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ADDITIONAL ASSISTANT POSTMASTER GENERAL FOR RESEARCH, DEVELOPMENT, AND ENGINEERING

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HEARING
BEFORE THE
SUBCOMMITTEE ON
FACILITIES AND MODERNIZATION
OF THE
COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
EIGHTY-NINTH CONGRESS

SECOND SESSION

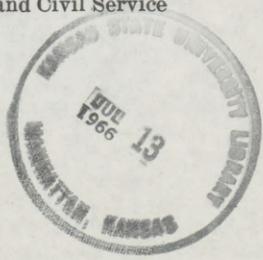
ON

H.R. 13822

A BILL TO PROVIDE FOR AN ADDITIONAL ASSISTANT POST-MASTER GENERAL TO FURTHER THE RESEARCH AND DEVELOPMENT AND CONSTRUCTION ENGINEERING PROGRAMS OF THE POST OFFICE DEPARTMENT, AND FOR OTHER PURPOSES

APRIL 20, 1966

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



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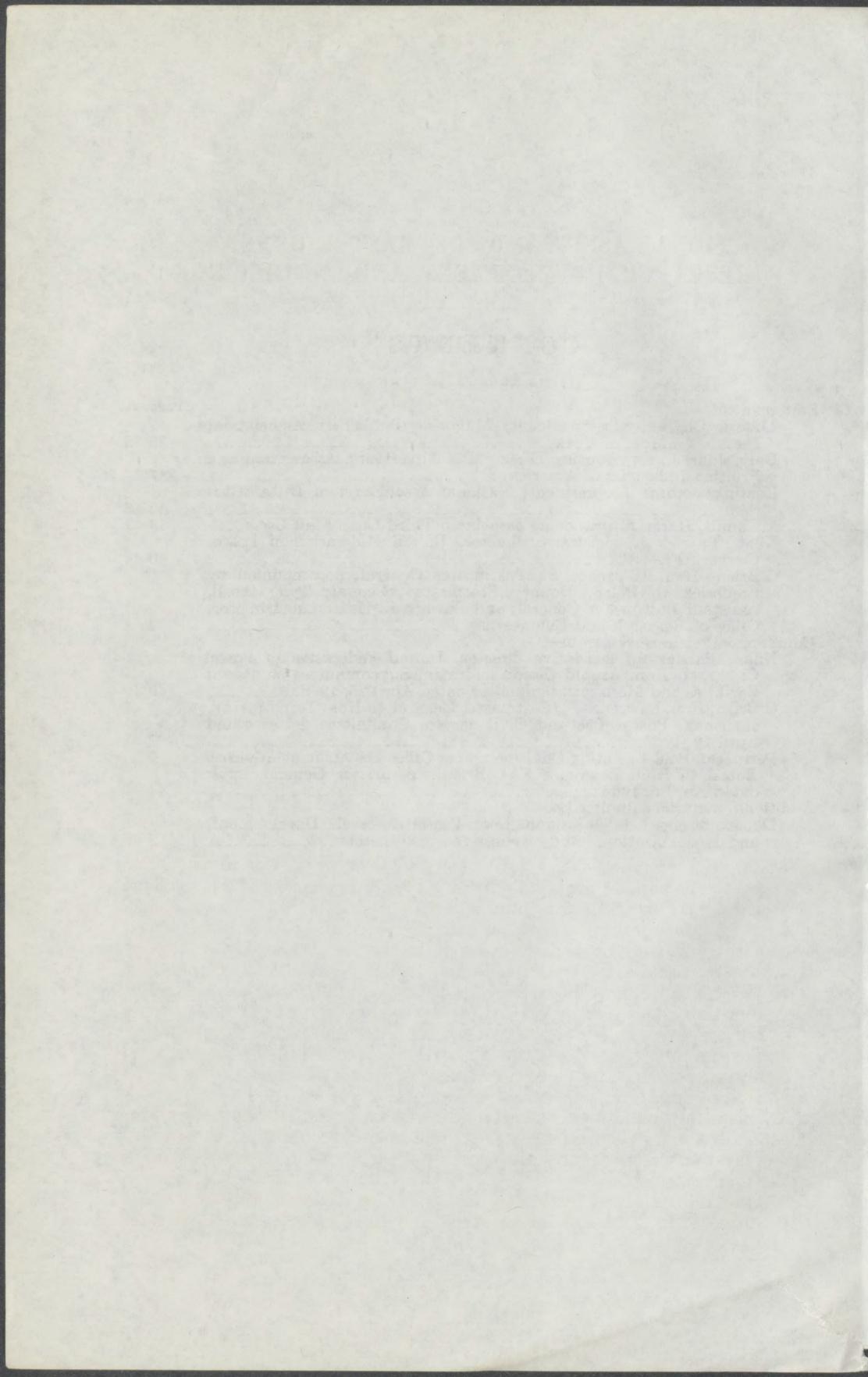
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ADDITIONAL ASSISTANT POSTMASTER GENERAL FOR RESEARCH, DEVELOPMENT, AND ENGINEERING

WEDNESDAY, APRIL 20, 1966

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

The subcommittee met at 10:15 a.m. in room 346, Cannon House Office Building, Hon. Arnold Olsen (chairman of the subcommittee) presiding.

Mr. OLSEN. The subcommittee will come to order.

The Subcommittee on Postal Facilities and Modernization is greatly honored by having the very able Postmaster General of the United States, the Honorable Lawrence F. O'Brien, here as our witness. Before we proceed to hear the Postmaster General, however, I would beg his indulgence and that of my colleagues for a few comments on the legislation we are to consider.

This morning the subcommittee will receive testimony on the Post Office Department's research and development program in connection with consideration of H.R. 13822, a bill to create an additional Assistant Postmaster General to head up a new Bureau of Research, Development, and Engineering. While our hearings will be specifically directed toward the provisions of H.R. 13822, it is my hope that we can also have a general review of postal research and development policies.

I have, for several years now, been rather critical of our Post Office Department's modernization efforts. I have been critical not because of what the Department has done, but because I have felt the Department could do more. I have urged the Department to initiate a well thought out, enlightened, long-range modernization program that is necessary to prepare us for the unparalleled crisis facing the mail service. I am in complete agreement with our Postmaster General's statement of last January 18 that "it is imperative that we provide postal employees with the necessary tools to handle the skyrocketing mail volume * * * to hesitate is to invite a breakdown in our vital communications network and to bring chaos to the chief artery of the Nation's commerce."

I think an expanded and dynamic research and development program is absolutely necessary to reevaluate old concepts, to develop new systems, and to provide those tools we need to keep pace with the mail explosion.

The 1967 budget estimate for the Department of Agriculture included \$224.9 million for research and development out of a total

Agriculture budget of \$6.99 billion. That is 3.2 percent of the Agriculture budget earmarked for research and development. The Department of Commerce research and development budget estimate is 6.4 percent of the total. Defense asked 11.5 percent of its total budget for research and development; Interior 8.8 percent. The Office of Economic Opportunity budget estimate included \$55.9 million for research and development—or 3.2 percent of its total budget. In contrast, the Post Office Department budget estimate for research and development is \$16.1 million, or less than one-third of 1 percent of its total budget.

It is simply incredible to me that funds for research and development in the poverty program are more than three times those for postal research.

Or compare the Post Office Department with another big business—A.T. & T., both in the communications field. Out of a 1964 operating budget of \$6.059 billion, A.T. & T. spent \$69 million for research and development. The Post Office Department, out of operating expenses of \$4.9 billion, spent, in 1964, \$10.5 million for research and development. A.T. & T. is investing about five times as much money in research as our postal service and it is making money by so doing. The January 1966 annual report for A.T. & T. makes this point:

Ability to provide improving service at lower rates depends on * * * innovating drive and continuous heavy investment in more efficient facilities.

It would be appropriate here, I think, to comment also on the action the House Appropriations Committee took on the 1967 postal budget. The Department, as we have noted, asked for a little over \$16 million for research, development, and engineering. The Appropriations Committee recommended an appropriation of \$12 million, or a reduction of about \$4 million below the estimate. The recommended amount was the same as had been appropriated for this account for the last 4 years.

However, in its report on the postal budget, the Appropriations Committee said:

The committee would highly favor a strong, viable, and postively oriented program of research and development in the Post Office Department and encourages the Postmaster General to give his personal attention to such a program. When such a program is developed, the committee would be happy to consider supporting it with adequate funds and personnel.

I am hopeful that the legislation we are considering today will be the basis for developing such a program, that it will be the means of giving the Postmaster General the best top-level guidance and best direction in research and development fields which are absolutely necessary if the American people are to have the best possible postal service.

At this point I wish to insert in the record the bill, H.R. 13822, along with a letter from the Postmaster General, Hon. Lawrence F. O'Brien. (The bill, H.R. 13822, and letter are as follows:)

[H.R. 13822, 89th Cong., 2d sess.]

A BILL To provide for an additional Assistant Postmaster General to further the research and development and construction engineering programs of the Post Office Department, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to encourage,

advance, and accelerate the research and development and construction engineering programs of the Post Office Department and to provide for improvements in the administration of such programs.

SEC. 2. Section 305 of title 39, United States Code, is amended to read as follows:

"§ 305. Assistant Postmasters General

"Six Assistant Postmasters General appointed by the President, by and with the advice and consent of the Senate, shall perform such duties as the Postmaster General designates."

SEC. 3. Section 303(d)(21) of the Federal Executive Salary Act of 1964 (78 Stat. 418; 5 U.S.C. 2211(d)(21)) is amended by striking out "Assistant Postmasters General (5)." and inserting in lieu thereof "Assistant Postmasters General (6)."

SEC. 4. Section 303(e) of the Federal Executive Salary Act of 1964 (78 Stat. 419; 5 U.S.C. 2211(e)) is amended—

(1) by striking out

"(60) Director, Office of Research and Engineering, Post Office Department."

and inserting in lieu thereof

"(60) Director, Research and Development, Post Office Department.";

and

(2) by adding at the end thereof the following:

"(101) Director, Construction Engineering, Post Office Department."

SEC. 5. Subsection (e) of the first section of the Act of August 1, 1947 (Public Law 313, Eightieth Congress), as amended (5 U.S.C. 1161(e)), is amended to read as follows:

"(e) The Postmaster General is authorized to establish and fix the compensation for not more than six scientific or professional positions in the Post Office Department, each such position being established to effectuate those research and development and construction engineering functions of such department which require the services of specially qualified personnel."

THE POSTMASTER GENERAL,
Washington, D.C., April 19, 1966.

HON. TOM MURRAY,
Chairman, Post Office and Civil Service Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to the request for our report on H.R. 13822, a bill to provide for an additional Assistant Postmaster General to further the research and development and construction engineering programs of the Post Office Department and for other purposes. I urge enactment of this legislation.

The research and development program in the Post Office Department is considered to have begun some 16 years ago with the passage of the act of August 16, 1949, an act to provide for a research and development program in the Post Office Department. In that same year, \$750,000 was appropriated exclusively for the development, manufacture, and purchase of modern mechanical devices. Under the encouragement of the Congress, this program has grown until it has its own appropriation which amounts to \$12 million for the current fiscal year.

The purpose of this bill accords with this Department's plan of accelerating the research and development engineering program in the Post Office Department. In the past 16 years much progress has been made, and accomplishments in the few years have demonstrated the value of research, development and engineering in the modernization and improvement of the postal service. Spiraling volumes of first- second- and third-class mail have become so marked that the Department has characterized the phenomenon as a "mail explosion." This mail explosion has made increased emphasis on these programs an urgent necessity. Much progress has been made in the development of new equipment but this has not occurred as rapidly as my predecessors had hoped; nevertheless, substantial progress has been made. Many workroom floors present vastly different pictures today than they did in 1949. Increasingly the old hand facing, hand canceling and hand sorting and trundling of mail in push carts and hampers are being replaced by automatic facing and canceling, semiautomatic sorting and the movement of mail by conveyors. Much has been done; much more remains to be done.

If the Department is to survive the mail explosion we must have an organization capable of undertaking strong planning in all phases of the Department's work and especially those relating to the acceptance, handling, and delivery of mail. I know that your committee and Congress as a whole shares with me concern over the possibility that in the future the Department may not be in a position to carry on its functions effectively. The introduction of H.R. 13822 and the scheduling of hearings on it are a demonstration of this committee's concern.

Development of the machines to process the mail which are now being installed and those which are still to be developed create needs for differently designed buildings and for more sophisticated engineering skills to draw specifications for new equipment as well as for engineering skills to supervise the maintenance of the new mechanical devices.

While we believe the Department's research and development and engineering program has served us well in the past, the time has come to recognize its growing importance for the future—to give it a new impetus.

I am convinced the pending bill will give the program that recognition and new impetus.

It will place the head of the program on my immediate staff. The bill will provide incentives in salary and in prestige to attract the topnotch personnel vital for the direction and operation of the research and engineering program.

H.R. 13822 establishes an additional Assistant Postmaster General position, allowing the Department to accomplish the organizational alinement necessary to give the research and development and engineering organization the importance it should have.

Section 1 of the bill appropriately expresses the purpose of the bill which is to encourage, advance, and accelerate the research and development and construction engineering programs of the Department and to provide for improvements in the administration of these programs.

Sections 2 and 3 provide for an additional Assistant Postmaster General.

Section 4 provides for two engineering positions to be placed in the Federal executive salary schedule.

Section 5 increases from three to six the number of scientific and professional positions in the Department's research and development and construction engineering functions with special salary rates.

Enactment of this legislation would allow the Department to establish the organization needed to carry forward the strengthened research and development and construction engineering programs which it may have. Accordingly, as stated above, I urge early enactment of H.R. 13822.

The members of the Post Office Department advisory board, who have made a special study of post office mechanization, have unanimously advised me they favor enactment of this bill.

Due to the shortness of time, this report has not received clearance from the Bureau of the Budget.

Sincerely yours,

LAWRENCE F. O'BRIEN.

Mr. OLSEN. Mr. Postmaster General, proceed.

STATEMENT OF HON. LAWRENCE F. O'BRIEN, POSTMASTER GENERAL, ACCOMPANIED BY FREDERICK C. BELEN, DEPUTY POSTMASTER GENERAL, TYLER ABELL, ASSISTANT POSTMASTER GENERAL, AND EDWARD E. HARRIMAN, DIRECTOR, OFFICE OF RESEARCH AND ENGINEERING

Mr. O'BRIEN. Thank you, Mr. Chairman and members of the committee.

I appreciate this opportunity to comment upon H.R. 13822 introduced by Chairman Olsen and designed to provide for a new Assistant Postmaster General to further the research and development and construction engineering programs of the Post Office Department.

Let me begin by saying that the Post Office Department is in full agreement with the purposes of this proposed legislation, and we feel

that Congressman Olsen's advocacy of strengthened research, development, and construction effort reflects both vision and understanding of our growing postal needs.

One often hears certain catch phrases being employed to describe the age in which we live. One of the most popular is that this is the age of change. This is true, but it has been true of every age. For I doubt that we could find any period of history that was an exact carbon copy of another age.

What is perhaps meant is that this is an age of unprecedented change. But again it is difficult to determine whether such developments as atomic power and molecular biology are of a higher degree of change than the development of writing, or the invention of the compass, or gunpowder, or printing.

What, in my view, is significant about the age in which we live is not change, or even the speed or effects of change, but the fact that we now not only take change for granted but, more important, we consciously seek change and have developed various mechanisms to facilitate that search.

In short, this age is different from preceding ages in that we are active seekers of ways and means to improve our environment and our social and material instruments. We systematically exploit possibilities of pure science and technology. The conscious search for change has had many significant effects. I would like to describe two of these.

First there is the increase of productivity or output per man-hour. In the 35 years before World War II, output per man-hour in the private economy increased at an average rate of 2 percent per year. Between 1947 and 1965 the trend rate increased to 3.2 percent a year.

Now this increase may not seem large at first glance, but a 2-percent growth rate doubles in 36 years while a 3-percent growth rate doubles in about 24 years. Hence, a 3-percent growth rate means doubling of the product of an hour's work in a period of about half a working lifetime.

At this point let me clearly state that increases in individual worker productivity in the postal service have reflected the high caliber of our employees and their unusual dedication to the public service.

In 1890 there were 150,000 postal employees. They handled about 4 billion pieces of mail. In 1965 there were 600,000 employees handling 72 billion pieces.

In other words, 4 times as many employees now handle 18 times more mail than in 1890. We can be, and are, proud of our employees. Yet, though we take pride in our employees, we have not given them the means to reach their full potential.

This is clearly shown in "Measuring Productivity," a document issued by the Bureau of the Budget in 1964. A table given on page 14 of that document entitled "Annual Gains in Productivity of Four Federal Government Organizations: Averages and Dispersion" showed that the output gain per man-hour for the Post Office Department averaged 0.3 percent during the period from 1953 to 1962. The Department of Insurance of the Veterans' Administration, during the same period, showed a gain of 9.8 percent.

Now, the great discrepancy between the postal service and this element of the Veterans' Administration had nothing to do with the

caliber of employee, but it has everything to do with the caliber of tools the employees used.

The Department of Insurance of the Veterans' Administration employed the most modern electronic data processing machines, the latest fruits of intensive research, and the productivity of its employees substantially increased.

That similar equipment applied to the Post Office Department would produce large productivity gains of a similar order of magnitude can be seen in the 41-percent-per-year increase in the productivity of postal payroll clerks, who do use automatic data processing equipment.

However, since the great bulk of our employees did not have the advantage of such sophisticated equipment, overall productivity increases have been more modest.

The second effect of the conscious search for change is an increase in speed between discovery and application. A scientific or engineering discovery is a matter of potential until it is widely adopted by society. When, and only when, it is adopted is its economic impact felt.

The lag between invention or discovery and application can be quite long. The period from the time of the discovery that light could cause irreversible chemical reaction to the actual development of photography was 122 years (1727-1839). It took 56 years (1820-76) from the scientific discoveries of electricity and magnetism and the application of the telephone.

After the last third of the 19th century this process has begun to accelerate. Radio came through in 35 years; radar in 15 years; television in 12 years; the atomic bomb in 6 years; transistors in 5 years.

A study of 20 major technological innovations during the last 60 to 70 years showed that every step in the process of development has quickened. The typical timelag dropped from about 30 years before World War I, to 16 years between the wars, to 9 years after World War II. So, the development lag is clearly shrinking.

Now, these two trends are largely the result of conscious change applied through organized research and development.

Research and development not only pays direct dividends but, in a world where our people form but a small fraction of the world's population, and in which others depend so heavily upon us for assistance, research and development is both a means of survival and a moral imperative.

To what degree has the postal service participated in the active search for conscious change? The answer can be seen from the history of postal innovation.

Traditionally, the postal service has responded rather quickly to new ways of delivering the mail between post offices. Robert Fulton piloted his steamboat, *Clermont*, up the Hudson River in 1807. Just 6 years later mail was regularly carried on steamboats.

The first stone was laid for the Baltimore & Ohio Railroad in 1828, and just 3 years later mailbags were being shipped by train.

The first load of mail was placed aboard a plane 15 years after the Wright brothers made that historic flight at Kitty Hawk.

Thus, the postal service has not been slow to utilize new forms of transportation. In fact, it has not been slow to adapt to changes produced by others; but it has been woefully slow to generate its own change, to find ways to consciously direct internal change.

We have, in a sense, been feeding off the research efforts of others. But the time is now past when that kind of diet could support a vigorously growing postal service.

This is most clearly seen in the lack of emphasis accorded research and development within the postal service. There was, in fact, no organized research and development activity at all by the Post Office Department until after August of 1949, when the 1st session of the 81st Congress, following a Hoover Commission recommendation made 3 years earlier, passed Public Law 231.

This law required the Post Office Department to conduct a research and development program to find ways to use modern technology to solve postal problems.

Until the enactment of Public Law 231 there were no instruments available to the Post Office Department to direct its search for better ways to process and deliver the Nation's mail, although some engineering development support had been supplied over the years by the General Services Administration and its predecessors.

It was not, gentlemen, until a 1950 order that research and development commenced within the Post Office Department itself.

Under the terms of this order, a Director of Research, with division status, operated under the direction of the Administrative Assistant to the Postmaster General. The Director of Research was assigned responsibility for conducting studies, analyses, and tests designed to produce recommendations for improved methods and devices.

During the first 3 years of this activity the efforts of the organization were directed principally toward improving operating procedures and the assignment of commercially available equipment where it could be used advantageously in postal facilities.

Some exploratory efforts were also made to devise specialized equipment for mail processing, and some of the problems involved in this task were identified and clarified.

Although the funds allotted to research and development during the early period were modest, and here, I refer the committee to table 1 which lists appropriation and expenditure by fiscal year, the value of the research and development effort was immediately apparent.

TABLE 1.—*Research, development, and engineering—actual and estimated appropriations and obligations, 1953-67*

Fiscal year	Appropriated	Obligated	Fiscal year	Appropriated	Obligated
1953.....	\$250,000	\$242,310	1961.....	¹ \$16,977,000	\$16,258,000
1954.....	¹ 1,342,050	1,224,252	1962.....	6,744,000	6,582,000
1955.....	1,457,120	1,097,027	1963.....	² 12,000,000	5,999,000
1956.....	¹ 1,847,000	1,744,764	1964.....	³ 12,000,000	12,073,738
1957.....	3,014,000	2,939,072	1965.....	12,000,000	11,064,291
1958.....	¹ 7,160,346	7,156,808	1966.....	⁴ 12,000,000	⁵ 18,420,000
1959.....	¹ 6,149,000	6,123,208	1967.....	⁵ 16,152,000	⁵ 16,152,000
1960.....	¹ 17,610,000	17,351,000	1967 House action.....	12,000,000	-----

¹ Adjusted appropriations—Includes transfers from other accounts.

² An additional \$115,000 was transferred to R. D. & E. appropriations from other accounts.

³ \$87,000 of this amount was transferred to regional administration for contract engineering.

⁴ \$472,000 transferred to Bureau of Operations to fund research and development support by Operations personnel. These funds are not included under obligation.

⁵ Estimate.

During the period from 1950 to 1953, the Office of the Director of Research was responsible for several significant accomplishments, such as the testing and installation of powered material-handling equipment, including portable elevating conveyors and battery-powered tractors; the development and installation of a prototype SESTAK mechanical letter-sorting machine; the adoption of twine and wire-tying machines; the experimental installation of a sack-label-producing machine; studies of the development of postal vehicles designed for postal needs; development of clerk-operated stamp dispensing machines.

Thus, even a modest initiative in research and development had returned significant and unmistakable dividends in the form of an enhanced ability to move mail more rapidly and safely.

With this record in view, the Postmaster General established the Office of the Chief Industrial Engineer to be under the administrative direction of the Assistant Postmaster General for Operations.

This office was subsequently expanded when the Deputy Postmaster General, on June 22, 1956, issued a headquarters circular establishing the present Office of Research and Engineering. This was a significant step in the creation of an effective instrument to buttress our search for improvement.

The flow of such improvements continued through this period and included: the first investigations, through outside research contract, into the possible application of electronic reading or scanning concepts to letter processing; the development of the Mailster program; the initiation in 1955 of work on the letter-sorting machine; the installation of the keyboard-controlled parcel post sorting machine and the installation in 1956 of the first Mail-Flo system.

Recognition of the proven record of effectiveness of the Office of Research and Engineering was shown in 1958 by adding to its responsibilities the Post Office Department's construction engineering activities and again in 1960 by the addition of Telecommunications and Automotive Division engineering programs.

Consistent with the continually increasing levels of responsibility and new activities undertaken by the Office of Research and Engineering, the size, quality, and scope of the professional staff grew during these years from the original 3 in 1954 to 274 as of June 30, 1965.

Although gains had been made by the Office from the initially modest appropriations, the period before 1958 could well be considered the equivalent of "tool up" time.

After the beginning of that year there was a far larger and more important flow of research and engineering developments, aided to no little degree by the later provision of a separate appropriation for research and engineering and the acquisition of authority to write contracts for outside activities in areas where internal expertise was insufficient.

The number and quality of research ideas and both prototype and proven hardware clearly endorsed the wisdom of Congress in supporting research and development within the Post Office.

Among the experiments made during 1958 and 1959, was construction of "Turnkey," which was an attempt to build the world's first completely mechanized post office—an experiment from which many valuable lessons have since been learned. "Turnkey" taught the Department the importance of careful and expert planning in mechanization.

Another forward step was the completion during this period of bid drawings and specifications for 118 new major leased postal facilities.

During these 2 years several types of electromechanical stamp-vending machines were placed in operation.

Beginning with 1961, the Department's engineering and research effort began increasingly to flow from the drawing board to the work-room floor. In each of the three areas of machines, systems, and building, the emphasis began to be shifted from plans to final product.

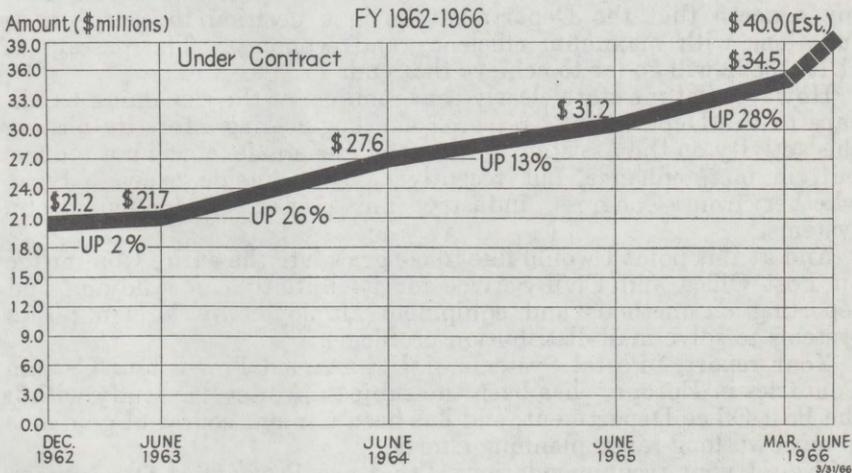
The first generation of sorters, cullers, and other machines was pushed to the production stage and was installed in key post offices. The first completely mechanized postal processing plant neared completion.

A systematic program was started to modernize postal space in Federal buildings, while contracts for new leased buildings increased threefold over previous years.

It was during this period that the Detroit post office was dedicated, our first completely modernized and mechanized facility. Unlike "Turnkey," which was designed, mechanized and constructed by private contractor, the Detroit post office was the product of the growing experience of the professional staff of the Office of Research and Engineering.

A direct reflection of this increased activity after 1960 can be seen in the steady increase in research and development contract activity. This is well shown in chart No. 1, which I would like to place in the record.

OFFICE OF RESEARCH AND ENGINEERING
CONTRACT ACTIVITY - RESEARCH & DEVELOPMENT



Another direct result of general increase in tempo by the Office of Research and Engineering was the dedication on November 30, 1965, of the first ZIP code reader or optical scanner for field testing. This

device, as you recall, was the result of a concept that originated with the Office of Research and Engineering.

The "lag time" on this revolutionary device was 11 years. And, gentlemen, I cannot but wonder if this period could have been further reduced by giving this Office, which is no less than the postal service idea furnace, greater scope and a louder voice.

The 17th-century Archbishop of Canterbury once asked, "Is he wise who hopes to attain the ends without the means?" The same answer is true for the 20th or 17th century. Wisdom begins with assuring that there is a proper relationship between ends and means.

The Office of Research and Engineering, with comparatively slender means, has done much. But the demands upon the postal service are increasing so rapidly that yesterday's satisfactory record is tomorrow's record of failure.

You are, I know, deeply concerned with the mail explosion currently engaging the full attention of the postal service. Mail volume is approaching 76 billion pieces, double what it was at the end of World War II, and it is anticipated that it may reach 90 billion pieces by 1970.

We simply must have an organization capable of undertaking a vigorous planning effort in all phases of the Department's work, and particularly those related to the acceptance, handling, and delivery of mail, if the Department is to cope with the heavy and increasing demands stemming from the mail explosion.

In this regard may I point out that other Government agencies have already recognized the importance of research and development, placing authority for such activities on the Assistant Secretary level. I have particular reference, and I would like to note it, to the Department of the Navy, Department of the Army, Department of Commerce, Atomic Energy Commission, and there are others.

I am certain that this committee and the Congress as a whole share my concern that the Department be in a position to carry on its functions with maximum efficiency and economy. The passage of H.R. 13822 will go far to achieve that end.

However, let me state clearly that removal of the remaining handicaps to the Department's research and engineering effort by placing this activity on the Assistant Postmaster General level will not reduce, but, in fact, enhance, our receptiveness to outside expert advice, whether from Congress, industry, universities, or foreign postal systems.

And at this point I would like to congratulate the entire Committee on Post Office and Civil Service for its initiative in studying and reporting on methods and equipment employed by foreign postal systems to solve mail distribution problems.

Your report, "Postal Systems of U.S. Armed Forces and Certain Countries in Europe," has been the subject of intensive study within the Post Office Department, and has been a major source of guidance in our own long-range planning efforts.

Two of your recommendations, "that the Post Office Department adopt more ambitious and realistic programs directed at mechanization of mail handling and modernization of postal facilities," and "* * * that the Post Office Department budget for research and development be substantially increased; that programs for research be employed to develop new systems, to evaluate old concepts, and to provide the tools for keeping pace with a mail explosion * * *" are certainly fully in accord with the aims of H.R. 13822.

This realization, which we both share, prompted our requesting, just yesterday in testimony before the Senate Appropriations Committee, restoration of \$4,152,000 deleted by the House from our budget request for research. Restoration of this amount is particularly necessary because we are now engaged in a significant step-up in our activities in this area.

Our acceleration in the research area can be seen in the fact that we are spending at twice the rate this year than in the previous year.

Now that the preparatory work laid in earlier years is beginning to be reflected in constructive programs, it is doubly unfortunate if we permit overly cautious budget restrictions to hinder progress.

I wish also to take note of another of the committee's recommendations stemming from the assessment of foreign mail systems.

The last recommendation of the report pertains to international cooperation and states in part " * * * that the Post Office Department consider the possibility of sponsoring a greater exchange of knowledge and postal technology among the nations of the world * * *."

The Post Office Department is in complete accord with this view of the committee's and, in fact, the Post Office Advisory Board initiated a "Questionnaire on Postal Research, Development, and Mechanization" which was sent to seven European nations and Japan.

It is believed that the responses to this questionnaire may be of interest to this subcommittee, as well as being important to our own research effort, and I am, therefore, requesting permission to place the document in the record.

Mr. OLSEN. Without objection, it will be so ordered.

(The document referred to follows:)

POST OFFICE DEPARTMENT ADVISORY BOARD,
Washington, D.C., April 5, 1966.

HON. LAWRENCE F. O'BRIEN,
Postmaster General of the United States,
Washington, D.C.

DEAR MR. O'BRIEN: We have the honor to transmit to you our summary and analysis of the replies to the Post Office Department Advisory Board's "Questionnaire on Postal Research, Development, and Mechanization" which was sent to Belgium, the Federal Republic of Germany, France, Great Britain, Italy, Japan, the Netherlands, and Switzerland. We recommend that you send bound copies of the summary of replies (attachment 1), which includes data for the United States, as a courtesy to these cooperating countries.

The questionnaire was designed to show factual information on the characteristics of the postal service and the status of research, development, and mechanization in these countries. All of these countries responded with helpful information on postal activities.

The Board is quite impressed by a most important fact that emerges from the wealth of detailed data from the countries surveyed; namely, that the United States, with the largest land area, the largest population, the largest number of post offices, and the largest mail volume, but with the lowest population density per square mile—all high-cost factors—has the fewest postal employees in proportion to mail volume.

From the information submitted by these countries, and our continuing review of U.S. postal research, development, and mechanization, the Advisory Board believes that the United States is in the forefront in postal research, development, and mechanization and in programs to secure the effective cooperation of postal customers.

The Board notes with interest that the subcommittees of the House Committee on Post Office and Civil Service, after their recent visit to certain European countries, recommend that "the Post Office Department consider the possibility of sponsoring a greater exchange of knowledge and postal technology among the

nations of the world * * *." (H. Rept. 1226, January 1966.) The Board believes that you are in a position to comply with this recommendation without delay because of the work initiated by the Board 2 years ago in developing the questionnaire to the seven European countries and Japan.

We believe the Department should consider a similar and expanded (countries and content) annual questionnaire, after obtaining the suggestions of these countries for revisions and additions to the questionnaire so that it may be of maximum usefulness.

From its background of 5 years of continuous and close concern with research, development, and mechanization in the U.S. Post Office Department, the Advisory Board applauds your bold and forward-looking action of January 18, 1966, in announcing a massive program to accelerate mechanization and modernization of the Nation's postal system.

Sincerely yours,

THE POST OFFICE DEPARTMENT ADVISORY BOARD,
PAUL J. PEROCCHI, *Acting Chairman*.
VICTOR BUSSIE.
CHARLES H. EARL.
FRED GATES.
ROBERT E. MACNEAL.
CARL MURPHY.
ROBERT L. SUMWALT.

POSTAL QUESTIONNAIRE ANALYSIS

SEVEN EUROPEAN COUNTRIES, JAPAN, AND THE UNITED STATES

This analysis highlights information from replies to a questionnaire developed by the U.S. Post Office Department Advisory Board and sent by the Postmaster General to Belgium, the Federal Republic of Germany, France, Great Britain, Italy, Japan, the Netherlands, and Switzerland.

Purpose

The Board's questionnaire was designed to gather factual information on the characteristics of the postal service and the status of research, development, and mechanization in a number of other countries.

Background

Since preparing our report of February 1962 to the Postmaster General on research, development, and mechanization in the U.S. Post Office Department, your Advisory Board noted that it has been 10 years since a U.S. postal study team has visited European countries (1956). Accordingly, the Board developed, in 1964, a questionnaire designed to gather factual information on the postal service in a number of other countries.

After review and concurrence of all bureaus and offices in headquarters, the Postmaster General, on June 9, 1965, sent copies of the questionnaire to Belgium, the Federal Republic of Germany, France, Great Britain, Italy, Japan, the Netherlands, and Switzerland. In his transmittal letter, the Postmaster General stated that this information would be valuable—particularly so if it is decided that the Board will visit one or more other countries to observe research, development, and mechanization in those countries.

We received a 100-percent response, and have prepared the attached summary and analysis of the countries' replies. It is the first known assembly of this information directly from each reporting nation, outside of the Universal Postal Union summaries, which are usually 2 to 3 years late and not in this format.

GENERAL POSTAL CHARACTERISTICS

Area

The United States has the largest area, over 3.6 million square miles; the next largest country, France, has a little over 200,000 square miles.

Population

Here again, the United States has by far the largest population, 190.8 million; the next highest is Japan with 97.2 million; and the smallest is Switzerland with 5.8 million.

Average population per square mile

This factor is a large determinant of postal costs because a lower population density is more costly to serve. The United States, with a population density of

only 51 persons per square mile, has by far the smallest density per square mile. The country with the next smallest density is France, with 225 persons per square mile, while the country with the largest density, the Netherlands, has 950 persons per square mile.

Post offices

The United States has the largest number of post offices, 34,498; Great Britain has the next largest number, 25,056; and Belgium has the smallest number, 1,752.

Letter mail size restrictions

All the countries, except Switzerland, have letter mail size restrictions.

Mail volume and employees

The following data for all these countries indicate that the United States has the fewest employees in proportion to mail volume (countries are listed in order of increasing proportionate use of employees):

	1964 annual pieces (in billions)	Total postal employment	Thousands of postal employees per billion pieces
United States.....	70.7	585,313	8.3
Switzerland.....	2.7	28,075	10.4
The Netherlands.....	2.4	25,600	10.6
Belgium.....	2.3	31,712	13.8
Federal Republic of Germany.....	16.9	270,900	16.0
France.....	8.9	150,696	17.0
Great Britain.....	11.1	200,000	18.0
Italy.....	6.1	129,000	21.0
Japan.....	9.1	295,021	32.4

RESEARCH, DEVELOPMENT, AND MECHANIZATION

R. & D. percentage of total postal cost

Appropriations for research and development in the United States represent only about two-tenths of 1 percent of total postal costs as compared with about 6.8 percent for France, six-tenths of 1 percent for Great Britain, and 5 percent for the Netherlands. Data for the other countries were not quoted.

PMG's accelerated mechanization program

The Advisory Board applauds the forward-looking action of Postmaster General O'Brien in announcing, on January 18, a massive program to accelerate mechanization and modernization of the Nation's postal system. The initial phase of the program—scheduled for immediate implementation—involves installation of the most modern mail-handling equipment in 109 post offices which handle about 60 percent of the Nation's mail.

The following major examples afford some idea of the scope and impact of the Postmaster General's accelerated mechanization program. These examples reflect increases ranging from 26 to 1,300 percent:

	Installed or on order	Total under accelerated program	Increase	Percent
Letter sorters.....	67	119	52	78
Optical scanners.....	1	14	13	1,300
Facer cancelers.....	205	285	80	39
Edger stackers.....	60	190	130	217
Sack sorters.....	30	41	11	37
Parcel sorters.....	66	83	17	26

Analysis of major research and development programs

Letter sorting machines.—All of the countries have mechanized letter sorting machines. However, none of the other countries have letter sorters in the quantities programed by the Postmaster General's accelerated mechanization program, announced January 18. Under this program, the Department is acquiring 52 multiposition letter sorting machines of the type now in Detroit, to be installed in 30 facilities. We now have 67 multiposition machines installed in, or on order for, 18 facilities.

This machine, weighing 14 tons, may be operated semiautomatically with 12 keyboard operators or fully automatically with the optical "reading" system, and will sort mail to 279 separate destinations at a speed of 36,000 per hour.

Optical scanners.—The Federal Republic of Germany, France, Great Britain, the Netherlands, and Switzerland are in various stages of development in their research and development laboratories of their optical reading program. None are operating in post offices. The United States has one alpha-numeric reader now in operation at the Detroit post office, with 13 ZIP code readers to be installed in a total of 8 facilities.

Attached to a letter sorter, the system is designed to read and sort incoming and outgoing machine-printed ZIP coded mail at the same speed as the letter sorter.

Facer-cancelers.—Belgium has 3 facer-cancelers; Germany, 13; Great Britain, 13 (proposed additional, 22); Italy, 11; Japan, none (6 proposed); Switzerland, 2 (proposed additional, 23).

There are 205 facer-cancelers in 75 facilities in the United States. Under the accelerated mechanization program, 80 additional facer-cancelers are to be installed in 79 facilities.

Photoelectric cells now "search out" the stamps by contrast, cancel them at a speed of 30,000 per hour, and place the addresses in the same direction. On order are bicolor sensing devices to be attached to all facer-cancelers, which will be activated by phosphor ink rather than contrasting colors. The new device will permit facer-cancelers to operate with 99 percent efficiency.

Edger-stackers.—There are no edger-stackers in other countries. The United States appears to be the pioneer with 60 machines installed in, or on order for, 43 facilities. In addition, 130 edger-stackers will be installed in 80 cities.

The machine unscrambles jumbled letters, places them on their edges, and stacks them to be fed into the facer-canceler.

Sack sorting machines.—Great Britain and France use an overhead monorail, from which sacks are suspended by a cam-lock grip and dispatched by the loading operator in a manner similar to that in the U.S. machine. The replies are not specific enough to evaluate the status of sack sorting machines in other countries. The United States now has 30 keyboard-actuated sack sorting machines installed in, or on order for, 22 facilities. Eleven additional sack sorting machines are to be installed in nine facilities.

The machine, through an overhead conveyor system, transports sacks of mail on trays to an operator who, by pressing a button, keys the sacks to the point in the post office where the mail is to be handled. The machine eliminates manual lifting of the 80-pound sacks from one area to another.

Parcel post sorting machines.—Great Britain has standardized on the tilted belt for parcel sorting (introduced by Australia—also used in Canada). France uses an "air blast" system for parcel removal—France handles only very small parcels. Belgium has no parcel sorting machines; the Federal Republic of Germany has nine; France, four; Great Britain, five; Italy, three; Japan, nine; the Netherlands, one; Switzerland, eight. Most of these are multibelt systems, not keyboard-actuated machines.

The United States has installed or under contract 66 keyboard-actuated parcel post sorting systems in 20 facilities. Seventeen additional parcel sorting systems are being obtained for installation in three facilities.

An operator pushes a button which instructs the machine where each parcel is going.

Closed-circuit TV systems.—This system uses closed-circuit television to assist employees in regulating the flow of mail through machines, and aids them in detecting jamups in overhead equipment. The system will be used to monitor machinery, not employees. We now have 1 of these units in service, and will acquire 24 more for installation in a total of 19 facilities.

So far as we know, none of the other countries have a system of this nature solely to observe machinery and to even out the flow of workload. Japan and the Netherlands use closed-circuit TV to observe general operations.

Self-service postal units.—The European countries have been in the lead in developing and using vending machines, but these have not included parcel post service. We now have self-service post offices in 4 cities, and an order for 100 additional self-service post offices is being placed for installation throughout the country. These units will not replace existing postal units, but will extend 24-hour service to more people without requiring additional personnel and will provide parcel post service.

Mail preparation lines.—We have one mail preparation line under test in Chicago, and plan to install six more in a total of three facilities.

**POSTAL RESEARCH,
DEVELOPMENT,
AND MECHANIZATION**
in

**BELGIUM
FEDERAL REPUBLIC OF GERMANY
FRANCE
GREAT BRITAIN
ITALY
JAPAN
NETHERLANDS
SWITZERLAND
UNITED STATES**

*Data from a Questionnaire developed by the
U.S. Post Office Department Advisory Board*



**Lawrence F. O'Brien, Postmaster General
Washington, D.C. 20260
February 1966**

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DATA SOURCE:

Post Office Department
 Advisory Board
 Questionnaire of 1965 to the
 Selected Postal Administrations

POSTAL DATA-RESEARCH, DEVELOPMENT AND MECHANIZATION

GENERAL	BELGIUM	FED. REP. OF GERMANY	FRANCE	GREAT BRITAIN	ITALY	JAPAN	NETHERLANDS	SWITZERLAND	UNITED STATES
AREA (SQUARE MILES) POPULATION AVERAGE POPULATION PER SQUARE MILE ONE POST OFFICE SERVES (POPULATION)	11,775 9,221,000 784 5,300	95,931 58,290,000 610 2,100	212,659 47,600,000 225 2,350	94,911 54,606,000 580 2,184	116,372 50,623,570 440 4,000	142,688 97,186,000 682 6,190	12,616 12,041,000 950 5,500	15,944 5,810,000 365 1,270	3,615,211 190,800,000 51 5,500
CATEGORIES OF POST OFFICES (AS THE QUESTION WAS STATED) A. 15,000,000 and up (U.S. DOLLARS) B. 1,000,000 to 14,999,999 C. 500,000 to 999,999 D. 200,000 to 499,999 E. 90,000 to 199,999 F. 40,000 to 89,999 G. 8,000 to 39,999 H. 1,500 to 7,999 I. Less than 1,000 TOTAL NUMBER OF POST OFFICES	Post Offices Main 752 Branch 670 Distribution Centers 15 Storage Stations 173 Postal Annex 142 1,752	Not Quoted (NQ) 27,731	NQ 20,166	NQ 25,056	NQ 12,704	Number of Employees Number of Offices Average Floor Area (sq. ft.) Per Employee 300 UP 78 140 200-299 81 140 150-199 51 145 100-149 118 155 70-99 179 158 Less Than 69 337 172 With Coll. & Del. 4,905 107 Without Coll. & Del. 10,046 294 15,795	NQ 2,188	\$1,030,000-\$15,400,000- 7 515,000- 1,030,000- 23 232,000- 514,000- 61 92,000- 222,000- 101 40,000- 90,000- 217 8,500- 39,000-1,539 1,600- 8,250-1,121 Less than 1,600-1,507	A. 23 B. 287 C. 281 D. 678 E. 1,179 F. 1,914 G. 6,895 H. 12,979 I. 10,262 34,498
POSTAGE RATES SURFACE LETTER	Domestic Wgt. Oz. Cost 0 -0.7 \$0.06 0.7 -3.5 0.12 3.5 -8.8 0.20 8.8 -17.6 0.40 Over 17.6oz. 0.20 For Each Additional 17.6oz. or fraction thereof	Domestic Postage Rates Letters up to 20 Grams 20 Pfennig 1oz. = 7.2¢	Domestic Wgt. Oz. Cost 0 -0.7 \$0.06 0.7 -3.5 0.14 3.5 -8.8 0.30 8.8 -17.5 0.40	Inland Postage Rates Domestic Wgt. Oz. Cost 0 to 2 \$0.047 0 to 4 .070 0 to 6 .093 0 to 8 .117 0 to 10 .140 0 to 12 .210	Domestic Postage Rates For every 20 Grams (.70oz.) or fraction it is 40 Lira (6.4¢) 1oz. = 9.5¢	Domestic First Class- For Each 20 GRS-10yen (1.70 oz.) or its fraction (1.0z. = 3.94¢)	Domestic Wgt. Oz. Cost 0 -0.7 \$0.05 0.7 -3.5 0.09 3.5 -7.1 0.13 7.1 -17.6 0.17	Domestic From 0 to 9oz. Local (6 Mile Radius)-2.30¢ Outside Local Limit: 4.60¢	Domestic Letter Mail 5¢ per ounce Post-Cards 4¢ each
AIR MAIL	Same as First Class for European Countries	Domestic Letter Rate and Surcharge of 5 PF for 20 G (16.5¢ per oz.)	Same as First Class for European Countries	Domestic Air Mail for Space Available Letters 1st zone \$.105 per 1/2oz. Over Seas Air 2nd zone .175 " " " 3rd zone .210 " " "	For every 5 Grams or fraction 10 Lira surcharge above the Domestic Letter Rate (1 1/2¢ per oz.)	Air Mail is not generally used. Use surface travel and special delivery for fast service, telegrams are also widely used for speed	Same as First Class for European Countries	Same as First Class for European Countries	Up to 8 oz. 8¢ per ounce Air Post and Postal Cards 6¢ each
PARCEL POST	All Packages up to 11lbs. Cost 5.1¢ per pound	Parcel Post has 4 Zones 1st Zone-5 KG 1 Mark; 11 lbs. 25¢ 20 KG 5.60 Marks 44 lbs. \$1.40	Handled by Railroads	Inland Postage Rates Not over 2 pounds \$.44 10 pounds .74 22 pounds 1.22	Up to 1KG (2.20 lbs.) 380 Lira 28¢ per pound Surcharge for large and cumbersome parcels	First Zone-Non Local; Under 4.4lbs cost \$5.7/lb. Third Zone Under 13.2 lbs cost \$6.02/lb	0 to 2.2 lbs. -28¢ 15.4 to 22 lbs. - \$1.19	By Weight only (Domestic) 5.5 lbs to 22 lbs. costs 21¢; 22 lbs. to 33 lbs. 64¢	Parcel Rates are based upon distance, what is mailed, and weight: 1 to 2 pounds for local delivery 29 cents 70 pounds delivered in Zone B (1800 Miles) \$12.26.
MAIL SIZES LETTER	Letters 2.75" X 3.93" to 4" X 5.90" * L+W+H Shall not exceed 35.4" any dimension shall not exceed 23.6"	Letters 3 1/2" X 5 1/2" to 11 13/16" X 23 5/8"	Letters: Minimum Size-Sum of width and height 2.75" to a maximum 3 dimensions L+W+H of 35.43"	Letters 2 3/4" X 4" to 11-6" X 2'-0"	Letters 2 3/4" X 4" to 17" X 17"	Letters 2.7" X 4.7" to 11.81 X 17.71"	Letters 3 1/2" X 5 1/2" (UPU Recommended Size)	Letters No Min. or Max. Size	Letters 3" X 4 1/4" to 5 3/4" X 11 3/4"
CARDS	Cards 2.75" X 3.93" to 4.13" X 5.90"	Cards 3 1/2" X 5 1/2" to 4 1/2" X 6 3/8"	Cards: 3.93" X 2.75" to 4.13" X 5.9" Expect to adopt the ISO format of 4.48" X 6.37"	Cards 2 3/4" X 4" to 4 1/8" X 5 7/8"	Cards 2 3/4" X 4" to 4 5/16" X 5 7/8"	Cards 2.7" X 4.7" to 4.13" X 5.90"	Cards 2.7" X 3.93" to 4.21" X 5.9"	Cards 2.75" X 3.9" to 4.13" X 5.9"	Cards 3" X 4 1/4" to 4 1/4" X 6"
PARCEL POST	Limits: Maximum Length and Girth Combined = 118.1"	No Minimum or Maximum Dimensions. A 50% Surcharge is made for "bulkiness" on Parcels more than 47 1/4" X 23 5/8" X 23 5/8"	No Domestic Parcel Post Service since January 1, 1963	Limits: 6"-0" Length and Girth Combined Maximum Length 3'-6"	Limits: Length + Girth not to exceed 2 Meters 6.56'	Limits: Maximum Length and Girth Combined = 78.7"	Limits: Maximum Length and Girth Combined = 78.7"	Limits: Maximum Length and Girth Combined = 118.1"	Limits: Length and Girth combined = 72" The maximum length and Girth is 100" with 70 lbs. weight in small offices and rural routes.
MINIMUM AND MAXIMUM WEIGHTS LETTERS MINIMUM WEIGHT MAXIMUM WEIGHT	Letters Min. Wgt. NQ Max. Wgt. 4.40 lbs.	Letters Min. Wgt. NQ Max. Wgt. 2.2 lbs.	Letters Min. Wgt. NQ Max. Wgt. 4.40 lbs.	Letters Min. Wgt. NQ Max. Wgt. NQ	Letters Min. Wgt. NQ Max. Wgt. 4.4 lbs.	Letters Min. Wgt. NQ Max. Wgt. 13.20 lbs.	Letters Min. Wgt. NQ Max. Wgt. 6.6 lbs.	Letters Min. Wgt. NQ Max. Wgt. NQ	Letters Min. Wgt. No Max. Wgt. No
CARDS MINIMUM WEIGHT MAXIMUM WEIGHT	Cards Min. Wgt. NQ Max. Wgt. NQ	Cards Min. Wgt. .56 oz. per sq. ft. Max. Wgt. 1.6 oz. per sq. ft.	Cards Min. Wgt. NQ Max. Wgt. NQ	Cards Min. Wgt. NQ Max. Wgt. NQ	Cards Min. Wgt. NQ Max. Wgt. 1.74 oz.	Cards Min. Wgt. NQ Max. Wgt. 13.2 lbs.	Cards Min. Wgt. NQ Max. Wgt. NQ	Cards Min. Wgt. NQ Max. Wgt. NQ	Cards Min. Wgt. No-006 to .0095 thickness Max. Wgt. No
PARCEL POST	Parcel Post 5 KG Maximum for Domestic For International Parcel Post the Railroads Set the Rate and Provide the Service	Parcel Post Min. Wgt. NQ Max. Wgt. 44.0 lbs.	Parcel Post No Domestic Parcel Post Service	Parcel Post Min. Wgt. NQ Max. Wgt. 22 lbs.	Parcel Post Min. Wgt. No Max. Wgt. 44.0 lbs.	Parcel Post Min. Wgt. None Max. Wgt. 13.2 lbs.	Parcel Post Min. Wgt. NQ Max. Wgt. 22 lbs.	Parcel Post Min. Wgt. NQ Max. Wgt. 110 lbs.	Parcel Post See Parcel Post size and Weight Limitations Above
EMPLOYEE INCENTIVES	Bonus System - for suggestions to improve the service	Promote Officials with High Performance Level ahead of the Time-Scale Provided for in the Deutsche Bundespost Promotions are on the Quality of the Work and not the Quantity	Bonus System for useful suggestions	Joint Production Council of Labor and Management Review Suggestions to Improve Productivity and Achieve Gains	NQ	1. Commendation for Merits 2. Allowance for Speciality 3. Allowance for busy-ness at the end and beginning of the year	No Employee Incentives	Bonus System for good Proposals to Improve the Postal Service	Suggestion Awards - \$25,000.00 Limit Performance Awards - Cash Ingrade Step Awards for Performance
WORK MEASUREMENT	NQ	Work Planning is Calculated on "Weak Hours" Bases There are no individual Employee Performance Measures	Points System Based on Unit Work Load, Work Measurement System of "Characteristic Operations"	No Work Measurement	NQ	Postal Points allowed for Mail Volume	No Work Measurement	Stop Watch Measurements and Multimoment Recordings	Engineered Standards for Larger Offices and Mail Measurements with Accountability of Work Hours in smaller Offices
CODING AND OTHER PUBLIC COOPERATION	NQ	95% of the Mail is Address Coded	No Code System at Present	About 50% of the Mail in Norwich, England Full Operation in mid 1966	Plan to use a 4 Digit Code	Coding System not yet in Operation	No Coding is Demanded from the Public	65% of Mail is Coded by Patron	89% Business Participation in the ZIP Code Program
R & D % OF TOTAL POSTAL COST	NQ	In 1964 12.28 Million DM (3.079 Million Dollars)	.52% for Research 6.25% for Mechanization and New Developments	.2% for Research and Development .4% for Mechanization .6% Post Office Mechanization	NQ	.08% 200 Million yen (556,000 U.S. Dollars)	5% of Total Annual Expenses	No Data Available	.21% of \$4,900 Million Expenses: Funded R & D and Engineering \$10.5 Million
SIGNIFICANT DEVELOPMENTS IN R & D	1. Mechanization of Window Operations 2. Mail Processing Machine A. Culling B. Arithmetic Coding Desks C. Modular Sorting Machines 3. Postal Sorting Numbers (ZIP Code)	1. Optical Reading-First Results Due later in 1966 2. Research Continues on Phosphorescent Substances and a Hot Stamping Process	1. Optical Readers-Completion in 1967 2. Use of Pneumatic Tubes to Convey Mail in Paris 3. Improved J A Sack Sorting Machines 4. Revolving Dust Removing Troughs	1. Optical Reading-Some Work on Sub Assemblies 2. Code Sorting-Use 6 Alpha Numeric Characters 3. Tilted Belt Parcel Sorter 4. Segregating and Facing 5. Programmed Instruction for Counter Clerks 6. Counter Machine to Computer Interface 7. Scheduling of London Postal Region Centrally Controlled Services Fleet by Computer	1. Considering a 4 Digit Code 2. Luminescent Stamp Recognition 3. Evaluation of Commercially Offered Mail Processing Equipment	1. Automatic Letter Sorting Machine 2. Culling Machine 3. Folder Canceller	Optical Reading System in Laboratory	1. Reading of Addresses 2. Stamp Sensing 3. Automation of the Post Check Service 4. Parcel Acceptance Machine at Counter	1. Optical Reading Program 2. Stamp Tagging 3. Vending Machines 4. Parcel Sorters 5. Improved Vehicles 6. Post Offices-Challenge to industry-for technical and manufacturing coordination of postal equipment
SIGNIFICANT DEVELOPMENTS IN IMPROVED MANAGEMENT	1. ZIP Code-9 Sorting Regions 2. Public Roads Code-(4 Number) 3. Planned Delivery Routes 4. Reform of 12 Regional Offices-Standardization and Accountability 5. Review of Management and use of Auto Transport Local Authority to have Responsibility	1. ABC Sorting of Mail, First Alphabetic Hand Sorting and then by Street Name 2. Installation of Private Letter Boxes on Curb Line to Reduce Carrier Walking for City and Rural 3. Centralization of Letter and Parcel Delivery Services in Major Towns 4. Decadic Numerical System for Routing and Sorting Mail 5. Organization of Post Offices Centralize Administration in Large Offices. Reduced the Number of Administrative Office from 1,245 to 785	1. Improved Vertical Conveyors 2. Improved Conveyor System for Storage 3. Erroneous Code Detectors have been Developed for use with Letter Sorters 4. Improved Parcel Sorters 5. Prepared Prototype Plastic Tray to Convey Letters 6. Tray Carts Perfected	1. A Fundament and Widely Base Review of the Entire Postal System with the Aid of outside Consultants (McKinsey and Company, Inc.) 2. Study the Application of Work Measurement and Regulated Staffing 3. Broaden the Management Training Center to include Mechanization and Computerization for Second Line Supervisors (Asst. Supt. level)	1. Installation of Local and out of Town Collection Boxes 2. A Study of Stamp Vending Machines is being Conducted	1. Rationalization System to reclassify mail 2. Mail Standardization 3. (a.) Motorization of Collection and Delivery System (b.) Execution of new Residence Indication System 4. System of Numbering the Delivery Post Offices 5. Increase the Number and up Date Sorting Offices	1. Standardization and Simplification of Monetary Operations, Postal Saving and Post Office Counter Operations 2. Concentration of Post Operations in Large Mechanized Facilities	1. Postal Coding Numbers 2. Centralized Postal Delivery Service 3. New Parcel Transport 4. Order Mute Offices - Vending Machines 5. VIM Program 6. New Facilities: Expanding our Capabilities 7. Improved Customer Service Programs	1. ZIP Code 2. Mail Scheduling 3. ABCD Program 4. Manpower Control 5. VIM Program 6. New Facilities: Expanding our Capabilities 7. Improved Customer Service Programs

POSTAL DATA—RESEARCH, DEVELOPMENT AND MECHANIZATION

MAIL VOLUME	BELGIUM	FED. REP. OF GERMANY	FRANCE	GREAT BRITAIN	ITALY	JAPAN	NETHERLANDS	SWITZERLAND	UNITED STATES
ANNUAL MAIL VOLUME INBOUND DOMESTIC AND INTERNATIONAL (MILLIONS) INCREASE 1960-1964 (5 YEARS)	2329. 560.4	16,884.4 1,125.0	8862.0 1338.0	11,099.3 420.6	6,071.3 1,112.0	9052.0 2114.0	2409.1 319.1	2695.9 369.1	70,653.9 6,018.0
PERCENT BY TYPE LETTERS AND CARDS PARCEL POST OTHER	34.5 % 0.3 % 65.2 %	65 % 4 % 31 %	67.9 % 0.8 % 31.3 %	59.0 % 2.0 % 39.0 %	43 % 1.3 % 56 %	63.2 % 1.3 % 35.5 %	46.1 % .6 % 53.3 %	26.5 % 4.4 % 69.1 %	59 % 1 % 40 %
DOMESTIC INBOUND INTERNATIONAL	91.8 % 8.2 %	98 % 2 %	96.1 % 3.9 %	96.8 % 3.2 %	94 % 6 %	99.1 % .9 %	99.4 % .6 %	92.5 % 7.5 %	98 % 2 %
LOCAL NON LOCAL	NQ NQ	20 % 80 %	16.5 % 83.5 %	33.0 % 67.0 %	NQ NQ	17.1 % 82.9 %	22.0 % 78.0	20 to 30 % 70 to 80 %	29 % 71 %
TOP TEN OFFICES—PERCENT OF TOTAL MAIL VOLUME	32.0 %	59 %	14.8 %	62.5 %	47 %	15.5 %	NQ	57.4 %	41 %

EMPLOYMENT

TOTAL POSTAL EMPLOYEES	BELGIUM	FED. REP. OF GERMANY	FRANCE	GREAT BRITAIN	ITALY	JAPAN	NETHERLANDS	SWITZERLAND	UNITED STATES
TOTAL POSTAL EMPLOYEES	31,712	270,900	150,646	200,000	NQ	295,021	25,600	28,075	585,313
TOP TEN POST OFFICES (NUMBER OF EMPLOYEES)							Large Cities Ranked by Population		
1.	Brussels X 1,722	Frankfurt 2 NQ	Paris, Main P.O. 1,783	London(Mount Pleasant) 5,065	Rome 10,428	Tokyo Central 3,320	Amsterdam NQ	Zurich 1,546	New York City 35,026
2.	Antwerp X 361	TPO Munich NQ	Lyon, Main P.O. 1,175	Birmingham 2,933	Milan 7,720	Osaka Central 1,950	Rotterdam NQ	Basel 890	Chicago 24,587
3.	Liege X 293	PO Dusseldorf I NQ	Paris VIII 867	Manchester 2,846	Naples 4,474	Nihonbashi 452	The Hague NQ	Bern 731	Boston 13,120
4.	Brussels I 1,026	PO Stuttgart I NQ	Nice, Main P.O. 760	Glasgow 2,809	Turin 3,154	Nagoya Central 833	Utrecht NQ	Lausanne 741	Los Angeles 10,679
5.	Antwerp I 696	PO Hamburg NQ	Marseille, Main P.O. 624	Liverpool 2,421	Genoa 3,008	Osaka Higashi 450	Eindhoven NQ	Geneva 461	Philadelphia 9,665
6.	Liege I 359	PO Berlin II NQ	Paris XVI 647	London ECDO 2,220	Florence 2,130	Sapporo Central 497	Haarlem NQ	Lucerne 414	Washington 9,113
7.	Ghent I 308	TPO Hanover NQ	Paris XV 647	London WDO 2,043	Bologna 2,059	Shitaya 422	Groningen NQ	St. Gallen 292	Detroit 7,919
8.	Namur I 209	PO Cologne I NQ	Bordeaux, Main P.O. 560	London WCDO 1,594	Venice 1,267	Kobe Central 512	Arnhem NQ	Biel 274	Cleveland 7,821
9.	Brussels 4 269	PO Essen I NQ	Paris XVIII 628	Leeds 1,454	Verona 789	Fukuoka Central 510	Linden NQ	Winterthur 193	Brooklyn 7,481
10.	Brussels 3 191	TPO Nuremberg NQ	Paris XVII 605	Bristol 1,169	Padova 575	Kyoto Central 601	Maastricht NQ	Lugano 193	Pittsburgh 6,723
TOTAL EMPLOYEES—TOP TEN POST OFFICES	5,434	NQ	8,427	24,554	35,604	9,547	NQ	5,735	132,134
AVERAGE ANNUAL WAGE									
1. ENTIRE POSTAL SERVICE	\$2,172 (including Fringe Benefits)	\$1,930	\$2,920	\$2,794	\$1,185 to \$7,150	\$1,430	\$2,940	\$3,249	\$5,900
2. CARRIERS	NQ (Salary only \$1,728)	\$1,830	\$2,210	\$1,985 Excludes Overtime	\$1,360 to \$2,840	\$1,482	\$2,800	\$3,111	\$5,750
3. NON-CARRIERS, EXCLUDING SUPERVISORS & ADMINISTRATORS	NQ	NQ	\$2,818	\$2,399 Excludes Overtime	\$1,185 to \$1,900	NQ	\$3,304	\$3,022	\$5,600
ANNUAL MAN YEARS	NR (Not Requested)	NR	NR	NR	NR	NR	NR	NR	601,918
PIECES PER MAN YEAR	NR	NR	NR	NR	NR	NR	NR	NR	115,756

TOP TEN POST OFFICES

TOP TEN POST OFFICES NO. EMPLOYEES—TOP TEN OFFICES INBOUND MAIL—PIECES—MILLIONS	BELGIUM	FED. REP. OF GERMANY	FRANCE	GREAT BRITAIN	ITALY	JAPAN	NETHERLANDS	SWITZERLAND	UNITED STATES
TOP TEN POST OFFICES NO. EMPLOYEES—TOP TEN OFFICES INBOUND MAIL—PIECES—MILLIONS	5,434 727	NQ 3,480 (Letter Mail Only)	8,427 1,307	24,554 6,751.3	35,604 5,656	9,547 1,408	NQ NQ	5,735 1,544	132,134 28,958
PERCENT OF ENTIRE POSTAL VOLUME	31.2 %	66.7 %	14.8 %	61 %	51 %	15.5 %	NQ	57.3 %	41 %
ANNUAL POSTAL REVENUE—MILLIONS	NQ	NQ	\$23.5	NQ	NQ	\$45	NQ	\$18	\$988.8
MECHANIZATION—TEN TOP OFFICES	Installed Proposed	Installed Proposed	Installed Proposed	Installed Proposed	Installed Proposed	Installed Proposed	Installed Proposed	Installed Proposed	Installed Proposed
CULLING MACHINES	2 1	10 2	NQ NQ	6 15	11 NQ	0 6	NQ NQ	0 1	10 0 (6 Mail Prep Lines)
FACE CANCELLERS	3 0	13 2	NQ NQ	13 22	11 NQ	0 6	NQ NQ	2 23	69 9
OPTICAL SCANNERS	NQ NQ	NQ NQ	NQ NQ	0 1 Under construction	NQ NQ	0 0	NQ NQ	NQ NQ	0 8
LETTER SORTERS	11 0	9 0	9 5	17 23 and 73 coding desks	1 NQ	1 0	8 1	2 1	45* 12
PARCEL SORTERS	0 0	9 2	4 0	5* 15	3 NQ	9 1	1 NQ	8 6	27 5
SACK SORTERS	1 0	5 0	4 2	0* NA use Manorail for sack sorting	NQ NQ	0 0	1 NQ	0 2	15 1
* Interchange use of parcel and sack sorters									
STAMP VENDING MACHINES FOR COUNTRY	1,011	24,654 Stamp, Card, Booklet 1,338 Coin Changers	Stamps and Stamp Booklets Dispensed by Vending Machines Number in use Not Given	12,589	Little interest in Vending Machines in Italy Postal supplies are readily available from vendors	111 (Indoor)	800 (Indoor), 2,500 (Outdoor)	3,024	9,200
CONTAINERS FOR COUNTRY	None in use	5 Sizes of containers	No rigid containers for the transportation of bulk mail	Wheeled cages between sorting offices by road and rail	Wheeled cage containers in large parcel sorting offices Also 4 wheel hand trucks	Use for Bulk Parcel Transport Tokyo Post Offices	None for the transportation of bulk mail	NQ	Corrugated paper boxes, Wheeled steel cages, and other Containers are being tested for bulk mail transportation
VIM PROGRAM	NQ	No VIM Program Contemplated. Mail is put in sack boxes or is turned over to a building official	None	A VIM System is under study as an alternative to box delivery in buildings	NQ	NQ	NQ	NQ	Vertical Conveyor System used in High Rise Office Buildings for Better Mail Service

JULY 7, 1965

JAN. 17, 1966

SEPT. 21, 1965

JAN. 17, 1966

DEC. 17, 1965

SEPT. 21, 1965

SEPT. 16, 1965

SEPT. 2, 1965

NOV. 10, 1965

This is the first "complete system" approach to handling letter-size mail. The survey did not reveal any evidence of similar type equipment being used in any other countries. The machine removes odd-shaped mail such as rolls of film, hotel keys, etc., then automatically moves the standard pieces of mail to the high-speed facing and canceling machine for processing, thus eliminating delays and manual handling.

ZIP CODE

Many of the European countries have done outstanding work in developing ZIP code programs. These countries and the United States recognize the crucial importance of ZIP code.

Public acceptance of ZIP code in some of these countries is exceptional. For example, the subcommittees of the House Committee on Post Office and Civil Service, in House Report No. 1226 of January 1966, reporting on European postal systems, state that 94 percent of all mail in Germany is ZIP coded. Today in Germany it has become good manners to use the ZIP code when sending a piece of mail. The House report quotes a Post Office Ministry official as proudly stating, "You will be unable to find a single sheet of business letter paper in all of Germany which does not carry the code." The chambers of commerce started their own highly successful campaign in favor of the ZIP code, explaining to members how the ZIP code works and what advantages it would bring (p. 27).

The House report reveals that, for the present at least, the Netherlands will not have a ZIP code (p. 19). ZIP code was scheduled to go into effect in Belgium in February 1966 (p. 21). Switzerland introduced the ZIP code in January 1965, and proudly points out that 85 percent of all items mailed (except parcels) already carry it (p. 31). ZIP code was introduced in France on October 26, 1965, and a nationwide publicity campaign is now underway (p. 34). Italy's ZIP code is now in operation on an informal basis, and postal officials claim 50 to 60 percent compliance. The Government plans an extensive publicity campaign when the system is officially inaugurated (p. 37).

We find that ZIP code (initiated in July 1963) is gaining widespread public and business acceptance in the United States. From its beginning to the close of fiscal year 1965, postal officials have contacted 87,000 firms, and 78,000 (about 89 percent) have agreed to participate to some degree. Of these participating firms, 64,000 (82 percent) are converting their mailing lists to ZIP code and 74,600 (95 percent) have agreed to use ZIP code on their printed stationery.

Mr. O'BRIEN. I think, gentlemen, that my review of the past history of research and development in the Post Office shows that we have moved ahead with increasing speed. The impact of these new machines and methods will, I am certain, be showing within the near future on our productivity record, and a properly placed and organized research and engineering effort will mean the minimum lag between the idea and application.

I wish now to place one additional point before the consideration of this committee. One of my earliest actions as Postmaster General was to order the acceleration of our mechanization program through purchasing of \$65 million worth of proven hardware concepts.

This initial action will—

- Place eight ZIP code "readers" in six major cities;
- Place 52 letter sorters in 30 cities;
- Place 80 facing and canceling machines in 79 cities;
- Place 130 edger-stacker machines in 80 cities;
- Place 11 semiautomatic sack sorting machines in 8 cities;
- Place 17 parcel post sorting machines in three cities; and
- Place 24 overhead equipment monitoring systems in 18 cities.

This mechanization program involves installations in 109 post offices that handle approximately 60 percent of the Nation's mail.

Additional significant recent steps stemming from research include plans to install the largest postal source-data computer complex in the world so that we can program more rapidly and accurately; the application of a nontoxic luminescent ink on all postage stamps

and postal cards which will greatly ease the problems of recognition involved in machine processing; and the first research contracts with Dartmouth College, Michigan State University, and Southern Methodist University designed to bring university research talent into postal problems.

Still another area where research shows promise of paying increasing dividends is in the testing of newly developed mail shipping containers required by our Bureau of Transportation and International Services to move mail with greater economy and security.

But, in some instances, adapting old structures to these new machines is like trying to build automobiles in a carriage factory. Maximum utilization of the potential of these machines cannot be secured due to the physical limitations of old structures.

Gentlemen, we cannot fully mechanize unless we also modernize. We cannot put high-speed machine work or assembly line methods in old, cluttered, overcrowded buildings not designed for such 20th-century machines and 20th-century methods.

In a recent article entitled "Crisis in the Post Office," the Reader's Digest vividly shows the effect of outmoded buildings on postal efficiency. The article uses the Chicago post office as an example of what it believes to be wrong with the system:

The Chicago post office, a few blocks from the downtown Loop area, is overpowering in its vastness. Two blocks long, one block wide, and thirteen stories high, the building is the world's largest post office. But what is most impressive is how much is wrong with it.

First, its design and location. Completed in 1933, when neither trucks nor planes carried much mail, it stands smack on top of the big complex of railroad tracks that fan out from Union Station. Today's 40-foot trailer vans can't get around the sharp turn on the incoming ramp to the unloading area, and dock space is so inadequate that waiting trucks often back up for blocks in downtown traffic.

Inside, the first impression is of pure chaos * * *.

Although there are 60 acres of working space in the building, to get from one place to another you must constantly squeeze through narrow canyons between mountains of mailsacks.

Application of modern mechanical tools in a situation such as this is equivalent to trying to fit the Spirit of St. Louis with a jet engine. It just won't work.

What the postal service needs is both mechanization and appropriate structures.

When General Motors or Ford builds a plant it is designed to facilitate automobile manufacturing. When NASA builds a launching complex, it is designed to get rockets off the ground. When the Veterans' Administration builds a hospital, it is not also designed to be used as a post office, or a warehouse, or an office building. It is designed by specialists to meet special needs.

This is not now the case with the Post Office Department.

Often we must choose between buildings constructed by the General Services Administration for multipurpose use, or buildings leased by the Post Office Department. Neither choice in many instances is fully satisfactory.

The new Post Office Department, the mechanized Post Office Department, cannot secure the most from its research effort under the present system of making do with outmoded physical plants.

Hence, I have already requested authority to acquire and construct buildings specifically designed to accommodate postal needs and new methods of meeting those needs.

With a vigorous research program and a physical plant capable of accommodating and fully employing the fruits of research, we can look forward with confidence to the challenge of the mail explosion.

But such a program cannot be developed from money alone, or good-will alone. It also needs people, excellent people, capable of creative leadership in a dynamic field.

This is clearly recognized in sections 2 through 5 of H.R. 13822.

Sections 2 and 3 provide for the upgrading of this important activity through the additional Assistant Postmaster General position.

Section 5 increases from three to six the number of scientific and professional positions with special salary rates in the Department's research and development and construction engineering functions.

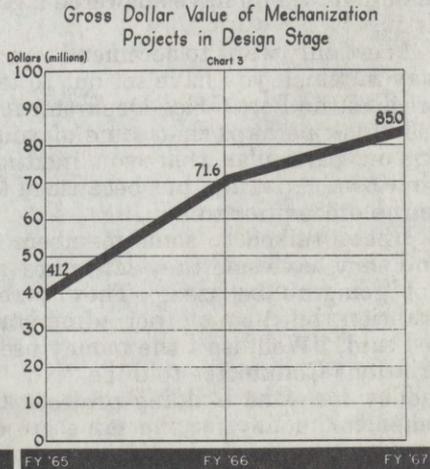
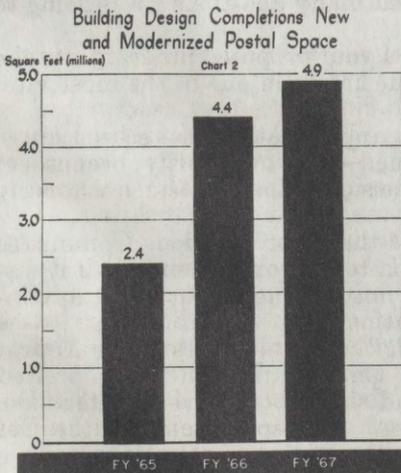
Section 4 provides for two supporting engineering positions to be placed in the Federal executive salary schedule. One of these, which presently exists, is designated as Director, Research and Development. The other, a new position as Director, Construction Engineering.

I would like to draw your attention to the necessity of the latter position by pointing out that the Post Office Department is presently undertaking a large and growing construction engineering program.

Right now we have approximately \$620 million worth of new or modernized postal space and "fixed" mechanization in some stage of the planning-construction pipeline. This includes construction contracts for fiscal year 1966 involving 7 million square feet of new or modernized postal space at an estimated building cost of \$147 million.

This growing activity, which is shown in charts 2 and 3, will need the guidance of the finest engineering construction brains we can find. And this section of H.R. 13822 will materially help us fill that need.

PROJECTED INCREASE IN DESIGN WORKLOAD



Finally, the interest and support of your committee is vital to us in accomplishing our objective and it is a pleasure to be here today to support legislation which will help us to modernize our internal organization as an important step in preparing the postal service for the dynamic times in which we live.

Thank you, Mr. Chairman.

Mr. OLSEN. Thank you very much, Mr. Postmaster General, for an excellent statement.

I must say that I had some questions to ask, but I have been busy crossing them off, since you have answered them in your statement.

I would like to emphasize one point, though. The Department will need additional supergrade positions, won't it, if this bill becomes effective? Would you comment on that, please?

Mr. O'BRIEN. That's correct, Mr. Chairman. In our view in the Department we would have the need for the backup supergrade positions to make this activity meaningful.

Mr. OLSEN. Do you have any guess, any educated guess on how many you would need?

Mr. O'BRIEN. No, I don't this morning, Mr. Chairman, but it is apparent that there is a need. But, we have not analyzed it in detail.

Mr. OLSEN. We welcome hearing from you on this subject, and I believe I can speak for my colleagues on this committee. I think the committee is eager to provide your Department with the supergrades necessary to make your very needed and ambitious program effective.

Mr. O'BRIEN. As a matter of fact, Mr. Chairman, it has been my understanding there has been only one added supergrade in the entire Department since 1961 in this area.

Mr. OLSEN. We certainly can understand that in order to get the engineers, in order to get the technical help needed in this field of research and development, you will have to have some supergrades in the new Department.

The Chair recognizes the gentleman from Louisiana, Mr. Morrison.

Mr. MORRISON. I join in the comments of the distinguished chairman here. You have answered a great many questions I was going to ask.

I certainly want to commend you on your proposed program and the way in which you have set out to take action in one of the most vital areas of the Post Office Department.

I think perhaps that some of your appropriations have been cut—one in particular that you mentioned—not necessarily because of your own activities, but because of the sins of the gentlemen who were in the office prior to you.

I have talked to some members of the Appropriations Committee and they have said they saw no reason to appropriate money if it was not going to be used. They were not talking about your administration, but about other administrations.

I said, "Well, isn't the money used?" The members of the Appropriations Committee told me "No." One said they had appropriated money for some building projects and then about 4 years later were asked for money for the same project. The spokesman for the Department who was testifying before the Appropriations Committee said they had had the money, but didn't use it for building and wanted to build the projects now. They didn't say they didn't use the money. They said they hadn't built the building.

It is clear from your explanation, I think, that you want to correct such things, and want a nationwide modernization program. The Post Office could certainly follow no better example than that of many large concerns operating nationwide that are spending tremendous sums for research and development in efforts to improve their methods and to progress.

One thing that I would like to suggest to you in connection with modernization is that when you do decide to build a post office in a community, that you consult, if possible, with the local officials, who would in turn talk to their civic associations and try to use a kind of architecture that fits in with the community. This is particularly important in the smaller towns and in connection with buildings that are built by private concerns and leased to you.

Mr. OLSEN. The time of the gentleman from Louisiana has expired. Thank you.

Mr. O'BRIEN. Mr. Chairman, could I comment for just a moment on Mr. Morrison's well-taken point? I just wanted to emphasize that our appropriation item for research and engineering represented about three-tenths of 1 percent of our budget, which is of course fantastically small on a percentage basis.

But, the concern of the committee, as Mr. Morrison pointed out, was that we had these no-year items and they have gone over from year to year and what we have requested this year was \$16 million plus as against a previous appropriation of \$12 million.

The fact of the matter is that during this fiscal year our projection is that we will expend research and engineering, approximately \$18 million, which means that we will come to the end of this fiscal year with all R. & E. money having been expended.

If there is a restoration of the \$4 million that the committee at this point has taken out of our R. & E. budget, it would mean \$16 million for the next fiscal year as against an expenditure of \$18 million this year.

I should emphasize, in almost every other area the committee was certainly awfully responsive, vitally interested, and certainly had given us all the tools that we requested in every conceivable way.

They had reservations in this instance, as Mr. Morrison pointed out.

Mr. OLSEN. Thank you very much.

Now, the gentleman from Illinois, Mr. Derwinski.

Mr. DERWINSKI. Mr. O'Brien, on page 15 of your statement you refer to the fact that in both GSA-constructed buildings and leased buildings by the Post Office, the choice in many instances is not fully satisfactory.

Do I read into that statement some thought on your part of reviewing the present policy of leasing buildings and perhaps returning to the new form of GSA construction?

Mr. O'BRIEN. Yes. We have found, Mr. Derwinski, that oftentimes the GSA determination on a Federal building has to, by the very nature of the problem, involve a great deal of consideration to other activities which will take place in the building. Then we must fold in or incorporate our activity in the overall planning.

Mr. Abell, who is the Assistant Postmaster General, as you know, fortunately, has told me on several occasions since I have been in this position, that this does cause, oftentimes, considerable problems and, therefore, our feeling is that this procedure should be subject to review at this time.

Mr. DERWINSKI. In your emphasis on mechanization of the Post Office, do you anticipate receiving the cooperation of the employee unions?

Mr. O'BRIEN. Yes, I do, because we have had discussions with the employee unions and others, everyone that has an interest and a vital concern in the Department as we have progressed in our acceleration, modernization, and mechanization, and our contention, and our sincere belief, is that our responsibility, cooperatively with the committees and the Congress, is to provide to our employees, I tried to indicate in the statement, the tools, the modern tools, so that they can function to the fullest, because I think they have been denied these modern tools that the private sector has, and that, as I indicated in the Veterans' Administration instances, some of the Federal agencies have, and our employees certainly are as entitled to the modern tools to operate with as anyone else in the Federal sector or in the private sector and really, what our objective is, is to provide these tools to them which would be helpful to them in this day and age in carrying out their responsible activities, and it certainly is something I think that most of our employees are concerned about and interested in and desirous of seeing us move forward.

Mr. DERWINSKI. This emphasis on modernization and improvement of postal service is wonderful, but isn't it a contradiction to a recent order I believe you issued stating the new subdivisions will no longer have door-to-door mail delivery extended? That seems to be a contradiction in provided services.

Mr. O'BRIEN. Mr. Derwinski, first of all, the volume, the fantastic increase in volume of mail certainly indicates clearly that there will be no employee reductions in the Post Office Department.

Our job is to combine the employees great desire to move the mail with the appropriate mechanization and modernization to help them do that job. So, your previous reference to the employee reaction to this activity, I want to again emphasize it has no relation whatsoever to reduction in employment. As a matter of fact, if we don't move vigorously in this area we just don't know how we could cope with the mail as time goes on in any event.

As to the curb service order, that was a directive of May 1963, Mr. Derwinski, and it was brought about, as I understand it, by the usual budgetary limitations, economy factors, and I am told by our experts that if we were to bring door-to-door delivery from curb service this morning, it would cost the Department \$100 million.

Mr. DERWINSKI. That is all.

Mr. OLSEN. Thank you.

I must comment on that. I have the notion that curb service is part of mechanization. It is probably an excellent way of using modernization, a new way for the letter carrier to deliver mail, and it is probably the step we have to take. This is my own personal notion. I applaud this directive, although I didn't know it was as old as you indicate.

I understand my friend from Louisiana has another comment.

Mr. MORRISON. I didn't want to give the impression I was charging you for sins of the past. I think that you have explained that you want to profit by those sins and that you have a very productive, I think, and far-reaching program. I certainly want to compliment

you on the position that you are taking to try to not only improve the service but to mechanize and give the Post Office Department nationwide a better and finer image.

Mr. O'BRIEN. Thank you, Mr. Morrison.

Incidentally, I had occasion to have a regional meeting of our west coast region over the weekend and I think Mr. Morrison's point could be further emphasized.

They had a series of charts up there projecting new communities in California, and they worked with the developers of these communities prior to any ground breaking to try to work out some sort of service that can be rendered in the community, and I looked at one community which now has a name and next to it was the figure 200,000, and I said is that an accurate figure, and they assured me it was.

Their projection, without a shovel in the ground at this point, is that within 5 years there will be 200,000 people living in that community which doesn't exist as we sit here today, so that certainly impressed me in terms of our problems for the future.

Mr. OLSEN. Thank you again.

The gentleman from New Jersey, Mr. Daniels.

Mr. DANIELS. Thank you, Mr. Chairman.

I wish to commend the Postmaster General for a very fine statement indeed, a very, very impressive statement.

Having been a member of the committee which journeyed to Europe to inspect the postal systems, I know that the subject matter of this bill is sorely needed by the Post Office Department today.

We in America are far behind the times, and with the great volume of mail that we handle, far more than any other country, there is no question about it that in this great scientific age, technological age in which we live, that this program should have been initiated a long, long time ago, and it is one of the reasons why the Post Office Department is not rendering the service which it should, and you, yourself, at previous appearances before this committee, acknowledged that fact. I am glad that you did.

Just one question, Mr. Postmaster General. This bill under consideration here proposes that we increase the number of Assistant Postmasters General from five to six. It is your thought that this additional Postmaster General, or one of the six, will be assigned to this Department of Research and Engineering to devote his full time and activities to that to see to it that they get the utmost results and to achieve the goal that this bill attempts to achieve?

Mr. O'BRIEN. That's correct, Mr. Daniels.

Mr. DANIELS. I have no further questions.

Mr. OLSEN. Thank you very much, Mr. Daniels.

The Chair recognizes the gentleman from New Jersey, Mr. Krebs.

Mr. KREBS. Thank you, Mr. Chairman.

Mr. Postmaster General, I want to join my colleagues in commending you on your statement. As a matter of fact, I might say if the same kind of research talent goes into our program for research and mechanizing the Post Office Department as went into your research work on your statement, I am fully confident of the results of the effort.

I would like to ask you to spell out briefly your statement where you suggested that wisdom begins with assuring a proper relationship

between ends and means, and I wonder if you could define for this committee what you mean by the ends, the goals of the postal service.

Mr. O'BRIEN. Well, let me say, Mr. Krebs, that, first of all, the report that we have, our advisory committees checked with these foreign nations, along with the extensive and certainly most important report of this committee, has revealed to us that while we frankly state that postal service in the United States today is not adequate, and our objective, in consort with you, is to make it adequate, that, nevertheless, it has been due to many of the factors I mentioned in my statement, but, beyond that, there are some bright spots in the picture, and I think that what we are trying to bring about is the analysis of our situation in terms of our history, our past to some extent while always keeping our eyes on the future.

I can't help but be impressed, for example, when you look at just statistics such as the number of postal employees per billion pieces of mail, and you find that in the United States we have 8.3 postal employees per billion pieces of mail, and it runs then down to 10.4 in Switzerland, 13.8 in Belgium, 17 in France, 18 in Great Britain, 21 in Italy, 32.4 in Japan, and we also then look at the size of our Nation, literally.

The problems of transportation and the rest, and we, therefore, again on a statistical basis, of the major problem in the free world of mail delivery, so that we must, therefore, as I see it, Mr. Krebs, move cautiously and prudently but, nevertheless, decisively and I don't believe that in a department with a budget of \$5.8 billion, with over 600,000 employees and with 75 billion pieces of mail, growing, as we sit here now percentagewise to 77 billion in the near future, that we can any longer not assume directly a great deal of the activity involved in research and in engineering.

This concept of combining the Department's activity in this greater—to a greater extent than in the past with outside expertise, as I indicated in the statement, with the academic world, the private sector, I think that we have a golden opportunity in all these areas for cooperative effort.

We have found already that people in the private sector, in the large corporate areas of this country, have expressed a willingness, really almost on a voluntary effort, to provide to us their expertise where it is feasible.

We have found that there is great opportunity in the academic community. For example, Michigan State, in our contract with them on transportation, you can't have a university develop what is recognized generally as a top transportation unit in this country and not of the Post Office Department, which is the largest user of private transportation in the world, not move into a coordinated effort hopefully with that kind of acumen and judgment, and I think, therefore, end and means as we combine this whole thing means that we have to get the maximum impact to us from every possible source, and, Mr. Krebs, I submit that you can't do it until that particular bureau is raised to a level of recognition in the private sector and throughout the academic world and in the rest of the Federal Government which would merit the consideration that we want from all these people.

Mr. KREBS. I agree completely, and I am fully sympathetic with your objectives.

I have two fast questions. You mentioned just a few minutes ago in response to one of my colleague's questions that you would have \$18 million to spend. Now, let me ask you this: Do you have any notion at this juncture how much money it would take to do a thorough research job?

I think research is necessary. I subscribe to it. But I don't believe in doing it piecemeal. Let's do it completely so we get the truth of the research as quickly as possible and in the long run get maximum benefit from this seed money. That is what it amounts to, really.

Mr. O'BRIEN. Well, the \$18 million you referred to, Mr. Krebs, is the current fiscal year, and it means that we are going to expend the \$12 million budget item for this fiscal year along with \$6 million carryover from the previous year, which is \$18 million.

Then our request to the committee was \$16.1 million, which represented, in the sense of the request, \$4 million more than the last fiscal year—\$4 million of that has been cut at this point and we have appealed to the Senate Appropriations Committee, but as it stands now, if that were restored, we would be operating next year at the \$16 million level as against an \$18 million level this year.

Mr. KREBS. If you get that you believe you can do the job you want to do?

Mr. O'BRIEN. I would say this: We have to move more vigorously and more rapidly in this area, but I also think that we are talking perhaps in the vicinity of \$50 million, really.

Mr. OLSEN. This is just the first step.

Mr. O'BRIEN. Yes. We are talking in the vicinity of \$50 million, but I agree totally with the committee, Mr. Krebs, the Appropriations Committee, that we must prove our case to them and, by George, we are going to prove our case if it is humanly possible to do it, and I think then we will certainly—I know we will have their attention.

Mr. KREBS. I don't mean to cut in, but I want to get this last question asked. I am afraid the chairman will call time. I think when you talk about \$50 million unrelated to anything, it seems like an awful lot of money, but if you talk in terms of \$50 million to save a hundred million dollars, then it has a different meaning entirely. And that leads me to my next and last question.

In your testimony you referred to the modern plant, the mechanized plant in Detroit and you also referred to the antiquated plant in Chicago, and I think this would be an excellent way of demonstrating the value of making this investment in research into mechanization. I wonder if it would be possible, without too much expense, to make a study setting forth the number of pieces of mail that are handled daily and weekly and monthly and annually in the city of Detroit in the new mechanized post office, for what cost, ignoring the total capital investment, the original capital investment. I am talking about manpower and the cost of operating that plant in Detroit per piece of mail per day and per week and per year and compare this with the same type of analysis in the Chicago post office. I think this would dramatically underscore the value of spending these few million dollars now in doing the research work.

Mr. O'BRIEN. I think, Mr. Krebs, that point is well taken. As a matter of fact, we will go forward and make just that survey. We can do it quite readily.

I can point out also, I quoted the Reader's Digest on the Chicago post office, that the last Christmas period where we had 8-percent increase in our volume of mail during Christmas, that the Chicago postal system functioned extremely well. Now, of course, it did with two adjuncts to it, north and south, in the city, but nevertheless there was a great improvement there and, as you know, the facilities that are going to be constructed in the Chicago area——

Mr. KREBS. You could measure the manpower, the cubic feet requirement.

Without objection, I will ask unanimous consent that this study be incorporated in the record at this point when it is presented.

Mr. OLSEN. Without objection, it is so ordered.

(The information requested is as follows:)

Comparison, letter cost per 1,000 pieces

The following analysis shows that the cost per 1,000 letters sorted is \$7.62 in the Chicago post office compared with \$6.66 at the Detroit office, with a resultant net difference of \$0.96 per 1,000 letters in cost advantage for the Detroit office. This comparison is based on volumes and man-hours from accounting periods 1-6, fiscal year 1966.

	Chicago	Detroit
Volume (WMS form 2397).....	2,108,215,000	680,653,000
Clerk mail handler hours (WMS form 2399-A).....	4,138,020	1,168,452
Pieces sorted per man-hour.....	509	583
Average clerk mail handler rate.....	\$3.88	\$3.88
Cost per 1,000 letters sorted.....	\$7.62	\$6.66
Cost advantage per 1,000 letters.....		\$0.96

Mr. OLSEN. The Chair recognizes the gentleman from New York, Mr. Hanley.

Mr. HANLEY. Mr. Chairman, Postmaster General, obviously brevity is the byword, and I will concur.

I regret I was unable to listen to your testimony due to a commitment in the Judiciary Committee at 10:30. However, I will make it a point to read it. I am sure it will be most informative. I want to take this opportunity to commend you on this very excellent proposal. From my observation, I believe the area of research and development to be probably the greatest basic need within the structure of the Post Office Department. I hope that the program that you have touched on this morning is infantile, so to speak, and that you intend to expand upon it greatly.

In view of the \$5.8 billion budget which we operate with, it seems to me that when we are talking about \$16 million for research it is somewhat slight. With respect to facilities, I can only think of the facility which exists in my own community, which you had the opportunity to observe not too long ago, and I think this is probably typical of many communities throughout the Nation. This particular one was built with plans designed in 1914 and ultimately constructed in 1928. No new building, no new equipment at the time. The equipment was moved over from the old post office and with the exception of just a few new machines they are still working with the same equipment that was in use in the 1800's, so to me it is somewhat heart-sickening to think that the splendid personnel that I have been able to observe in the Post Office Department have to work under frustrating conditions. We don't provide them with the tools and, again,

in this instance consider the volume of mail processed through a facility like this back in the 1800's as opposed to what it is today. I am told that the national average increase, annual increase, is about 5 percent. In this particular community I am advised it is about 15 to 18 percent a year increase. So how can we expect to provide the best or even reasonably good service when we expect Post Office personnel to attempt to work with the antiquated tools that we have provided them?

So I think that, as it has been said in the past, the Post Office Department is the one area of our Government that has been sadly neglected. I can only concur, and I am delighted with this research and development proposal. I hope that it will meet with the approval of all the responsible committees. I trust that it can be implemented, expanded upon as you proceed with your task.

Thank you.

Mr. O'BRIEN. Thank you, Mr. Hanley.

Mr. OLSEN. Thank you very much, Mr. Hanley.

We will excuse the Postmaster General, but I understand from some of the committee members they have more questions, and they would like to have your staff people remain with us for a few more minutes.

Mr. O'BRIEN. Thank you, Mr. Chairman and members of the committee. Mr. Belen, Mr. Harriman, and Mr. Abell would like to have the opportunity to present additional facts relative to this situation, and I think you will find the presentation Mr. Harriman has in mind, which will be brief, but I am sure you will find it informative.

I appreciate, Mr. Chairman and members of the committee, this opportunity, and I again congratulate you for the initiative you have taken in this area because you are our board of directors and we are pleased to come here today to comment on your suggestions and program.

Mr. OLSEN. Thank you very much. Once again, I want to say that the committee appreciates your leadership. We really are grateful. Thank you.

You have a statement, Mr. Harriman, Mr. Belen, and Mr. Abell? We will hear your statements and then the Chair proposes to recognize the gentleman from Illinois, because he has a few questions he would like to put to you.

Mr. HARRIMAN. Mr. Chairman, we would like to have a very quick review of some of the significant accomplishments that we have made since 1961 to the present time. I would like to point out that at that time the organization in 1961 had grown to a total of 148 people, and of those 68 percent of the staff was so-called technical staff but only 30 percent of those were college graduates in engineering or architecture or in science.

In the time from 1961 to 1966 the organization has grown as the Postmaster General said by absorbing automotive, communications and several other activities to an organization now authorized of 299 employees. Of this we have increased the technical staff to 72 percent, up from 68 percent, and instead of a mere 30 percent being college graduates we now have 67 percent of the O.R. & E. technical staff who are registered professional engineers, college graduates with degrees in engineering or architecture. This we are very proud of, and I think it gives us the fundamental organizational structure, the capability,

the professional training and engineering combined with postal know-how, so we are now ready to give the Postmaster General and the entire Department the support it needs in order to move forward rapidly in research and development.

One of the other items we would like to mention, since the GAO has issued their report to the Congress, is the use of engineering support service on a contract basis. This has been gradually decreased each and every year.

As a percentage of our total effort, starting with 1961 we had approximately 112 employees that were engineer service support activities, primarily draftsmen associated with the construction and building program. This effort has been relatively constant. At the present time we have about 115, but in relation to a total civil service staff of 148 in 1961 to our present civil service staff of 299, you see that it has decreased considerably. The emphasis on research and development as spelled out in the funds appropriated and the funds obligated in table 1 of the statement I would like to call to your attention, because contrary to the impression mechanization funds have been appropriated and not spent, we would like to point out the R. & D. funds that have been appropriated that do have carryover capability or no fund limitation, page 7, table 1, of PMG's presentation, all funds appropriated for research and development have been spent for research and development.

In each year the appropriations, starting with 1961 through 1966 have been accompanied by an equal and equivalent obligation with one exception, and that was fiscal year 1963, at which \$6 million was carried over. That is the only carryover. It has remained a single carryover each year but this year we are in fact and have already to date expended that amount of money.

Mr. OLSEN. Let me interrupt you there. How much R. & D. money is in engineering for construction of buildings?

Mr. HARRIMAN. Approximately \$3 million of the \$12 million annual appropriation is in engineering of buildings. This represents \$2 million for engineering support services that I just referred to. One hundred people on contract plus approximately \$1 million for salaries of our construction engineering activity within O.R. & E.

Mr. OLSEN. So how much is purely research?

Mr. HARRIMAN. By the National Science Foundation definition, who looks to our activity each year, of the \$12 million appropriation, \$6 million is truly research and development after you take out salaries, retirement, construction engineering, civil service benefits, and so forth.

Mr. OLSEN. By the same definition, would you know how much is research in NASA?

Mr. HARRIMAN. NASA has a different base. I can refer to the National Science Foundation, where their activities are spelled out.

Where ours runs about 50 percent available for R. & D., by their definition, NASA runs about 85 percent. I had one other conclusion that we would like to pass on to you today. The Postmaster General has referred to it, but I would like to emphasize it again. We have spent more money for contract research and development by the definition that you have just used since Postmaster General O'Brien became Postmaster than we have spent in any given year for the past 4 years. We will expend, during the remaining time between now and

July 1, the remaining \$5 million of the \$18 million we had at the beginning of the year. As a matter of fact, we have more approved findings and determinations than we have funds for the remaining of this fiscal year. This means that Deputy Postmaster Belen and Postmaster General O'Brien will have to become selective in the actual contracts we award between now and July 1, because we will, in fact, run out of money.

Mr. BELEN. I did want to put in the record a comment concerning the additional scientific position that your bill would provide. We are in a very intensive search for top scientific talent. We have three 313 positions. You would double that. Three Public Law 313 positions were vacant as of a little while ago, but they are committed. We have some people coming aboard. When they are identified, I know you will be pleased with the type of person we are getting.

Second, we are working into the plans of one of our large new facilities on a new research and engineering laboratory. I know that the members of the committee have had a chance to go to our O.R. & E. laboratory here in Washington which is totally inadequate. It is in a real old building, but we have to run our postal laboratory where live mail is available and where that mail won't be delayed as a result of our having an opportunity to work with it. It is going to be in this general area that we will need these people to help staff the R. & D. laboratory and to help supervise it at the headquarters level.

Mr. OLSEN. Could you give us some idea of the cost of this bill?

Mr. BELEN. I really looked on this bill as a bill that would bring about a great deal of savings.

Mr. OLSEN. For the record, will you put the amounts of money in?

Mr. BELEN. Yes. One Assistant Postmaster General at \$27,000. Two executive level 5 positions; we already have one of those so we would be adding one and that would be \$26,000.

Mr. OLSEN. For each?

Mr. BELEN. For one; because we already have one. You are adding three Public Law 313 positions that will be ranked between \$21,000 and \$25,000, so the cost is insignificant compared to the benefit we expect to get out of the better leadership and the better position in which this would place the R. & D. program—about \$120,000 total. But if they don't produce many times that in significant benefit to the Department, why, we will certainly be surprised.

Mr. OLSEN. I think we all agree that this is a very modest amount, but I think for the record when we go to the floor we should have the figures so that we are not charged with creating some new expensive bureaucracy. We are very much in agreement with you.

Do you have anything more?

Mr. HARRIMAN. I would like to also submit for your consideration the very good response that we have had over the past 5 years from private industry. We issued a "challenge to industry" back in 1961. As a result of it, over 900 companies have submitted ideas, pieces of equipment, or suggestions to the Department as suggestions from industry that we could test and evaluate and make part of our mechanization package all research and development programs in the future.

We have gone over the results of this recently with the Postmaster General and we are very pleased with the cooperation which both the Office of Research and Engineering and the Bureau of Facilities has received from private industry.

Lastly is the educational program which we have had going. Approximately one-third of the total professional staff of O.R. & E. does attend evening courses of one type or another in one of the universities around town. I point this out as being important because in the rapidly moving area of electronics and mechanization it is stated by the National Science Foundation that one becomes obsolete in his field in 10 years if he has not been back to school for a refresher course.

Lastly, the three-tenths of 1 percent which is the total amount being requested if we use the \$16 million for fiscal year 1967 is in comparison to industry as a whole in the United States, which runs about 4½ percent of their total budget for research.

In the aviation and missile industry they run 26 percent of their total budgets for research and development. The Department of Defense spends about 15 percent of its total budget for research and development. Ours is three-tenths of 1 percent.

Mr. OLSEN. Thank you very much. Mr. Belen, do you have anything more?

Mr. BELEN. No, sir. We are ready for questions.

Mr. OLSEN. The Chair recognizes the gentleman from Illinois.

Mr. DERWINSKI. Mr. Belen, I don't anticipate this bill will have any trouble. I think the Congress is aware that the Post Office faces growing problems and this at least in a small way would be our means of cooperating, but in addition to being aware of the Post Office problems, we are also aware of the attitude of the public or the complaints of the public about postal service.

As the chairman indicated, to range a bit beyond the subject matter of the bill, I would like to ask about that Reader's Digest article which emphasized the Chicago post office. On a number of committee tours we have taken of the facility in Chicago, we have been told by the supervisors of their problems with the personnel: breakdown in discipline and unusually troublesome personnel complications.

Do you envision that you would be able to strengthen performance procedures in huge post offices, such as Chicago?

Mr. BELEN. Certainly not as a result of this bill. This doesn't apply to that.

Mr. DERWINSKI. I realize that. That is why I am going beyond the bill.

Mr. BELEN. They have some very real personnel problems. We have 654,000 employees as of now. One of the significant things that people have to recognize is that as a result of the retirement bill we had a high number of retirements. We had 180,000 acquisitions and about 100,000 separations over this past time. When you add that up, about 1 in every 5 employees of the 654,000 is new this year. A lot of these employees may be having their first work experience.

Along with other things we have some real training problems. It has brought about a large use of overtime. We have had some real delays in the daily mail showing up due to the fact that there is difficulty in getting employees to serve that Sunday tour. If you don't get that mail ready Sunday for the carrier at 6 o'clock Monday morning you are missing that Monday delivery and it turns out that Friday's mail that you might get Saturday and certainly expect Monday is missed. Because of that, that becomes a very real problem.

There was some misunderstanding I think on the part of employees with respect to their responsibilities, to have them show up. Absenteeism just isn't tolerated.

I will tell you as far as our employees generally, when I start out in the morning and I see a terrific snowstorm going over the whole country, I realize it is impossible to see that 180,000 carriers are on the street.

We have no real morale problems and I am really proud of our boys. I really am.

Mr. DERWINSKI. Now getting back to the subject matter of our discussion this morning, do I understand the Postmaster General to say that you are going to make a complete review of your leasing program? Is that part of your—just where does that fit in your plans?

Mr. BELEN. We maintain you can't take expensive money equipment and put it out in the middle of the field someplace. We have had some very disturbing experiences in putting some of the equipment into existing buildings where you have to shore up the floor and it doesn't fit. Philadelphia is one. We had a problem with parcel post damage and things of that sort. The Reader's Digest article certainly highlights it.

When you consider all the mail that is being generated in the cities of the east coast and we haven't had a new building there in 30 years, Boston is just getting a new building now. We have \$70 million worth of construction starting in New York City. In Baltimore, Philadelphia, and Washington, with all this tremendous growth, we do not have any new facilities.

So we do feel, as a result of studies made, and I will ask Mr. Abell to give you more detail on it, that we ought to, when going into these major constructions, be able to decide should we lease it, construct it ourselves, or should there be a GSA building.

That second one, which is very important, that we should be able to construct a general post office building, we ought to be able to use that as part of the decisionmaking process and we have sent a bill down; it has been referred to another committee; it just came down and I would like to have Mr. Abell talk about that.

Mr. ABELL. You raised the question, Congressman, of whether or not we are going to review our total leasing procedure, and I might say that we have reviewed it rather carefully over the past several months; in fact, extending over a period of longer than a year. We have come to the conclusion that the leasing authority which we now have is a very important and valuable authority for us in constructing many of our buildings. We feel that there is also a need to have direct construction authority so that we could construct some of these buildings and own them, rather than lease them.

Now the question immediately raises itself as to why, under the Federal Public Buildings Act of 1959, we just don't go ahead as we have in the past and have these buildings constructed by GSA. I have no argument with GSA. Actually, I think GSA has done a very good job, in many respects, of providing us with the space we need. They have a tremendous job providing space for the Post Office and all other Federal agencies as well, however.

It is our belief that we now, more and more, need a special-purpose building that is not a general-purpose building of the type that was visualized when GSA was first in the construction business, and I think that with these large buildings, such as the Detroit post office

which was mentioned earlier, such as Operation Turnkey, so called, in Providence, such as the new post office which we badly need right here in Washington, D.C., these buildings have no requirement to be in the downtown area where you would normally have a courthouse. They might be over the railroad tracks, they might be out by the airport, they might be in any number of different locations, but just on location alone, our needs frequently do not jibe with the needs of other Federal agencies.

The mechanization that goes into these buildings requires long and careful planning, as Mr. Harriman mentioned earlier today. A tremendous amount of work goes into just the question of how best for the most efficient operation to place the exact sorting machines and the parcel sorting machines and letter sorters, and so forth.

Once we have pooled all the plans for one of these buildings together I don't think it is efficient to take our plans and send them to GSA and say, "OK, now your planners take over and you build us a building." I think we have done 90 percent of the work by planning, right down to working blueprints, and we ought to have the authority to just go ahead and build.

We would continue to cooperate with GSA in every respect where we are in a small building, an unsophisticated post office in a medium-sized town or small town, where other Federal agencies have a need, then we would all combine and have one Federal building which would, of course, be built by GSA.

Mr. OLSEN. Thank you very much, Mr. Derwinski.

The Chair recognizes the gentleman from Louisiana.

Mr. MORRISON. I have nothing.

Mr. OLSEN. The gentleman from New Jersey, Mr. Daniels.

Mr. DANIELS. I was wanting to hear Mr. Harriman speak about this educational program that the Department has installed. It was my thought, it came to my mind when the Postmaster General was speaking, that in view of the fact the Department was now embarking upon a very expansive program of modernization, new equipment, and some of this equipment is highly technical, I was wondering if the Department had given any consideration to establishing a school to train personnel to take care of the breakdown of any equipment, because this could foul up your operation very much and again result in the slow delivery of the mail.

Now I think that ought to be taken into consideration, that there should be a program of training of personnel to be able to handle, repair this equipment in the event of a breakdown, so I would like to hear from you, Mr. Belen, if you have any comment.

Mr. BELEN. Yes, sir. Through our maintenance group we do have technical training schools and it involves—which involves the maintenance of this equipment. It is all new and it is all a very necessary program. Undoubtedly we will have one involving the employees going into the new facility right near you, sir.

Mr. DANIELS. I just wanted to bring that up.

Mr. OLSEN. Thank you very much.

The Chair recognizes the gentleman from New Jersey, Mr. Krebs.

Mr. KREBS. I don't have any questions, thank you.

Mr. OLSEN. Mr. Hanley?

Mr. HANLEY. I have no questions, thank you.

Mr. OLSEN. I have a question for Mr. Abell. Maybe you can't give us the answer right now, but we would like to know how many post offices are under construction now and what you plan for the next year in the way of construction of post offices by GSA and what you plan for leasing?

Mr. ABELL. Well, I can give you some rough figures off the top of my head.

Mr. OLSEN. Maybe you can supply something else for the record later.

(The following tabulation was submitted for the record, pertaining to new construction.)

	1964		1965		1966 ¹	
	Number	Square feet plus platform (in thousands)	Number	Square feet plus platform (in thousands)	Number	Square feet plus platform (in thousands)
1. Total postal space.....		120,631		125,566		132,292
2. Awards for new construction (lease and rent).....	901	7,231	935	6,040	771	7,264
3. New Federal buildings funded and/or under construction.....	13	232	120	825	15	481
4. Modernized Federal buildings.....	123	1,168	27	216	21	188

¹ Last quarter estimated.

Mr. ABELL. In round figures we will be entering into approximately a thousand new leasing agreements during fiscal year 1967. It will be just less than a thousand for the fiscal year ending this July. There will be about 80 new Federal buildings during that time, to the best of my knowledge. Either new Federal buildings or extensive modernization of existing Federal buildings.

Mr. OLSEN. And then, for the record, I would like you to cite how far behind we really are, Mr. Abell, because of the lag in construction over the many, many past years and the fact that we haven't built any new post offices since the 1930's. I would like to have that in the record.

Mr. ABELL. I would say offhand we are about 6 million square feet under what we need. We occupy about 120 million square feet and I would say, off the top of my head, that if we were to be able to just immediately expand every building that needs to be expanded we would have about 6 million more square feet tomorrow. But the day after tomorrow, we would have to expand again because of the growing mail volume.

Mr. OLSEN. How fast do you anticipate acquiring the 6 million feet?

Mr. ABELL. We add about 6 million feet a year.

Mr. OLSEN. So we are a year behind, is that right?

Mr. ABELL. We add between 4 and 6 million feet a year. I would say we are about a year behind. I hope to get out of that hole eventually.

Mr. OLSEN. I might advise you that Mr. Morrison and myself are going to introduce a bill today concerning leasing which will extend indefinitely the authority for the Post Office Department to obtain space by leasing.

Mr. ABELL. I would be delighted to testify on that as soon as the committee holds hearings or wants to hold hearings. Two years ago this committee voted that authority out unanimously and it passed the House unanimously, but we ran into a snag in the Senate and the Senate decided they only wanted to extend that authority for an additional 2 years.

Mr. OLSEN. As I understand it, the present authority on leasing expires the end of this year.

Mr. ABELL. That is correct. This is on our 30-year leasing authority which also includes our authority to condemn and to buy land. We feel this is a vital authority for us to have to continue in this building program.

I might say that the arguments between people who feel that we should be buying all the buildings, and the people who feel that we should be leasing all the buildings, will never be resolved. There are situations where the liars can figure even if the figures don't lie. Depending on how you do your accounting you can show any building is cheaper to lease or cheaper to buy.

Mr. MORRISON. If you do a lot of both, you will start a fire on both sides.

Mr. ABELL. I think there are situations where it is better to lease and that is the reason I think we need to have this continuation of this authority.

Mr. MORRISON. I would like to see both sides.

Mr. BELEN. I would like to add that while we may be a year behind or 6 million square feet, it doesn't mean we are talking in terms of modernizing our post offices like we really should. Because the fact we are behind, we haven't taken on some of these big projects. We looked at the program as a means of providing where people will work.

Eighty percent of our expenditure is payroll and it is very vital in line with what Mr. Krebs asked.

If you take a look at what we are paying, even though we might be able to survive with a square feet area, where are we at with a building we can bring up to date.

Mr. OLSEN. Could I ask you one more question?

You have an Office of Research and Engineering and a Space and Mechanization Division in the Bureau of Office Operations?

Mr. BELEN. Yes, sir.

Mr. OLSEN. I take it we would be consolidating some of these with this legislation?

Mr. BELEN. It is not being done by this legislation, but we are reviewing our whole construction program. Of course that activity and Mr. Abell's Bureau facilities. We have a lot of the engineering here. We have the idea providing the requirements. Those requirements I think still must remain with operations. Like the man has to figure what does he need and working it through that channel.

We are taking a look at that whole area but this would not restrict us or cause it to be done. This just gives us the pattern we will finally wind up with. Once we get set up with the extra Assistant Postmaster General, it will give us more flexibility.

Mr. OLSEN. Would the responsibilities of the proposed Bureau be subject to the labor-management provisions of Executive Order 10988, or are we talking about supergrades that are not subject to that Executive order, to the labor-management provisions of that order?

Mr. BELEN. We feel the whole Department is subject to it.

Mr. OLSEN. I understand. Anything we do in the Department is subject to the Executive order.

Mr. BELEN. Sure.

Mr. OLSEN. Well, thank you gentlemen very much.

If there are no further questions we will excuse these gentlemen.

Mr. BELEN. We appreciate the opportunity, sir. Thank you.

Mr. OLSEN. We have several more witnesses. I am terribly sorry we have shortened their time so much. The first one is Mr. Charles Ablard, vice president of Magazine Publishers Association.

STATEMENT OF CHARLES ABLARD, VICE PRESIDENT, MAGAZINE PUBLISHERS ASSOCIATION, INC.

Mr. ABLARD. I have a prepared statement which I would like to submit for the record and then proceed to make a few comments.

Mr. OLSEN. Without objection your statement will be inserted in the record at this point.

(The prepared statement is as follows:)

PREPARED STATEMENT OF CHARLES D. ABLARD

It is my pleasure to testify today in support of H. R. 13822, a bill introduced by Chairman Olsen, to provide an additional Assistant Postmaster General for Research and Development.

In past years, the Magazine Publishers Association has supported an accelerated program of research, mechanization, and modernization of the Post Office Department to produce an improved postal service for America. Since we first presented testimony in 1963 before the Appropriations Committee of the House of Representatives, progress has been made in the field of postal modernization and mechanization. However, only a beginning has been made, and much is yet to be accomplished. We congratulate your committee for providing leadership in a program of acceleration of modernization and mechanization of the Post Office Department.

In keeping with the announcement of Chairman Olsen that this hearing would "constitute a comprehensive review of the Post Office Department's research and development policies," we would like to discuss the broader range of problems related to research and modernization.

The establishment of an Assistant Postmaster General for Research and Development in lieu of the present position of Director of Research and Engineering would be a significant forward step in the organization of the Post Office Department. It would provide the proper level of authority and responsibility for the person charged with this important task. From the investigative work which this subcommittee has performed in the field of postal modernization and the recent statements of the Postmaster General concerning the new emphasis and direction on postal research and mechanization, it would appear to be in the interests of furthering the sound development of a modern postal system to provide this new level of responsibility for this office.

This year, the Post Office Department has requested \$16 million for research in comparison with \$12 million last year, or a 33½-percent increase. This is consistent with the recommendation of the Report of the Advisory Board of the Postmaster General in 1961 for accelerated efforts in postal research. We applaud this trend upward in requests for this account and hope the Congress will appropriate the full requested amount. The Office of Research and Engineering under its able Director, Edward E. Harriman, has made significant contributions to the field of postal research and modernization. This has been done with a relatively small budget in relation to the total postal budget and with an organization not sufficiently high in the organizational structure to accomplish those things which it and others, in and out of Government, have known needed doing.

To elevate this position to the level of Assistant Postmaster General is entirely consistent with the practice in many postal organizations around the world. For instance, the British Postal System has an Assistant Secretary for Mechanization who is on an equal line of authority and responsibility with the Assistant

Secretaries for Operations, Home Mails, and Overseas Mails. It is my understanding that comparable levels of responsibility are provided in some other nations in Europe where this committee visited last year on its inspection of European postal facilities. Also, other nations provide a higher percentage of their total postal budget for research than does the United States. The following is illustrative:

Germany: 0.83 percent of total budget.

Holland: 0.81.

United States: 0.25.

As an example of the new importance of research and engineering, I would note a recent request of the Post Office Department to the Congress for authority to construct its own buildings because those buildings are now designed as shells for equipment. The Post Office Department is better equipped to plan these structures than other agencies of Government. Thus, the engineering responsibilities in the total Postal Establishment will increase with the need to coordinate machinery and housing for the new mechanization. Engineering will increasingly be recognized as an essential tool of postal management as this committee saw it was in Europe.

While the establishment of a new position of Assistant Postmaster General for Research and Development would not automatically secure the implementation of needed programs in postal modernization and mechanization, it would be not only a most symbolic move on the part of the Congress but would also help to insure organizationally that those persons charged with the responsibility for a modernization program could speak with authority equal to others in the Department with equivalent areas of responsibility.

The new starts announced by the Postmaster General within the last 90 days hold much promise for the Post Office Department. For the first time, it appears that these mechanization programs, so long on the drawing board and in the testing stage, will be installed in increasing numbers in many cities throughout the United States.

We are especially pleased with the announcement that 52 letter sorters are to be installed in 30 cities; that 80 facer-cancellers will be installed in 79 cities; and that 130 edger-stacker machines will be installed in 80 cities. The \$65 million which the Postmaster General has announced will be spent this year for these and other projects represent a great forward step but should be recognized as only a step in the right direction and not the full utilization of mechanization needed for a modern post office plant to provide service the last half of the 20th century.

In testimony last year, we expressed disappointment when the announcement was made of installation of the first optical ZIP code reader in that the Post Office Department was purchasing only one of these machines when the potential productivity increase appeared so promising. Thus, we were most gratified when the Post Office Department reversed this decision several weeks ago and announced that, instead of buying only one, eight would be purchased for installation in six cities. This is meaningful progress.

During the period 1957-65, \$158 million was appropriated by the Congress for major mechanization, yet only \$87 million was spent during that period. Thus, only about 55 percent of the amount actually appropriated for mechanization had been spent. We would hope that this record will not be duplicated in the years to come and that the Post Office Department will spend the amount of money appropriated for mechanization. The record for 1966 indicates that this practice of excessive transfers has ceased, and we would urge that this committee be vigilant to make certain it does not recur. By contrast, the full amount appropriated for research and engineering during the same period of time was obligated in full by the Department.

Since the Post Office Department has established a January 1, 1967, deadline for use of ZIP code and presorting by ZIP code number for second- and third-class permit holders, they have a responsibility to provide the tools of modernization to utilize the cost-savings capacity created by use of the ZIP code by private users of the mail. Fortunately, the accelerated mechanization program of the Post Office Department will contribute to that potential. Our industry has spent and will spend millions of dollars to ZIP code subscription lists and to presort by ZIP code number by January 1, 1967. Many of our members still have much to do and will spend many dollars between now and January 1, 1967, to comply with the Post Office Department requirements. We will do so in the hope that the mechanization needed to create the savings from the ZIP code program will be installed. We believe in the program and are willing to invest in its success.

Since the first announcement of the ZIP code program 3 years ago, we have attempted to provide information to publishers concerning the programs of the Post Office Department through public forums and dissemination of departmental information. In addition, we have created a nationwide advertising program designed to increase the public understanding and use of the ZIP code. This advertising has appeared in most of our 300-member magazines, amounting to \$293,000 of advertising space in 682 million copies.

This new push toward an accelerated program of modernization and mechanization is directly in keeping with the position the Magazine Publishers Association has expressed during the past 4 years. We urge an accelerated program to provide the necessary tools for the Post Office Department to cope with the staggering volume of mail and to produce cost savings through the use of the most modern and efficient means of productivity. We know this committee will be alert to make certain that the announcements made during the last 90 days by the Post Office Department are implemented on schedule and that sufficient funds are appropriated for the Post Office Department to install this mechanization.

The programs and policies enunciated during the last 90 days should be carried to full fruition by the Post Office Department without diminution through transfer of funds, lack of interest, or shifts of policy. The enactment of H.R. 13822 will help to achieve this goal by raising the level of authority and responsibility of the office responsible for research and engineering. The Magazine Publishers Association appreciates the opportunity of presenting its views to this committee.

Mr. ABLARD. Just very briefly I would like to tell the committee that our association, the Magazine Publishers, has had a continuing interest in the problem of research and mechanization over the past 4 years and we have testified before the Appropriations Committee during the last 4 years when they were considering appropriations and were most pleased when this subcommittee was established to look into it from the postal operation side.

We support wholeheartedly the legislation to elevate the position to Assistant Postmaster General level. It is the proper authority and responsibility where it should be placed and we urge consideration by this committee of this legislation which is most needed.

Thank you very much.

Mr. OLSEN. Thank you very much.

Any members of the committee have any questions?

(No response.)

Thank you.

Now the next witness is John Daly of the Direct Mail Advertising Association and also of Printing Industries of America. Mr. Daly.

**STATEMENT OF JOHN J. DALY, REPRESENTING DIRECT MAIL
ADVERTISING ASSOCIATION AND PRINTING INDUSTRIES OF
AMERICA**

Mr. DALY. Respecting your time, Mr. Chairman, we ask that our statement be included in the record.

Mr. OLSEN. Without objection, your statement will be entered in the record at this point, and we will hear your other comments.

(The prepared statement is as follows:)

PREPARED STATEMENT OF JOHN J. DALY

My name is John Jay Daly and I am appearing here today representing two national associations whose members are vitally concerned with postal progress: the Direct Mail Advertising Association (DMAA) and Printing Industries of America (PIA).

We wish to reflect our interest and support of this measure. So we may set it in perspective may I first touch on the broad scope of the activities of these two associations, both of whom represent business users of all four classes of mail.

The Direct Mail Advertising Association (DMAA) is a 49-year-old international nonprofit trade association comprising over 2,200 member companies and individuals located in 49 States and many foreign countries. DMAA headquarters is at 230 Park Avenue, New York City. All member companies of DMAA are engaged in direct mail advertising—a medium which generates sales of goods and services exceeding \$30 billion annually, according to estimates by the U.S. Department of Commerce.

Seventy-two percent of DMAA's members are users of direct mail advertising, that is, manufacturers, publishers, wholesalers, retailers, mail-order houses, insurance companies, fund raisers, utilities, financial services—every type of business user of the mails. Twenty-eight percent are either producers and creators of direct mail, for example, advertising agencies, lettershops and printers; or suppliers to the medium; for example, paper producers, envelope manufacturers, list brokers, and compilers. Our member companies represent a cross-section of American business and range from the largest corporation to one-man businesses.

Printing Industries of America, largest national graphic arts trade association in the country, is now in its 86th year of service to an important industry. Our more than 6,000 member companies, affiliated through some 50 local and regional associations, represent commercial printing firms of all sizes, using all processes and producing every type of printed product imaginable.

It's understandably fashionable these days to praise research, and certainly the testimony of the Postmaster General and other witnesses here this morning give evidence of the values that can come from accelerated programs of research and development.

In fact the wording of the purpose of this act: "to encourage, advance, and accelerate the research and development and construction engineering programs of the Post Office Department and to provide for improvements in the administration of such programs," states eloquently enough why we support the measure.

We note that for its fiscal 1967 budget the Post Office Department has asked for some \$16 million to be appropriated for research, development and engineering. Compared to the \$12 million sought last fiscal year this one-third increase represents some improvement. We feel compelled to point out however that when compared to the total expenditures of some \$5.8 billion proposed for 1967, this seems relatively small.

Further we have been disappointed for nearly a decade that the Post Office Department has not only not requested sufficient funds for modernization and mechanization—but even what money was appropriated has been deferred and not spent for its intended program. In the long run, this has cost mail users far more than any so-called savings. We are pleased to note that on February 15 when questioned in hearings before the House Appropriations Subcommittee about this practice that Postmaster General O'Brien said he "intends to correct this situation."

There is some evidence that this is coming about for we are pleased to note that in fiscal 1966, the dollar value of the research and engineering contracts had more than doubled from 4 years earlier. Inflation may have had some effect but we are sure that this increased expenditure—though by no means enough—reflects their sincere efforts in trying to solve the Department's service problems.

In our contacts with the staff we have also been impressed with their professional competence, and the steady increase in its caliber. Even though we may not always agree with all of their recommendations—particularly as it might concern the extension of certain arbitrary standardizations—we respect their obviously sincere desire to bring a professional research approach to solve the massive problems facing the Post Office Department as it strives to improve mail service in the face of a rising volume of mail.

As business users of the mail we of course feel this rising volume is a clear bellwether of a healthy economy. Since continued increases are certain, we believe that a truly massive and meaningful modernization and mechanization program will go a long way toward solving postal problems, though it is not the only answer.

Representing businessmen who must daily be concerned with the continual squeezes on profits, our associations are certainly wary about advocating what some may feel to be unnecessary governmental expenditures. However, as we noted earlier, money spent to develop a meaningful modernization and mechanization program in the Post Office will return benefits in many ways. That is why both PIA and DMAA have long supported efforts in this direction.

We have been pleased to report to our members the series of announcements in mid-January by Postmaster General O'Brien which accelerated this activity. In his \$65 million acceleration program he said he would place 8 ZIP code "readers" in 6 major cities, 52 letter sorters in 30 cities, 80 facing and cancelling machines in 79 cities, 130 edger-stacker machines in 80 cities, 11 semiautomatic sack sorting machines in 8 cities, 17 parcel post sorting machines in 3 cities, and 24 overhead monitoring systems in 18 cities.

This was certainly heartening news but we submit that it is long overdue. We agree with Postmaster General O'Brien who said in Detroit he has "lifted the curtain on an entirely new era of postal history by launching U.S. industrial revolution" but believe that this should be but the beginning.

In view of his subsequent announcements that a \$33.5 million computer system and luminescent inking for postage stamps will be used, we think that the Department is now launched in the direction of increased modernization and mechanization. This bill will help it further.

Members of both of our associations are committed to heavy expense to comply with the upcoming January 1, 1967, deadline for the mandatory preparation and presorting of mail by ZIP code. Because of the initial costs and expenses which they will continue to bear in order to comply with these regulations, we believe the Post Office Department has an equal responsibility to insure that it develops both rapidly and prudently all of the necessary tools to modernize its services and effect meaningful cost savings.

Since it is obviously the intention of the present administration to carry forward these goals, we appear here this morning to support the provisions of H.R. 13822, fully realizing that the benefits which will be enjoyed may not be visible for several years. This of course is no reason not to start now. Rather it should be strong incentive to insure its passage during this session of Congress so that the accelerated program announced by the Post Office Department early this year can be further speeded.

In introducing this measure and holding these hearings, Chairman Olsen is performing a real service to the American business community, because the complete record of these hearings will doubtless reflect many reasons why an accelerated program for research is needed to improve our postal service.

Speaking for two industries which are undergoing various degrees of technological revolutions, may I then ask permission of the committee to insert into the record this thoughtful definition of research. Its author is Dr. Albert Szent Gyorgyi, a noted octogenarian Hungarian medical researcher with the Rockefeller Institute. With as much wisdom as brevity he says:

"Research is to see what everybody has seen and think what nobody has thought."

The Direct Mail Advertising Association and Printing Industries of America appreciates this opportunity to present our views to this committee and we stand ready to cooperate with you in any way that is possible.

Mr. DALY. Essentially in summary we would like to echo the statements made by the Postmaster General and Mr. Ablard from the Magazine Publishers representing the commercial printing industries and the Direct Mailing Advertising Association, both of whom are heavy users of the mails.

We are very much in favor of this legislation and would hope it would provide the key for an even improved mail service. We laud and support it.

Out of the statement I would just like to close on a note that I think perhaps maybe the printing industry ought to volunteer for placement in each of the offices and all of the desks at the new office. This is a definition of research which is rather brief but it does have a bit of wisdom. "Research is to see what everybody has seen and think what nobody has thought" and perhaps, with this kind of inspiration we can have a truly meaningful modernization and mechanization program.

Thank you.

Mr. OLSEN. Thank you very much, Mr. Daly. I think both you and Mr. Ablard certainly have the point of view of the committee

that modernization and mechanization from research can help us avoid increasing the postal rates of this country. I think that is our real goal.

Thank you very much.

At this time I would like to have inserted in the record letters and statements from Mr. Patrick Nilan, United Federation of Postal Clerks, Mr. Harry Maginnis, Associated Third-Class Mail Users, and Mr. Jerome J. Keating, president, National Association of Letter Carriers.

(The letters and statements are as follows:)

UNITED FEDERATION OF POSTAL CLERKS, AFL-CIO,
Washington, D.C., April 25, 1966.

HON. ARNOLD OLSEN,
Chairman, Subcommittee on Postal Facilities and Modernization, House Committee
on Post Office and Civil Service, Room 345, Cannon House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: Thank you very much for providing us with an opportunity to submit a statement on behalf of the membership of the United Federation of Postal Clerks concerning H.R. 13822. We also appreciate your interest and that of your committee in conducting a comprehensive review of the Post Office Department's research and development policies.

I am sure that you appreciate the fact that as the exclusive bargaining representative for the Nation's 260,000 postal clerks in our labor-management relations with the Post Office Department under Executive Order 10988, that we necessarily have considerable interest in the research and development policies of the Post Office Department in the areas of mechanization and automation and technological advances.

It is because of this basic interest and concern of our union that we are submitting the enclosed statement for your consideration and that of the other members of your committee. We earnestly request that you and the committee consider including appropriate references from our statement in the committee report to accompany H.R. 13822.

It is our sincere hope that the intent of your committee and the Congress, in the enactment of H.R. 13822, will make certain that unions such as ours will be assured of meaningful and prior consultation with the new Assistant Postmaster General proposed in this bill, as well as the Post Office Department in the mission to be defined by law for the new Assistant Postmaster General position.

We would also suggest that, to the maximum extent possible, the intent of the Congress be made clear and, specifically, that our union and other unions be recognized where concerned with post office research, development, and engineering programs and other innovations which affect the personnel, as provided in Executive Order 10988, as well as national and local labor-management agreements between employee unions and the Post Office Department.

Thank you very much for your consideration and the many kindnesses always extended to me and to the other representatives of the United Federation of Postal Clerks.

Sincerely yours,

PATRICK J. NILAN,
Legislative Director.

STATEMENT OF PATRICK J. NILAN, LEGISLATIVE DIRECTOR, UNITED FEDERATION
OF POSTAL CLERKS, AFL-CIO

Mr. Chairman and members of the committee, the United Federation of Postal Clerks welcomes this opportunity to present this statement on behalf of its 245,000 members and as the exclusive national representative of the Nation's postal clerks. This statement has been prepared by the following officers of the United Federation of Postal Clerks, AFL-CIO: Patrick J. Nilan, legislative director; Don E. Dunn, executive vice president; Henry T. Anglim, administrative vice president; Francis S. Filbey, administrative aid; and Walter O. Froh, staff economist and industrial engineer.

The United Federation of Postal Clerks is familiar with the progress of the Post Office Department's functions in the areas of research, development, and

engineering and recognizes the advantages and benefits they have produced for the postal service and the public. We are well aware of the great increase in mail volume which has taken place in recent years and the problems it can and has created. We are also familiar with recent projections into future years of increasing mail volume. We want the Department to be imaginative and creative in developing newer and better ways of processing and expediting the increasing flow of mail, within the framework of an increasing population and business community in which the Department will have increasing responsibilities. We want the Department to be able to follow the meritorious recommendation of the Committee on Post Office and Civil Service in its report, "Postal Systems of U.S. Armed Forces and Certain Countries in Europe" * * * that programs for research and development be employed to evaluate old concepts, and to provide the tools for keeping pace with a mail explosion * * *".

We want very much for postal clerks as well as other postal employees to have the tools, methods, systems, and procedures to enable them to more rapidly increase their productivity and efficiency. We want them to continue to cooperate in the achievement of these and the aforementioned objectives as they always have in the past as loyal and devoted servants of the public, and we have every confidence that they will.

In consideration of the above-stated objectives, the United Federation of Postal Clerks is not opposed to the creation of a Post Office Department bureau in general conformity with H.R. 13822 to centralize the Department's research, development, and engineering activities. However, we were disappointed to hear that the Department's testimony and supporting comments made before this committee in advancing the bill gave no recognition to the most important building block in any program designed to create "tools"—the morale of the persons who must work with the tools, the human factor in total.

We all know that a basic human response to change is fear. It is present in all individuals. What people are familiar with they are comfortable with, but that which is untried is uncertain to them and breeds insecurity and fear. This is especially true for a person in relation to his job, his work, his livelihood. When new methods, systems, procedures, equipment, or anything which represents mechanization or automation, changes a person's work, he has, first of all, fears about the security of his job and the welfare of his family and, secondly, problems of transition and adjustment. These fears and problems are real. We believe they are worthy of recognition and should be recognized. Therefore, in consideration of these basic realities, the United Federation of Postal Clerks believes that there should be in H.R. 13822 assurances that the Post Office Department will give specific consideration to the ramifications that any of the products of the proposed bureau will have on personnel, especially in terms of reduced personnel requirements (even if there would be no net decreases) and changing skill requirements. Such conditions could then be translated into policy proposals which could protect the security and allay the fears of postal workers, especially those of long service who would be most disturbed by such insecurities and fears.

We believe it is not enough for the Post Office Department to say that no employees will lose their jobs as a result of automation. Assurance that a postal worker will not lose his job now or in immediately subsequent years as a result of automation, with its unfolding and yet unknown possibilities, will not necessarily protect his job security in later years or make him feel less fearful now of insecurity in his twilight years. Job assurance now will not necessarily be compatible with a postal worker's welfare, well-being, personal stability and morale if he will be required to cast aside skills learned over a working lifetime and learn new skills born of an age of automation. Individual cases, as well as comprehensive studies, reveal that it is difficult and sometimes impossible for many workers to "unlearn" acquired skills and learn new ones. Within this framework it would be unfortunate if some postal workers would have to be "downgraded" in their work in order to be beneficiaries of the job assurance which they are now guaranteed.

Responses to such problems and answers to the questions they pose are the responsibility of the Post Office Department, which should pursue them with the best means it has available. We note the Department is utilizing university research, currently having contracts with Dartmouth College, Michigan State University, and Southern Methodist University, according to Postmaster General O'Brien's testimony before this committee. But there was no indication that this research will extend beyond engineering considerations relating to mechanization and automation, and into the area of human problems associated with innovations in general and automation and mechanization in particular. Universities have

outstanding and widely recognized authorities in this area. It is hoped the Department will make use of them. It would be unfortunate if human factors were to be neglected in the Department's program to more expeditiously and efficiently accommodate an increasing volume of mail.

We believe that cooperation of the employee organizations is very important to the successful operation of the Post Office Department. We also believe that the United Federation of Postal Clerks, as well as the other employee organizations, reflecting their various and particular points of view, have something to offer. Therefore, we were pleased to hear Deputy Postmaster General Belen's response to a question from Chairman Olsen of this committee that Executive Order 10988 would apply to the functions of the proposed bureau as it does to the entire Department. This means that its personnel, policies, practices and working conditions would be subjects of consultation or negotiation, as appropriate.

We look forward to prior, meaningful, fruitful consultation with the Post Office Department. We trust that we will be consulted at each stage of the research, development, and engineering process, because our particular knowledge, interests, and viewpoint may be able to make a helpful contribution to achieving the objectives envisioned by this committee and the Congress. We especially hope to be consulted before research of a particular kind is inaugurated, and trust that the Department will agree that the more light cast upon a proposed avenue of research, the more likely both problems and opportunities will be foreseen, and the better result for all concerned will be accomplished.

Consultation on a broad basis, we believe, should help insure that the proposed bureau will best be able to fulfill the purposes for which it is to be created. It should not operate in a highly specialized and technical "ivory tower", isolated from the practical problem kinds of considerations that other bureaus, such as Personnel and Operations, and the employee organizations, reflecting firsthand their members' field experiences, can better make. Neither should the proposed bureau be unduly restrained in functioning freely enough to be productively imaginative and creative. We believe that consultation on a broad basis will allow all viewpoints to be expressed and appropriately reconciled by the office of the Postmaster General.

We will continue to cooperate with Post Office Department innovations that do not impair the safety, health, well-being and morale of the postal employees. However, we hope and trust that the newly created bureau would not be unduly credited with achievements at the expense of just recognition of the skills of postal workers. The human factor is still basic. A case in point is the processing by the Post Office Department during the 1965 Christmas holiday season of the largest holiday volume of mail ever. This was achieved with a relatively small number of employees, reflecting a high level of productivity. It was possible—not because of increased use of ZIP code, which was another variable—but primarily because of the greater use of career postal clerks with knowledge of distribution schemes tailor made to facilitate the unprecedented volume of holiday mail. Correspondingly, there was much less use of temporary unskilled employees.

Post Office Department innovations of various kinds have been and can be helpful, but when they are limited by external factors such as limited public use of ZIP code, or by internal factors characteristic of the innovation itself—then the knowledge, experience, and dedication of career postal employees must be relied upon to best solve the problem. Such performance by career post office employees can invariably be depended upon, we are proud to say.

The United Federation of Postal Clerks has reservations, as detailed in this statement, about whether the proposed bureau will give appropriate consideration in its research, development, and engineering to the human factors involved, to the proven skills of career postal employees, and to its obligation to consult and negotiate with the employee organizations in conformity with Executive Order 10988. If assurances can be embodied in H.R. 13822 that appropriate consideration will be given to these matters, the United Federation of Postal Clerks would not be opposed to its enactment.

Thank you, Mr. Chairman and members of the committee, for the opportunity to present this statement.

STATEMENT OF HARRY J. MAGINNIS, PRESIDENT, ASSOCIATED THIRD-CLASS MAIL USERS

It is a pleasure to submit to the Subcommittee on Facilities and Modernization a statement in support of Congressman Olsen's bill, H.R. 13822, to provide for an additional Assistant Postmaster General to further the research and development and construction engineering programs of the Post Office Department.

This organization, consisting of 800 business mail users, has for 15 years been cooperating with the Congress and the Department to the end that the postal service receive the benefits of modern research and development. For too long a time the Post Office has been unable to make any giant strides in the area of modernization and mechanization. With the encouraging increase in mail volume in the past 10 years, the Department has need for every modern tool and idea to speed the delivery of the mail at the lowest possible costs.

Congressman Olsen's bill would provide for an Assistant Postmaster General to head up such a program. Such authority should be vested in a Department official. This bill would provide the Postmaster General with an additional top aid and staff dedicated to searching for new ideas to improve the postal service.

This association heartily endorses H.R. 13822 and hopes that the committee and the Congress will act favorably on it at the earliest possible date. We concur with the statement on behalf of the bill made by Postmaster General Lawrence F. O'Brien. His statement deserves the attention of all who would improve the postal plant. There can be no doubt that additional funds for research and development will be made available to the Department once a realistic program has been developed by the new Assistant Postmaster General.

STATEMENT OF JEROME J. KEATING, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. Chairman and members of the committee, on behalf of the National Association of Letter Carriers, an organization representing 180,000 letter carriers located in every State of the Union, the District of Columbia, and Puerto Rico, I want to announce our support of the proposal of Congressman Arnold Olsen to create a new Assistant Postmaster General in the Post Office Department in charge of research and development.

The National Association of Letter Carriers is for progress and better postal service. We believe in the development of mechanization for several reasons: (1) to speed up the handling of the mail and (2) to lift the load of mail off the backs of the individuals.

Mechanization has been difficult in the postal service because each peice of mail is different. The products handled by the Post Office Department lack the uniformity of most products found in our mechanized factories and, for that reason, mechanization and automation have been slow.

The National Association of Letter Carriers is in favor of progress and we believe that a broader study on the part of competent technicians would help perfect devices that would make for better postal service. We note that the Census Bureau predicts that by the year 2000 there will be 374 million people in this country. We fully realize the necessity of meeting the challenge that this tremendous population will place upon the postal service, and we congratulate Congressman Olsen on introducing this meritorious bill.

Mr. OLSEN. The committee will now go into executive session and we will excuse all other folks, please.

(Whereupon, at 11:50 o'clock a.m., the subcommittee recessed.)

CHAPTER I. THE DISCOVERY OF AMERICA

In the year 1492, Christopher Columbus discovered the continent of America, which was then called the Indies.

He sailed from Spain in August, and after a long and dangerous voyage, he reached the island of San Salvador in the month of September.

He then sailed to other islands, and at length reached the continent of America, where he landed on the coast of Florida.

He found the natives very friendly, and he traded with them for gold and silver.

He then sailed back to Spain, and reported to the king and queen that he had discovered a new world.

The king and queen were very pleased with his discovery, and they gave him a large sum of money for his services.

He then sailed back to America, and he discovered many other islands and parts of the continent.

He then sailed back to Spain, and he reported to the king and queen that he had discovered a new world.

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He then sailed back to America, and he discovered many other islands and parts of the continent.

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