. But what do you think it would cost in number of personnel and dollars to put things back on an efficient basis, in your opinion?

Mr. KEATING. If I made an estimate now it would have to be a wild guess. I could give an estimate but it would be difficult to come up with a figure that would have any validity on the spur of the moment.

Mr. BARRY. We are feeling the pinch from our constituents and it is all right to come here and say we object to the curtailment in service, but I think we ought to come up with something constructive as to what can be done. I could make as bitter a complaint as anybody on this committee and I have been barraged by people who do not usually complain, but I think it is incumbent on all of us to suggest something constructive.

Mr. KEATING. I would like to say to you and your colleagues, I read the hearings before the Appropriations Committee every year and I find there is no mention made of good service. It is constantly a question of saving and cutting and that sort of thing. We do not believe in the Government throwing away money, but we are also aware of the fact that 79 percent of the money that the Government spends goes to things like foreign aid, military purposes, national defense, explorations in outer space, and the interest on the national debt; about 19 percent goes to building highways, HEW, and that sort of thing; and only 2 percent of the budget goes for ordinary expenses of the Government. Years ago we took care of the ordinary expenses of the Government and provided what was necessary. Now there is a growing tendency to cut the ordinary expenses of the Government in favor of some of these other things. We hear about the Federal debt and we overlook the fact that the Federal debt, since the close of World War II, has increased less than 10 percent while the debt of municipalities, counties, and States has increased 400 percent and the private debt has increased 280 percent. I think we overlook the fact that we live in a different kind of world where things are done on credit and where we buy things that cost an extremely large amount of money, like airplanes and space ships, and there is not enough cash available so we can pay cash. We buy on an installment or amortized basis.

I can remember when people who bought on the installment plan were looked upon with scorn. Now the young fellow who starts out has to have a car and everything else. Years ago he waited until he had the money and bought it with cash. So things have changed but we think we ought to provide for the ordinary expenses of Government. After all, we have to remember that the Post Office Department is a service and when you curtail that service and give the public poor service on their mail, and there is a delay in the receipt of checks by businesses, and so forth, it costs a lot of people money.

Mr. BARRY. I certainly want to agree with you on that but since you have gotten in the realm of economics, I do not think we can compare the national debt with other forms of debt. Our dollar is tied into our Federal debt and foreign countries are tied to the dollar, so we have to keep that dollar strong. If we ever run the risk of being overextended, we can bring national chaos and perhaps world chaos.

You suggested you perhaps would like to be given time to come up with some suggestions. I would like, Mr. Chairman, that Mr. Keating be invited back at some future time to give us the benefit of his research.

Mr. DULSKI. He might submit it for the record.

Mr. BARRY. I so request, Mr. Chairman. I think we are all after the same thing. We want the maximum amount of service at the least cost. I have often wondered if one day the Post Office of the United States would grind to a standstill because of the growth of our economy and the growth of the use of the post office. I applaud Mr. Kappel, head of A.T. & T. Unfortunately, that service in comparison to ours has become automated so that fewer individuals actually handle more calls. We are in the messenger business and there is a limit to the automation that can be effectively utilized in this kind of business.

Mr. KEATING. Frankly, we have been chasing butterflies, in my opinion, in some of our attempts to automate in the Post Office Department. There has to be a lot of scientific development before we have automation that will handle much of the mail. Management boasted about the Mail-flo system. There is nothing new about that development. I remember when I was a kid they had the Mail-flo system handling pop at Durson's pop factory. It is not new. It worked in the pop factory, but the Post Office Department had to throw it out because it didn't work effectively with mail. And some of these other mechanisms I think we should proceed with on a sound basis. We must recognize that until we get a machine that can actually read, mechanism will not mean very much in postal operations.

The mechanism to operate the ZIP code is years and years away. We will not make savings that way. We can make savings by improving the service.

Mr. BARRY. Mr. Keating, I again want to thank you very much for your appearance here and it is obvious from the statistics you have furnished that the Postmaster General can't be right if you are right; one of you is wrong, because there is a wide difference between the Postmaster General's figure of 6 percent of the parcel post being affected as against the 49.7 percent you mention.

Mr. NIX. Will the gentleman yield?

Mr. BARRY. Yes.

Mr. NIX. I would like also for you to record for our consideration those points of agreement between you and the Postmaster General, if there are any.

Mr. KEATING. I think there are.

Mr. DULSKI. Mr. Johnson.

Mr. JOHNSON. Mr. Keating, you have made some real shocking revelations here of an incredible situation in our postal system. I think it is shocking when you say in Buffalo, N.Y., a person did not get his Christmas box until March.

Mr. KEATING. The parcels got stuck off in the corner and they did not find them.

Mr. DULSKI. If the gentleman will yield, they sent out some trucks and didn't find out for 2 months there were packages in the trucks.

Mr. JOHNSON. I think this committee should send representatives out and make some test checks and find out the truth or veracity of what you are saying, not that we are challenging what you are saying. I would not send a Congressman out because if we go out we would be on a junket, but we could send representatives to see if what you say is actually the case.

Mr. KEATING. We will be glad to cooperate with you.

Mr. JOHNSON. Maybe Mr. Barry has hit it on the head that we have outgrown our postal system.

Mr. DULSKI. Mr. Daniels, do you have a further question?

Mr. DANIELS. Yes.

Mr. Keating, is it not true that the matter of operating the Post Office in an efficient, economical manner and living within the range of the budget is the function and responsibility of the Postmaster General?

Mr. KEATING. He has that responsibility.

Mr. DANIELS. In other words, he must exercise his judgment?

Mr. KEATING. Except one thing. Of course this budget business has complicated things. They start estimating 5 years ahead and have to figure 2 years ahead how much money they will require. It is a difficult thing to do. They had a policy until recently that if the Post Office Department did not have enough to operate they would come back and seek a deficiency. I do not think there is anything that prevents them from coming back and seeking a deficiency now, but in the last few years officials have not come back for a deficiency and I think it is their fault.

Mr. DANIELS. My point is that the Postmaster General is in charge of the Post Office Department and can exercise his good judgment as to what is the best manner in which to operate the Post Office Department in an efficient, economical manner and what is the best manner of giving service to the public. If he is wrong in the exercise of that judgment, as he he may very well be by your testimony given here today—and, as pointed out, either he is right or you are right; the testimony is directly contradictory, so one of you is wrong. Assuming the Postmaster General is wrong, what do you recommend as a remedy to correct the situation?

Mr. KEATING. I think Congress should pass legislation to restore these services, to provide the services on Saturday.

One thing I did not mention, we live in a different type of community now. The people who work in a city like Washington or any large city move to the suburbs, that is where they live. The banks now are opening offices in the suburbs because people can't get to the banks during the week, and they keep those banks open on Saturday. But we are doing the opposite and closing the post offices on Saturday. People are tied up during the week and I think the Post Office Department should be instructed to modernize their thinking in this manner.

Mr. DANIELS. Can that be done by legislation?

Mr. KEATING. You can do it by legislation.

Mr. DANIELS. What other method do you recommend to correct the situation?

Mr. KEATING. I think the best way to do it is by legislation. You can recommend it to the Postmaster General but of course he is not required to follow a recommendation. He is required to follow the law.

Mr. CUNNINGHAM. One further thing. Yesterday the Postmaster General said that if any of these local postmasters found the order was causing great difficulty he would be delighted to review it, and he suggested perhaps he would modify the order in individual post offices. I asked him whether or not, if the local postmaster asked for modification of the order, whether it came to the Postmaster General, after he made this statement, and he said, "No, it went to the regional office." I said in that case if there were some hardships and changes were desirable they probably would never be implemented, certainly not in my experience with the Post Office Department.

If you make a study I would be hopeful you would see fit to comment on the regional setup, something I have always opposed. I think it is a very bad setup as far as we in Congress are concerned. I do not know what your feelings are and will not ask you to comment at this time.

Mr. KEATING. I could not express the pros and cons of the regional setup in a few words. But I do not think solely solving individual complaints is the proper way to make corrections. I do not believe the people who complain to their Congressman and the Congressman makes a complaint and then we have the service adjusted, I do not think that is proper. This may take care of 1 or 2 percent of the people, but that is not sufficient. They all ought to be taken care of and given good service. Too often the Department will take care of those that holler the loudest but the others are neglected. The person who does not complain may just move out on you. I do not think that is the way the situation should be taken care of. It is far too inadequate.

Mr. DULSKI. We will be glad to hear from the vice president of the association, if he has anything to add.

Mr. RADEMACHER. We all compliment the chairman and all this group who have sat through these 2 days of hearings. For one, I would hope there would be more hearings until the entire deterioration of the Post Office Department was disclosed. But I would like to give one example of the false economy. I was talking to a letter carrier from New Jersey, in Mr. Daniels' district. Normally he will complete his assignment each day. That is one of the rare instances of being able to clean up daily. But in this particular case his day off was Tuesday. On that day it is necessary to employ a substitute to deliver the relays, and this takes a couple hours. In addition the substitute carrier, on the nondelivery day, had to deliver the first-class mail, the airmail, and the perishable mail. This took 5 hours. The next day the regular carrier had the previously curtailed mail. He came back and brought what he could not handle and the substitute had another 5 hours. In addition, some of these people suffered late mail delivery the next day and some came to their door at 7 o'clock at night to receive a parcel they should have received the day before.

This is not an isolated case. You will find this whole program is false economy. It is costing more money to operate the parcel post delivery than ever before.

And once again, Mr. Chairman, you personally are to be complimented for your—I don't want to call it courage but that is what it is—in holding these hearings and we all join in thanking you for this opportunity to appear today.

Mr. DULSKI. Thank you very much.

We will insert in the record at this point a statement by James W. Hulfish, director of information, National Audio-Visual Association, Inc.

(The statement follows:)

STATEMENT BY JAMES W. HULFISH, DIRECTOR OF INFORMATION, NATIONAL AUDIO-VISUAL ASSOCIATION, INC., FAIRFAX, VA.

Mr. Chairman and members of the subcommittee, my name is James W. Hulfish and I am the director of information of the National Audio-Visual Association, with offices in Fairfax, Va. The organization I represent is the national trade organization of companies which distribute, sell, and produce educational and religious films, filmstrips, recordings, and various other types of audiovisual materials for use in schools, churches, and businesses, together with the equipment necessary to project or reproduce such audiovisual materials. We are a nonprofit corporation and we represent 669 companies, including about 449 audiovisual dealers and film libraries. These businesses have been grievously hurt by the recent cuts in postal service.

Although some of our members, primarily equipment manufacturers, are major corporations, the vast majority of the audiovisual industry may be classed as small businesses.

Training and educational films and other presentations are expensive to produce. Average production costs for a 30-minute, black and white film is \$20,000. A color film of the same length will run \$30,000. Duplicate black and white prints cost about \$160 and about \$300 in color.

Since these productions are used only once in a course per year, the audiovisual industry has established film libraries to rent them at a reasonable fee to the user for the time he needs them. Obviously the success of such a system depends on rapid and dependable transportation facilities. Each film library must carry an inventory of each item which is large enough to meet the demands of current users, and his return on his investment is directly dependent upon the frequency with which he can schedule showings.

Since an average film with its protective packing case weighs about 5 pounds the only feasible distribution method that permits keeping user costs within bounds is parcel post. Most film libraries service an area of several States though some specialized libraries ship on a national scale. Many customers are located in small and remote locations where parcel post is the only established communications link (see attached letters for exhibit).

The recent cut in parcel post service from 6 to 5 days a week represents a 16½ percent reduction. Actually our members report that the net result is closer to a 25-percent cut in service, apparently due to backlogs that accumulate on the off day, increasing delivery time in some cases to 2 or more days rather than 1.

This means that film library operators must increase inventories by one-fourth—at least on their more active items—to furnish the same quality of service that existed before the cut—or suffer a corresponding loss of business and wanted service to educational and religious users.

Audiovisual materials—films, slides, tapes, etc.—are fragile, and must be returned to the film librarian rapidly after each use so that he can check their arrangement, cleanliness, and good condition before they go on to the next customer. The cut places upon dealers the burden of paying overtime wages to perform these services. One typical film library in Washington, an active business enterprise, gets an average of 50 films returned per day, each of which must be inspected before rescheduling. Following the parcel post "off" day, these returns number over 100.

The great bulk of audiovisual customers are educational, religious, civic, and other nonprofit public service agencies. As a result of the Post Office Department action, these organizations will have to bear increased costs from modest budgets or do without valuable audiovisual services (see attached letters for example).

A careful analysis of the Post Office Department's action raises serious questions concerning the Department's management policies and some question about the information it presents to the public.

In a press release dated March 10, 1964, the Department announces that the parcel post cut will save \$3,714,000 and 697 jobs. With a Post Office Department budget of over \$5 billion, this 16½-percent cut in a vital service to the American public results in a monetary saving of less than one-tenth of 1 percent. Using the Department's own announced manpower figure of 594,354, the personnel saving is slightly over one-tenth of 1 percent. Consequently the loss in service is 160 times greater than the so-called economy. It is also worth noting that just a month before the cut in service was instituted, parcel post rates were increased by 20 percent.

Parcel post service has been singled out to produce revenues within 4 percent of costs. There is presently a moratorium on this requirement until June 30, 1966, to give the Congress—according to Public Law 88-51—a chance to "conduct a thorough and painstaking review of the entire parcel post operation."

We should like to call attention here, on behalf of our members and other business organizations throughout the country, to the difference between parcel post and bulk mail—the latter a notorious money loser for the Post Office Department. Bulk mail is widely used for direct-mail advertising and solicitation—unrequested and usually unwanted by the recipient. If it is dated, it must be delivered on a first-class basis if necessary.

Parcel post, on the other hand, involves shipment of items that have been requested by the recipient and are wanted as expeditiously as possible. It vitally affects the entire distribution system in our economy, and if this Nation is to advance, parcel post service should improve with technological progress rather than retrogress. The radical, arbitrary cut imposed by the Department disrupts a key link in the commercial communications complex of this country and is a distinct disservice to all segments of the taxpaying public.

The information furnished the public by the Department regarding the cut is notable for a distressing degree of confusion concerning the economies involved.

Its press release of March 10 begins: "The cut of an additional 3,100 postal jobs during the fiscal year starting July 1 (1964) will result in limited adjustments in some postal services without impairment of any that are essential * * *." This implies that parcel post is a nonessential service in the Department's eyes.

The same release, on the same page, mentions "personnel reductions announced earlier that will cut staff during the second half of the current 1964 fiscal year (by June 30, 1964) from 595,000 to 590,000."

This adds up to a total cut of 8,100 jobs, or about 1½ percent. This would be a saving of sorts, but would still hardly justify a 16½-percent cut in parcel post service, which in fiscal year 1963 processed 1,075,850,000 pieces of mail out of a total of 67,852,738,000—about 1½ percent of the items handled.

When another fact is considered another view emerges however, the cut of 3,100 spaces is not from the June 30 total of 590,000. It is from a requested figure for the 1965 fiscal year of 597,454. The actual "cut" then is from 595,000 to 594,354, or 646 spaces rather than 8,100—a little over one-tenth of 1 percent.

But apparently there is still an additional figure; on May 31, Mr. Jerry Klutz, writing in the Washington Post, states that while most Federal agencies are receiving personnel cuts for fiscal year 1965, the Post Office Department is unique in getting a 5,000-man increase. We cannot determine exactly which figure this 5,000 should be added to.

It appears there is no personnel cut whatever: there is probably an increase. And if you add the announced 8,100-man cut to the actual 5,000-person increase, it's very tempting to view the figures as deceptive at best.

Opportunities for significant economies without reduction in service are apparent to most observers of our postal system. Recently the Flying Tigers, a leading all-cargo airline, published open letters to Postmaster General Gronouski, President Johnson, and the Congress in the form of full-page advertisements in the Washington Post. In essence, Flying Tigers charge that the Post Office Department should cut its airmail payments to American and foreign "combination airlines" (those who provide both cargo and passenger service on a scheduled basis) by 50 percent. Flying Tigers offers to carry airmail at the reduced rate and make a profit without taxpayer subsidy.

The Civil Aeronautics Board is looking into this, and even the combination carriers themselves reluctantly admit that, with the increased efficiency of modern jet aircraft, some reduction is probably in order. Since current airmail payments by the Department are over \$140 million a year, even a 10-percent reduction in this one item would more than offset all the financial savings promised by the total "reduction in service package" arbitrarily instituted by the Department.

This "package" includes—in addition to the parcel post cut—reduction in window services, closing of some small post offices, and other actions which enforce unnecessary hardships upon the using public.

The implementation of the parcel post cut has been left up to local postmasters, with the "suggestion" that it occur on a Tuesday, Wednesday, or Thursday—the middle of the business week. Different areas of the same city may be deprived of service on different days. This adds the insult of confusion to the injury of poor service and makes it impossible for any shipper to plan intelligently.

Federal agencies were created to insure uniform and equal services beyond the capabilities of local governments or private commercial institutions. This "localized policy" suggests a reluctance on the part of the Postal Department to assume the responsibilities of its charter and force the blame for inadequate service to be shared by the local postmasters.

Open to logical question was the announcement by the Department, concurrently with the curtailment of services notice, that it was forming a study group to "delve in depth" into ways and means to offer better parcel post service. We wish to suggest that good management practice would have called for the formation of the group and a thorough study of its finding before imposing the cut.

One of our members recently requested information and assistance from his Congressman about getting the postal cut rescinded since he had already felt the adverse effects of it in his business. His Congressman requested information from the Postmaster General on which to base his reply and received the attached letter in reply from Assistant Postmaster General McMillan. In his reply, Mr. McMillan furnished information which is extraneous or which our member was already aware of through a newsletter we publish. He justifies the cut, which was the subject of the original letter, by saying that some department stores only deliver once a week and at the most five times a week, and that he hopes the cut, the sole reason for our client's letter, won't cause inconvenience. He adds that no regular postal employees will be fired. But he does introduce an implication that the Post Office Department looks to department stores to set its parcel post standards. This merits comment:

In most areas, if a customer dislikes the delivery service one store offers, he can turn to a competitor. Some department stores deliver daily. Additionally taxis and parcel delivery services are available to a local customer, or he can pick up his parcel at the store. Most department stores are open 6 days a week, some of them until late in the evening. In any case a number of alternatives are available, and frequently the whole operation can be negotiated locally by telephone.

We think Mr. McMillan's example is most inept, however his bringing private, competitive enterprise into the picture may have some merit. The department has suggested that by sending parcel post items "special delivery" or "special handling"—excellent service can still be assured. Some of our dealers have discovered that commercial, nonsubsidized, parcel delivery companies offer better service at a lower cost (in the limited areas where their services are available).

The National Audio-Visual Association represents an industry that is contributing dramatically to training and retraining in all fields of education, helping to solve social, economic, and scientific problems ranging from preparation of astronauts to giving retarded children some hope for a useful life.

Our society is in the throes of rapid, technological change. Such change threatens potentially dangerous economic and social side effects unless informational and educational techniques can keep our growing population abreast of these new developments. The contribution of audiovisuals to the acceleration of learning, especially in technical fields, is universally recognized.

The significance of this is emphasized by the prediction of one authority on automation that—to remain employable—most workers in this generation have retrained or will have to retrain at least one time. The next generation may have to retrain two or three times.

To help solve the domestic and international problems of our era, our Government is spending billions of dollars of tax income on the Small Business Administration, the farm price support program, the Area Redevelopment Administration, urban redevelopment, national defense, social security, anti-poverty, etc. Approximately \$3.5 billion are currently programed for foreign aid—in some cases to countries that have better postal services than our own.

The audiovisual industry, although its growth in terms of gross national product has been great and will undoubtedly continue to be, can never hope to be a highly profitable operation for most of the people engaged in it. Unlike petroleum products or electric power—where technology reduces costs of production of a constant product while consumer demand rises—our main commodity is new information. Today's training film is obsolete tomorrow because of new developments in scientific, educational, or industrial techniques. The same is true to a lesser degree of the equipment used.

We are therefore highly dependent upon reliable, fast, and relatively economical transportation networks in order to survive, pay taxes, and contribute to the advancement of this Nation.

It is with considerable regret that we in NAVA are forced to make this strong a statement. We enjoy pleasant relationships with individuals in the Post Office Department, who we feel are dedicated people. However, on behalf of our members we feel that we must protest most emphatically these recent Department actions, and the whole downward trend of postal service such actions suggest.

The Post Office Department in its "Annual Report of the Postmaster General, 1963" devotes over 70 pages to the following subjects: "Improving Post Office Operations and Services," "Advances in Research and Engineering," "Modern Transportation Policies and Methods," "Providing Modern Financial and Related Services," "Progressive Personnel Management," "Planning for Better Manage-

ment." Actually with constantly increased personnel and monetary allotments and with all of modern technology to draw upon, the Department for the last two decades appears consistently to have increased its charges and reduced its services to the American public.

We are far from convinced that the Department needs more money or people; we do firmly believe that the cut services should be restored immediately, and hope the remedial legislation will result from these congressional hearings.

Attached are letters from dealers and educators attesting to the adverse effects which they have already experienced.

MAY 22, 1964.

HON. GEORGE M. WALLHAUSER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The Postmaster General has asked me to reply to your letter of May 13, 1964, with enclosure from Mr. Irving Bersak, president, Film Presentation Co., Inc., 971 Bergen Street, Newark, N.J., 07112, concerning the recent adjustment of parcel post delivery service.

Parcel post deliveries have been adjusted from 6 days a week to 5 only on those routes set up exclusively for the delivery of parcels. These routes deliver only those parcels which are of such size and volume that delivery by foot carriers would be impractical. The 5-day-a-week service compares favorably with service provided by retail stores and privately owned firms dealing in parcel delivery. We do not know of any of these firms that provide delivery more than five times a week. Many of them provide only one.

Postmasters have been instructed to select the lightest volume day as the day on which parcel post routes will not operate. As an alternative and if more advantageous, they may use the staggered system of delivery under which various sections of the postal district receive deliveries on different days. In either case, the entire delivery area is to be given a 5-day week coverage. Patrons are encouraged to discuss their particular parcel post delivery problems with their local postmasters whenever they feel that the nondelivery day selected by the postmaster results in a hardship.

No change is being made in the delivery of parcel post on rural and star routes, or on curb delivery mounted routes, mailster routes, and foot routes. Foot carriers deliver parcels weighing up to 2 pounds and of approximately shoebox size. Curb delivery mounted routes, mailster routes, and foot routes will continue 6-day deliveries. Also, there is no change in the delivery of special delivery, perishable, and first-class parcels.

The adjustment represents only a minor part of the total parcel post delivery service afforded patrons, but it is significant in terms of monetary savings. We do not believe it will create any serious inconveniences or hardships to postal patrons. We certainly hope not, because it is our desire to provide service which meets essential public needs while stabilizing the cost of postal operations.

One other point. This change in delivery service will not result in any loss of jobs by career postal employees.

Sincerely yours,

(Signed) W. M. McMILLAN.

FILM PRESENTATION CO., INC.,
Newark, N.J., June 10, 1964.

MR. DON WHITE,
Executive Vice President,
National Audio-Visual Association,
Fairfax, Va.

DEAR DON: In reply to NAVA's request for information as to the effect that the recent parcel post delivery curtailment has had on our operation, here it is:

Our nondelivery day is Tuesday (although the downtown portion of Newark has a Saturday nondelivery). Ordinarily, we received about 35 to 45 percent of our weekly returns on Tuesday since our heavy booking days is Sunday. This amount of return enabled us to complete their inspection and maintenance by Wednesday morning and ship them out for the next Sunday's use by Wednesday evening. Another 35 to 45 percent of our returns would reach us on Wednesday and we would have the opportunity to rush the inspection of the needed films and get them out again by Wednesday evening. This turnover is required if we

are to remain in business since, as you know, our season starts after Labor Day and ends right after Easter, which means that we have to do our yearly business in about 7 months or so.

Now, with this curtailment, we receive practically no returns on Tuesday. We are swamped with returns on Wednesday and Thursday and cannot make shipments till Thursday evening. This is too close to rely on shipments to reach the user before Saturday for their use on Sunday even by special delivery shipment. So the effect of this 1-day nondelivery has been to cut our turnover by almost 50 percent. Since we are now in our slow season this cut in turnover is not as yet critical. But we are looking forward with great apprehension to its effect on us after Labor Day.

The only way out is to request our users to return films to us via special delivery. However, as you can well imagine, the temptation not to spend the extra money for special delivery is great enough so that a good percentage of the users will continue in their habit of returning films via regular parcel post.

Not knowing who will or will not return them via special delivery, we shall be unable to take bookings on films for the following Sunday with any degree of confidence that we will be able to deliver the goods.

We have tried to arrange with our main post office a plan where we can have one of our men pick up our parcel post at the main post office on Tuesday mornings. We would have to pay about 1½ hours salary time plus transportation but would be willing to do this. However, we were informed by the postmaster that no parcel post is worked on for our area of the city on Tuesday or Monday evening and, therefore, nothing would be on hand for such a pickup plan.

An interesting sidelight on this curtailment was given to us by our parcel post deliveryman. We have known him for many years to be conscientious and rapid in his deliveries. He mentioned that he cannot possibly work any faster than he has (and we certainly have to agree with him) and that the amount of parcels given him on Wednesday representing 2 days worth of work cannot be delivered by him completely until Thursday or Friday. Thus, the so-called 1-day curtailment is in some instances amounting to a 2- or 3-day delay. We are fortunate that he is cooperating with us by making sure that any of our material is delivered on Wednesday, but what would happen if he is replaced by a new man who would deliver as he saw fit and possibly delay our returns for the additional day or two?

Finally, since the nondelivery day could be any day of the week we have been forced to ship all our films via special delivery even to accounts in a radius of 30 miles from us. This has already caused resentment in some cases and loss of business. As for absorbing the additional cost of special delivery, it would be out of the question since we would be left with no profit on most bookings. How long can this be lived with?

Sincerely yours,

IRVING BERSAK, *President.*

OREGON STATE SYSTEM OF HIGHER EDUCATION,
DIVISION OF CONTINUING EDUCATION,
May 11, 1964.

HON. JOHN R. GRONOUSKI,
*Postmaster General of the United States,
Washington, D.C.*

MY DEAR MR. GRONOUSKI: A recent directive of the Post Office limiting local post offices to 5 days parcel post delivery per week will seriously affect the services of offices such as ours. We operate a large educational film library, distributing motion pictures to schools and adult organizations.

At the present time with the excellent postal service we can ship a film to most of our users in 2 or 3 days and receive it back in the same length of time. It is our understanding that the new directive allows individual post offices to select the day of the week they wish to be closed as far as parcel post delivery is concerned. Since we have no way of knowing which day a local post office will not make deliveries of films, it will be necessary for us to allow at least 1 additional day each way for our services.

Such a change will reduce the number of times we can service the schools of Oregon and neighboring States with films from three or four to about two times a month. This will work a definite hardship upon the schools in the use of this very modern and important teaching aid in the classroom.

We urgently request that this directive be rescinded and that 6-day parcel post delivery be reinstated, since we believe the Post Office is really a service and this highly important activity with respect to the schools is as fine a service as can be performed. We feel money saved in this way is poor economy.

Sincerely yours,

CURTIS REID,
Director, Audio-Visual Services.

MAY 8, 1964.

Representative GEORGE M. WALLHAUSER,
Irvington, N.J.

DEAR REPRESENTATIVE WALLHAUSER: I am greatly concerned about the recent Executive order curtailing parcel-post delivery during an arbitrarily selected weekday throughout the country. This curtailment will result in a decrease of business due to the increased time we will have to allow for shipments to reach our customers and return from them. This will affect our rental turnover by a factor of about 25 percent affecting our profits accordingly. This reduction in profits will be reflected by a lessening amount of taxes we will pay, costing the Government this amount at the end of the year.

This curtailment and reduction of postal service comes only a month after postal rates were increased and represents an unwarranted hardship upon both business and individuals. The contemplated savings of \$12 million a year is unjustified in that the hurt to business will eat into this savings and the premise that there will be savings is incorrect to begin with since a saving can only be had if either the number of parcels being mailed decreases (which we can assume will not occur—it will undoubtedly hold steady or increase as time goes on), or the same amount of work which is now being done with a 6-day parcel-post delivery can be done in 5 days with less help. Since the deliveries of parcel post before the curtailment were nothing to brag about, just imagine what will now happen with mountains of mail piling up in the post offices with less help to get them delivered. You do not have to imagine this—just ask any parcel post delivery man what is now occurring.

Can anything be done to get this order rescinded and keep the country moving ahead instead of in the wrong direction?

Sincerely yours,

FILM PRESENTATION Co., INC.,
IRVING BERSAK, *President.*

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 23, 1964.

Mr. IRVING BERSAK,
President, Film Presentation Co., Inc.,
971 Bergen Street,
Newark, N.J.

DEAR MR. BERSAK: In reference to your recent letter expressing concern with regard to the Post Office Department's announced reduction in parcel post delivery service, I am enclosing a copy of the report received from Assistant Postmaster General McMillan pertaining to this matter.

The Postal Operations Subcommittee, of which I am a member, will begin hearings on the problem of curtailment of service beginning June 16. We will go into the matter very thoroughly, I am sure, to see if we can be helpful.

With best wishes, I am,
Sincerely,

GEORGE M. WALLHAUSER, *Member of Congress.*

SAN JOSE STATE COLLEGE,
San Jose, Calif., May 21, 1964.

HON. JOHN R. GRONOUSKI,
Postmaster General of the United States,
Washington, D.C.

MY DEAR MR. GRONOUSKI: We are greatly concerned over the new Post Office policy on parcel post delivery which suggests that a service of great importance to us will be curtailed.

This college, as do many others, receives between 50 and 150 films per month from outside agencies. Often these films are tightly booked both in and out

and are difficult to schedule. This new directive suggests that booking services will be at least 20 percent more difficult for us; extra days for transportation can materially reduce film availability and thus increase costs. Further impairment of postal service will put serious burdens on us and the educational film agencies from whom we rent.

We respectfully request that you help to have this directive rescinded and continue delivery 6 days a week as in the past.

Sincerely,

RICHARD B. LEWIS,
Head, Division of Audio-Visual Services.

MAY 22, 1964.

Congressman CHARLES E. BENNETT,
*U.S. Congress,
Washington, D.C.*

DEAR CONGRESSMAN BENNETT: I am writing in regard to the change that has been made in the Post Office Department with regard of cutting the parcel post deliveries at least 1 day per week.

Most of our mailing has to do with the sending of films to churches over Florida and many times they get delayed and the user is not able to use them at a later date as they are supposed to be used on a specific date.

One instance I have particular reference to, we mailed a film to the First Presbyterian Church of Live Oak, Fla., on May 19 and today is the 22d and the last mail has been delivered to the church so the pastor called stating he did not get the film yet which means that it takes 4 to 5 days to go less than 100 miles. This parcel was also insured.

I will appreciate very much if you would check into the matter and whatever can be done to help get the films through the post office would be greatly appreciated.

Kindest regards,

JAMES E. HADDOCK, *President.*

Mr. DULSKI. We will resume the hearings tomorrow in room 356, in the committee room of the Veterans' Affairs Committee, and our first witness will be Mr. E. C. Hallbeck, president, United Federation of Postal Clerks.

The meeting is adjourned.

(Thereupon, at 11:55 a.m., on Wednesday, June 17, 1964, the subcommittee adjourned until Thursday, June 18, 1964, in room 356, Cannon House Office Building, at 10 a.m.)

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
5800 S. UNIVERSITY AVENUE
CHICAGO, ILLINOIS 60637
TEL: 773-936-3700

1980

1. The first part of the report deals with the general properties of the system under study. It is found that the system exhibits a complex behavior which is characteristic of a phase transition.

2. The second part of the report describes the experimental results. It is shown that the system exhibits a phase transition at a critical temperature. The transition is characterized by a change in the order parameter and a change in the specific heat.

3. The third part of the report discusses the theoretical results. It is shown that the experimental results are in good agreement with the theoretical predictions.

4. The fourth part of the report discusses the conclusions. It is concluded that the system exhibits a phase transition at a critical temperature. The transition is characterized by a change in the order parameter and a change in the specific heat.

5. The fifth part of the report discusses the future work. It is suggested that further studies be carried out to determine the nature of the phase transition.

6. The sixth part of the report discusses the references. It is noted that the results presented here are in agreement with the results of other workers in the field.

7. The seventh part of the report discusses the acknowledgments. It is noted that the author wishes to thank the following people for their assistance during the course of this work.

8. The eighth part of the report discusses the appendix. It is noted that the appendix contains the detailed calculations and the data used in the report.

9. The ninth part of the report discusses the bibliography. It is noted that the bibliography contains a list of the references cited in the report.

10. The tenth part of the report discusses the index. It is noted that the index contains a list of the subjects covered in the report.

11. The eleventh part of the report discusses the summary. It is noted that the summary contains a brief overview of the results presented in the report.

12. The twelfth part of the report discusses the conclusion. It is noted that the conclusion contains a brief summary of the main findings of the report.

CURTAILMENT OF POSTAL SERVICES

THURSDAY, JUNE 18, 1964

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTAL OPERATIONS OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 10 a.m., in room 356, Cannon House Office Building, Hon. Thaddeus Dulski (chairman of the subcommittee) presiding.

Mr. DULSKI. The committee will come to order.

Our first witness is the able and distinguished Congressman from Georgia, Hon. Charles L. Weltner. We are very happy to have you before us this morning. We know of your interest in this problem and would like to hear your side of the story.

STATEMENT OF HON. CHARLES L. WELTNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. WELTNER. Thank you, Mr. Chairman. May I submit a short statement which places me as a Member of Congress on the side of improving the postal service?

The American people are called upon to hear many burdens. State and local taxes are on the rise. Requests for charitable contributions increase with an increasing awareness of the needs of our fellows. And, the Federal taxes paid by each American constitute, even at the reduced rate, a substantial portion of his income.

This year, we will spend over \$100 billion to carry out the programs and responsibilities of the U.S. Government. To the citizen not intimately aware of all the needs of a complex and diverse nation of 192 million people, some of these programs are of questionable wisdom and doubtful value. It is difficult, for instance, for him to comprehend the complexities of some Federal research programs, the intricacies of some Federal agricultural programs, and the consistency in our involvements with the nations of the world.

There is, however, one function of Government which daily affects every citizen of the United States. One where, because of its universal impact, our Government succeeds or fails in the eyes of many. That is the postal service.

When mail is misrouted, when deliveries are delayed, when services are curtailed—these factors come home in no uncertain terms.

Confidence in the Government is tied in a greater measure than we here in Washington realize to confidence in the postal service. "Surely," the average citizen says, "if our Government has any direction, they can deliver my mail on time."

We have seen raises in postal rates, each heralded as essential to continued full service to patrons. Yet, if my correspondence is any indication, they have not met their objectives.

Now, the Post Office Department has instituted certain curtailment of services. In my opinion, this is not the course of wisdom.

We take pride in expanding services to the people of America. Yet, in an area which, of necessity, serves each and every American, we see, not the expansion of service, but the deterioration of service.

I am, therefore, pleased that the committee has seen fit to hold these hearings. I am hopeful that the testimony and deliberations here will serve to reverse this discouraging trend.

As one Member of the Congress, may I offer my full support to this committee in its efforts to assure for every citizen prompt and efficient postal service.

We can ill afford anything less.

Mr. DULSKI. Thank you very much, Mr. Weltner.

We will now hear from our colleague, the Honorable Lionel Van Deerlin, a Member of Congress from California.

Mr. Van Deerlin.

STATEMENT OF HON. LIONEL VAN DEERLIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. VAN DEERLIN. Mr. Chairman, as representative of the new 37th Congressional District of California, I speak for one of the fastest growing communities in the United States. When any metropolitan area doubles its size in less than two decades, no one on this committee needs to be told of the strain on postal facilities, of the new routes which must be added, of the new personnel that must be trained, of the continually expanding space needs in our postal stations.

Despite all this, San Diego—now America's 16th city in population, and one of the half dozen largest in total area—enjoyed through its most intense growth period a highly efficient mail delivery service. This service somehow survived the bureaucratic buildup of the past decade. It was disturbed only slightly by the spawning of 15 great clusters of political patronage known as regional headquarters of the Post Office Department.

I do not complain that our own regional office, 500 miles away in San Francisco, is purportedly manned by 169 officials of grade GS-10 and above, comfortably removed from the actual chores of selling stamps or delivering mail. The regional hierarchy is out of sight, out of mind for the millions of postal patrons.

But those patrons can both see and feel the reductions in service carried out by Executive edict just a month ago. These cutbacks followed closely a "freeze" on San Diego postal employment at a figure 92 workers below the 1,797 who were employed in November 1963.

As a result of the personnel freeze and last month's changes, I have received numerous complaints, of which the following are typical:

On Saturdays, you can now buy a postal money order in the mountain town of Jacumba, 85 miles from San Diego—but not in San Diego.

On 1 day each week, the delivery of packages is abandoned entirely to commercial carriers.

On other days, if you live in the North Park section of San Diego, you're lucky if you get a parcel post package the same day it reaches your neighborhood substation. I submit, for the committee's consideration, several copies of forms 1571, "Report of Undelivered Mail." These show that during a given week in late May, as many as 18 sacks of mail were left over each evening, for delivery the next day.

Cessation of a night window in our downtown post office—a service that had been launched with great fanfare less than 4 years ago—is explained as part of a vaunted nationwide economy move totaling \$10 million annually on night windows alone. My own investigation discloses that the abandonment of this service will actually save only a little more than \$3,100 a year in San Diego. Yet it means that a working person may briefly utilize window service in mailing a package only 1 day a week. Several complaints in regard to this have come to me from patrons living outside San Diego's city postal zone.

I have recently joined Post Office officials in cheering the introduction of such devices as ABCD service, speeding same-day deliveries in the business area; luminous mail boxes that glow in the dark, and mail boxes that say "Thank you." I have absorbed with fascination the suggestion that experiments may shortly be underway to transfer mail by rocket.

While not wishing to drag my feet in the rush toward this brave new world, may I suggest that your committee encourage the Post Office to continue awhile longer the simple, unexciting, regular service to which Americans have become accustomed?

I should hate to think that department heads in this administration, by means of penny-ante economy orders, are halting something which never yielded to "snow, nor rain, nor hail nor night."

(The following documents were submitted for the record:)

REPORT OF UNDELIVERED MAIL, ETC.

POST OFFICE AND STATE

North Park Sta. San Diego 4, Calif.

DATE

Mon. May 18, 1964

To Superintendent of Delivery:

MAIL AS FOLLOWS RECEIVED BY ME FROM THE DISTRIBUTING CASES REMAINED UNDELIVERED AT THE CLOSE OF THIS DAY.

(Report must include all undelivered mail distributed to the carrier whether or not cased by him.)

ROUTE NO.

RD 28

LETTERS

NEWSPAPERS

CARDS

PERIODICALS

CIRCULARS

OTHER PIECES

9 checks 10 Outsidies

REMARKS: (Reasons for nondelivery. Report of trips omitted or curtailed. Note any other matter of which record should be made.)

CARRIER NO.

28

SIGNATURE

[Handwritten Signature]

POD Form 1571
MAR. 1957

GPO : 1957-O-419772

REPORT OF UNDELIVERED MAIL, ETC.

POST OFFICE AND STATE

North Park Sta. San Diego 4, Calif.

DATE

5-18-64 Mon

To Superintendent of Delivery:

MAIL AS FOLLOWS RECEIVED BY ME FROM THE DISTRIBUTING CASES REMAINED UNDELIVERED AT THE CLOSE OF THIS DAY.

(Report must include all undelivered mail distributed to the carrier whether or not cased by him.)

ROUTE NO.

PO 44

LETTERS

NEWSPAPERS

CARDS

PERIODICALS

CIRCULARS

OTHER PIECES

REMARKS: (Reasons for nondelivery. Report of trips omitted or curtailed. Note any other matter of which record should be made.)

9 sacks
6 OS

CARRIER NO.

SIGNATURE

1805

E. Keene

POD Form 1571
MAR. 1957

GPO : 1957-O-419772

REPORT OF UNDELIVERED MAIL, ETC.

POST OFFICE AND STATE

North Park Sta, San Diego 4, Calif.

DATE

5-19-64 Tue

To Superintendent of Delivery:

MAIL AS FOLLOWS RECEIVED BY ME FROM THE DISTRIBUTING CASES REMAINED UNDELIVERED AT THE CLOSE OF THIS DAY.

(Report must include all undelivered mail distributed to the carrier whether or not cased by him.)

ROUTE NO.

SP 44

LETTERS

NEWSPAPERS

CARDS

PERIODICALS

CIRCULARS

OTHER PIECES

REMARKS: *(Reasons for nondelivery. Report of trips omitted or curtailed. Note any other matter of which record should be made.)*

*5 Sacks
8 O.S.*

CARRIER NO.

SIGNATURE

1805 E Keena

FOD Form 1571
MAR. 1957

GPO : 1957-O-419772

REPORT OF UNDELIVERED MAIL, ETC.

POST OFFICE AND STATE

DATE

Tue. 5/19/64
North Park Sta. San Diego 4, Calif.

To Superintendent of Delivery:

MAIL AS FOLLOWS RECEIVED BY ME FROM THE DISTRIBUTING CASES REMAINED UNDELIVERED AT THE CLOSE OF THIS DAY.

(Report must include all undelivered mail distributed to the carrier whether or not cased by him.)

ROUTE NO.

28

LETTERS

NEWSPAPERS

CARDS

PERIODICALS

CIRCULARS

OTHER PIECES

REMARKS: *(Reasons for nondelivery. Report of trips omitted or curtailed. Note any other matter of which record should be made.)*

7 Sacks
10 Outsidus

CARRIER NO.

28

SIGNATURE

Paul Bee

POD Form 1570
MAR. 1957

GPO : 1957 - O-419772

REPORT OF UNDELIVERED MAIL, ETC.

POST OFFICE AND STATE

North Park Sta. San Diego 4, Calif.

DATE

5-20-64 Wed

To Superintendent of Delivery:

MAIL AS FOLLOWS RECEIVED BY ME FROM THE
DISTRIBUTING CASES REMAINED UNDELIVERED AT
THE CLOSE OF THIS DAY.

(Report must include all undelivered mail distributed to the carrier
whether or not cased by him.)

ROUTE NO.

44 PP

LETTERS

NEWSPAPERS

CARDS

PERIODICALS

CIRCULARS

OTHER PIECES

REMARKS: (Reasons for nondelivery. Report of trips omitted or
curtailed. Note any other matter of which record should be made.)

2 Sacks

CARRIER NO. SIGNATURE

1805

E Keena

POD Form 1571
MAR. 1957

GPO : 1957-O-419772

REPORT OF UNDELIVERED MAIL, ETC.

~~North Park Sta.~~ **San Diego 4, Calif.**
POST OFFICE AND STATE

DATE Mon May 25 1964

To Superintendent of Delivery:

MAIL AS FOLLOWS RECEIVED BY ME FROM THE DISTRIBUTING CASES REMAINED UNDELIVERED AT THE CLOSE OF THIS DAY.

(Report must include all undelivered mail distributed to the carrier whether or not cased by him.)

ROUTE NO. PP 28

LETTERS _____

NEWSPAPERS _____

CARDS _____

PERIODICALS _____

CIRCULARS _____

OTHER PIECES 8 Sacks 10 Outside

REMARKS: (Reasons for nondelivery. Report of trips omitted or curtailed. Note any other matter of which record should be made.)

CARRIER NO. 28 SIGNATURE Paul Rice

Mr. DANIELS. Mr. Chairman.

Mr. DULSKI. Mr. Daniels.

Mr. DANIELS. I have received a copy of a letter from the Postmaster General which appears to be copy of a letter addressed to you as chairman of the Postal Operations Subcommittee dated June 17, 1964, which states:

The Senate Appropriations Committee today reported out our Post Office appropriation allowing \$15.5 million less than our request.

I think this letter is pertinent to the issues we have under consideration and should be made a part of the record.

Mr. DULSKI. There being no objection, it is so ordered.

(The letter referred to follows:)

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., June 17, 1964.

HON. THADDEUS J. DULSKI,
Chairman, Postal Operations Subcommittee, Post Office and Civil Service Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The action of the Senate Appropriations Committee today provides information that will be of interest to you and members of your subcommittee in your consideration of the May 4 service adjustments.

The matter you are dealing with is essentially one of employment and of program—which basically is one of dollars.

The Senate Appropriations Committee today reported out our Post Office appropriation allowing \$15.5 million less than our request. This leaves our appropriation at about the same level as approved by the House.

Both the House and Senate committees were aware that our request was based on an economical plan of operation that included the saving of \$9 million for the May 4 service adjustments. Both presumably concluded that not only was this saving necessary but also that the Department should make additional savings totaling at least \$15.5 million more.

It should be of interest to you and your committee that Mr. Jerome J. Keating, president of the National Association of Letter Carriers, appeared before the Senate Treasury-Post Office Departments Appropriations Subcommittee and gave generally the same testimony that he gave before your committee today. Not only did the Senate not accept his appeal to restore funds so as at least to nullify the May 4 order, but the committee reduced our request by \$15.5 million.

The availability of dollars for payroll inevitably controls our ability to provide service. Our operation essentially depends on personnel to perform this service.

I am stimulated by the challenge to find new and better ways to do things so that we can serve the public better at lower cost. I believe the flexible plan for scheduling window hours to meet local needs and the cleanup of work over weekends to speed parcel delivery have enabled us to provide the public with all essential services and to eliminate any real inconvenience caused by the May 4 order.

I believe the information about the status of our 1965 appropriation is pertinent in your present inquiry and I ask that this letter be made part of the record.

Thank you for your courtesy during my testimony yesterday. I greatly appreciated the opportunity to appear and, to the extent possible, to clarify a complex postal operating and financial problem.

Sincerely yours,

JOHN A. GRONOUSKI,
Postmaster General.

Mr. DULSKI. I have a letter from Mr. Lolo E. Chavez, president, Local No. 380, United Federation of Post Office Clerks, Albuquerque, N. Mex., presented for the record by Hon. Thomas G. Morris, our colleague from New Mexico.

(The letter follows:)

UNITED FEDERATION OF POSTAL CLERKS,
LOCAL NO. 380,
Albuquerque, N. Mex., June 15, 1964.

HON THOMAS G. MORRIS,
House Office Building,
Washington, D.C.

DEAR SIR: As you probably know, on June 16, 1964, a hearing will be held before the Dulski subcommittee of the House Committee on Post Office and Civil Service. The subcommittee will inquire into the current postal curtailment.

Local No. 380 Albuquerque postal clerks union charged today the "frantic concentrations of weekend labor to clear away logjams of third-class mail in the Nation's post offices are only robbing Peter to pay Paul."

In a statement prepared for local Congressmen that larger work forces being used on Saturday and Sunday "are parts of a self-defeating and vicious circle because the extra weekend work results in fewer employees being available during the following week." Under existing law, postal clerks who work on Saturday or Sunday must be given equal or compensatory time off during the next 5 working days.

In all earnestness, these new procedures also are destroying family Sabbath observances and family attendance at religious services for many postal clerks.

This new Post Office directive which reverses pious promises by postal management only a year ago that circular mail will not be worked weekends except under certain unusual conditions.

Even this aspect might be temporarily acceptable if the change actually effected improvements in service to the public through faster and more efficient sorting and delivery of mail—but it can't.

What sense does it make to work regular clerks a full 5-day week and bring them back on Saturday and Sunday when the postal laws require that compensatory time off for Saturday and Sunday must be granted during the succeeding Monday through Friday? This just means the backlogs accumulate all over again. "We are robbing Peter to pay Paul."

This is just one phase of postal employment policy that the public never hears about and might find surprising to say the least. It is no more surprising, however, than the policy by which temporary and noncareer clerks, some with years of seniority, are worked 60, 70, and even 80 hours a week at straight time pay. This is one of the reasons why postal service is deteriorating so badly.

Postal service troubles are basically rooted in appropriation reductions by Congress and in employment ceilings fixed by the Bureau of the Budget that bear no relationship to reality whatsoever. Clerical help in particular has been jerked around, cut, measured, reduced again, and overworked to a point where rapid and efficient service is almost impossible to maintain. Any fat that may ever have existed in the postal budget is long gone, and, in the face of this the Budget Bureau statisticians have blithely concluded that fewer people can somehow move more and more mail.

If all this makes the public angry, the public ought to know it makes us angry, too.

At the end of fiscal year 1963, there were 1,300 fewer postal workers than at the start of the year, and there has been a further reduction of 5,000, while the volume of mail was increasing more than 2 percent to an estimated 71 billion pieces this year.

Day four employees in this office are now being worked 3 out of 5 weekends. We are turning to you for whatever help you can give us on this matter, and we also request your appearance before the Dulski subcommittee.

Sincerely yours,

LOLO E. CHAVEZ,
President, Local No. 380, U.F.P.C.

Mr. DULSKI. Our next witness is our good friend Mr. E. C. Hallbeck, president of the United Federation of Postal Clerks.

As you know, Mr. Hallbeck, we heard from Mr. Keating, president of the National Association of Letter Carriers yesterday, and the day before we heard from the Postmaster General. There has been some

comments that we were having as witnesses in these hearings only those opposed to this curtailment. As long as time will permit we would like to hear both sides of the story. So whoever has in mind that this committee is not openminded in this matter is entirely wrong because we will try to hear both sides of the problem.

STATEMENT OF E. C. HALLBECK, PRESIDENT, UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO

Mr. HALLBECK. Thank you, Mr. Chairman and members of the subcommittee. It is a pleasure to have the opportunity again to appear before this subcommittee of the House Committee on Post Office and Civil Service. Some of you will recall that for a number of years I was in regular attendance at your sessions and testified on numerous occasions.

For the record, my name is E. C. Hallbeck and I am president of the United Federation of Postal Clerks, AFL-CIO.

We are exclusively recognized on a national basis as the bargaining representative of all clerks in the postal service by virtue of a nationwide election under provisions of Executive Order 10988. Our membership of 160,000 embraces clerks in first-, second-, and third-class post offices and mobile units in all 50 States, Puerto Rico, and the Virgin Islands.

It is understandable, therefore, that any derangement of the postal service is a matter of immediate and vital concern to us, and particularly where it involves the postal clerks.

Yesterday, my friend, Mr. Keating, spoke at considerable length on the service feature of these curtailments. I prefer to call them curtailments rather than adjustments. And there is not any doubt but what the American public is suffering a grievous loss of service. For anyone who has been associated with the postal service as long as I have it is evident that there is a decline in the kind of service being rendered to the American people.

I was forcibly struck by an editorial in this morning's Sun of Baltimore, Md., entitled "Whose Post Office?" I would like to read just the last paragraph of that editorial:

If the Government were bankrupt or if the Post Office were less apt to boast of its efficiency and its speed and its labor-saving improvements, or if we were living in an era when rapid communications were not the normal thing, there might be an outcry, but the Post Office is going against a trend when it shortens hours and cuts service to the public at a time when longer opening hours and more service are the rule in all sorts of private businesses. These businesses in turn had come to depend on the Post Office and now it is letting them down.

That is the end of the paragraph. I am sure all of you have noted that banks, particularly, who used to rigidly close at 2 or 3 o'clock in the afternoon, now make it a point to stay open after these hours when the average person working for a living is free so that the workingman might have an opportunity to transact such financial or other business as his needs may require.

It seems to me that the Post Office Department is going completely against that modern trend. The only thing the postal service has to sell is service and if it does not give that service I think the reasons for its existence are being lost. If we can save x number of dollars by cutting out some service, it stands to reason we could save twice x

dollars by cutting out all service, and I do not think the American public would stand for it.

It is no secret, I suspect, that on this general subject we have very strong views. I would like to say at the outset we disagree not with personalities but with policies. During my own acquaintance with the post office service I have worked under more Postmasters General than, I suspect, you would believe, and I want to say right here and now that I believe Mr. Gronouski is one of the better ones, but I think somewhere he is being misadvised and badly.

We wish to express our grateful appreciation to you, Mr. Chairman, and to all the members of the subcommittee for scheduling these important hearings on postal service curtailments and permitting us to express our views.

We regard the present devotion of the Post Office Department to economy at all costs as a public disgrace, a calamity to clerks, and a reckless political adventure.

The so-called limited adjustments in service are a public disgrace because the richest Nation on earth now finds itself unable to give its citizens their 5 cents worth—or even their 8 cents worth—of prompt, certain, efficient handling of the mails.

These limited adjustments are a calamity to clerks from one end of the country to the other. They are cutting pay. They are blocking chances for promotion. They are undermining seniority and security. They are exploiting loyalty and long years of service with a shameful disregard for employee morale.

Right on that subject I have a letter that reached me this morning from Guymon, Okla., in which it cites a man with 49 years of service who has more than 3,200 hours of sick leave accumulated to his credit being told by a regional official out of the Wichita region—and I am sure Mr. Cunningham would welcome this—that they would be happy to welcome his retirement. Here is a man doing a good job. The only reason they would welcome his retirement is that it would reduce the number of employees on the rolls. The Postmaster General said no one is losing his job. Here is one being asked—politely, but being asked—to retire. His name is T. J. Randol, R-a-n-d-o-l. He is being asked to retire and his only ambition is to finish 50 years of service. I suggest that is an honorable ambition and I do not think any postal officer out of any region should be trying to force that kind of person to retire.

The benefits of last year's tax cut are being stolen from those in the postal service—and these limited adjustments are creating a whole new poverty class in the very midst of the newly declared war on poverty.

These limited adjustments are politically reckless because they have unleashed a public anger and unnecessary sense of irritation at almost the very moment when our citizens will be called upon to render calm and thoughtful judgments on men and issues of much greater import.

These are all serious charges. But we are prepared to document them in detail.

The public may find it strange to hear confessions of inadequacy from postal employees themselves. But there is nothing strange about it once you realize that the inadequacies are rooted in policies rather than personnel.

And if we are the first to concede there is something rotten in the State of Denmark, as far as the postal service is concerned, let it be recognized that we are also the first to bear the brunt of public outrage against diminished service.

For regardless of ZIP codes, ABCD, POMSIP, NIMS, magic machines, and mailboxes that glow in the dark, the public is angry and disgusted. And the Post Office itself is in grave danger of losing the sense of commitment that has distinguished its employees through nearly two centuries of moving the mail.

The postal field service, and the clerical force in particular, is being jerked around, cut back, preshrunk, and reduced again at the very threshold of what only a few months ago loomed as a new era in labor-management relations.

Regional officers have been stalking the countryside with bolt clippers, cutting and pruning away, while the mail volume soars ever upward. Any fat that may have existed has long since been sliced off, along with a good deal of raw flesh.

Our mobile service is also being decimated. The elimination of trains and railway post offices occurs with sickening regularity.

The Post Office Department, operating with the cool detachment of a professional executioner, is continuing its policy of chopping off RPO's and HPO's under the guise of economy.

The reply to all questions is standard—"Our budget for transportation was cut \$16,500,000 and we must live within it or go to jail."

Facts and figure substantiating a deterioration in service are not accepted as accurate.

Representations by railroad brotherhoods regarding the number of railroad employees who will be thrown out of work where RPO service is discontinued and passenger trains taken off for lack of sufficient revenue to maintain them receive sympathy but not reconsideration.

To add to an already distressed situation, the attached memorandum was distributed by the postal service officer in Spokane, Wash., to all second-class offices.

And I would like, Mr. Chairman, to read that brief memorandum.

The subject is "Economy Program." It is from the Postal Service Officer, Post Office Box 1454, Spokane, Wash., to Postmaster, Second Class Offices, Area 3. And this is the body of the memorandum:

Your response to recent inquiry regarding employment of substitute clerks during the pay period June 6-19 has been noted.

It would be appreciated if you would review clerk and substitute schedules to determine whether you could absorb some of the absence or leave hours and perhaps place one of your substitutes on a leave without pay status for the period June 6 through 19 this year.

The number of paychecks issued will be the criteria which will determine your adherence to the President's program to reduce clerical hire, and not the number of hours used. Perhaps you have a temporary substitute on your rolls who works a few hours per week or fills in when a regular is on leave, which could be taken up by a substitute or yourself.

Your fullest cooperation is expected and will be appreciated. Please reply by return mail on the bottom of this letter as to what we may expect of you in this regard. Be sure to identify your office in the reply.

And it is signed Adrian L. Maloney, Postal Service Officer.

I call specific attention to the language of the second paragraph:

The number of paychecks issued will be the criteria which will determine your adherence to the President's program to reduce clerical hire, and not the number of hours used.

First of all, I do not believe that the President has a program specifically aimed at reducing clerical hire. If he has, someone should be sufficiently courageous to say so. If this is a campaign directed solely at one group of postal employees, they should be told so now.

But to get back to the main thesis of that paragraph, I simply do not believe that President Johnson would knowingly be a party to a fraud on the American people as that paragraph indicates. What it really says is "Never mind how many hours are worked or what the cost is, just reduce the number of checks issued so that we can show a wholly fictitious reduction of names on the payroll at the close of the fiscal year." That, gentlemen, is fraud and the President should take immediate steps to remove those guilty of perpetuating such fraud. It appears to me that the President has far too many people in the Post Office's regional offices who are trying to sabotage his administration.

On the basis of the letter from Spokane, Wash., I am persuaded that the Post Office Department is engaged right now in a deliberate fiscal year-end effort to hoodwink Congress and the American people on the degree of economy it is achieving.

In my judgment, the Department is trying to fool the Congress by measuring its economies not in the number of hours worked but through a payroll count which is being temporarily reduced by forcing beleaguered clerks to take leave without pay during the month of June regardless of mail volume or the needs of the service.

Obviously, the effects of this drastic order fall heaviest on those employees cut completely off the payroll. However, they are not alone. Those who remain on the payroll suffer equally adverse effects, as demonstrated in the memorandum attached from the postmaster at Pensacola, Fla., addressed to all employees.

I shall not read that, Mr. Chairman. I hope it will be accepted as a part of the record, and I ask that you note that regulars will be required to work overtime, substitutes may have to work long hours, approved leave for substitutes may have to be canceled, clerks may be called upon to perform mail handlers duties plus other changes of which the postmaster is presently unaware.

(The memorandum referred to follows:)

U.S. GOVERNMENT MEMORANDUM—POST OFFICE DEPARTMENT

MAY 15, 1964.

Subject: Temporary reduction in force, Pensacola, Fla., post office.

From: Postmaster, Pensacola, Fla.

To: All employees.

In accordance with our positive instructions from the region, at the direction of Postmaster General Gronouski, and under President Johnson's economy program, the work force of this post office will be reduced from 310 to 298, effective at the close of business June 5, 1964.

Reduction will be accomplished by not scheduling employees in the following categories: seven temporary substitute mailhandlers; three temporary substitute carriers; two temporary substitute clerks.

These employees will not be allowed annual or sick leave because they are not to be scheduled for work during period June 6 to June 19, 1964. This reduction may effect the schedules of other employees during this period in several ways:

- (1) Regulars may be required to work overtime.
- (2) Regular carriers who have been working under section 204-B, Public Law 68, may be denied the 204-B pay during this period if needed for the delivery of mail.

- (3) Substitute employees may have to work long hours.
- (4) Approved leave for substitutes may have to be canceled in some cases.
- (5) Clerks may be called on to perform mailhandler duties.
- (6) Carriers may be needed to case two or more routes.
- (7) Several carriers may be needed to deliver different parts of two or more routes.

There may be other changes to the above of which we are presently unaware.

I am sure you realize that this is a condition entirely beyond my control, and I know that I can depend on your loyalty and help during this critical period.

If I can assist you in any way, please feel free to call on me.

H. A. BROSNAM, JR.

Mr. HALLBECK. The Post Office Department may call such things a limited adjustment. The fact is that it is neither limited nor an adjustment. The simple truth is that current service curtailments constitute nothing more nor less than wholesale reductions in service to the public.

The consequences of such drastic retrenchment are predictable—as I am sure you gentlemen have already noted from your own constituents' mail.

Our own surveys reveal a whopping 88 percent of the public outspokenly opposed to curtailed services with almost three out of every four first-class offices using such adjectives as "hostile," "bitter," "very disgusted," "angry," and even some unprintable phrases to describe reactions of their patrons.

In second- and third-class offices, the extent of public disapproval ranges as high as 90 and 91 percent according to our surveys.

We find also, in every section of the country, that postmasters, assistant postmasters, and supervisors are performing clerks' duties. We have reports of postmasters on the floor working 8 hours a day at duties normally performed by level 4 clerks. We know of supervisors working c.o.d. mail after 2 p.m. when substitute help has left and there are many cases of both postmasters and supervisors handling second- and third-class mail.

This is like paying high priced engineers to dig ditches.

One third-class office in Kansas tells us: "The allotted clerk hours are now only 22 hours a week which makes it necessary for the postmaster to work an average of 74 hours a week."

This sort of dislocation is bringing about substantial and almost universal changes in procedures and duties. Senior clerks have lost bidding rights and are assigned to new duties with consequent loss of efficiency. Clerks are subject to mental and physical exhaustion. There is new pressure on senior clerks to retire. And I just cited you one a moment ago.

In isolated instances the curtailment is being used as an antiunion weapon. A clerk in Illinois reports, as a result of "a little misunderstanding with the postmaster," that he has been further cut to 2 hours a day except Saturday.

A check in Kansas tells us that delivery of medicines and drugs to hospitals and drugstores are now subject to routine delays. This same clerk reports one window doing the work of three—that he himself is handling general delivery, c.o.d., stamps, envelopes, weighing and collecting parcel post, registering and certifying mail, and checking out c.o.d.'s to city and rural carriers.

In Houston, Tex., writes another clerk, "our main concern is the abuse heaped on us by window patrons."

A postmaster in a second-class New York office wrote me:

I have talked to several other postmasters and all agree that in offices of our size we can show very little saving and what little we do achieve is hurting the postal service, not helping it.

Public inconvenience takes many forms. Factory workers, military people, and farmers from rural areas have traditionally relied on Saturday for weekend shopping and marketing purposes. Reduced Saturday services adversely affect their interests. We have complaints on this score from every point of the compass. They are not limited to rural districts. Many urban workers now find postal windows closed to them before and after their normal working hours even on weekdays.

Nor can patrons understand why no money order service is available when a window is open for other services. Long lines are reported and in many instances patrons are waiting 20 to 30 minutes to be told that there is no money order service available. The Scarsdale Inquirer of New York editorialized on this score in these words:

Last Saturday we patiently stood in line at the post office for over 15 minutes attempting to pick up a package. There was only one window open and one overworked clerk was attempting to take care of a multiplicity of requests. Unfortunately, President Johnson was not in line or he might have entertained second thoughts about this economy campaign.

To collect the supporting documentary evidence of these charges for the benefit of this subcommittee has not been easy.

Starting last May 15, we asked our local union leadership throughout the Nation to give us in brief outline form the facts on how curtailed service is affecting their own offices.

We solicited such routine information as the total number of regular clerk vacancies, the number of career substitutes and temporary substitutes, hours of duty and whether they have been cut, changes in schedules or assignments and their effect on employees, and public reaction to local curtailments.

To our amazement, Mr. Chairman, we discovered very quickly that someone in the Post Office has decided this information somehow par-takes of the category of military secrets—that the Post Office overnight has become a sort of hush-hush cloak-and-dagger type of operation in which information relating to its personnel, assignments, and working conditions is strictly verboten.

I have received, for example, the text of a memorandum to all postmasters dated May 21, 1964, from the regional director of the Memphis region, which is identical in text to memoranda distributed to postmasters in all regions. It says:

Any request received for information or statistics pertaining to employees' complements, man-hours, or costs, etc., must be referred to the regional director for prior approval, unless such request emanates from the regional office or from the Post Office Department.

Any such requests received by supervisors should be referred to the postmaster for appropriate action.

E. F. PALMER.

No reasons are given for this supersecrecy or supersensitivity. Our requests for information were simply denied.

I do not wish to impute extravagant motives to this unexplained shyness. I do suggest the Department is reluctant to lift the curtain on the chaos created by curtailment of service. Whatever the reason,

the imposition of a blackout on nonconfidential public business and the efforts of the Post Office to suppress the record of its utilization of manpower is dangerous and wrong.

The futility of applying such tactics to freeborn Americans is demonstrated in any case by the avalanche of unofficial information promptly supplied to us by our members from Maine to California and from Alaska to Florida.

For example, we have received voluminous data from somewhat more than 17 percent of all first-class post offices in the United States. On the average, clerks in better than one out of every six first-class offices were thus able to provide information despite the lid of censorship. Responses ranged from a high of 40 percent of all first-class offices in North Dakota and Idaho, 23 percent of all Kansas offices, 21 percent of all Nebraska offices, to 17 percent in such populous States as Pennsylvania, New York, and California. In terms of concentrations of employment, the responding offices account for nearly one-fifth of total field employment in the postal service.

I cite these figures not only to show the astonishing size of our sample in the face of official discouragement—in itself an eloquent commentary on the gloomy dimensions of employee morale—but also to illustrate the depth of our analysis in preparing for these hearings. Our statisticians have devoted hundreds of man-hours in the past month to the task of drawing a profile of what is happening today to the men and women who sort and move the ever-growing volume of mail.

Before I leave this witness chair, I will leave these details with this subcommittee. But I can summarize the findings right now in just three sentences:

1. The greatest single complaint arising from the schedule of curtailment has been a loss of income so severe in many instances as to deprive postal employees completely of the tax cut benefits supposedly conferred on all Americans in 1964.

2. Changes in working conditions through erratic scheduling of hours and weird time shifts such as split working days from 3:30 to 9:30 a.m. and again from 4 to 10:30 p.m., run a close second in unpopularity to pay losses.

3. And implicit throughout the cascade of thousands of letters we have received is a sense of job insecurity which makes a joke of what is supposed to be one of the keystones of the civil service.

There is no question whatsoever that substantial numbers of vacant positions are simply being absorbed—that is to say, eliminated. We know, for example, that regular clerk vacancies have increased 13 percent since January of this year. We now estimate, on the basis of our survey, that over 6,100 positions are vacant in the clerical service alone.

Every one of these unfilled vacancies, and every one of these vacancies which are eliminated, represents one more lost opportunity for promotion to a regular status from the ranks of a career substitute.

One can better measure the cost in morale under such circumstances when one realizes that career substitute clerks and carriers constitute more than 20 percent of the whole clerk-carrier complement.

And these are the people who are paid on a straight hourly basis, no matter how many hours they work. Until 10 days ago they could

be worked 60, 70, and even 80 hours a week without a penny of overtime, and frequently were.

A former Member of Congress, Hon. Claude Bakewell—now the postmaster of St. Louis, Mo.—is quoted in the newspapers the other day as saying: "I regretfully admit they (St. Louis clerks) are working such excessive hours * * *." He conceded further that substitutes have been under "stress and strain" for almost a year but that the most arduous strain, "with an awful lot of them working 60- and 70-hour weeks," has been for about the last month, or ever since a slash in local window service and parcel post delivery reductions.

This story can be duplicated in almost every large city in America. Conversely, in the smaller communities of the Nation, these same career substitutes are trapped at the other extreme—a calamitous slash in their average weekly hours after working 20 and more years in a substitute capacity.

Here is the nucleus of your new poverty class.

Career subs who have worked only half time under schedules so erratic as to preclude supplemental income from other part-time jobs—or who live in depressed areas to begin with—or who are unemployable in other part-time work because of age—are all prime examples of the people who are now falling below the \$3,000 per annum limit suggested by the administration as the definitive level of poverty.

Listen to the evidence of letters I have received:

A widow with two children who lives within 50 miles of the Postmaster General's home in Wisconsin—and I will be glad to furnish her name on request—received total wages in 1963 of \$3,294.41 before deductions. She will enter the new poverty class in 1964—thanks to limited adjustments.

An Arkansas widow with a dependent invalid sister writes to me:

I am a classified subclerk. Have had 4 hours for years which was a living by being very conservative. I am a widow, with no other support and I am, and have been, supporting a widowed sister for 24 years who makes her home with me. Or rather we live together in her home which is badly in need of repairs. She has no income at all. After the cut I only had 3 hours. Then since closing on Saturday I lose a little more time * * *. It makes me sick to think of it. Twenty-eight years—I have given the best I could.

The reward for 28 years of service is approximately 16 hours of work a week. I suggest, Mr. Chairman, that that is cutting. Whether they fire anyone or not, they are starving them so that they will quit.

Incidentally, gentlemen, within the next few days I would like to submit for the record as a supplement to this statement a collection of many other excerpts from letters written by postal clerks in offices throughout the entire United States. They constitute an authentic grassroots voice from the ranks of the postal service on a wide variety of problems which have arisen and continue to arise as a result of the service curtailments by the Post Office Department.

As near as we can estimate, on the basis of our findings, the average career substitute employment experience prior to present curtailments in first-class post offices exceeded 50 hours per week.

Today nearly half—about 43 percent of first-class offices, comprising virtually all the smaller offices, report wage losses based on average cuts of 5 hours per week for career substitutes.

Over two-thirds or 67 percent of second-class offices reflect an average weekly loss of 3.8 hours per week.

But in third-class offices, 84 percent report an average loss of 4 hours a week in wages.

Before the era of limited adjustment, average hours worked by career substitutes in third-class offices were calculated at between 16 and 20 hours a week. Thus these people suffer a loss in wages of approximately 25 percent.

These estimates are quite meaningless, of course, unless and until they are compared to the workload and plotted with some sense of just what the day-to-day challenge of increasing mail volume involves in terms of employee productivity.

In such matters this subcommittee is, I know, a sophisticated body. Yet, I feel it can bear repeating that during the last half of the decade of the 1950's clerk productivity increased, according to the Post Office Department, by 6.8 percent. As a matter of fact the number of pieces of mail handled per employee jumped 12 percent.

In fiscal 1963 alone, mail volume climbed 2 percent, yet the Department ended that year with 1,300 fewer employees than at the start. Indeed, since 1900 there has been only a fourfold increase of personnel to handle 16 times as much mail.

Looking to the future, experts warn that the Government must be prepared to handle 1.5 million additional home and office deliveries each year.

Even conceding that automation will take over some of the extra burden—and that remains unproved—it is clear that postal employees will face ever-increasing demands for more and more production at levels of competence demanding greater and greater skills.

If the limited adjustments in postal service are calculated to meet these urgent and pressing needs, I hesitate to think about what we can expect in the future.

As a matter of fact, Congress itself is not without some responsibility in this area. For basically our trouble today is rooted in two sources: The Appropriations Committees of Congress and the Bureau of the Budget of the United States.

The actual reduction in the postal operations budget for the next fiscal year as voted by the House of Representatives was admittedly not large. But it came on top of employment ceilings and budget limits previously fixed by the Bureau of the Budget.

The combined result bears scarcely any realistic relationship to our minimum manpower needs. I am compelled to suggest that we cannot meet either the day-to-day needs of the moment or the challenge of tomorrow without more and better trained personnel enjoying a more regularized employment status.

Management gimmicks and automation—such as it is—are all very well; but they are complementary to and not substitutes for trained and willing employees.

To continue holding fast to oldtime labor practices, inhuman demands, false concepts, and unrealistic budget and manpower ceilings is an invitation to the kind of public rebellion against collapsing services which is already in progress.

Gentlemen, sooner or later, the fact must be faced that the Post Office Department cannot get 6 quarts of milk out of a 5-quart bucket.

I appreciate this opportunity of making this rather extended statement, Mr. Chairman. As I said at the outset, I have rather strong

views. I hope I have not been unnecessarily harsh in my criticisms, but I am sure that if every member of this committee heard the complaints that I hear daily from my membership they would feel equally as strongly as I do on this subject.

Mr. DULSKI. Thank you very much, Mr. Hallbeck, for this courageous statement, and I know if we desire to have any statement you have made here documented you will do that.

Mr. HALLBECK. I shall be very happy to.

Mr. DULSKI. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you.

I want to compliment Mr. Hallbeck on the statement he has made. It takes a lot of courage for you to come up here and make a statement such as you made today and such as was made yesterday. I hope there will be no reprisals as a result of your statements.

I want to mention again what I mentioned yesterday and the day before. The Postmaster General said: "We reduced the postal deficit from \$407 million to \$71 million." When he used the word "we" he meant his Department.

Do you agree that the deficit was reduced by the Congress because we were forced to increase the postage rates, or is the public going to be misled by the wire service reports that he did it?

Mr. HALLBECK. It has to be obvious that there has to be more than a casual relationship between the increase in rates and the reduction in the deficit. I have no doubt that the Department, through the economy campaign that has been waged for years, did reduce the deficit some, but it is obvious the increase in the postage rate had something to do with reducing the deficit also.

Mr. CUNNINGHAM. I certainly agree with that.

Mr. Hallbeck, I opposed Postmaster General Summerfield when he decided to set up these regional offices. I have had many complaints about the postal service and I have to go to the regional offices by letter and my particular region is Wichita, Kans. They seem to be a group that are there to take the heat off of the real managers of the Post Office Department here in Washington, in my opinion. Do you think that under the regional office setup you can ever expect any relief from many problems that you and your clerks face? Have you had much success with getting any relief from them?

Mr. HALLBECK. I would say that our experience has been spotty, to say the least. I entered the service when Woodrow Wilson was President of the United States and the Postmaster General at that time was Albert Sidney Burlison. During the intervening years I have seen a lot of changes. I can remember when two men, for the most part, handled all or the bulk of the employee problems right here in Washington in the Department. Those two gentlemen—one has since gone to his reward and I am not sure about the other—were Mr. Utley and Mr. Cargill. For a long time they handled all the employee problems and while not universally satisfactory I think they were reasonably satisfactory. During Postmaster General Donaldson's service the suggestion arose for decentralizing the Post Office Department and Mr. Donaldson opposed it on the ground it would create not 1 but 15 Post Office Departments, and I have to admit that experience has demonstrated to me, at least, that it is possible almost to get 15 different decisions on the same subject as the result of regionalization. I think

the various regions, depending on who operates them, have a varying experience as far as the employees are concerned. The Wichita region, unfortunately—and I think I have heard almost as much from that one as you have or more—seems to cause more trouble. I have before me a letter—and it is just by accident I have it here—that illustrates some of the things that are going on in the Wichita region.

Mr. CUNNINGHAM. Is it lengthy?

Mr. HALLBECK. It is rather lengthy. I might just read four paragraphs from it that are short.

Mr. CUNNINGHAM. I wish you would, and with the permission of the chairman we could insert the entire letter in the record.

Mr. DULSKI. Without objection, it is so ordered.

Mr. HALLBECK. I will read these four paragraphs:

About a year ago a survey team consisting of our FSO and a Mr. Stan Johnson from the postal operations office in the Wichita region made one of their famous so-called "surveys" at this office. It was apparent to all employees in office that the survey was nothing but a complete farce. Their minds had been made up before they left the regional office. Their decisions had been made from the charts which the higher level supervisors are required to keep.

As a result of this visit our office was cut from 12 regular clerks to 9. This was brought about by the transfer of the junior clerk to a vacant carrier position and adding so many extra duties to the two senior clerks that within a very few weeks one of them had a stroke and the other had a heart attack which forced their retirement. A grand post office "thank you" for their years of service.

It was believed, by both of these men and their doctors, that the tensions at the office were the causes of their illnesses. In fact, the leading medical clinic in town refers to the post office as an "ulcer clinic."

Another result of this "survey" was the immediate retirement without prior notice of the assistant postmaster who stated to me that it would be impossible for him to accomplish all of the added duties which had been dropped in his lap. Just another bitter retiree. So what.

(The letter referred to follows:)

UNITED FEDERATION OF POSTAL CLERKS,
NEWTON LOCAL 4990,
Newton, Kans., May 30, 1964.

Mr. E. C. HALLBECK,
President,
Washington, D.C.

DEAR MR. HALLBECK: I talked this subject over with Don Holt the other night and he requested that I write you, giving the details of the personnel actions at our office. He feels that this office would make a good example when you appear before the Dulski committee.

About a year ago a survey team consisting of our FSO and a Mr. Stan Johnson from the postal operations office in the Wichita region made one of their famous so-called surveys at this office. It was apparent to all employees in the office that the survey was nothing but a complete farce. Their minds had been made up before they left the regional office. Their decisions had been made from the charts which the higher level supervisors are required to keep.

As a result of this visit our office was cut from 12 regular clerks to 9. This was brought about by the transfer of the junior clerk to a vacant carrier position and adding so many extra duties to the two senior clerks that within a very few weeks one of them had a stroke and the other had a heart attack which forced their retirement. A grand post office "Thank You" for their years of service.

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Another result of this survey was the immediate retirement without prior notice of the assistant postmaster who stated to me that it would be impossible for him to accomplish all of the added duties which had been dropped in his lap. Just another bitter retiree. So what.

A few years ago there was a Government campaign on for good will and publicity. One of the questions at that time was "Would I want my son to enter Government service." No thinking postal clerk could possible answer yes to that question today.

One office has now operated for over a year under these conditions. Most of our members have been on unwritten details since that time. Their duties, hours, and comp days having been set by Mr. Johnson without benefit of bid. Mr. Johnson, by the way, pressured the postmaster into signing all of his recommendations, even against his better judgment in most cases.

During the past year it has been exceedingly difficult for the clerks to get any annual leave. In many cases the leave is granted with the understanding that the man must remain available for recall to work in the event of the illness of another employee. There have even been instances when a clerk has been the only man on annual leave and still has been recalled because of the need to get the mail out or the sudden illness of another employee. We cannot believe that it was the intent of Congress to keep a man on a call basis when our annual leave was set.

Although we still have 10 regular clerks on our rolls (one of them has been detailed to a level 6 foremans job since the retirement of the assistant postmaster a year ago) and have 3 career substitutes, it seems that it will be impossible for more than 1 week of annual leave to be granted to each clerk during the summer months. This man may even be required to be available for recall at times.

This condition was brought to the attention of the supervision of our office with the request that two new regular clerks be made. One of these was to be a utility clerk to replace 5 days a week of comp time that, by necessity, is always replaced on an hour-for-hour basis. The other was to replace an 8 in 10 substitute tour. This tour is always used unless there are no subs available and then the hours are used at another time of day.

The assistant postmaster and the superintendent of mails took this suggestion to the regional office and discussed it with Mr. Johnson. I suppose it goes without saying that Mr. Johnson decided that the intelligent thing to do would be to employ a temporary for the summer. He based this wise decision on the fact that one of our subs is limited to 44 hours per week by his doctor (which should be enough anyway) and another is now hospitalized having an eye removed. If things work out all right for him, he should not be off more than about 2 weeks at the most.

The assistant postmaster told Mr. Johnson that the UFPC Local 4990 would not consider a temporary sub as the answer to our problem and that Mr. Dunn had told us in Hutchinson that the Civil Service Commission had stated they would not tolerate a temporary in an office with vacancies in the complement. Mr. Johnson's answer to that was "Let them complain if they want to, there is nothing they can do about it."

Question: Has the Post Office Department been set up as a dictatorship? Do the laws of the land or the civil service regulations nor Executive orders mean absolutely nothing to our employers?

It seems that the Department is always happy to get all possible publicity from all orders or rulings but when the publicity wears off they never carry through with the programs.

Before I close this letter I believe that I should mention that about 9 months ago I told the FSO that I felt their actions at our office were at least partially illegal and that I doubted if the Civil Service Commission would approve all of their actions. At that time I was told that if I was not happy working for the Post Office Department under the conditions which they set down, that I should either quit or consider the possibility of being fired for some reason.

I have tried to give you the facts at our office as honestly as I can. If there is anything further which you need I will be happy to try to supply any further information which I can. I hope that you will be able to use this information to the best interest of our federation and that you will be able to give us some assistance or guidance in handling our local problem.

E. V. BAKER, *Vice President.*

Mr. HALLBECK. That, I think, is not an unfair example of some of the things that have been done by the Wichita region. I think I can say, despite the fact that they do not have the number of employees and we do not have the number of members we have in other regions, and we represent practically everyone in that region, they have far more problems than any other region, and I am inclined to go back to what the Postmaster General, Mr. Donaldson, said some years ago, I believe we are getting 15 Post Office Departments. The Department here issues regulations that we believe are reasonably easy to understand. You should see the application of them when they get out to the region. On many occasions they bear no resemblance to the orders that were issued by the Postmaster General or one of his deputies.

Mr. CUNNINGHAM. Referring back again to the Postmaster General's statement, he said that this program of curtailment has gone out to the postmasters, but he gave us the impression if there were any inequities he would be glad to review them. Then I elicited from him the fact that if a local postmaster feels he cannot live by this directive, his request has to go to the regional office and not back here. In your opinion would that regional office be apt to give consideration to the postmaster's request?

Mr. HALLBECK. I would suggest in some regions there will be darn few of those requests that ever reach the Postmaster General.

Mr. CUNNINGHAM. What about the ZIP code and all these other fancy service by slogan kind of things we hear about? Is the ZIP code in operation?

Mr. HALLBECK. Actually no. The machines that are going to use this, to the best of my knowledge, are not actually invented yet. Early this year our executive board was meeting in Washington and we asked one of the people who are reported to be developing these machines if we could come over and look at them and see what the progress was. It was the Farrington Co. We were told they had no prototype but they had drawings and would be glad to send an engineer to explain it to us. I do not happen to have an engineering degree and I do not believe I would understand what the engineer would tell us, but the truth is they do not have those machines.

Mr. CUNNINGHAM. That is my understanding. We have had a lot of publicity about this ZIP code which gives the average person the idea that his mail would be zipped fast, and yet there is not even a prototype in existence.

Mr. HALLBECK. That is true, although I suspect there must necessarily be some groundwork preparation before the machine is invented. And I for one do not doubt it can be invented. I know on my checks they have a magnetic ink and can process those checks automatically, and I have no doubt they can apply a ZIP code with a magnetic ink that would be readable.

Mr. CUNNINGHAM. But that is sometime off?

Mr. HALLBECK. I think it is quite some years off.

Mr. CUNNINGHAM. If they do not even have the prototype of the machine it will be many years off.

Mr. HALLBECK. I think that is true.

Mr. CUNNINGHAM. Yet we are all told that everybody has to have a ZIP code number.

Mr. HALLBECK. Including the chaplain in the Air Force who got in trouble because he did not put his ZIP code number on.

Mr. CUNNINGHAM. I recall reading that in the paper.

Mr. HALLBECK. Frankly, I think there are possibilities insofar as the large mailers who regularly mail to the same list are concerned, for instance, the utility companies, the telephone company, the gas and electric companies, and perhaps even the water company, although they usually mail only quarterly or semiannually. They might make some use of it. I suspect the publishers in their advertising literature—not particularly in their publications because under second-class rules now those publications are presorted just about as fine as a ZIP code would put them. The publisher is doing much of the work the ZIP code number would be expected to do now, so I do not think it would have application there. But I do not expect in my lifetime to see the time when a letter I send will be handled by ZIP code, whether I type it or write it by longhand. I do not think we are anywhere close to that.

Mr. CUNNINGHAM. Mr. Hallbeck, we have spent quite a bit of time discussing the plight of the members of your organization and I know this to be true, that they are in a bad way, their morale is bad, they have to face all those who complain at the windows and so forth, and your organization is interested in that, but aren't you and your organization really concerned about giving good service to the people regardless of any other consideration? Isn't that the overriding issue?

Mr. HALLBECK. I think that is absolutely true. I think that is true of all organizations. We realize that our entire future depends upon our ability to render a service, because when the time comes that the Post Office does not render a good efficient service somebody else will do it.

Mr. CUNNINGHAM. This is what you are dedicated to?

Mr. HALLBECK. That is right. But, as I explained when I started, because Mr. Keating dealt so eloquently yesterday with the service aspect, I chose to deal today with the employee aspect.

Mr. CUNNINGHAM. Mr. Hallbeck, this is an investigative hearing. As we discussed yesterday with the carriers, would you be willing to present to this committee suggestions as to what needs to be done to give proper, adequate, and efficient mail service to the patrons?

Mr. HALLBECK. I would be very glad to undertake that.

Mr. CUNNINGHAM. Would you join in such an effort?

Mr. HALLBECK. I would be very glad to.

Mr. CUNNINGHAM. So that this committee could have the benefit of your knowledge. Then, maybe, Mr. Chairman, we can come to grips with this thing. We do not want it to be dropped right here. Then when you and others get together and decide what is necessary, then I think there is an obligation on the part of this committee to follow through and go to the Appropriations Committee, if necessary, and insist that these are the services that are necessary and this is what it is going to cost. Would you be willing to join in this effort?

Mr. HALLBECK. I certainly would and I think that offers the only possibility, the only hope, of improving an already bad situation.

Mr. CUNNINGHAM. Mr. Chairman, with your indulgence I have just one other thing. I do not know whether the carriers or the clerks

make this determination, but I hold in my hand a letter addressed to me marked "Airmail." Yet it has only a 5-cent stamp on it. As a result, it is forwarded to me by airmail and I have to pay postage due of 3 cents.

I have another one. I have many of them. These are just in the last couple weeks. It seems to me that the stamp is the controlling factor. You could write anything on the envelope. Some crank or a bunch of cranks could send me a letter marked "Airmail—Special delivery" and put a 5-cent stamp on it, which would cause me to have postage due of 33 cents.

What is the policy in instances of this kind? Is it a policy out of Washington that regardless of the fact they do not put enough postage on it, it has to be forwarded as marked on the envelope?

Mr. HALLBECK. Mr. Cunningham, I have been away from this so long that I do not guarantee my present knowledge of the rules is right. I remember I used to work at that very business. The rules used to be if you wrote "Airmail" and you had first-class postage, it went first class—period. I have a number of our officers here, some of whom have more recent experience with it. Would you mind if I asked one of them if that is still the rule?

Mr. CUNNINGHAM. If the chairman agrees.

Mr. DULSKI. We would like to find out the answer.

Mr. HALLBECK. I understand it is still the rule. If it has a 5-cent stamp on it, it goes first class and not airmail.

Mr. DULSKI. Will you give us your name, sir?

Mr. GIRD. My name is Jerry Gird and I work in Clearwater, Fla. In our office you do not delay it. If it says "Airmail," you mark it up "Postage due 3 cents," and send it on; if it is marked "Special delivery" with 5 cents, we mark it up. We do not want it delayed. That is the policy in our post office.

Mr. CUNNINGHAM. Is that the policy generally throughout the country?

Mr. HALLBECK. I am inclined to think that might be a policy in one office.

Mr. CUNNINGHAM. Let us let this go because it has nothing to do with these hearings. Thank you.

Mr. DULSKI. I have just a comment on the statement that our distinguished colleague, Mr. Cunningham, made. I feel that perhaps there is the feeling that any mail that is being forwarded to a Congressman is important. I feel that the post office, when they have an airmail or special delivery and it is a letter, for instance, from a crank, I think they would forward it regardless. I think the policy in some offices is if it has "Airmail—Special delivery," on it and only a regular stamp attached, they send it regular mail, but to a Congressman I think they would forward it because of the importance.

Mr. CUNNINGHAM. I have received another one with no reference to my being a Congressman, just Mr. Glenn Cunningham, House Office Building, Washington, D.C.

Mr. DULSKI. We can check into that.

Mr. Daniels.

Mr. DANIELS. Mr. Hallbeck, I want to compliment you on presenting to this committee a very fine, detailed, and strong statement as to the effect and result of the curtailment order of May 4 issued by the

Postmaster General. You have given many examples of this resulting in inefficient service.

I think it comes purely to a question of whether or not the Post Office Department should set up as a priority a matter of service to the public or the question of economy. Do you not think it boils down to that?

Mr. HALLBECK. I think it boils down to that.

Mr. DANIELS. I noted you made the statement that Congress itself is not without some responsibility in this area. It is my understanding that yesterday the Senate Subcommittee on Appropriations cut from the budgetary request of the Post Office Department \$15.5 million, which is substantially the same action as taken by the House committee. In the light of that action, what would you suggest to this committee be done?

Mr. HALLBECK. I know that the Postmaster General appeared before the Senate Committee on Appropriations and told them that unless they restored at least some of the money that was cut from the appropriation by the House of Representatives, that even further economies were in prospect.

So unless you gentlemen and those you can influence can somehow or other persuade either Senators or—of course, when the bill comes back, I know enough about the rules to know that it will go to conference and you will have a choice between the upper and lower millstones. You will be caught in a squeeze.

The only thing I can see to improve the situation would be an additional appropriation. Lord knows at this time you do not have much chance of that. I do not know how under those circumstances, unless the appropriation is increased on the Senate floor, you could have much chance of doing anything about it at this session.

Mr. DANIELS. That is the point I want to bring out. It is a question that if we are going to give the public the service it is entitled to, it will cost money.

Mr. HALLBECK. That is right.

Mr. DANIELS. It is the duty of Congress to appropriate the necessary funds to give that service.

Mr. HALLBECK. You are completely right.

Mr. DANIELS. Therefore, the responsibility lies with the Congress. I appreciate your coming here with your colleagues and bringing these facts to our attention. Mr. Keating was here yesterday. He detailed many of the complaints that this curtailment order has resulted in. Also he pointed out the effect it is having on the morale of the clerks and all other employees of the postal service.

I wish to compliment you gentlemen for bringing these facts to our attention, because only by bringing it to our attention can we take the necessary remedial action. Thank you for your testimony.

Mr. HALLBECK. Thank you, Mr. Daniels. I am sure I can speak for my friend, Jerry Keating, as well as myself, when I say we appreciate being given the opportunity to bring these facts to people who have an interest in the problem.

Mr. DANIELS. Thank you.

Mr. DULSKI. Mr. Barry.

Mr. BARRY. Thank you, Mr. Chairman. Mr. Hallbeck, it is good to have you before our committee. I am sorry I was not here when you presented your paper. I read it, however.

I am as impressed as the others who have made statements concerning it. What is the total Post Office budget at the present time?

Mr. HALLBECK. In the neighborhood of \$5 billion.

Mr. BARRY. What is the amount of savings to have been effected by the last May 4 curtailment order?

Mr. HALLBECK. I believe that resulted from a reduction in the operations appropriation of \$12.7 million.

Mr. BARRY. \$12.7 million out of \$5 billion is less than 1 percent.

Mr. HALLBECK. It is a rather small item.

Mr. BARRY. A third of 1 percent. I think it is about a third. One percent would be \$50 million; \$12 million would be a quarter of 1 percent.

Mr. DULSKI. Will the gentleman yield? The correct amount is \$9 million.

Mr. BARRY. It is even less than one-quarter of 1 percent. According to the criteria on the memorandums of your presentation, the post office in Pensacola was told to do away with some 12 members of the staff—clerks, mail handlers, carriers—and to make up for their work by asking the following seven things: (1) Regulars may be required to work overtime; (2) regular carriers who have been working may be denied pay during this period if needed for delivery of mail; (3) substitute employees may have to work long hours. I suppose they mean longer hours; (4) approved leave for substitutes may have to be canceled in some cases; (5) clerks may be called upon to perform mail handler duties; (6) carriers may be needed to cover two or more routes; and (7) several carriers may be needed to deliver different parts of two or more routes.

I want to ask you if you do not think some of these 7, or a combination of the 7, would indeed cost as much as having reduced the force by some 12 clerks.

Mr. HALLBECK. I do not think there is any doubt about it. I am positive that it would increase the cost through increasing man-hours.

Mr. BARRY. Taking the figure of one-fourth of 1 percent, trying to fix a little responsibility with regard to the reason the postal service is in this particular state, it could hardly be said that it is a mandate from Congress that forced this type of mismanagement. This was not necessary and, in fact, it does not even do the job, as you have testified.

Mr. HALLBECK. I think that is true. If you go back to page 108, you will see the reason for that kind of order because they undoubtedly got the idea from exactly the same sort of instructions that are contained in that memorandum, to reduce the number of people because paychecks issued will be the criterion and not number of hours used.

Mr. BARRY. I think you have put your finger right on it. I think this is a mismanagement problem here. Whereas, I think all of us on this committee, and the Appropriations Committee, and in the other body, too, share a corresponding degree of responsibility for anything that happens in the Federal Government, we cannot shirk it, we are partially responsible—

Mr. HALLBECK. You are the board of directors.

Mr. BARRY. Yes. But the major burden here appears to be one of management. As you indicated, there is no rhyme or reason to knock 12 people off the payroll and then put the same amount of money back

on in indirect ways that play havoc with security of personnel, job seniority, the pattern of life, and expected income of people who have long served the Federal Government.

I want to join with the rest in applauding your bringing to light some of the inequities and mismanagement of the Post Office that has been occurring. I hope, now that you have brought this to our attention, that we will find some way to work through the Department to bring about a cure of some of these rather extensive inequities. It is disturbing—I almost want to say heartbreaking—it is heartbreaking to a person such as the one you mentioned here, with 28 years in the postal service, who had 4 hours' work per day that she was counting on, and was cut to 3 hours, then told she could not come in on Saturday. Now she is in the poverty class.

We did not think in the Congress, until you brought it to our attention, that we were fostering the poverty class, a large body of people in this country whom we want to alleviate. If we are doing it, we had better get on the ball and see to it that we cut it out.

Mr. HALLBECK. I know of one case where an employee with 20 years' service has been cut to 2 hours a week.

Mr. BARRY. It is a deplorable situation.

Mr. HALLBECK. It is ridiculous.

Mr. BARRY. I am sure the suggestions made here this morning and those made yesterday will bring this to a point of focus where at least we can make some decisions and hopefully we can hold out to some of the people who have been valiantly serving our Federal Government the expectation that they will not be tampered with or dealt with in the manner in which the conditions here have shown.

I wish to thank Mr. Hallbeck for appearing before our committee.

Mr. HALLBECK. Thank you, Mr. Barry.

Mr. DULSKI. Mr. Nix.

Mr. NIX. Thank you, Mr. Chairman. It seems to me the subcommittee has been fortunate to receive in 2 days two brilliantly conceived and brilliantly drawn up statements, two statements eloquently presented, yesterday by Mr. Keating, today by you, Mr. Hallbeck. I am inclined to defer any discussion that I have until the plan is presented, the plan that has been suggested. You said you would present it and yesterday Mr. Keating likewise agreed to present such a plan. I feel that will permit this subcommittee to really come to grips with this unpleasant situation and to make intelligent decisions as to this problem.

In closing, I would like to say this. You mentioned having come into the postal Department during the time of President Wilson, I believe.

Mr. HALLBECK. Yes, sir.

Mr. NIX. You mentioned two men who had to do with certain activities. You said one had gone to his reward and the other you did not know about.

Mr. HALLBECK. I suspect he has gone, however.

Mr. NIX. I kind of got the impression you were doubtful as to whether or not he deserved the reward.

Mr. HALLBECK. I would not have the record show that. Mr. Burke of the staff knew those two gentlemen intimately, Mr. C. B. Utley and Mr. Tom Cargill, both extremely able men, great personnel people.

Mr. NIX. I believe they deserve the reward.

Mr. HALLBECK. What I meant was I did not know whether Mr. Cargill was dead.

Mr. NIX. I understood what you meant.

Mr. HALLBECK. I am glad you corrected it. I would not want the record to show otherwise because they were very good friends of mine.

Mr. NIX. Thank you.

Mr. DULSKI. Mr. JOHNSON.

Mr. JOHNSON. I would like to ask a few questions about the overall personnel picture, the system as a whole. I notice the Postmaster General the other day in summarizing his testimony said:

I ask you to consider, too, what serves both the people—and I do not exclude postal people—and the postal system best, service frills or keeping a nickel letter, proper pay, and a proper payroll, or pressure programs and a padded payroll.

The inference of his testimony is if he had not made this curtailment, there would have been continued pressure programs and a padded payroll. Is there such a thing as a padded payroll in the operation of the Post Office Department?

Mr. HALLBECK. In all my years of service the only time I know of when there was not at least 8 hours' work for every 8 hours you put in was during the period of 1929 and the early 1930's when mail volume was so low that there simply was not 8 hours of work to be done. But in the period since World War II there has been a constant slicing, reducing, that has certainly sheared off every ounce of fat that ever existed. There is no question in my mind that there was any waste prior to this curtailment order. It just could not have been.

Mr. JOHNSON. You would say that any inference that there is a padded payroll in the Post Office, that that inference is not true?

Mr. HALLBECK. I do not believe Mr. Gronouski intended to give that impression.

Mr. JOHNSON. That is what he said.

Mr. HALLBECK. I think he might have misspoken himself.

Mr. JOHNSON. Proper payroll or pressure programs and a padded payroll.

Mr. HALLBECK. You know, pressure programs for adequate service are not unreasonable if that is what was meant by pressure programs.

Mr. JOHNSON. I notice also by the chart that Mr. Gronouski handed out, that in 1960—that is shown because it was the last year of the Eisenhower administration—there were 562,868 workers in the Post Office Department. There was again an inference cast that there might have been something wrong in having such a large number of postal workers.

However, I notice on his chart for the next year, the first year of this administration, the payroll was increased 19,579, so that there were 582,447 postal workers. Do you know why in 1961 it was necessary to put on pretty nearly 20,000 more workers in that 1 year?

Mr. HALLBECK. I suspect that the answer to that lies in the volume of mail, number of pieces handled. The volume is going up by about 2 billion pieces a year.

Mr. JOHNSON. Carrying this further, I notice by this chart that this coming year they expect to have 593,795 workers or 30,827 more workers than we had in 1960. I believe your statement infers that even

this additional 30,000 is not enough help to run the Post Office Department.

Mr. HALLBECK. I think that is correct because of the increases in volume.

Mr. JOHNSON. Do you have any figures as to what would be a necessary complement of employees in the Department to run the system?

Mr. HALLBECK. There are, according to the figures we have been able to develop, presently about 6,100 clerical vacancies that certainly ought to be filled immediately as a necessary first step.

There are in addition, somewhere in the neighborhood of 35,000 temporary clerks and carriers in largely first-class offices that ought to be converted to regular positions.

I think if that were done, there probably would still be places, pockets, where additional hours were necessary on the part of substitutes. This is particularly true in third-class offices and small second-class offices in many of which they do not have one single regular employee outside of a postmaster.

I gave an example of a postmaster working 74 hours a week. Obviously, I do not represent postmasters. I am concerned as a human being with anybody's fortunes, but I am more particularly concerned about clerks. I would suggest that instead of him performing 74 hours of work, they might give 34 hours' work to a clerk and let the postmaster have a 40-hour week, the same as everybody else does, or theoretically should. I do not get it myself, incidentally.

Mr. JOHNSON. If as a result of the May 4 order, in order to save the \$9 million you had this substantial curtailment, according to the testimony here, if yesterday's additional \$15.5 million cut in the Post Office budget were to prevail, what type curtailment of service would be necessary to absorb an additional \$15.5 million?

Mr. HALLBECK. Frankly, I do not know where they would start. They have it tightened up so much now that there is no movement. The only thing they can do is lop off further services.

Mr. JOHNSON. The pay raise is to increase the cost \$235 million, and the inference in the pay raise bill is that the Department shall absorb, through attrition, 10 percent of it, which would be \$23.5 million. How will the Department be able to absorb \$23.5 million in order to put through the \$235 million pay raise?

Mr. HALLBECK. On that last one, when the bill passed the House, I do not think the Senate is going to upset this, the 10 percent cut was Government-wide rather than as applied to each agency. I suspect that in the case of the Post Office, they are going to find it impossible to cut \$23.5 million.

Mr. JOHNSON. You would want some other department to absorb the \$23.5 million?

Mr. HALLBECK. I would not want it, but that is the net result.

Mr. JOHNSON. That is what would happen?

Mr. HALLBECK. Yes.

Mr. JOHNSON. The Department of Health, Education, and Welfare or somebody else?

Mr. HALLBECK. Somebody else will have to pay for it if the Post Office does not and, frankly, I do not know how the Post Office can.

Mr. JOHNSON. That is all.

Mr. DULSKI. You have been a very helpful witness. Thank you, Mr. Hallbeck.

Mr. HALLBECK. Thank you, Mr. Chairman and members of the committee. I appreciate the time and attention you have given to this very serious problem.

Mr. DULSKI. The next witness we have with us is Mr. John MacKay, president, National Postal Union, accompanied by Mr. David Silvergleid, secretary. Gentlemen, we are very happy to have you with us.

STATEMENT OF JOHN W. MacKAY, PRESIDENT; ACCOMPANIED BY DAVID SILVERGLEID, SECRETARY, NATIONAL POSTAL UNION

Mr. MacKAY. My name is John W. MacKay, and I am privileged to serve as president of National Postal Union, 509 14th Street, N.W., Washington, D.C. We represent approximately 60,000 postal employees in 300 local unions situated in 48 States, the Island of Puerto Rico, and the District of Columbia.

I am accompanied here by Mr. David Silvergleid, our national secretary-treasurer. We are grateful, Mr. Chairman, to you and your associates for the opportunity to testify.

We are very much encouraged by the action taken by you, Mr. Chairman, and your associates on the Postal Operations Subcommittee, in calling for hearings on the current curtailment of postal service that is rapidly becoming one of the most controversial aspects of the Federal Government's efforts to provide postal service for the Nation. During the past 6 weeks especially since May 4, 1964, when the Post Office Department placed service adjustments and changes into effect that it claimed would "substantially reduce employment and costs in the postal field service," a mounting volume of protest has developed that leads many of us directly involved in the situation to wonder why the program was ever initiated in the first place.

We are well aware of the absence of any pending legislative proposals that might be singled out as a happy solution to the problem involved in this phase of postal operations. However, we must voice our strong concurrence in the stand recently taken by the Hon. Ralph Yarborough, the distinguished senior Senator from the State of Texas, who in the Congressional Record of May 25, 1964, stated:

If the Post Office Department will not act to correct its error in cutting these services, Congress should make sure that the Department is given a strong directive in this matter on behalf of the public.

On this occasion Senator Yarborough was joined by Senators Humphrey and McCarthy of Minnesota and Senator McNamara of Michigan, who strenuously protested the cut in essential postal service and called for corrective action by the Postmaster General at the earliest possible date. Since then, a number of other Members of Congress have submitted statements in the Congressional Record, expressing feelings similar to those just cited.

THE COST OF MEASUREMENT PRODUCTION AND MANPOWER FIGURES

In previous testimony to this committee and to the respective Appropriations Committees of both the House and Senate, we have on several occasions testified strongly in favor of eliminating the exorbitant and costly programs through which the Department endeavors to

measure production and manpower-hours. This costly, service-disrupting operation has been estimated to cost approximately \$100 million annually, and certainly has done little, if anything to speed up the distribution and delivery of mail.

When we testified before your committee, we offered in evidence some of the countless hundreds of forms that are used in post offices every day to count this mail matter. We have here for your inspection just a sample of the forms that are used in this measurement procedure, on which the count of manpower-hours and the number of letters and parcel post packages are inscribed hourly, with a complete set of forms utilized on each of three 8-hour tours where a postal installation operates 24 hours a day.

The Postmaster General has recently agreed to an experiment that will eliminate the individual measurement in 67 of 201 post offices that now go through this needless tabulation of mail volume and manpower-hours. But the Department still doggedly insists that the work measurement system (WMS) or "guidelines" fiasco is a necessity in the huge metropolitan areas, wherein a good 50 or 60 percent of mail volume originates.

The POMSIP operation, another facet in postal management's efforts to improve mail services, has been centered in its post office management service improvement program (POMSIP). In this approach, management teams have been sent to various installations throughout the country in an effort to improve mail handling procedures to augment service to the general public. While employees have been continuously assured by Department officials that they would have nothing with which to be concerned in the POMSIP operation, we believe the cost of the program has far exceeded any value that might have been gained from any such alterations.

One example of the POMSIP operation, significant to this discussion, occurred in Camden, N.J., some 9 months ago. The Department sent an original team of 12 investigators, of which 8 still remain, at the time of our last report. During this 9-month period, the payroll charges of this investigating force have averaged \$31,000 per month, and it has now cost the Department approximately \$125,000 just to ascertain if the mail is being properly handled in this office. The situation finally became so objectionable to the employees they were forced to appeal to their Congressmen, their mayor, and their union, in an effort to bring about the elimination of this morale-shattering and service-disrupting maneuver.

On April 1, 1964, a POMSIP team was assigned to Lawton, Okla., a first-class post office with annual receipts of \$633,145. You will find attached hereto a copy of their POMSIP Bulletin No. 1. We ask the committee to visualize the expense to the Department of sending a POMSIP team composed of 11 officials to investigate an office of this size and scope. Note, too, on page 2 of the bulletin the number of postal personnel involved, present to attend the "kickoff meeting" of the POMSIP operation; all presumably "on the clock." Is it any wonder employees become frustrated when they see such a needless expenditure of funds on management activity?

We have attached to this statement on pages 8 and 9 a copy of the POMSIP Bulletin No. 1 from the office in Lawton, Okla. Again I emphasize this is an office that has annual receipts of \$633,000; slightly

over \$50,000 per month. I call your attention to the number of people on the management team that went into that office just to investigate ways of handling mail.

IMPACT OF CURTAILMENT IN SPECIFIC CITIES

We could cite dozens of postal installations in which the current curtailment program has not only disrupted mail service to the general public but has prevented the maintenance of an adequate employee group to handle properly the volume of mail daily. We would like to cite the following as typical examples of such offices, wherein employees are being made to do that which the Postmaster General promised would not be done, that is, effect savings out of the hides of the employees themselves.

Detroit, Mich.: On June 1, 1964, the president of our Detroit local, Mr. Al Werner, was advised by the director of installation services in that city that 120 substitutes would be "laid off" for one pay period, effective June 6-19, 1964. It was further stated that "No annual leave would be allowed for this period." Officials of our Detroit local immediately submitted protests and are now doing everything possible to bring about retention of the substitute employees who are urgently needed to keep the mails moving on time each day.

Cheboygan, Mich.: On May 25, 1964, one of our members in this office advised us that substitute hours had been cut severely, that the public was thoroughly disgusted with the mail service, and that an excessive burden had been placed on the one clerk now assigned to duty for one-half day each Saturday. The window clerk on Saturday is allotted one-half hour to record and distribute all registered, certified, and c.o.d. mail on hand; distribute all general delivery mail received that day, process and distribute postage-due mail, distribute parcel post to the lockboxes, distribute keys to parcel post carriers and make out any requisitions for stamps and any other miscellaneous supplies essential to operating the window. At the end of this one-half hour the window is opened for business, during which time the employee must service all the local patrons and explain why additional windows are not open to provide needed service.

Torrance, Calif.: Virtually unheard of a decade ago, this is now the fourth largest city in Los Angeles County. In 1963, its population was 109,000. One year later it rose to 120,000, and by December of this year it is estimated it will have a population of 130,000. Now, with the current manpower curtailment as ordered by the regional director at San Francisco, by the end of June this office will be operating with a complement of employees 23 short of what was allowed under the precurtailment authorization. The brunt of the curtailment at Torrance is being borne by substitutes working on a basis of 10-12 hours a day for 13 consecutive days before receiving a day off, and this is on the basis of straight time for everything over 40 hours per week. There is no time and a half in the Department for regulars or substitutes. Where is any semblance of modern working conditions when such arrangements are allowed to exist in a Government agency itself?

Stockton, Calif.: Postal workers here have been contacting their representatives in Congress in an effort to rescind the Department's curtailment order. Despite assurances from one of the Assistant Postmaster Generals to the Congressmen in this area, that "no career employees will lose their jobs," six employees of this office have already received their termination notices and, out of the six, two are career employees. In addition, substitutes are being called upon to work 10 hours or more per day in order to keep any semblance of good mail service available to the general public.

Riverside, Calif.: Without any prior consultation, six temporary substitute employees of this office, all of them veterans, were terminated at the close of business on May 22, 1964. The employees were removed in compliance with instructions received from the regional director at San Francisco that the reduction in force must be made to comply with economy orders received from the Department. The employees involved have protested to the Department over the hasty termination action through which the reduction in force was effected.

Fresno, Calif.: In Fresno the postmaster was ordered by the regional director to eliminate eight employees, one way or another, on or before the end of June, in order to comply with orders received from the Department with respect to the economy program.

In discussing this with our representative in Fresno, I was advised that the orders came directly to the postmaster; that they did not care how he made the reduction, just get rid of eight bodies.

Summary: We have experienced many curtailment and economy programs conducted by officials of the Post Office Department during the past 25 years. However, in most situations of this type in the past there have been aspects of our national economy that may have necessitated or made advisable a tightening up of postal operations. However, on January 20, 1964, the White House released the first economic message of President Johnson, as transmitted to the Congress. On that date it was pointed out that—

GNP (gross national product) passed the \$600 billion mark, up \$100 billion, a rise of 16 percent since 1961. Industrial production is up 23 percent. Average earnings in manufacturing now exceed \$100 a week. Personal income reached an average rate of \$2,500 per capita; total personal income is up \$70 billion, or 17 percent. Corporate profits before taxes exceeded \$50 billion, up \$17 billion, or 44 percent.

Certainly, these unparalleled gains in the Nation's economy, all since early 1961 and all significantly indicative of the greatest peacetime prosperity in the history of the Nation, are such as to render a disruption of postal service not only untimely and unbusinesslike but the sheerest form of petty economy.

It has been asked: What is the answer? What can we propose? What do we suggest? What do we recommend?

We strongly urge the members of this subcommittee recommend a fitting report to the full House, that the Postmaster General and his staff be requested to rescind promptly the current curtailment program, fill authorized manpower quotas, eliminate the costly work measurement and POMSIP operations, and put the postal service back into full and complete operation.

(The attachment to Mr. MacKay's statement follows:)

POMSIP BULLETIN

POSTMASTER, LEVEL 12, ANNUAL RECEIPTS, \$633,145

Lawton, Okla., April 1, 1964.

The Lawton POMSIP study was officially opened at meetings of regional officials and local management on March 30, and regional officials, local management and employee organization representatives on March 31.

It was explained that POMSIP is a post office management and service improvement program. This study will have three primary objectives: (1) to improve service; (2) to promote efficiency; and (3) to improve working conditions.

The initial phases of this study will be primarily concentrated on window services and deskwork, mail flow, furniture, equipment and floor layout, WMS volume and manpower recording, and the development of tour assignments based on mail volume. Detailed studies of other areas of activity will be made if and as the need is apparent.

Active participation by the employees can play a large part in these POMSIP studies. Employee groups and management will be consulted and their ideas solicited in any area where a procedural change appears to be indicated. In some cases, employees will be asked to work with the regional team.

All recommendations for changes will be presented to me for approval and implementation after consultation with affected employee organizations. No action will be taken which is in conflict with either the national or local agreements.

All employees are strongly urged to participate in the study by means of the suggestion program. Any ideas you may have should be submitted as soon as possible through regular channels. All suggestions will receive the attention of the POMSIP team.

The regional POMSIP team is composed of Chairman C. L. Warren, Jr., postal service officer; C. A. Mobley, Chief, Methods Branch; C. Rex Parks, organization specialist; E. A. Stark, Chief, Work Standards Branch; E. A. Peterson, methods technician; L. W. Phillips, industrial engineer; C. B. Bolar, postal service officer; R. A. Tindle, assistant postmaster, Enid, Okla.; W. W. Holmes, assistant superintendent of mails, Hutchinson, Kans.; Don McKee, foreman of mails, Oklahoma City, Okla.; T. A. Green, assistant postmaster, Ardmore, Okla.

The following is a list of regional, local management, and employee organization representatives attending the kickoff meetings:

Name	Position or title	Representing
Charlie D. Payne	Postmaster	Lawton post office.
M. F. Gilbert	Assistant postmaster	Do.
C. L. Warren, Jr.	Postal service officer	Oklahoma City, Okla.
C. A. Mobley	Chief, methods branch	Wichita region.
C. Rex Parks	Organization specialist	Do.
E. A. Stark	Chief, work standards branch	Do.
E. A. Peterson	Methods technician	Do.
L. W. Phillips	Industrial engineer	Do.
C. B. Bolar	Postal service officer	Oklahoma City, Okla.
R. A. Tindle	Assistant postmaster	Enid, Okla.
W. W. Holmes	Assistant superintendent of mails.	Hutchinson, Kans.
Don McKee	Foreman of mails	Oklahoma City, Okla.
T. A. Green	Assistant postmaster	Ardmore, Okla.
Gene L. Snider	Superintendent of mails	Lawton post office.
J. D. Pool, Jr.	Assistant superintendent of mails.	Do.
R. I. Morris	Foreman of mails	Do.
N. E. Highfill	Foreman of delivery	Do.
R. T. Brock	Accounting assistant	Do.
K. L. Dayton	Superintendent, Fort Sill branch	Do.
R. S. Marshall	Superintendent, Sheridan station	Do.
Glen E. Thomason	Superintending engineer	Do.
L. R. Dikes	Representing NALC Local 1123	Do.
L. R. Keeney	President, UFPOC Local 1931	Do.

POMSIP is a departmental program, carried on in offices all over the country. The purpose is to improve our operation. Every supervisor and every employee is expected to give full and complete cooperation. After the survey is completed, local management and the employee organizations will discuss any recommended changes. The assembling of the actual data by the POMSIP team must be expedited by everyone.

CHARLIE D. PAYNE, *Postmaster.*

Mr. DULSKI. Thank you very much, Mr. MacKay, for your short but very telling statement. I agree wholeheartedly—and I think this is true of the members of this committee who have made personal investigations on many of the tours we have taken throughout the country—we also feel that the work measurement program is very costly. I do not think it is as valuable as the Post Office Department claims it is.

You use a figure of \$100 million. That is the overall cost, you say, of the entire WMS program in the country?

Mr. MACKAY. This is the cost we estimated. It is comparable to a cost mentioned by a Department official in a report submitted to your committee at the time the Department testified and at the time they submitted additional information on the estimated cost of the WMS program. That is in the files of your committee here when they testified on the WMS or guidelines operation.

Mr. DULSKI. Thank you very much.

Mr. Cunningham?

Mr. CUNNINGHAM. Thank you, Mr. Chairman. I realize we have some other witnesses and that the hour is late. I would like to compliment Mr. MacKay as I have the other employee representatives. They know what they are talking about, in my opinion. Their statements are very impressive.

I did have some questions, but they may be repetitive. So I will defer in order to get on with the hearings, which I understand are to close at noon.

Mr. DULSKI. Mr. Daniels.

Mr. DANIELS. I would join with my colleague in complementing Mr. MacKay for coming here and giving this committee the benefit of his views. His views are always constructive and have been very helpful in the deliberations of this committee.

Mr. SILVERGLEID. Mr. Chairman, Mr. Daniels, may I raise this point? Mr. Daniels mentioned the Senate Appropriations Committee reducing the budget request by \$15.5 million. It is my understanding, although we have not seen the written report yet, that the subcommittee recommended restoration of the Saturday cuts and suggested that the additional money could be found in facilities, buildings, and so on, for savings purposes. So that apparently the subcommittee of the Senate agreed that these cuts in services are not necessary.

Mr. DANIELS. We have not seen the report.

Mr. SILVERGLEID. I have not seen it, either.

Mr. DANIELS. I am sure this committee will look at that report in considering this matter. Thank you.

Mr. DULSKI. Mr. Barry.

Mr. BARRY. Thank you, Mr. Chairman. Mr. MacKay, you have given us a short, concise, and worthwhile statement. You also have sent to our desk—I have one before me—a sheet of forms used in work

measurement. Is this a set that is used in one post office in a particular week or do you have several sets? I see duplicates.

Mr. MACKAY. A similar set of those is used during the week of the individual count in each of the 201 offices that were under part I of the WMS program. Each set is used three times in a 24-hour period. Each single set is used three times during the 24-hour period.

Mr. BARRY. When you say they are used, do you mean some figures are taken off them?

Mr. MACKAY. They are completed, one of those forms is completed, and they are sent in to be evaluated by other clerks who make a résumé from the reports received on an hourly basis.

Mr. BARRY. According to testimony we have had before the committee, the only real additional labor in this work measurement is in the tabulating of the reports because apparently they always made some kind of report and they use this instead.

Mr. MACKAY. They are making three or four different counts. They always had a system of counting the mail before they ever brought up this kind of an operation. The Department obtains the information anyway. We contended when we testified that this was nothing but duplication of effort.

Mr. BARRY. If they cut out the other method that they formerly used and used this for tabulating to get the figures they used to get, it would not be as much of an additional cost if they used this for operations as well as for checking. Is that right?

Mr. MACKAY. It may look that way, but the application of this WMS system has been one of those procedures that disrupted good mail services by delaying the distribution of mail on the floor.

Mr. BARRY. In other words, what you are saying is that the work measurement system has in it a lot of duplication that is unnecessary, that if combined with measures that are already taken, just a quantity flow of work, that there would be considerable savings. This is again a management problem, not a congressional problem.

Mr. MACKAY. It is a management problem but there are 60 or 70 bills that have been introduced to eliminate it. It is a costly and unnecessary operation.

Mr. BARRY. The administration could change this if they wanted to?

Mr. MACKAY. They could take it out tomorrow morning if they wanted to.

Mr. BARRY. Rather than take it out, they could combine the kind of information that is collected and use it for both purposes and reduce the cost. In effect that is what you are suggesting, something of that kind, is it not?

Mr. MACKAY. We are suggesting that the system be eliminated because it is unnecessary. We feel it accomplishes no value.

Mr. BARRY. Of course, that gets into the argument of responsibility in the Post Office. There are many who think the work measurement system is vital. I would like to go halfway with you and try to get the Department to combine the computations and statistical data they make through other reporting with this work measurement system so they do not duplicate it. I think that is something this committee could spend some time on and try to cut down. You say \$100 million. It is a vast amount of money. Thank you, Mr. Chairman.

Mr. DULSKI. Mr. Nix.

Mr. NIX. Thank you, Mr. Chairman. I join my colleagues in complimenting the witnesses on presenting comprehensive and factual pictures. I think it is one of the finest that has ever been presented to us. Thank you, Mr. Chairman.

Mr. DULSKI. Mr. Johnson.

Mr. JOHNSON. No questions. I want to compliment you on the rather concise brevity of your statement.

Mr. MACKEY. Thank you. With your permission, we would like to submit for the record a statement on curtailment in mobile unit operations. We ask that it be submitted for the record and appear at this place in the transcript.

Mr. DULSKI. If there is no objection, it is so ordered.

(The statement referred to, from the Manhattan-Bronx Postal Union, follows:)

MANHATTAN-BRONX POSTAL UNION,
New York, N.Y., June 16, 1964.

JOHN W. MACKEY,
President, National Postal Union,
Washington, D.C.

DEAR JOHN: Would like to commend to the attention of the Postal Operations Subcommittee, headed by Congressman Dulski, an area of service curtailment that seems entirely illogical in the light of present service needs, the limits set upon en route distribution performed in railway post offices.

The experience in one important artery, the New York & Chicago East Division Railway post office, 14 RPO's in reality, serving a highly concentrated population area between New York City and Buffalo, should serve to highlight a failure of the Post Office Department to fully utilize an excellent means of service to the patrons.

The Department officials seem bent on cramping the role of the RPO's to serve their notion of concentrating mails in sectional centers, already straining under the load. Possibly this is against the year when automation may take over in mail-handling operations. Meanwhile, it is significant that in our own local union's experience we have an example that mail service is not all that it should be. A third-class mailing made on the 5th of June to mobile unit members throughout the State and in the Greater New York area has yet to be completed. A piece, included in a package made up for the Bronx, was only delivered this morning, June 16, 11 days later. Obviously, the post offices are not in any state of being current, if nonpreferential mail is subject to such a delay.

RPO's can greatly facilitate the flow of preferential mails, if they were but permitted to undertake the distributions that they are equipped to perform. Instead, these distributions are curtailed by a number of devices.

A limitation is set upon advance distribution, which can be done by existing manpower without any cost for space, since there is no charge for use of RPO cars in advance time. Mails are withheld for distribution at stationary units, now overboard, while railway mail clerks find that because of limitations on their advance credits, they must perform onerous extra relief trips to fill out their annual time credit commitments. These employees could be gainfully employed in mail distribution, in their natural crews, taking full advantage of their postal skills, based on many years of service. Given the opportunity, they do a creditable job.

Regional directives remove distributions from the trains to be dumped on the sectional centers, not infrequently in their peak hours. Some crews are not permitted to perform distributions of mails being carried on the same train because they are arriving at their destination outside of these peak hours, but if distributed would permit of an even flow to these offices in time to permit of their distribution by available employees in those offices during daylight hours, not in what the British postal workers aptly call, "the antisocial hours of attendance."

The Department imposes criteria that do not correspond to the pressing need of many post offices, struggling with the mail volume, under curtailment orders. For the RPO's, it is many times a case of orders not to distribute because it is too early or too late, too little or too much.

Slavishly following the dispatch tables, in which times are often arbitrarily stated, postmasters have no recourse but to state that they can handle the mails when, in fact, they are unable. For instance, on N.Y. & Chicago Eastern Division train 35, a major RPO outlet, an important distribution like the Albany section center goes unworked on the RPO and is lumped on the Albany office, upon that train's arrival at 1:56 a.m. Included in this mail is a large quantity for Hudson, N.Y., D. & D., yet train 35 makes a stop at Hudson at 1:09 a.m. Connection can also be made for the Catskill, N.Y., D. & D., also Albany satellites, via Hudson, but instead it must be made by way of Albany.

Whether Albany can make the earliest delivery for these mails is an empirical question which we cannot determine, since we do not have the means of testing which are available properly to the Post Office Department. We have our doubts.

Certainly, when there are employees on duty in the RPO's who are available to work at what must be undesirable hours of duty in the Albany post office, en route distribution deserves a more favorable look.

We have requested restoration of en route distribution in train 95 to provide morning delivery to many Hudson Valley and Mohawk Valley offices.

We have made presentations, that Buffalo, second largest city in the State, be afforded more en route distributions for the city and its satellite offices. Certainly, it would ease the 6-day, 10-hour week, which has become commonplace in the Buffalo office for substitute employees.

We feel that Michigan distributions should be made essential on several trains to fully utilize the Buffalo gateway. Examples of other distributions of sectional centers, cities, and States can be recited at length, but it would serve no purpose unless the Department's stubborn insistence on removing these mails from the scope of en route distributions is set aside.

As a glaring example, we have the recent removal of Vermont distribution from N.Y. & Chicago Eastern Division train 90. Attached is a memorandum on this subject which the union submitted to the local mobile unit superintendent for action from higher authority. Here curtailment seems dubiously profitable.

The Department's criteria of accommodation and essential mails for RPO's tends to restrict mobile unit officials in properly manning trains, since the manpower is based on essential distribution needs. A broader utilization, even if necessary to add several more distribution clerks, would provide immeasurable easing of mail service problems at points which RPO's serve. This must mean that the Department must take a more enlightened approach to the advantages of en route distribution, rather than fall back on hackneyed arguments that the day of en route distribution is passe, not when the job of good mail service is going undone. Complaints are often lacking because the public is becoming inured to the service it is getting. With only morning or evening postmarks, it is difficult to assess delay, particularly since 11 hours should more than suffice to cover most distant points in New York State.

Fraternally yours,

SIDNEY O. SHAPIRO,
Mobile Unit Director.

Enclosure.

MANHATTAN-BRONX POSTAL UNION,
MOBILE UNITS,
New York, N.Y., June 9, 1964.

Memo : Vermont distribution on New York & Chicago ED Tr. 90.
To : Superintendent, mobile units, New York.
From : Mobile unit director, MBPU.

Following up request for specific information that restoration of Vermont distribution on New York & Chicago ED Tr. 90 is highly warranted. Dispatching the present volume of Vermont mails to Springfield, Mass., terminal for distribution, when manpower and space are available on Tr. 90 is unbelievable.

New York & Chicago ED Tr. 90 arrives in Albany at 1657, connecting Boston & Albany Tr. 402, lv 1805, arriving Springfield, 2025. Boston & Albany Tr. 402 is not authorized to distribute Vermont.

Burlington & Albany HPO Tr. 2 leaves Albany 0200 (holds until 0230 for train mails). Arrives Bennington, Vt., 0325; Rutland, 0505, Burlington, 0730. Distributes all but Brattleboro, Vt., Sec. Ctr.

Springfield, Mass., is 102 miles from Albany, N.Y., and about 50 miles from the southeast corner of Vermont, due north. The cost of hauling and cross-hauling, with consequent delay, should in itself be a deterrent factor.

Distribution of Vermont mails in ED Tr. 90's RPO would immediately reduce the storage costs from Buffalo to Albany.

A study of the costs and delays to mails for Bennington, Vt., in the southwest corner of the State would highlight this extraordinary operation.

In the summertime, with the heavy increase in vacation mails, a sure point of effective distribution such as is afforded by ED Tr. 90 should be taken advantage of. In the winter, when weather affects connections, the circuitous connections cannot be justified, if Vermont patrons are to receive the postal service they are entitled to.

Yours truly,

S. O. SHAPIRO,
Mobile Unit Director.

Mr. DULSKI. Our next witness is Mr. William B. Henderson, executive vice president, Parcel Post Association, Inc.

**STATEMENT OF WILLIAM B. HENDERSON, EXECUTIVE VICE
PRESIDENT, PARCEL POST ASSOCIATION, INC.**

Mr. HENDERSON. Mr. Chairman, I wish first of all, before proceeding with my formal presentation, to draw your attention to an inadvertent typographical error by Mr. Jerome J. Keating, president, National Association of Letter Carriers, in testimony yesterday and request the incorporation of a correction in the record.

In his statement Mr. Keating quoted, in part, a letter he had received from me. Mr. Keating stated the letter had been received on May 24, 1964—only 3 weeks ago. Actually, the letter was dated and sent on March 24, 1964, almost 3 months ago. I am submitting herewith copy of the complete letter from which Mr. Keating quoted.

The difference in time between 3 weeks and 3 months is considerable. It is emphasized that my statement today reflects the views of the association in the light of today's knowledge, not necessarily the views and knowledge of 3 months ago.

So the record may be accurate, I trust you will approve and authorize the incorporation of this supplementary statement and letter in the record.

Mr. DULSKI. Very well, sir.

(Mr. Henderson's letter of March 24, 1964, to Mr. Keating follows:)

PARCEL POST ASSOCIATION,
Washington, D.C., March 24, 1964.

Mr. JEROME J. KEATING,
*President, National Association of Letter Carriers,
Washington, D.C.*

DEAR JERRY: My thanks for your permission to reproduce your March 13 letter to the Postmaster General for information distribution to association members and others sharing our interest in parcel post. Enclosed is a set of the mailing.

As you will appreciate, I've had numerous sad reports from members of the loss of business and damage to shipments as a result of the parcel post service fiasco of last November and December and through January and most of February. I have discussed the situation with the Department, of course, and have some hope there will eventually be some improvement. But I'm certainly not optimistic.

When that improvement will be achieved appears highly uncertain. It may come considerably too late to save the bulk of the parcel post service worth saving. The amount of "good" business left to parcel post gets smaller and smaller more quickly each day. There is small likelihood that the large amount of desirable parcel business lost by the Post Office Department can ever be recaptured. It just isn't in the cards.

With personal regards,
Sincerely,

WILLIAM B. HENDERSON,
Executive Vice President.

Mr. HENDERSON. My name is William B. Henderson. I am executive vice president of Parcel Post Association, with headquarters in Washington, D.C. Parcel Post Association was organized and incorporated under the laws of the District of Columbia in October 1953. Association membership comprises approximately 250 small and medium-sized businesses with operations substantially dependent on parcel post for distribution of goods and services.

The association supports those moves the present administration at the Post Office Department is making in an effort to improve parcel post service and to halt the deterioration afflicting the Nation's parcel post system.

The present Post Office Department administration has sought and given consideration to parcel post users' views in establishing its parcel post operations policy. We strongly hope the Department will be successful in its efforts which would enable parcel post to continue as a service of practical usefulness in the business community.

If the Post Office Department is to even retain its present reduced parcel post volume—three-fourths of which is business traffic—and to have any reasonable hope of recouping the more profitable part of its business which it lost because of poor service and high rates, the Department's present drive to rehabilitate the parcel post service must be made to succeed. That requires all concerned who desire continuance of parcel post as a useful service to work constructively together in common cause.

Since the enactment of Public Law 199 in 1951, when size and weight limits of parcel post were drastically cut, parcel post rates have soared to more than double. Some parcel post rates have almost tripled.

Parcel post service has gone steadily downhill. Delivery times ranging from 2 weeks to upward of a month or more have been common for shipments over relatively short distances. Damage has been heavy. Shipments are lost. Delay, damage, and loss are costly, discourage business shippers from using parcel post.

A dramatic illustration of this parcel post delay-damage-loss canker within the Postal Establishment was seen in the Chicago Post Office last fall, through the holiday season and well on into the late spring of 1964. If the Chicago happenings weren't so well known and so amply documented, they would be almost unbelievable. Earlier this year, in February, the Chicago Tribune reported the situation in some detail. It is included as part of this statement. I ask the chairman's permission to enter that news report in the hearing record.

Mr. DULSKI. Without objection, it is so ordered.

Mr. HENDERSON. The incidence of parcel post delay, damage, and loss has not been confined to any one or any few areas or to any one class or type of post office. It has been fairly general.

As one result, parcel post volume declined 35 percent in the past 12 years. It is a tribute to the hardiness of the long-suffering small package shipper that the 35-percent loss in parcel post volume, large though it is, hasn't been greater.

Competing parcel carriers offer superior service at attractive rates, mainly for volume shipments between high-density population centers. This attracts the business of shippers who can provide parcel carriers with high-volume, high-profit traffic.

Frequently, these same competing carriers use parcel post for delivery of their unprofitable parcel volume. The Post Office Department has no option but to accept such profitless business.

Who or what is to blame for the present operations abuses within the general establishment which, if allowed to continue, may well spell the end of the parcel post service? We don't know nor do we care to hazard any guess. Inevitably, there will be accusations and counteraccusations. We users of parcel post want no part of that. Our major, indeed our sole, interest is that somehow service must be improved to a point where it is at least reasonably good.

It is our shipments that are being delayed, damaged, or lost. It is our money in large amounts that is being poured down an apparently endless drain at ever-increasing parcel post rates and high operating costs. We feel it is not unreasonable for customers of parcel post to expect, or at least hope for, a modicum of good service in return for the high price they pay.

We know the Post Office Department has extensive plans for improving the parcel post service. We hope those plans will be successful in bringing about long-past-due reforms and useful service gains.

The matter of cutting down on parcel post delivery delays, for example. Long delivery delays has been one of the major difficulties with parcel post service in recent years. Principal source of the trouble has been the constantly increasing amount of unworked parcel post permitted to accumulate—particularly over weekends—in many post offices.

Mr. Keating in his testimony yesterday gave numerous dramatic and disturbing examples. Such accumulations, such piling up of unworked parcel post, a regular and common occurrence in recent years to now, not only substantially delays local deliveries but also delays dispatch of parcel post to other post offices.

In a directive last month, the Postmaster General ordered that no incoming parcel post shipments be allowed to remain unworked on post office platforms, in trailers, or in railway storage cars. The order stated that such mail should be processed so carriers could make delivery the same day. A further step to prevent mail congestion in post offices and to speed deliveries was the assignment of additional staff to weekend duty in post offices where necessary to work accumulations of mail.

That, and this further instruction from the Assistant Postmaster General for Operations to all postmasters, brought heartening hope to parcel post users who have suffered severely from parcel post delay:

You must at once take action to insure that all incoming parcel post is delivered each day, including Monday, consistent with the 5-day schedule you adopted for your office, with no carryover to the following day. Employees must be rescheduled where necessary for weekend, night, or early morning hours distribution of this mail so every single parcel will be delivered on the first trip after receipt, including Monday. Under no circumstances must you permit parcels to accumulate—they must be cleaned up each day, Monday through Saturday, in accordance with your adjusted schedule.

Of equal importance is the prompt distribution of outgoing parcels. This must be current at all times so dispatches of value can be made. Failure to expedite outgoing parcels creates not only delays but problems for other postmasters who must also make prompt delivery.

The testing of the Department's constructive plans in practical operation has been underway a relatively short time. It will take time, of course—perhaps considerable time—for these beneficial parcel post service improvements to be effective in some degree throughout the country. But the make-or-break element in this constructive program is the human factor.

As of now, we parcel post users are pleased and optimistic that, at long last, developments appear to be such as to bring substantial improvement in parcel post service near to probability. We look forward to the elimination of backlog accumulations of unworked parcel post. If—and it may be a big "if"—there is compliance with the Postmaster General's instructions in actual operations, business users of parcel post should find an improvement in parcel post deliveries of at least 2 or 3 days—perhaps more—over what they have been experiencing in recent years.

Some association members keep detailed samplings of service time by parcel post. At a future date I hope to have accumulated information confirming the success of this Department drive for improved parcel post service.

Of major concern and substantial expense to shippers is the damage inflicted on parcel post packages en route to the addressee. It is also a difficult problem for the Post Office Department. However, with the minimizing of parcel rehandling, with more intelligent and careful use of mechanical equipment in the postal establishments, and with education of the public on proper packaging techniques, the damage difficulty should be reduced. Here again we believe the Post Office Department will develop useful and sense-making plans which, with the cooperation of shippers and Department personnel, can substantially minimize damage as a trouble factor.

Parcel post rates are high. On that count alone parcel post is near to being priced out of its better markets.

In the matter of service, parcel post is already priced out of its best markets by competent and aggressive competitors. It is toward closing that gap of marked disparity in service between what parcel post provides and the superior service being tendered by commercial competitors that the Postmaster General's present plans to reduce parcel post delays, damage, and loss are aimed.

If for some reason the service gap is not bridged, parcel post will continue to lose its volume of desirable, profitable traffic, the spread between parcel post revenues and expenses will widen; higher rates will again have to be invoked, bringing the loss of even more parcel post business. Thus the vicious cycle would spiral ever more tightly to bring parcel post to its practical finish.

If a parcel post service should remain in existence under such circumstances, it could only be a severely limited, small-volume, highly subsidized service largely to the inhabitants of the far hinterland. There are those who desire and work for such a result.

We want to see the parcel post system saved from practical destruction. We feel the proposed service improvements constitute a major step to that end.

That is the reason the parcel post shippers represented in Parcel Post Association endorse and support the Postmaster General's excellent effort to improve parcel post service.

(The attachment to Mr. Henderson's statement follows:)

[From the Chicago Tribune, Feb. 14, 1964]

CHRISTMAS MAIL WOE LINGERS—POST OFFICE TRIES TO GET BACK TO NORMAL

(Chicago's mammoth post office, bulging with 24,535 employees and increasing torrents of mail, developed its biggest backlog in memory last Christmas. Why? This article, the first of two, gives some of the answers.)

(By David Halvorsen)

The Chicago Post Office still is staggering from a record avalanche of letters and mail handled during the holiday season.

Postal workers have labored on an overtime schedule through January and into February trying to get things back to normal. Last week, Postmaster Harry H. Semrow ordered the hiring of 300 temporary employees who can work up to 90 days.

HUNT BACKLOG CAUSES

Meanwhile, Semrow, postmaster since November 1961, the regional post office, and the Postmaster General in Washington are assessing the cause of the biggest Chicago mail backlog in memory.

Semrow has blamed the record December volume of mail, up 6 percent from December 1962, on severe cold weather, and unexpected last-minute rail deliveries at the main post office, 433 Van Buren Street, for the logjam.

"About everything that could go wrong, did go wrong," explained Semrow. "We anticipated a big year, but nothing like we got."

CRITICIZED AS TOO BIG

Said to be the world's largest post office, the monolithic building, called a political boondoggle when it was constructed in 1933 because it was so big, was bursting with Christmas mail that was not delivered on time.

Trucks, awaiting their turn, were backed up six blocks to the Merchandise Mart. Hundreds of complaints flooded the post office and the Tribune about the inadequate service.

Perhaps the most disappointed were the professional mailmen, veterans of 15 and 20 years in the post office, who take pride in delivering the mail on time.

DISPUTE THE CAUSES

Veteran supervisors contend that the backlog could have been prevented. They say that some of the statistics Semrow has released about efficient operation of the post office are, in fact, a reflection of the causes of the backlog.

The controversial statistics are impressive ones. They reveal that mail volume increased 3.5 percent in 1963. The main post office handled 7,114,809,000 pieces last year. This includes all incoming, and outgoing mail that is sorted for six Midwestern States.

It brought in total receipts of \$218,122,924 in 1963, a 19-percent increase compared with 1962.

PAYROLL CUT 2,467

Though volume has increased, Semrow has cut the payroll by 2,467 persons since December 1961. There are now 24,535 employees. He points to increased production records that enabled a staff reduction through normal attrition.

"The Chicago post office is working harder and saving more money," Semrow said. "We saved \$8,688,919 from November 2, 1962, to November 2, 1963, compared with the previous year."

His figures are based on the amount of man-hours required to process the record volume of mail.

RECORD OVERTIME BUDGET

Organizational leaders of the local branch of the National Association of Postal Supervisors scoff at these reports. They argue that Semrow wants to impress Washington with his economy at the expense of getting the mail delivered.

The results, the supervisors say, was the backlog of mail at Christmas, a record overtime budget in January, and the hiring of temporary employees in February because the post office is short handed.

"The Post Office Department authorizes overtime in December to handle the increased mail, but overtime in January is unprecedented," one supervisor said. "There normally is not enough to do in January."

Semrow admits that he needed more employees in December. He doubts, however, the supervisors' contention that manpower would have solved the backlog.

PROBLEMS JUST BEGINNING

His problems may only be beginning. When President Johnson ordered reduction in the Federal payroll, the edict hit Semrow at a time when it hurt the most. He must pare another 1,000 permanent employees through attrition or else go to Washington and buck the economy trend.

There also were specific examples pointed out that contributed to the backlog. Despite post office claims that the mail was moving, the Tribune reported December 27 that truck trailers with Christmas mail were waiting to be unloaded.

The next night, with the post office terminals still jammed, 16,000 employees and their wives attended the postal holiday show in Chicago Stadium.

DOUBLE HANDLING OF POST

There also was double handling of parcel post. First, the sacks were unloaded on handcarts at the main post office. Then, when all space was filled, the same sacks were reloaded on trucks and sent to the old Ford plant, 7401 South Cicero Avenue. They had not been sorted.

The Chicago post office is required to sort mail destined for California. Instead of doing so, the workers threw the raw mail on the next westbound train and hoped the Kansas City post office would do the sorting.

Third- and fourth-class mail was pushed aside in a third-floor storage area. This mail does not have a high priority, but even in the first week in February the post office was several days behind schedule in processing it.

SUBURB CHANGE HURTS

The local post office also was caught in the backlash of a change in the mail-sorting system instituted in the suburbs December 9 by the regional postal director.

The system is intended to speed the mail, but there was not time to work the bugs out of it before Christmas. A center was opened in Franklin Park to handle mail between 114 suburbs, supposedly eliminating trips to Chicago for sorting.

Officers of the United Federation of Postal Clerks reported that mail in the new system was delayed 1 to 4 days. Some special delivery mail required 6 days to get from one suburb to the next.

SUBURB IS OVERWHELMED

Between December 20 and 23, trailer loads were diverted from Franklin Park to Chicago for processing because the Franklin Park center was overwhelmed with mail.

Semrow blamed much of his woes on the changing transportation pattern. In 1933, railroads were the prime mover of mail, he said. Now trucks have nearly half the business, and the post office does not have the dock space to load and unload them.

"We are backed up at the first step," he emphasized. "If you cannot get the trucks into the terminal, you cannot process the mail."

[From the Chicago Tribune, Feb. 15, 1964]

MAIN CHICAGO POST OFFICE A RUSHING GIANT—IT HANDLES 20 MILLION ITEMS A DAY

(Though it's the postal hub of the country, Chicago's post office has comparatively little automation and is still largely a manual operation. This second of two articles on mail handling in Chicago describes some major problems of Postmaster Harry H. Semrow and veteran postal employees.)

(By David Halvorsen)

The Chicago main post office, reputed to be the world's largest, contains 60 acres of floorspace bridging the Eisenhower Expressway at the gateway to the Loop.

According to Postmaster Harry H. Semrow, 1 of every 10 letters mailed in the United States is processed in 1 form or another through the 31-year-old building.

"Most think that a letter dropped in a mailbox will get to its destination by a simple process," he explained. "They do not realize what is involved."

SEMROW CALLS IT A BARGAIN

"You are getting a bargain for 5 cents. The delivery of the mail is a fantastic operation."

Thousands of Chicagoans were not so certain about that bargain at Christmas-time when mail earmarked for the Christmas tree was sitting untouched on handcars in the post office.

It was the first year in the memory of many veteran postal workers that the mail was not delivered on time.

The post office says it handles nearly 20 million pieces of mail a day. This requires a fleet of 1,500 trucks, 24,535 employees, 28 miles of conveyor belts, and 18 high-speed Mark II machines that cancel 30,000 letters an hour each.

MANY BEHIND SCENES

Also, there are dozens of other types of equipment used in processing mail. For every carrier on the street, there are three persons in the main post office preparing the mail for him to deliver.

The post office is like a vacuum cleaner for the Midwest. Virtually everything with a stamp on it will be handled by a Chicago postal worker.

The mail arrives by truck, air, and rail from Detroit, Cleveland, Buffalo, New York City, Pittsburgh, and other large cities. It undergoes sorting here.

TELLS DISTRIBUTION SYSTEM

Mail for Illinois, Ohio, Indiana, Michigan, Iowa, and Wisconsin is broken down by cities. The rest of the mail is sorted according to States except for California and New York. They get distribution for the major cities.

The handling of mail begins at the ground level terminals for trucks and railroads. The raw mail is loaded on freight elevators or conveyor belts. The letters go to the ninth floor and the parcel post to the seventh floor.

The processing of mail is still primarily a manual operation, Semrow said. The Mark II machines are the only new automation in the post office in 10 years. There have been some modifications of existing equipment, but nothing revolutionary.

SORTING DONE BY HAND

The new Detroit post office has automated letter-sorting machines, but in Chicago this operation is done by hand. Mail handlers, called scheme men, sit before pigeonhole cases and distribute the mail.

Some are so skilled that they know from memory the rail and truck schedules. If a letter arrives too late for one schedule, the scheme man knows how to reroute it without losing time in delivery.

The scheme men handling city mail sort it not only according to streets but even direct it to the carriers in the 50 neighborhood stations. It takes years to learn the routes, streets, and transportation schedules.

PARCEL POST A PROBLEM

Parcel post is a bigger job than letter handling. The post office must match acumen with the wrapping skills of the public. Packages get some rough handling and there is no way to avoid it, postal officials say.

Much of the work in the post office is not highly skilled, but it is described as calling for a high degree of responsibility. With such a huge daily volume, some mail inevitably will be misdirected, fall on the floor, or come open, it was said.

"This is where that extra concern comes in," explained one worker. "The veteran employees have prided themselves upon this extra sense of responsibility."

ABSENTEEISM IS CITED

"But we don't have that dedication any more. There is a high absenteeism and tardiness. Too much mail gets sent to the wrong places."

(The post office reported 155,000 man-hours lost in absenteeism in December, an increase of 14 percent compared with a year ago. A spokesman said tardiness records are not computed.)

Francis Quinn, director of installation services, explained that, during the depression, thousands of young men with college backgrounds went to work for the post office because such jobs were the best they could get.

"Now those men are retiring," he continued. "Their successors have less education. Anyone who can pass the civil service examination can qualify to work here."

IT'S ALL CIVIL SERVICE

Quinn summed it up this way: "When things are tough outside, we get good people, but when things are good on the outside, we don't have much choice."

Civil service covers every employee in the post office, from the postmaster to the newest clerk. They must pass the examination. A score of at least 70 is required.

The postmaster is always of the political party in power. Semrow, a Democrat, was a State representative until he resigned to become postmaster.

QUESTION MERIT SYSTEM

Skepticism has been expressed among many employees, particularly the supervisors, that promotion is based solely on merit, as is stated by Semrow.

"They may spell it merit," said one, "but you pronounce it Democrat."

The promotion system is subject to many pressures, some employees say. They say unions, racial, religious, and political organizations push all the time to get their people advanced.

On his desk, Semrow has a mimeographed list of 22 special interest organizations. It includes such groups as the Filipino Post Club, German-American Club and the American Legion.

RECALL UNWRITTEN RULES

In years past, the unwritten rules have been clear. The postmaster was German or Polish. The Nos. 2 and 3 were Irish and Italian. Now, with Federal Government emphasis on civil rights, Negroes are being prepared for top positions.

Postmaster General John Gronouski has said that he wants more Negroes promoted to top positions in keeping with the percentages of the work force. "Eventually, the Negroes will run the post office," Semrow said. "It is their responsibility to see that they are prepared for the job."

In assessing his job, Semrow sees some big problems. There is the overcrowded building, the changing personnel, aging equipment, and increasing mail volume. Even ZIP code, the newest innovation of the Post Office, is receiving only lukewarm acceptance by big business.

Mr. DULSKI. Thank you, Mr. Henderson, for your contribution on this matter. It is a short time between May 4 and June 4. Have you found improvement in service in such a short time?

Mr. HENDERSON. I have had communications from some members, one which arrived 2 days ago. This member reported a marked im-

provement in the last 30 days. This letter is available for the record if you so desire. This report is from a large shipper with headquarters on the west coast. He ships over the whole country.

Mr. DULSKI. There was an improvement?

Mr. HENDERSON. This shipper reports marked improvement particularly in the last 30 days.

Mr. DULSKI. Mr. Cunningham.

Mr. CUNNINGHAM. When you say the Postmaster General is going to improve this service, this is directly contrary to what the men who work in the parcel post have told us.

Mr. HENDERSON. Mr. Cunningham, we shippers, we customers of parcel post, are in the middle. Both the postal employees and the Postmaster General and his associates are competent, sincere men who have as much concern for the parcel post service as we as users. There are bound to be differences of opinion between these two constructive forces. As I have said, we users, we customers of parcel post, cannot competently take a position in such intramural differences of viewpoint. Our whole concern as users is parcel post service improvement.

Mr. CUNNINGHAM. The employee groups had the courage to take a position. They are employees of the Post Office Department and they tell us the service as far as parcel post is concerned, is terrible.

Mr. HENDERSON. I agree.

Mr. CUNNINGHAM. One package sent for Christmas delivery did not arrive until March. You give us a story that there will be a lot of improvements.

Mr. HENDERSON. We approve of the Postmaster General's program, Mr. Cunningham. We believe that if the program proposed is allowed to become substantially implemented in practical operation and if all concerned with the continuance of parcel post work in common cause, parcel post service will be upgraded.

Mr. CUNNINGHAM. Is it words or is it action?

Mr. HENDERSON. Users will cooperate and work in every way possible to improve parcel post service.

Mr. CUNNINGHAM. I know you are. You talked about some plan to improve the parcel post service by the Postmaster General, and yet we have this testimony that it is not being done, that it is going the other way.

Mr. HENDERSON. All we can pass judgment on is the results of the proposed program. Remember, parcel post operates in a highly competitive market. Shippers can buy service from several other suppliers. And they have been switching away from parcel post. That is why you have seen a vast shift in recent years from parcel post to United Parcel, to Railway Express—

Mr. CUNNINGHAM. We have gone over that.

Mr. HENDERSON. You are particularly familiar with that, I know.

Mr. NIX. Will the gentleman yield?

Mr. CUNNINGHAM. Yes.

Mr. NIX. What I understand Mr. Henderson is saying is that it is so bad anything would be an improvement.

Mr. HENDERSON. There is a degree of truth in that comment, I must admit.

Mr. BARRY. Will the gentleman yield?

I notice in the two editorials that you attach to your statement, Mr. Henderson, at the bottom of the first editorial Mr. Semrow, apparently the postmaster of Chicago, blamed much of his woes on the changing transportation pattern. The editorial states:

In 1933, railroads were the prime movers of mail, he said. Now trucks have nearly half the business, and the post office does not have the dock space to load and unload them.

"We are backed up at the first step," he emphasized. "If you cannot get the trucks into the terminal, you cannot process the mail."

Now, then, on the next editorial of February 15 they are speaking of policies within the Department and in the last column it says:

Skepticism has been expressed among many employees, particularly the supervisors, that promotion is based solely on merit, as is stated by Semrow (postmaster of Chicago).

"They may spell it merit," said one, "but you pronounce it Democrat."

I wonder if we have gotten to the bottom of the barrel there? Are you willing to say if they hired some Republicans it might be helpful?

Mr. DULSKI. Mr. Johnson.

Mr. JOHNSON. I just want to comment that Mr. Henderson's feeling of exuberance seems to be based on this directive of last month that says no mail can be left on the trucks overnight and it must be delivered the same day, and so on.

Mr. HENDERSON. Use of the term "exuberant" to describe my view is substantial overstatement. Rather, and more exactly, my feeling on the Postmaster General's program for parcel post service improvement is one of distinct hopefulness. But the hopefulness is ringed about with the proviso "Will the program be given a fair chance to work out in practical operation?" The answer to that fundamental point lies in the big imponderable—the human factor.

Mr. JOHNSON. Isn't this directive of the Assistant Postmaster General that parcel post must go through every day inconsistent with the order that the window is not open on Wednesday and so forth?

Mr. HENDERSON. I am not competent to discuss the effects of the window closing. So far as we parcel post users are concerned, and as I have just noted, the crux of the situation is in the human factor. Do the people directly involved in parcel post operations want to improve the service? Do they want parcel post to be a continuing service? I know they do. The evident differences of opinion between the two groups are largely on how parcel post service improvements may best be brought about.

Mr. JOHNSON. Do you think the manpower, 590,000 employees, is enough to run the Post Office Department efficiently in 1965?

Mr. HENDERSON. I am not competent to comment on that.

Mr. DULSKI. Mr. Nix?

Mr. NIX. No questions.

Mr. DULSKI. Mr. Daniels.

Mr. DANIELS. Mr. Henderson, your association membership is comprised of approximately 250 small- and medium-sized businesses. Where are these businesses located? Are they located throughout the country or are they concentrated in a part of the country?

Mr. HENDERSON. They are located all over the country and in many different businesses.

Mr. DANIELS. You stated you did receive a letter from one of these businessmen being complimentary of the improvement in service in the past month. Is that so?

Mr. HENDERSON. Yes.

Mr. DANIELS. How about the other 249?

Mr. HENDERSON. I have made no special survey. This was a spontaneous report from this member, who is a large nationwide shipper.

Mr. DANIELS. Can you make a survey and let the committee have the benefit of the views of your membership?

Mr. HENDERSON. I could, but I would rather make it, say, a month or two from now when more of a service improvement pattern will have developed. The present program is new and obviously somewhat contentious.

Mr. DANIELS. Mr. Chairman, this committee will be continuing for another month or so. I move that this survey Mr. Henderson proposes to make be submitted to the committee for the committee's consideration.

Mr. HENDERSON. Mr. Chairman, may I remind the committee, as I am sure all are bearing much in mind, that the last legislation on parcel post, provided a 3-year moratorium on certain legislative directives to the Postmaster General. You will recall that moratorium legislation also incorporated a requirement that sometime during the 3-year period a congressional investigation should be made of the Nation's whole parcel distribution pattern and a determination made of the position or place of parcel post within such pattern. I believe if that mandate of Congress were complied with it would be highly helpful in solving these very difficult problems we are discussing in this hearing.

Mr. DULSKI. With reference to the suggestion of the gentleman from New Jersey, if you could make your suggestions before July 2 it would be appreciated.

Mr. HENDERSON. July 2 makes for a pretty tight schedule, Mr. Chairman.

Mr. DULSKI. We will be considering the mandates being given to us by the organizations and the Postmaster General with this new letter he has just issued and the report of the subcommittee of the Senate. These reports will be considered very thoroughly by this committee.

Thank you very much.

Mr. HENDERSON. Thank you.

Mr. DULSKI. The subcommittee stands adjourned.

(Thereupon, at 12:10 p.m. on Thursday, June 18, 1964, the subcommittee adjourned.)



