

# Post Office Department Annual Report

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FOR THE FISCAL YEAR ENDED JUNE 30

1917



Including . . .  
Miscellaneous Tables



WASHINGTON  
GOVERNMENT PRINTING OFFICE  
1918



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REPORT  
OF THE  
POSTMASTER GENERAL.

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NOVEMBER 15, 1917.

To the PRESIDENT:

The Postmaster General has the honor to present his annual report for the fiscal year ended June 30, 1917.

POSTAL FINANCES.

The audited revenues for the Postal Service for the fiscal year ended June 30, 1917, including the revenues from money-order and postal-savings business, amounted to \$329,726,116.36, an increase over the preceding year of \$17,668,427.53, or 5.66 per cent. The audited expenditures amounted to \$319,838,718.40, an increase over the preceding year of \$13,634,685.26, or 4.45 per cent.

The revenues exceed the expenditures by \$9,887,397.96. After deducting \$51,186.06, losses of postal funds by fire, burglary, and other causes, the audited surplus for the year is \$9,836,211.90. This surplus is the largest in the history of the Postal Service.

The surplus in postal receipts is payable into the United States Treasury, according to the provision of law, and is used in meeting the general expenses of the Government. Accordingly, \$9,000,000 of the above reported surplus has recently been paid into the Treasury. This followed similar payments of \$3,800,000, \$3,500,000, and \$5,200,000 on account of postal surpluses accruing during the fiscal years 1913, 1914, and 1916, respectively.

The audited expenditures above stated include \$306,480,767.43 for services performed and supplies purchased during the fiscal year 1917, and \$13,357,950.97 paid in 1917 in liquidation of obligations incurred in previous years which it was impracticable to adjust during those years. To ascertain the true financial results for a given year all obligations for the business of a year, adjusted and unadjusted, should be taken into consideration, and payments in liqui-

dation of obligations incurred for previous years excluded. Statements as to the operations of the department show that the cost of maintaining the Postal Service during the fiscal year 1917, after all outstanding obligations for that year have been adjusted and paid, will amount to approximately \$317,425,443.14. On this basis, after deducting the losses by fire, burglary, and other causes, the revenues for the fiscal year 1917 will be \$12,249,487.16 in excess of the expenditures. The difference between this amount and the audited surplus is due largely to payments made in 1917 to rural carriers in excess of compensation earned under the law for services performed in 1915. These payments in the nature of a gratuity were made pursuant to an act of Congress.

#### POSTAL SERVICE FOR THE AMERICAN WAR FORCES.

The needs of the Military Establishment have necessitated special provisions by the Post Office Department for the handling of mail for the American war forces at home and abroad. This has been brought about speedily and satisfactorily, though it involved a specially organized service for the camps and cantonments at home and a new postal service adapted to the needs of the expeditionary force and to the Navy abroad.

Upon the declaration of war with Germany the department took immediate steps to provide such an adequate mail service. A commission of postal experts studied the extensive British and French army postal service in London and Paris and at the front, and the first United States Army post office in France was opened shortly after the arrival of the first contingent of Regular troops on the Continent. Since that time Army postal stations have followed or anticipated the American troops. The mail is distributed to companies and other units and delivered daily by railroad and Army trucks to the various camps, where it is turned over to the authorized representatives of the Army for proper delivery. The difficulties at first experienced because of insufficiency of address of letters, the change in troop organizations, and other similar causes have been removed and the service is now very satisfactory, subject, however, to the irregularity of ocean transportation movements, necessary censorship, and the heavy demands on the railway facilities in France.

The mail service for the United States naval vessels has noticeably increased in volume, the Navy mail having been extended to apply to naval training camps and to the headquarters of the various detachments of the United States Marines at different points abroad.

At home it has been necessary to provide adequate mail facilities to serve more than 1,000,000 men mobilized at the various cantonments and aviation fields. The accomplishment of this was a crucial test of the capacity and organization of the Postal Service. Not only has provision been made to deliver and receive mails upon the arrival of the first contingents of troops at their military camps, but provision has been made for the transaction of money-order and postal-savings business, the registration of letters, and the receipt and dispatch of collect-on-delivery and insured parcels. These military branch post offices are stations attached in each instance to the nearest large post office and are under the supervision and direction of the postmaster at that place. In this manner the department secures the prompt and efficient supervision of experienced postal employees. Such branch offices have been established at military camps in 29 States, and the average volume and importance of business is equal to that of offices in cities having a population of 200,000. The military authorities also have rendered valuable assistance and cooperation in establishing conditions favorable to an efficient service. The clerical force has been drawn from the experienced body of employees in the post offices generally, and the cooperation of these clerks, as well as that of the postmasters, many of whom exchanged comfortable homes for the inconveniences of camp life, is commendable.

#### FOREIGN MAIL SERVICE.

The total cost of the foreign mail service during the fiscal year ended June 30, 1917, except for balances due foreign countries on account of intermediary transit of United States mails, was \$3,155,443.16, which is \$131,557.57 or 4 per cent less than the cost for the same items of the service for the previous year. The increase in the weight of the mails dispatched by sea during the year was 6.97 per cent over the previous year. The expense incurred on account of the intermediary transit of the mails can not be stated at this time, the war in Europe having caused unusual delays and difficulties in the assembling of the necessary data.

On account of the war the irregularity of the Trans-Atlantic mail service continued, but irregular service was maintained with all European countries during the year up to the time of the declaration of war by the United States, and since that time with the neutral and allied countries. To maintain this service, it was necessary to utilize all available steamers and many not ordinarily used for transportation of mails. Because of the fairly regular weekly sailings of the contract steamers of the American Line they handled a very large part of the European mails in both directions.

#### INTERNATIONAL PARCEL POST.

Notwithstanding the disturbance to the service caused by the war and the suspension of the parcel-post exchanges with nine countries, the number of parcels dispatched during the year increased in a percentage of 17.99, while the weight increased 36.85 per cent. The aggregate number of parcels dispatched was 1,595,975, weighing 8,579,485 pounds, as compared with 1,352,639 parcels dispatched during the preceding year, weighing 6,269,093 pounds. The aggregate weight and number of the parcels received during the year, however, represents a decrease as compared with the previous year of 29.79 per cent and 38.71 per cent, respectively, the number received being 315,478 parcels weighing 1,667,148 pounds. There was a gratifying and noticeable increase in the number of parcels dispatched to Central and South America.

During the year parcel-post conventions were arranged between the United States and China and the Netherlands East Indies, making a total of 54 countries and colonies with which such conventions have been concluded. Negotiations are being continued with other countries not yet under a convention, which it is hoped to bring to an early successful conclusion. These countries are Russia, Spain, British India, Switzerland, South Africa, Paraguay, and Cuba.

Modifications were made in several existing exchanges so as to offer opportunities to dispatch liquids and pastes, under proper restrictions, and to increase the weight limit to 20 pounds, the countries affected by the modifications in the matter of weight being Ecuador and Panama. In addition to the foregoing, new conventions have been concluded with Salvador and Mexico, bringing into force certain provisions not contained in the original conventions with those countries or in the existing conventions with any other country. The provisions are:

Increase to 20 pounds of weight limit (extended by correspondence also to Ecuador and Panama, as stated above).

Indemnity for loss or damage of registered parcels to the amount of the actual loss sustained but not exceeding 50 francs (\$10) for any one registered parcel.

The elimination of the graduated charges of 5 cents for the first pound and 1 cent per additional weight of 4 ounces collectible from the addressee as a delivery fee.

Payment by the country of origin to the country of destination of 2½ cents per pound for all the parcels it dispatches.

With the exceptions noted above the main characteristics of our parcel-post conventions are:

Postage rate, uniform at 12 cents a pound.

Limit of weight, uniform at 11 pounds.

Limit of size, uniform at 3 feet 6 inches greatest length and 6 feet greatest length and girth combined, except Colombia—2 feet greatest length and 4 feet greatest girth.

#### RECIPROCAL FOREIGN POSTAGE RATES.

The postal administrations of two additional foreign countries, New Zealand and the Dominican Republic, entered into agreements with the United States during the year, making a total of 14 countries and colonies, exclusive of Germany, with which reciprocal reduced letter rates prevail.

The enactment by Congress of a provision increasing the domestic postage from 2 to 3 cents automatically increased the rate of postage from 2 to 3 cents to all foreign countries with which the United States has special agreement that fixed the rate of postage at the existing domestic rate. By agreement between the Postmasters General of the United States and England, respectively, the rate of postage between the two countries had been fixed specifically at 2 cents, but upon the increase in the domestic postage rate the agreement was changed, increasing the rate between the United States and England to 3 cents.

#### THE RAILWAY MAIL SERVICE AND RAILROAD MAIL PAY ADJUSTMENTS.

In connection with an adjustment of the Railroad Mail Service on the "space" basis provided for by Congress, an investigation was made by the department with reference to unreasonable and un-economical methods in the service. The investigation was directed to requiring of post offices and Railway Mail Service terminals a

more thorough working of the mails with a view to reducing the amount of costly distribution on the trains; to dropping, without prejudice, superfluous clerks, as well as eliminating inefficient ones; and to reducing to more reasonable hours the time required of clerks on moving trains. This reorganization is now practically completed, and although it has not been in operation sufficient time to work at its best, it is already bringing marked improvement to the service, notwithstanding the irregularity of train movements due to the heavy demands on the railroads because of war conditions. The reforms that have been instituted in the Railway Mail Service as well as in the methods of mail transportation have been for the betterment of the postal system and in no instance have they resulted in a deterioration of the service.

On June 30, 1917, the length of lines on which railway post-office service was in operation was 231,501.39 miles, with annual miles of service of 308,018,777, and the length of lines on which closed pouch service was in operation was 71,268.32 miles, and annual miles of service of 281,499,859. Railway post-office service was established on 3,298.49 miles of railroads to supersede service previously provided by closed pouches forwarded upon express trains and apartment-car service on 611.99 miles was superseded by full railway post-office service.

By reason of the reorganization made in the Railway Mail Service during the year a number of unnecessary clerical positions were abolished, and the clerks holding such positions were offered transfers to other lines or railway post office terminals where their services were needed. Those for whom regular positions could not be obtained at once were placed in temporary assignments until vacancies occurred to which they can be transferred. Only clerks found to be inefficient have been eliminated from the service.

#### TRANSPORTATION DIFFICULTIES.

Satisfactory operation of the mail transportation service was greatly interfered with through difficulties experienced by the railroads. During the winter of 1916-17 severe weather conditions disturbed train schedules to such an extent as to seriously interfere with the regularity of mail service, and during the spring and summer of 1917 unprecedented congestion of the railroads, due to greatly increased freight, express, and passenger business growing out of war

conditions, together with the elimination of numerous trains for the conservation of transportation facilities, seriously disrupted schedules. The situation was aggravated by an ever-increasing scarcity of labor for railroad porter service to handle the mail at the stations, and the department was compelled, in order to insure as expeditious movement of the mails as possible, to enter upon the policy of handling the mails by its own force at the stations where railroads would not or could not furnish the necessary porter service.

COMPENSATION TO RAILROADS FOR CARRYING THE MAILS.

Section 5 of the act of July 28, 1916, 39 Stat., 412, 425, providing for readjustment of compensation to be paid to railroad companies and for the ascertainment of fair and reasonable rates of compensation by the Interstate Commerce Commission, contains a proviso that pending the decision of the commission as therein provided for, the existing method and rates of railway mail pay shall remain in effect, excepting on such routes or systems as the Postmaster General shall select, and to the extent he may find it practicable and necessary to place upon the space system of pay, in the manner and at the rates provided in the section, with the consent and approval of the Interstate Commerce Commission, in order to properly present to the commission the matter referred thereto.

In furtherance of the direction of the statute the Postmaster General made formal application to the commission on August 1, 1916, for its consent and approval of the adoption of the space basis plan on certain routes over which mails were then transported and which were named, these being the routes which the department expected to set forth in its plan under the law as those upon which the space basis should be adopted. The formal approval of the commission was given on August 29, 1916. Supplemental requests were afterwards made and allowed. Thereafter, the railroads filed a petition before the commission for an order prescribing weighings, keeping of statistics, period of, and other conditions of space test necessary to be determined in advance of its installation, on the theories held by the railroads. The Postmaster General filed formal answer to this, taking issue on the theories advanced by the roads with respect to the provisions of the law. The matter was formally presented to the commission, which thereafter entered an order on the 17th of October, denying the railroads' petition.

In February, 1917, the Postmaster General filed with the commission his formal statement showing the transportation required of all railroad common carriers and the service connected therewith in the carriage of the mails, as required by said act. Such statement constituted the comprehensive plan for the transportation of the mails. It contained representation that the total compensation at the rates named in the act is excessive and prayer that the commission will fix and determine the fair and reasonable rates and compensation. The railroad companies generally have answered and the case is being prepared for presentation to the commission.

In the statement filed representations were made as to the necessity for securing pertinent statistics as to the weight of mails carried and the space they occupy in the cars, and information regarding the amount of service performed and facilities furnished as authorized in the transportation of the mails, and other statistical data essential to estimating the cost of carrying the mails and express, respectively, and the performance of service in connection therewith.

At a conference between the representatives of the department, the railroad companies, and the Interstate Commerce Commission an agreement was reached regarding the extent of statistical information and the method of securing it. Accordingly the mails were weighed upon all railroad routes for a period of 35 days, from March 27 to April 30, 1917, inclusive, and space and other statistics were taken for the same period, including data with respect to express traffic. These data are now in process of tabulation and computations therefrom are being made, and the results will be made ready for consideration by the commission as early as practicable.

#### SUCCESS OF THE " SPACE " SYSTEM.

To date 1,824 railroad mail routes have been stated on the space basis of payment at the maximum rates stipulated in the act, such restatements being effective on November 1, 1916. This restatement embraced practically all routes having full railway post-office and apartment car service, with storage and closed-pouch service incident thereto. The remainder of the routes, 1,157, were continued on the weight basis.

The greater part of the service having been placed on the space basis, the entire mail transportation system was carefully adjusted to the postal needs. Post-office inspectors, cooperating with the field

officials of the Railway Mail Service, were engaged nearly eight months on this task, which involved a minute study of the mail movement over 261,000 miles of railways. Although the rate of compensation on the space basis is higher than the rate of compensation on the weight basis, the space basis of pay lends itself to such rational adjustment to the needs of the service that by the close of the fiscal year it was possible to eliminate duplication and other unnecessary transportation to the extent of approximately \$7,000,000 per annum. Yet, notwithstanding this reduction, so ample is the space authorized on the railroads that it is possible to take care of large quantities of "blue-tag" mail formerly dispatched by freight, as well as the handling of postal supplies to such an extent as to save the department approximately \$500,000 in freight charges.

The cost of the entire railroad transportation service under the weight basis was at the annual rate of \$62,242,000. The cost of the same service under the space basis was at the annual rate of \$65,492,000, an increase of \$3,250,000 over the weight rate. Under the space basis of pay, however, it was possible to increase or decrease the amount of transportation to be purchased to the actual needs of the service, with the result that at the close of June 30, 1917, the regular authorized service was at the annual rate of \$58,518,478. Thus the operation of the space basis is resulting not only in the direct saving of millions of dollars to the Government by reducing the car-mile service required of the railroads, but has released to the roads a large amount of car equipment and car space on trains. The number of full 60-foot storage cars alone, which, through concentration and better loading of the mails, has been released to the railroads for meeting the present freight, baggage, and express congestion would equip daily three trains of 10 cars each operating between Boston and Chicago. In addition, 6,834 half-car miles of storage-car space and 5,805 fourth-car miles of storage space daily have been released to the railroads from the mail service. The value to the railroads and to the country of this rational economy will be better appreciated when it is recalled that under the stress of war demands for transportation space not only the railroads but the express companies have had to place embargoes on commodities. This important reform has been accomplished not through decrease in the service to the public but through more economical loading of the mails and the elimination of unnecessary dispatches made at such

hours of the day and night when they would be of no possible service to the public.

An analysis of the table hereto appended discloses that the railroads have been relieved of service amounting to 31,906,680.17 60-foot car-miles, while the reduction in compensation has been \$7,270,386.45 per annum. This is a reduction of service required of the railroads of 11.69 per cent, while the reduction in compensation has been at the rate of 11.28 per cent. The regularly authorized service as operated on June 30, 1917, cost the Government 23.73 cents per car-mile. This cost the department regards as excessive and will endeavor to have reduced.

Comparative statement showing miles of service, line pay, and initial and terminal allowance, by units, of railroad mail service under space basis.

Units of service.	Nov. 1, 1916.			June 30, 1917.			Decrease.		
	Miles of service per annum.	Annual rate, line pay.	Annual rate, initial and terminal allowance.	Miles of service per annum.	Annual rate, line pay.	Annual rate initial and terminal allowance.	Miles of service per annum.	Annual rate, line pay.	Annual rate, initial and terminal allowance.
60-foot full R. P. O. cars.....	82,895,352.56	\$17,408,016.88	\$852,678.41	71,299,824.84	\$14,972,963.21	\$763,091.71	11,595,527.72	\$2,435,053.67	\$89,586.70
60-foot full R. P. O. cars, land grant.....	10,953,495.68	1,840,185.95	71,107.60	11,742,005.92	1,972,656.99	66,757.77	1 788,510.24	1 132,471.04	4,349.83
30-foot apartment R. P. O. cars.....	140,575,926.49	15,463,369.33	1,860,956.05	125,572,200.52	13,812,942.05	1,489,884.87	15,003,725.97	1,650,427.28	371,071.18
30-foot apartment R. P. O. cars, land grant.....	16,432,682.01	1,446,068.67	103,831.20	12,863,977.00	1,132,029.97	87,013.00	3,568,705.01	314,038.70	16,818.20
15-foot apartment R. P. O. cars.....	86,553,386.63	5,192,876.12	2,056,446.09	95,515,099.44	5,730,905.96	1,991,559.83	1 8,961,712.81	1 538,029.84	64,886.26
15-foot apartment R. P. O. cars, land grant.....	3,068,757.52	147,299.12	53,618.40	3,412,633.41	163,806.40	51,366.40	1 343,875.89	1 16,507.28	2,252.00
60-foot storage cars.....	53,283,919.66	11,189,617.20	405,014.49	41,555,190.71	8,732,890.04	307,075.30	11,698,728.95	2,456,727.16	97,939.19
60-foot storage cars, land grant.....	5,047,875.88	848,044.20	26,841.30	4,164,289.21	699,600.58	24,153.58	883,586.67	148,443.62	2,687.72
30-foot storage space.....	9,161,734.97	961,961.76	73,311.93	7,646,834.24	802,917.59	59,093.86	1,514,900.73	159,044.17	14,218.07
30-foot storage space, land grant.....	2,609,883.23	219,229.84	9,950.10	1,636,358.50	137,454.11	6,362.46	973,524.73	81,775.73	3,587.64
15-foot storage space.....	14,833,586.34	778,753.97	89,708.74	13,060,112.19	685,655.88	164,146.69	1,773,474.15	93,098.09	1 74,437.95
15-foot storage space, land grant.....	2,232,151.56	93,746.84	5,827.89	1,986,639.06	83,438.84	6,282.99	245,512.50	10,308.00	1 455.10
7-foot storage space .....	12,226,429.58	299,529.65	33,717.92	12,618,265.22	309,147.49	31,040.02	1 391,835.64	1 9,617.84	2,677.90
7-foot storage space, land grant.....	1,603,997.20	31,438.04	1,410.48	1,663,101.25	32,596.78	1,934.08	1 59,104.05	1 1,158.74	1 523.60
3-foot storage space.....	9,572,461.20	100,512.87	16,658.07	9,797,903.23	102,877.98	19,330.53	1 225,442.03	1 2,365.11	1 2,672.46
3-foot storage space, land grant.....	977,681.80	8,212.20	829.33	603,206.38	5,066.93	480.09	374,475.42	3,145.27	349.24
7-foot closed pouch.....	16,002,797.73	480,081.69	74,491.50	16,433,890.42	493,016.71	75,702.30	1 431,092.60	1 12,935.02	1 1,210.80
7-foot closed pouch, land grant.....	2,283,994.09	54,815.46	2,944.60	1,844,192.52	44,260.62	2,763.30	439,801.57	10,554.84	181.30
3-foot closed pouch.....	101,092,845.39	1,516,376.50	529,430.59	100,978,871.64	1,514,683.07	488,963.39	113,973.75	1,693.43	40,467.20
3-foot closed pouch, land grant.....	6,459,025.48	77,488.59	21,582.90	7,518,772.77	90,225.25	21,457.40	1 1,059,747.29	1 12,736.66	125.50
Total.....	577,867,985.00	58,157,624.88	6,290,357.59	541,943,368.47	51,519,136.45	5,658,459.57	35,924,616.53	6,638,488.43	631,898.02

<sup>1</sup> Increase.

## Comparative statement showing miles of service, line pay, and initial and terminal allowance, by units, of railroad mail service under space basis—Contd.

Miles of service per annum prorated to 60-foot car basis:	Total authorized rate of compensation per annum:	Rate per 60-foot car mile, all units:
Nov. 1, 1916.....	Nov. 1, 1916.....	Nov. 1, 1916.....
June 30, 1917.....	June 30, 1917.....	June 30, 1917.....
Decrease.....	Decrease.....	Increase.....
Per cent of decrease, 11.69.	Per cent of decrease, 11.28.	Per cent of increase, 0.46.

## CONVERTIBLE POSTAL CARS.

The Postal Service requires 1,299 full cars and 4,438 apartment cars with racks, cases, and other distribution facilities built into them. As the postal requirements vary through changes in volume or trend of the mail movement, cars or parts of cars frequently are idle during a portion of the year. To relieve the roads of such dead investments the Post Office Department has prepared specifications for two styles of convertible post-office cars. One is for a 60-foot distributing car, which can be converted into a 30-foot distributing unit, and the other is for a convertible 30-15-foot car. The entire equipment is removable so that the cars can be used by the roads for other purposes when not required for the Postal Service. At a small cost the existing standard 60-foot and 30-foot cars can be transformed into the convertible types.

## SHIPMENTS OF PERIODICAL MATTER BY FAST FREIGHT.

During the year ending June 30, 1917, the transportation of certain periodical mail matter by fast freight trains, which was inaugurated in the third contract section (Middle Western States) on September 1, 1911, and in the second contract section (Southeastern States) July 1, 1912, became applicable to the entire country through the provisions of the appropriation act for 1917. The modifications of the service consisted of the discontinuance of the freight shipments to points in the second contract section on October 31, 1916, coincident with the inauguration of the space basis system of railroad mail pay on November 1, 1916; also in the discontinuance of all eastbound freight shipments where it was possible to utilize the deadhead empty return movements of storage cars, which, under the law, must be paid for in both directions of a trip. As the discontinuance of the eastbound freight shipments was accomplished without additional transportation cost for these mails, with the exception of the terminal charge paid for each return trip of storage cars, the figures that follow giving the cost and saving by the periodical freight shipments do not include savings that reverted to the department on this account, but they will explain the decrease in the total number of cars shipped, as compared with the figures for the year ending June 30, 1916.

The freight shipments of periodicals during the fiscal year moving over all-rail routes consisted of 4,297 cars, with a total weight of 125,499,419 pounds, or an average weight per car of 29,206 pounds. The transportation cost, consisting of freight, cartage, and unloading charges, was \$678,784.51. The freight shipment of periodicals over steamer routes for the four months ending June 30, 1917, consisted of 70 carloads, weighing 1,799,362 pounds, at a total transportation cost of \$7,824.24.

The total shipments of periodicals by freight during the fiscal year therefore consisted of 4,367 carloads, weighing 127,298,781 pounds, at a cost of \$686,608.75. Had this matter been transported in the regular mails the cost to the department would have been \$1,391,912.17, indicating a saving of \$705,293.42.

The movement of blue-tag freight cars over railroad lines during the year has been accomplished in a satisfactory manner and very few complaints have been received from publishers regarding delays that could be attributed to the freight movement.

#### DIVISOR CASE.

As mentioned in previous annual reports, the Chicago & Alton Railroad Co. and the Yazoo & Mississippi Valley Railroad Co. appealed to the Supreme Court of the United States from the decision of the Court of Claims, sustaining the legality of Order No. 412, which prescribes the method of obtaining the average daily weight of mails carried upon which the compensation paid to railroads for transporting the mails was formerly based. The appeal was reargued before the higher court during the year and by an even division the court affirmed the judgment of the court below. Other claimants whose cases involving the same question are now pending before the Court of Claims will likely be heard by that court at an early date.

#### INCREASED PARCEL-POST ALLOWANCE.

The department made such allowances of additional compensation on railroad routes, within the limitation of 5 per cent fixed by the act of March 4, 1913, as were warranted by the increases in the weights of mails carried, due to the enactment of the parcel-post legislation. The case of the Atchison, Topeka & Santa Fe Railway Co., one of the railroad carriers who were dissatisfied with the allowances made by

the department and filed suits in the Court of Claims to recover additional compensation for the service of transporting the mails since the inauguration of the parcel-post system, was heard by that court and a decision rendered adverse to the contentions of the Government. The question presented in this case was as to whether the claimant was entitled to the full 5 per cent named in the law or to the amount allowed by the Postmaster General. The opinion of the court, filed by a majority of the judges, held that the claimant was entitled to the full 5 per cent and judgment was entered for the difference between the amount allowed by the department and the full 5 per cent. The Government has taken an appeal from this decision to the Supreme Court of the United States.

#### PNEUMATIC TUBES.

The contracts for pneumatic-tube service, resulting from the advertisement issued July 2, 1906, expired June 30, 1916, but were extended by the Postmaster General to December 31, 1916, and later by Congress to March 4, 1917. The committee of postal experts appointed by the Postmaster General, as required by law, to make an investigation and report as to the needs and practicability of the pneumatic-tube service submitted its report under date of October 13, 1916. This committee recommended that the service be discontinued in Chicago, Philadelphia, Boston, and St. Louis; that it be continued below Forty-second Street in New York City and above Forty-Second Street if possible to obtain it at a reasonable rate of rental. No bids, however, were received in response to the advertisement issued for the service in New York and no contract for its continuance has therefore been entered into. Because of the insistent protests made by the pneumatic-tube companies against the discontinuance of the service, the Congress, over the protest of the Department, directed that all existing contracts be again extended to June 30, 1918. Provision was also made in the act approved March 3, 1917, making appropriations for the service of the Post Office Department, and for other purposes, for the fiscal year ending June 30, 1918, for the appointment of a commission consisting of three members of the Committee on Post Offices and Post Roads of the United States Senate, and three members of the Committee on the Post Office and Post Roads of the House of Repre-

sentatives, which committee was authorized and directed to investigate the value of the pneumatic-tube service, their properties, franchises, and other equipment, with a view to the purchase and operation of the same, or any portion thereof, by the Government, and to ascertain the cost and the terms upon which the purchase may be made. This committee is directed to submit a report on or before January 1, 1918.

The reasons why the pneumatic-tube service should be discontinued were fully set forth in the report of the departmental committee. While the report of this committee was vigorously attacked by representatives of the tube companies it could not be discredited in any way. In fact, subsequent investigation has shown that the committee was more than liberal in its conclusions. If it erred in any particular it was in favor of the tubes. Thorough inquiry into the Postal Service in New York City by postal experts since this report was submitted and at a time when the mails were heavy discloses that by discontinuing the use of the pneumatic tubes in that city the efficiency of the Postal Service can be materially improved, as great quantities of important letters of the financial and commercial districts are delayed through their use.

The belief that the pneumatic-tube service should be discontinued is not based on recent developments alone, but also on a careful study of the reports submitted on this subject by different committees which investigated the tube service during past years. All of these reports with one exception show an inevitable drift toward the abandonment of the tubes because of the advent of the automobile.

While all other kinds of transportation facilities have been greatly improved during the past 15 years the pneumatic tubes have been at a standstill. The frequency of dispatch and the capacity of the container are the two elements which control its efficiency, and these are the same now as when the service was installed. The department can no more render efficient service with the facilities and methods of 15 years ago than any private business enterprise, and when required to use them is seriously handicapped. If pneumatic tubes such as are now used in the Postal Service had any value as a transportation facility they would no doubt long since have been adopted by the commercial world for that purpose, but they are not so used to-day. The only attempt ever made to use them for this purpose was an

absolute failure and the service was abandoned without any thought of congestion in the street traffic. The service which was abandoned by the merchants in Boston many years ago was in some way foisted upon the Postal Service, and the department has since paid more than a million dollars rental for a service which was a failure commercially and of little or no value to the Postal Service. Some of those who were among the first to abandon the tubes commercially now urge that they be continued as a postal facility. The tubes might have been of some use years ago when they carried all of the first-class mail, but their value decreased with the increase in the volume of mail and the advent and improvement of the auto truck until at this time, because of their limited capacity, it is necessary to parallel the tube lines with vehicle transportation to such extent that the mail carried by the tubes can be carried as expeditiously by the vehicles with but little additional cost. In fact, 85 per cent of the mail now dispatched by pneumatic tubes can be sent by the present vehicle transportation without delay or additional cost. A small quantity of mail may possibly be advanced by the pneumatic tubes, yet the Postal Service must be considered from the standpoint of the whole, and while a few letters are advanced many thousands are delayed each day.

The rental paid for the pneumatic tubes is exorbitant, unjustified, and an extravagant waste of public funds. While the tubes are operated in but five cities and the quantity of mail transported through them is infinitesimal as compared with the entire volume of mail, yet the pneumatic-tube service costs approximately one-sixth as much as the entire cost for vehicle service, including the collection and delivery of mail, in all the cities of the country. The rental—\$17,000 per mile per annum—is more than the total amount per mile per annum paid for carrying the mails on all the railroads entering New York City, and three times as much as the total paid per mile per annum on those entering the city of Boston. Notwithstanding its enormous cost, the service is not dependable, and it is necessary frequently to divert mail from the pneumatic tubes to auto trucks because of the suspension of the tube service due to breakage or blockades in the tube lines. In one city alone during the past year 8,160 pouches of first-class mail were so diverted.

The department anticipates that its recommendation for the discontinuance of this service will be bitterly opposed by those finan-

cially or personally interested. They will bring to bear, both directly and indirectly, every influence possible to perpetuate this incubus and handicap on efficient postal service and attempt by misleading statements to create the impression that the tubes are essential for the expeditious handling of the mails. During the hearings conducted by the committees of Congress well-meaning persons, who undoubtedly based their statements on information furnished by the tube companies, testified as to the necessity and efficiency of the tubes, when, as a matter of fact, the mail in which they were interested was not dispatched through the tubes. One organization even submitted a lengthy report of an investigation which could not have been based on personal investigation and contained many statements which not only were not borne out by the facts but in some instances were absurd. This was to be expected, as it has been the experience of the department that the greatest reforms in the Postal Service have met with the most violent opposition when proposed. This was true of the rural delivery, postal savings, and the parcel post, and had the department heeded the protests made at the time the public would not now be enjoying the benefits of these important features of the Postal Service.

The discontinuance of the tubes is strongly urged by those responsible for the administration of the Postal Service, and who must suffer the criticism for poor or inadequate service. Their discontinuance is also urged by many postal employees of years of experience, who are in daily contact with the tube service and whose only interest is for the public welfare. It is the judgment of these persons that the tubes are of so little value that if tendered the department as a gift it would not be justified in asking for funds to operate them.

It is believed that, at a time when the public is called upon to contribute large sums of money for the prosecution of the war, through taxation and other means, that to further continue this extravagant expenditure for an antiquated, unreliable, and unnecessary service is indefensible. No estimate has therefore been submitted for funds for the continuation of the service, and the use of pneumatic tubes for the transportation of mail should be discontinued until such time as the department can obtain a means of underground transportation which will transport all the mail in an expeditious manner and at reasonable cost.

## GOVERNMENT BUILDINGS.

The Post Office Department does not look with favor on the present system—or, rather, lack of system—followed in authorizing Government buildings and sites. On pages 18 and 19 of the Report of the Public Buildings Commission (H. Doc. 936, 63d Cong., 2d sess.) the Postmaster General expressed the view that the interests of the Government do not justify the erection of a public building for post-office purposes only unless the rental paid for Government offices in the particular place is as much as \$1,000 per annum, and then only when either the gross post-office receipts amount to as much as \$15,000 per annum or the population to as much as 5,000. Subsequent consideration of the public-building policy suggests strongly that these should be minimum requirements. It also suggests that because of the prevailing war conditions, which have greatly increased the cost of material and labor, that the erection of public buildings be abandoned for the time being, except in the very large cities, and only erected there when their need is extremely urgent. In many instances where buildings have been authorized and not yet erected the department can secure suitable quarters for post-office purposes for less than it will cost to heat and light a Federal building. Where this is true it is not a wise or economic business policy to erect public buildings.

The Post Office Department is interested in such Government buildings as are to be occupied by post offices, and its chief interest in those buildings centers in the plan of arrangement in so far as it affects the conditions under which postal employees will be required to work. The law directs that plans for Government-owned post-office buildings shall be approved by the Postmaster General, and before this approval is given the plans are carefully reviewed by the department's building committee for the purpose of determining whether the proposed arrangement will permit of the convenient and expeditious handling of the mail and if ample space, light, and ventilation have been provided and the working conditions made as comfortable as possible. Plain, substantial buildings in keeping with other buildings of the city should be constructed for postal purposes. In the smaller cities only one main entrance to the lobby should be provided, because then it will be possible to admit natural light and ventilation in the workroom from three sides of the building instead

of only one or two, as is the case where entrances are provided from two or more streets.

Through the courtesy of the Secretary of the Treasury, the Post Office Department has been permitted to offer suggestions as to the desirability of the sites offered for Government buildings to be occupied in whole or in part by post offices, and in each case has made an investigation by a post-office inspector to determine the relative value of the sites under consideration from a Postal Service viewpoint. Much benefit has resulted by this cooperation between the two departments and sites are now selected which are advantageously located for post offices as well as other Government purposes.

#### RENTED POST-OFFICE QUARTERS.

The department is anxious at all times to provide in every possible manner for the comfort of its employees and have the working conditions as near the ideal as possible. In the renting of quarters for postal purposes great care is exercised to secure buildings of modern design with ample natural light and ventilation. It has been found in some instances that the quarters used for post-office purposes were not only insanitary and a menace to the health of the employees but wholly inadequate to accommodate the public or permit of efficient service. Whenever investigation discloses such conditions prompt and effective action is taken.

By continuing the present policy with respect to leased and rented quarters, the department within a few years will have provided wherever needed adequate quarters which will safeguard the health of its employees, be a credit to the service, and greatly facilitate the handling of mails.

#### CONTRACT STATIONS.

The act of May 28, 1916, authorized the Postmaster General to enter into contracts for the conduct of contract stations for a term not exceeding two years. In accordance with such authority, proposals to conduct contract stations for that period were accepted wherever practicable, and on June 30, 1917, 1,355 of the two-year contracts, which will not expire until June 30, 1918, were still in force. During the fiscal year just closed, 4,333 contracts were entered into for the conduct of contract stations for the two-year period ending June 30, 1919. It is proposed to renew the contracts which will expire with the current fiscal year for a period of one year, so that all

agreements for the conduct of contract stations will expire on June 30, 1919, after which contracts will be entered into only for a period of two years, or the unexpired portion thereof. The change in the term of the contract from one to two years has resulted in a decided advantage. The service has also been greatly improved, its cost reduced, and the department relieved of the immense amount of work which the annual renewal of these contracts involved.

#### NEW ACCOUNTING METHODS AND NONACCOUNTING OFFICES.

Recommendation was made in the last annual report of the Postmaster General for the enactment of legislation authorizing the extension of the system of branch post offices and stations and the establishment of nonaccounting offices. The purpose was to effect important improvements and economies in the distribution of postage-stamped paper, to obtain a close supervision of the Postal Service in the smaller post offices by the larger ones, and to make it unnecessary for the smaller offices to render accounts to Washington. This accounting is superfluous; it places a vast amount of detail upon the Post Office Department and upon the Auditor for the Post Office Department as well as upon the postmasters themselves. The plan contemplated by the recommendation was to make the smaller post offices stations or branches of the larger ones and to have the accounting done by the latter. Such a system has existed successfully for many years with respect to stations of post offices in cities, the business of which is consolidated with that of the main office for purposes of administration, supply, and accounting.

While Congress did not enact the legislation as recommended, it did authorize the designation of districts, and of central offices in such districts, for the distribution of supplies and the administrative examination of accounts. Under this statute the smaller post offices, known as district offices, now obtain their postage stamps and render their accounts through a central accounting postmaster in each county. The system is a marked improvement over the former method of supplying all post offices by direct requisition upon the department and of direct accounting to the auditor. It facilitates the obtaining of stamp supplies by the district postmasters. It reduces the losses by burglary because the source of supply is nearer to the district postmaster, who by keeping smaller stocks on hand can minimize the risk. The number of delinquent accounts

for the smaller offices will be materially reduced and administration and losses will be lessened accordingly by reason of the supervision of the central accounting postmaster.

Notwithstanding these advantages, the economy in the audit cost is estimated at only 25 per cent of the saving which could be effected if the nonaccounting system were adopted for the smaller offices. If this were done one of the two examinations of accounts now made by the auditor could be eliminated without in any way impairing the security of the postal revenues. Such a system would be a beneficial one from the standpoint alike of the Postal Service, of the Post Office Department, and of the Auditor for the Post Office Department. Under it there would be no change in the service rendered the public except the improvement which must logically follow the closer supervision of details to be exercised by the larger offices over the smaller ones, as compared with the existing centralized control of these details from Washington. A vast amount of accounting, correspondence, and administrative detail now performed by the Post Office Department and by the auditor would be eliminated, and supervisory officials of the department would have more time for executive duties, for the consideration of questions of policy, and for the development of service improvements. It would conform to the best advanced methods of the commercial world in the decentralizing of details of administration. It would not change the name of any post office nor the incumbent postmaster or his compensation.

The recommendation in the last annual report of the Postmaster General for legislation authorizing the extension of the system of branch post offices and stations, and the establishment of nonaccounting offices, is therefore renewed.

#### MERIT APPOINTMENT OF POSTMASTERS AND OTHERS.

The magnitude and multiplicity of the business operations of the Postal Establishment and the perfect service which the people expect, and to which they are entitled, require that not only the greatest care be exercised in the selection of postmasters but that their tenure of office shall depend entirely upon efficient and meritorious service. Such efficient service can best be rendered by men of executive ability, training, and experience. This makes it essential that persons selected for important positions be chosen because of their fitness and retained only when they render satisfactory service.

Although postmasters are now required to devote eight hours a day to their official duties, their entire time and energy will not be given to the Postal Service so long as their positions are subject to political control. To enable the department to obtain the benefit of such a policy the Postmaster General has heretofore earnestly recommended that the necessary legislation be enacted to include in the classified service the position of postmaster at presidential offices. The civil-service rules would then be applicable to the appointment and retention of these postmasters. A provision of law in line with this recommendation passed one branch of the Congress but failed of passage by the other branch.

To afford some relief, the President, on March 31, 1917, issued an Executive order requiring that when a vacancy occurs in the position of postmaster of any office of the first, second, or third class as the result of death, resignation, removal, or when, on the recommendation of the Postmaster General that the efficiency or needs of the service requires that a change shall be made, the Civil Service Commission shall hold an open competitive examination to test the fitness of applicants to fill such vacancy; and when such examination has been held and the papers in connection therewith rated, the commission shall certify the result to the Postmaster General, who shall submit to the President the name of the highest qualified eligible for appointment to fill such vacancy, unless it is established that the character or residence of such applicant disqualifies him for such appointment. This order is a most progressive step toward increased efficiency and businesslike administration in the Postal Service, and although it affords much relief, it does not meet the situation fully. It requires that the person selected for appointment be chosen by open competitive examination, but does not affect in any way the tenure of office, and the reappointment of postmasters at the expiration of their terms will still be necessary. It is again earnestly recommended that the necessary legislation to include in the classified civil service the position of postmaster at presidential offices be promptly enacted.

It is manifest that the advantages resulting from this action will be far-reaching and will ultimately eliminate partisan politics from the Postal Service. Not only am I thoroughly convinced that this action is wise but that in the interest of public service the positions of Assistant Postmasters General and the Purchasing Agent of this

department should be included in the civil service, and it is urgently recommended that Congress enact legislation granting this authority. Then when vacancies occur in these positions they should be filled by men of years of experience in the Postal Service and who have demonstrated their fitness for appointment to such positions.

The standard of efficiency which the department requires of postmasters has greatly improved the service, and the public is now served in a most efficient manner. Not only is the service better, but the department is able to transact its business with the various postmasters more satisfactorily. This is strikingly illustrated in the accounting and rendering of reports to the auditor, as they are now forwarded with less delay and fewer errors than at any previous time. The Postmaster General announced in his last annual report that it would be the policy of the department to reappoint all postmasters who render efficient and meritorious service. This policy has been adhered to.

Postmasters at offices of the fourth class are already in the classified service. In making appointments at these offices the civil-service rules have been observed in spirit and letter. While the appointing officer is the Postmaster General and he has the authority to make selection of any one of the highest three eligibles in the order of their ratings, yet in all cases the highest eligible was appointed unless good and valid reasons existed for other action.

#### ADDITIONAL POST OFFICES—ADVANCEMENT OF POST-OFFICE CLERKS AND CARRIERS.

The Postal Service is of vital importance to the successful operation of all kinds of business, and it is especially important at this time that the agencies which are necessary to the success of business shall be maintained at the highest degree of efficiency. While other countries involved in the war have found it necessary to curtail and restrict their postal service, no such action has been taken in this country, nor is any such action contemplated. On the contrary, the service generally has been extended and improved wherever the circumstances would warrant. This has been accomplished notwithstanding the unusual conditions resulting from the war. These conditions as they have affected the postal development have taxed the resources of the service and the initiative of its officers to meet new and existing exigencies.

In accordance with this policy, during the past year 815 additional post offices were established and 1,670 additional clerks and 478 additional letter carriers were appointed at offices of the first and second classes. City Delivery Service was not only extended in the cities having such service but was established at 90 additional post offices, making the total number of city delivery offices 1,948 as compared with 1,846 on June 30, 1916. Horse-drawn vehicles have been displaced by motor trucks wherever practicable in the collection and delivery of mail. In the screen-wagon service the horse-drawn vehicles have also been superseded where practicable by automobile trucks. This has greatly expedited the dispatch and delivery of mail in the large cities. Thirty-eight second-class offices were advanced to the first class; 135 third-class offices to the second class; and 1,203 fourth-class offices to the third. Of the last number, 760 were advanced in accordance with the act of May 18, 1916, as amended by the act of July 28 of the same year, which authorized the department to advance fourth-class post offices to the presidential grade whenever the postal receipts for a period of four consecutive quarters amounted to \$1,900 and when the compensation of the postmaster based on the cancellations of the office amounted to as much as \$1,000. The advancement of these offices no longer depends on business transacted in any one quarter but on the business of the office for the entire year and places them in a class where they belong. Because of the promotions provided by law, the average annual salary of post-office clerks was advanced during the fiscal year from \$1,093.44 to \$1,142.44, and of city letter carriers from \$1,114.66 to \$1,126.50.

For the current fiscal year, in addition to the automatic promotions authorized by law, provision for increased compensation was also made by Congress of 15 per cent per annum for employees who receive salaries at a rate per annum of \$480 or less, and at the rate of 10 per cent per annum to employees who receive salaries at a rate of more than \$480 per annum and not exceeding \$1,000 per annum. But the Comptroller has ruled that these latter increases do not apply to persons who receive salaries of \$800 or more per annum and who were in the classified service on March 3, 1917.

Provision has also been made for the promotion of 85 per cent instead of 75 per cent of the clerks and carriers from \$1,000 to \$1,100 at second-class offices and from \$1,100 to \$1,200 at first-class

offices and 15 per cent instead of 5 per cent from \$1,100 to \$1,200 for clerks at second-class offices, and from \$1,200 to \$1,300 and \$1,300 to \$1,400 in first-class offices. These promotions provide for the advancement of persons of established meritorious records.

#### CHANGES IN THE STATUS OF THE PERSONNEL.

It is the endeavor to treat employees fairly and justly in the administration of all matters in which they are personally concerned. Therefore, the greatest care is exercised in making promotions or other changes affecting their status.

Postmasters are required before the close of each fiscal year to submit the efficiency rating of all employees connected with their offices. All recommendations for promotions are carefully scrutinized in the department to ascertain whether they are in accordance with the efficiency ratings, and if not, they are not approved. By this method efficient and meritorious service control promotions and the advancement of each individual clerk or carrier depends upon his own efforts.

Mindful of the welfare of the employees of the Postal Service, the Postmaster General recommended in the annual report for the fiscal year ended June 30, 1916, the enactment of the necessary legislation to enable him to grant compensatory time to foremen, watchmen, messengers, and laborers in the same manner as provided by law for clerks and carriers in the first and second class post offices for work performed on Sundays and holidays. By the act of March 3, 1917, Congress passed the appropriate legislation. Practically all employees in post offices are now assured of one day of rest in seven, and while requirements make it necessary to employ at least a part of the force on each Sunday and national holiday, yet those so employed are granted compensatory time during the following week in case of Sunday service and during the following month in case of holiday service.

Reductions and removals are not made by the department until after the most searching investigation and careful consideration of all of the facts. When charges are preferred against an employee they are referred to the field for a thorough investigation, which is made by a post-office inspector or other person in whom the department has the utmost confidence. If the inquiry develops that there is basis for the charges, the employee is, in accordance with the act

of August 24, 1912, furnished in writing with the substance of the charges and afforded every opportunity to submit his defense. The investigating officer represents the employee as well as the department, and it is his duty to see that the person against whom the charges are pending is given every opportunity to submit his defense. When forwarding the case to the department the action recommended must be based solely upon the facts disclosed by the investigation. Upon receipt of the papers at the department they are reviewed with extreme care. If, after careful consideration of the facts disclosed, doubt still exists in the mind of the administrative officer, the papers are again referred to the field for further inquiry to ascertain if additional facts can be discovered.

The small number of removals and reductions each year is extremely gratifying to the department and highly creditable to the personnel. Although during the past year 41,805 clerks were employed in first and second class post offices, only sixty-two hundredths of 1 per cent, were removed from the service; and of the 34,592 city letter carriers employed, only fifty-nine hundredths of 1 per cent, were separated from the service.

#### POSTAL ORGANIZATIONS.

The department feels constrained from a sense of public duty to again call attention to the activities of certain organizations of postal employees. Many years ago these organizations first attempted to influence legislative and administrative action in behalf of their members. Their activities resulted in such embarrassment to the department that the Postmaster General found it necessary in 1895 to issue an order directing that no postal employee visit Washington, under penalty of dismissal, whether on leave or without leave, for the purpose of influencing legislation before Congress. He stated that the employees of the Postal Service are paid by the Government for attending to the respective duties assigned to them, and that if bills were introduced in either branch of Congress affecting the Postal Service he was ready and willing at all times to furnish any information desired if within his power and province to do so.

The relief afforded by this order was only temporary, and on January 31, 1902, President Roosevelt found it necessary to issue an Executive order forbidding all officers and employees of the United

States to either directly or indirectly, individually or through associations, solicit an increase of pay, or to influence, or to attempt to influence, in their own interest any other legislation whatever, either before Congress or its committees. The order directed that those violating its provisions be dismissed from the service.

Through the efforts of Government employees a provision was included in the act of August 24, 1912, which permits them to become members of associations or organizations and affiliate with outside organizations so long as they do not impose an obligation or duty upon them to engage in any strike or propose to assist them in any strike against the United States, and to present, either individually, by groups, or by associations, any grievance or grievances to the Congress or any Member thereof. Some of the organizations maintain representatives in Washington for the purpose of influencing legislation and presenting grievances, many of which are imaginary. By distorting and misrepresenting the facts they encourage disrespect for administrative officers, disloyalty to the service, and make the maintenance of discipline extremely difficult. This antagonistic attitude has been assumed for years, irrespective of how or by whom the service was being administered. In a report submitted some time since, covering an investigation at an office where the department was experiencing much difficulty, it was stated that the whole trouble was due to too much unionism of the employees, and that because of their affiliation they were inclined to resent any efforts on the part of the postmaster to enforce discipline. The department insists that all employees shall be treated in a fair, just, and equitable manner, and to secure such treatment it is not necessary that they belong to any organization, because the employees who do not are entitled to the same just and fair treatment as those who do.

These organizations hold National and State conventions, and some publish journals. The time of these conventions and the space in these journals are devoted almost entirely to matters of selfish interest. The interests of the postal employees should not be absolutely selfish. To be sure, we are all naturally prone to be more vigilant in behalf of our own individual interests than in those of another, but the improvement of our employer's weal ought to bring advancement of our own conditions, and such has been the case in postal affairs. While the employees should at all times be jealous

of their own rights and protection, yet they should ever be mindful of their obligations to the public and devote their talents and energy to the betterment of the service to the people in which they are engaged. This they could do by cooperating and assisting in solving the postal problems that are constantly arising.

The need for this cooperation was never greater than at the present time, when the Nation is engaged in a world war to maintain the right of liberty and self-government. The success of this war will depend, to a large extent, upon the closest cooperation. All kinds of business and of labor will be severely taxed, and each must make its own sacrifices. It will be necessary for the Nation to furnish its quota of men, and for capital and labor to produce, and to produce quickly, the funds, material, and services necessary for the successful conduct of the war. Great sacrifices will be required, not only of those who go to the front but of capital and of labor as well, and necessarily the interests of the individual must for the time being be subordinated to those of our country. Normal working conditions can not prevail, and the war can not be won nor the world rebuilt under normal conditions. Notwithstanding this fact, and at this critical period in our Nation's history, it is regrettable to state that the organized postal employees are making many selfish demands and insisting that they shall not be required or permitted to work in excess of the usual number of hours; also that their salaries be permanently increased, although they are justly compensated, receiving more than three times as much as those fighting in the trenches, who must of necessity suffer the hardships of warfare and sacrifice their all if necessary.

Efforts of these organizations along other lines have been severely criticized by men in public life, as they attempt to control political as well as legislative matters and openly boast of the influence they claim to exert in the furtherance of their selfish interests.

An outside organization has during the past several years attempted to unionize Government employees, including those in the Postal Service, and a large number of postal employees are now affiliated with it, and others soon will be, notwithstanding the fact that such affiliation is believed to be contrary to the act of August 24, 1912. The advisability of permitting Government employees to affiliate with an outside organization and use the strike and boycott as

a last resort to enforce their demands is seriously questioned by those interested in the public welfare.

Postal employees have become bold because of this affiliation and have within recent years threatened to strike, and in one case actually did so by tendering their resignations and leaving the service in a body. In this case they were promptly indicted and prosecuted in the Federal courts. While strikes in the Postal Service may be averted for the time being, yet they will inevitably come, and the public will then be brought face to face with a most serious situation—one which will be a menace to our Government.

The difficulty experienced with the organizations of postal employees in this country is that of other countries, and we should profit by their experience. Some years ago in France when those in executive authority refused to acquiesce in their demands, the Government employees went on a strike, and then with the helplessness of the Government, the destruction of all authority, and the choking of Government activities it was seen that to allow Government employees to organize and use the strike as a weapon to enforce their demands was to recognize revolution as a lawful means of securing an increase in compensation for one class, and that a privileged class, at the expense of the whole.

Civil-service employees are selected without regard to their political or religious faith, through open competitive examination so framed and conducted as to secure for the public service among the competitors those best adapted for the work, and advancement depends entirely upon faithful and meritorious service. They are therefore a privileged class. However, in order that the policies of the executive officers charged with the administration of affairs may be carried out, it is believed that these employees should have imposed upon them certain limitations as to their activities that those of private establishments might properly resent. They should be permitted to form organizations for their social and mutual welfare, appear before committees in Congress when requested, and give any information concerning the Postal Service of which they may have knowledge; but the forming of organizations for other purposes, such as interfering with the discipline and administration of the service, the control of the election of persons nominated for public office, or enactment of legislation for their selfish interests and not for the wel-

fare of the public, should cease. If by combining Government employees are enabled to unduly influence Members of Congress and others seeking election to public office, the situation will naturally arise, if it has not already arisen, where Congress will be unduly influenced by such combinations, the appropriations for the salaries of such employees will be greatly increased and economic provision for the conduct of the service impossible. The conduct of these organizations at this time is incompatible with the principles of civil service and with good administration of the Postal Service. They are fast becoming a menace to public welfare and should no longer be tolerated or condoned. It is earnestly recommended that the provision in the act of August 24, 1912, referred to, be repealed.

In making this recommendation it is not an expression unfavorable to organizations where employees are obliged to protect themselves against the selfishness of private employers. The organization under those circumstances is necessary. In the case of Government employees, however, the situation is essentially different. They are not working for private employers but for the Government, whose officers are merely executing the will of the people. Therefore, the relations between the employee and the Government are always matters of public information, and the interests of the employee will always be protected by public sentiment. The reasons for justifying organizations among other employees under other circumstances and for the purposes for which such organizations are approved do not therefore exist in the case of Government employees. They can always depend upon public opinion to insure their enjoyment of their full rights under their employment.

#### GOVERNMENT-OWNED MOTOR VEHICLE SERVICE.

The magnitude of the vehicle service necessary for the proper handling of the mails in the larger cities produced a serious situation, with which the department would soon have been unable to cope except by making contracts at exorbitant rates. Competition for vehicle service in these cities could easily be stifled by one set of contractors through the organization of corporations in the various States where the service was to be performed. An officer of one parent organization, which either had under contract or had submitted bids for the service in several of the most important

cities, openly boasted that he would crush his competitors and soon gain control of all the large contracts.

It was found that in some instances when bids were invited for service in the very large cities the bidder could obtain a bond from only one surety company, and in order to do so it was necessary to disclose to the agent the amount of the bid, thereby affording a further opportunity for a combination between one set of bidders and the bonding company with the object of compelling the department to pay exorbitant rates for the service required.

Not satisfied with obtaining money from the department which it was entitled to receive under its contract, one company succeeded in adding many unnecessary trips to the vehicle schedule, thereby greatly increasing its compensation. It is regrettable to say that, to further defraud the Government, an officer of the company having this contract bribed an employee of the Postal Service to abstract from the files the reports of delinquencies and failures on the part of the company, thereby enabling it to escape the fines which otherwise would have been imposed, and keep the department in ignorance of the inferior service it was actually rendering. However, this nefarious practice was soon discovered, the conspirators prosecuted and imprisoned, and the company compelled to return to the Government a compensating sum for the losses suffered. Within a short time the last contract with this company will expire.

The conditions were so unsatisfactory that the Postmaster General recommended the enactment of legislation that would permit the department to perform the service by Government-owned motor equipment. This authority was obtained on March 9, 1914, and Government-owned motor vehicle service was first established at Washington, D. C., on October 19 of the same year. Since then this service has been extended to the cities of Boston, Buffalo, Chicago, Detroit, Indianapolis, Nashville, Philadelphia, Pittsburgh, and St. Louis, and will supersede the contract service at Brooklyn and New York on January 1, 1918.

The installation of this character of service has enabled the department to perform its city transportation functions without the intervention of contractors, the advantages of which are many. It has also demonstrated that the department can with its own equipment transport the mails in a much more efficient manner at a less cost

than under the contract system. Notwithstanding the material extensions and improvements in the collection and delivery of mail and the increase in the frequency of the service, all of which would have added greatly to the cost under the contract system, the service to-day is performed in a more efficient manner and at much less cost than was the case prior to the installation of Government-owned equipment. The saving that will result from the substitution of Government-owned service for contract service in two of the larger cities on January 1, next, made it possible for the department to submit an estimate for funds under the vehicle-service appropriation for the fiscal year 1919 in the same amount that was appropriated for the fiscal year 1918. This is probably the first instance where the department will attempt to operate the vehicle service during a fiscal year at an expense not exceeding the funds appropriated for the same service during the preceding year. Against the appropriation for vehicle service is charged not only the expense for purchasing and operating Government-owned motor trucks but also the cost of renting equipments for use in the combined screen wagon and collection and delivery service. As an indication of the efficiency of this service, it may be stated that in one of the cities where it was in operation during the entire year, the motor trucks engaged in the transportation of mail between the depot and the post office were scheduled to make 384,526 trips, and there were only 132 failures, or one failure to every 2,913 trips.

During the past year many improvements have been made in the Government-owned service, among which may be mentioned the providing of modern garages with shops equipped to keep the motor trucks in the highest state of repair. This is a distinct advantage over the former practice of having trucks repaired under contract when the service was frequently deprived of the use of equipment for an unusual period on account of the failure of the contractor to appreciate the necessity for prompt action. Furthermore, in view of the natural desire for profit, the contractor did not always furnish the best material or the most experienced mechanical labor, with the result that the repairs were not lasting and in a short time the truck would again have to be withdrawn from the service for further overhauling.

Government-owned motor vehicle service will be extended as fast as conditions permit, and should eventually supersede the contract service in all cities where a sufficient number of trucks would be used to justify the rental of a garage with the necessary repair shops. In conducting this service the department has exercised the same sound business judgment in determining the kind of truck that should be provided as would be done by a private corporation. Service conditions subject trucks to severe usage, and it has been found that it is not only essential to good service but economical as well to use the highest grade of trucks. Experience has further demonstrated that trucks of the same size should be of a single type for the reason that, when different kinds of trucks are used, it is necessary to keep in stock repair parts for each type. Not only is this true, but a further objection results from the fact that when chauffeurs are compelled to familiarize themselves with the operation of trucks of different kinds they render less efficient service than is the case where they are required to learn to operate a truck of a single type. It is therefore apparent that the department should adopt a standard truck for use throughout the service, and this can be accomplished in either of two ways: First, by adopting one of the standard makes of trucks best suited to the needs of the service, or, second, by the department, with the aid of experts, designing a standard truck. The first plan is not believed advisable because it would give one company a monopoly of the business and stifle competition. For that reason it is at this time believed that the second plan should be followed, and with that end in view the department has under consideration the designing of a truck such as will best meet the requirements of the service, and then having it manufactured at the lowest possible cost.

#### VEHICLE SERVICE.

Until comparatively recently separate contracts were made for screen-wagon and for city delivery and collection vehicles in cities where Government-owned vehicles were not in use. Believing, however, that in many instances a single contractor would be in a position to perform all the service in the same city in a more effective manner than would two contractors performing different contracts separately, during the past two years bids have been invited for the performance of combined screen-wagon and city delivery and col-

lection service, with the result that during the fiscal years 1917 and 1918 contracts have been combined in several of the larger cities with advantage to the service, both from the standpoint of efficiency and economical administration. Notwithstanding the material increase in the cost of commodities and the price of labor due to the unusual conditions resulting from the war, the department under the new method of inviting bids made contracts for screen-wagon and city delivery and collection equipments in the 75 cities comprising the first contract section at an increase of only 15 per cent over the rate of pay in force prior to July 1, 1917. This is deemed a very creditable showing when considered in the light of the fact that contractors must estimate the obligation they will have to meet in caring for the increased demands of the service during the ensuing four years.

#### PAYMENT TO MAIL MESSENGERS AND SCREEN-WAGON CONTRACTORS.

Payment to mail messengers and screen-wagon contractors for their services has been greatly expedited during the past year, and instead of being compelled to wait weeks for payment for their services these contractors are now paid promptly. This has been made possible by act of July 28, 1916, which authorized the Postmaster General to designate postmasters as disbursing officers for the payment of mail messengers and others engaged under their supervision in the transportation of the mails. Acting under this authority the Postmaster General on October 1, 1916, designated the postmasters of all offices showing a surplus of receipts sufficient to meet the expenditures to make payments to mail messengers and screen-wagon contractors on the first of the month following that in which service was rendered, in all cases where there had been no delinquencies or omissions. This action greatly advanced the payment to contractors for screen-wagon service in the 260 cities where such service is in operation, and the payments to 6,600 of the 8,400 mail messengers rendering service on October 1, as under the old system it was necessary to await the receipt of the report from the postmaster showing the service rendered, prepare a statement for the auditor, and, when the account was approved by him, submit it to the Third Assistant, who would then issue a warrant in payment for the service.

Eighteen hundred mail messengers are still paid by warrant for the reason that the surplus funds of the post offices to which the

messengers are attached are not sufficient to permit of payments regularly each month. However, in view of the materially small number of messengers now paid by warrant, their accounts are much more expeditiously handled, so that even those messengers who are not paid by the postmaster on the first of the month receive their warrants approximately 10 days earlier than when all the messengers were paid in that manner.

#### AEROPLANE SERVICE.

During the past fiscal year there became available the sum of \$100,000 for the purchase and operation of aeroplanes in aerial mail service. There is pending before Congress, with favorable committee report, a provision authorizing the Secretary of War to place at the disposal of the Post Office Department such aeroplanes as will no longer be necessary for the military needs of the country. A careful study is being made in connection with the National Advisory Board for Aeronautics looking to the developing of a practical type of aeroplane for carrying mails, and the details are being worked out for the establishment of a number of aeroplane routes between several of the commercial centers, to be put into operation as speedily as satisfactory machines can be obtained for the purpose.

#### RURAL MOTOR ROUTES.

On June 30, 1917, 774 motor-vehicle routes were in operation, of a total length of 41,762 miles, averaging 53.96 miles per route, the annual rate of cost being \$1,382,744, or an average of \$1,786.49 per route.

These motor routes are operating satisfactorily in territory the service of which by horse-drawn vehicle routes would cost approximately \$1,703,000. Thus the establishment of the service by motor vehicle on routes of not less than 50 miles represents an annual economy of approximately \$320,256.

The operation of motor routes not only represents a more economical form of mail service to the rural communities, but it also permits of the establishment of a wider postal zone from the larger and more important trading and postal centers. This means a better supervision of the service and the extension of the local zone rate on parcel post from the larger towns to a vastly greater number of families, giving them improved facilities for trading and at the

same time increasing the utility of the parcel-post feature of postal activity. These are considerations that demand the most careful attention in these times of excessive costs for foodstuffs and other necessities of life, and as they represent a possible means of reducing the cost of living nothing should be allowed to hamper their greatest development. It is therefore desirable that existing legislative restrictions be removed and opportunity provided for the establishment of service by motor vehicle to the rural communities that are entitled to better means of conveyance and communication with the markets where produce may be disposed of to the best advantage and where the farmer producer can be supplied with necessary implements and supplies through the mails without the loss of time incident to a personal trip to such market centers.

#### RURAL MAIL SERVICE.

On June 30, 1917, there were 5,882,795 families, representing a total population of 27,060,857 persons, who were served by rural carriers at an annual cost of \$52,920,408, as compared with 5,719,062 families, the equivalent of 26,307,686 persons on the same date of the previous year, and at an annual rate of expenditure of \$51,715,616. It is apparent that in 1917 there were 753,171 additional persons served, at an increase in expense of \$1,204,792, or a unit cost of \$1.60 per patron. The cost per patron was \$1.955 on June 30, 1917, and \$1.966 at the close of the previous year, a decrease of .011 cent per patron. The cost per mile on June 30, 1917, was 15.106 cents, as compared with 15.22 cents per mile on June 30, 1916, a decrease of .114 cent per mile.

At the end of the fiscal year 43,463 routes were in operation, covering 1,112,556 miles, and averaging 25.60 miles to the route, while at the close of the previous year there were 42,927 routes in operation, aggregating 1,091,852 miles in length, and averaging 25.435 miles to the route, an increase of 536 routes.

During the year 387 triweekly routes were established and 36 triweekly routes were discontinued. Service on 576 triweekly routes was made daily, and the service on two daily routes was reduced to triweekly.

During the fiscal year 1,851 petitions for establishment of rural delivery routes were filed with the department, of which 1,306 were accepted and referred for investigation. On June 30, 1917, there

were 462 petitions for establishment under investigation in the field and 372 petitions pending completion in the department, as compared with 483 petitions and 47 petitions, respectively, one year previously.

The total number of rural carriers in the service on June 30, 1917, was 48,338, an increase of 572, as compared with the previous year. The average annual pay for a carrier was \$1,172.25, including motor-vehicle service. For horse-drawn routes the average was \$1,161.08.

In some States the cost per capita for rural mail service is high, while the cost per piece of mail matter handled is low. This is due to the fact that a large number of patrons are served who receive and dispatch very little mail; whereas in other localities there are but a limited number of families who receive and dispatch a large quantity of mail. Thus, the number of families as a unit of measurement upon which to base the establishment or extension of mail facilities is deceptive. For this reason the Department has endeavored to establish mail facilities, not alone because of the number of patrons that might be served, but with due regard for the quantity of mail that might be handled.

During the year ending June 30, 1916, there was a revision of the service to eliminate duplication, retracing, and unjustifiable special facilities in 329 counties of 29 States, resulting in a reduction in cost amounting to \$1,359,162. This endeavor to place the service on a more systematically arranged basis has been continued, and during the fiscal year 1917 revisions were made in 67 counties in 17 States, resulting in a reduction in cost of operation of \$120,688.

Preliminary work on the revision of service in 52 counties in 13 States, effecting a reduction of \$163,146 per annum in the cost of operation, was completed during the year and the changes were ordered prior to July 1, 1917, to take effect at later dates.

This sum of \$120,688, together with \$654,280 made in readjustments during the year 1915, and \$1,359,162 in 1916, aggregates \$2,297,276, all of which was expended for the extension of postal facilities to localities previously without adequate mail supply.

In the extension of rural postal facilities it is unfortunate that the department is hampered by restrictions that render impossible to employ means best calculated to meet perplexing situations as they arrive. This affects not only localities that have been without mail service but also communities where service has long been established.

There are hundreds of instances where sections are so remote from distributing points that they can not be reached by horse-drawn route within the limit of length fixed by Congress for such routes, and unless service by motor vehicle can be provided, allowing an extended tour from the distributing point, the patrons residing in these sections must be content with very inferior service. But under existing law motor-vehicle routes can not be established except on petition of patrons requesting the establishment of that class of service, and it is nearly always possible for one or two individuals who have personal reasons for wishing to frustrate any move to establish service by motor vehicle to block the efforts of the department to improve the postal facilities of the patrons.

Great difficulty has been experienced in continuing the service where carriers have left the Postal Service for military duty or to accept more lucrative employment. In some instances the department has been unable to obtain suitable persons to replace them. This especially applies to certain industrial communities where very high wages are being paid for all kinds of labor. Persons who ordinarily would be willing and anxious to accept the position of rural carrier at the rates of pay fixed by law will not consider such a position when they can now procure much higher pay in industrial establishments. Everything possible has been done to continue the service where these conditions appeared, but only with partial success. In a few sections the deliveries have been very irregular and uncertain. Were it not for the legislative restrictions incident to the pay of rural carriers, and were the department in a position to employ any available means in emergencies, the trouble would be promptly eliminated and there would be no occasion for any suspensions of service.

The salaries of carriers should be based on the amount of work performed by them, and the determining factors in fixing the compensation should be the length of the route served, the number of pieces and the weight of the mail delivered and collected, and the hours of service rendered in each day. It is recommended also that legislation be enacted to provide that when, because of unusual conditions, it is impossible to obtain a rural carrier at the maximum rate of pay, advertisements be issued calling for proposals for the performance of the service, or that the department be authorized to employ such other means as may be necessary for the purpose of extending the service or continuing service already established.

The cost per mile of travel by star route contractors is \$0.1024. The cost per mile of travel by rural carriers is \$0.1510. The difference in cost is, therefore, \$0.0486 per mile.

Rural carriers cover 1,112,580 miles daily which, calculated at a rate of \$0.0486 per mile, would indicate the possibility of a reduction in the cost of operation of the present rural delivery routes, if operated on a contract basis, amounting to \$54,071.38 a day, or \$16,924,-345.07 a year, to which should be added the cost of substitutes (which would not be required for contract service) amounting to approximately \$2,050,000 a year, making a total of \$18,974,345.07.

Obviously there is an expenditure of nearly \$20,000,000 annually, which amounts to 4 per cent interest on \$500,000,000, which can be saved through legislation that will permit the use of either contract or a per diem system of compensation, while at the same time providing the identical mail facilities that are at present in existence.

The average cost per mile of the contract service (\$0.1024) is based upon the character of service now performed, which is located, in a majority of cases, in the most arduous and difficult territory to be found in the country; whereas the rural service, as now located, is performed under very advantageous topographic and climatic conditions when compared with the contract service now in effect. Therefore, it is reasonable to expect that should the present Rural Delivery Service be placed upon a contract basis the average cost per mile would be even less than the present average rate for the star service and consequently a greater saving than indicated above.

Contracts are made for a period of four years, the contractor or his sureties being under bonded obligation to perform the service during that period of time. There can be no resignation or declination to perform service, as so frequently and suddenly occurs in the conduct of the Rural Delivery Service.

The records of the department indicate that service is as well performed by contractors as by postal employees. No proposal is accepted from an individual whose reputation and reliability are not of such a character as to warrant entire confidence. There are no features of the per diem system that can not be properly covered in a contract, with a bond to secure perfect compliance with the terms thereof.

Contractors are permitted to carry passengers and to transport freight and express matter outside of the mails. This is an advan-

tage to the contractor which naturally reduces the cost of contract service, but which is in some degree offset by the increased cost for equipment necessary to carry such persons and matter.

There is but one possible means whereby the cost of rural delivery, under a per diem system of compensation, can be brought within reasonable comparison with the cost of contract delivery, and that is through the adoption of laws, rules, and regulations that will eliminate all special privilege or favoritism from the conduct of the Rural Delivery Service and to cease trying to give the employees something for nothing. The department contends that the carriers should receive a fair day's pay for a fair day's work; at the same time demands in the name of the taxpayer a fair day's work for a fair day's pay.

No employee who performs only from two to five hours of service a day should be given annual leave with pay. (Contractors do not get nor expect leave of absence with pay.) The wear and tear upon a carrier's physical resources during such limited daily employment does not warrant an extended annual leave in which to recuperate. If this leave were abolished, it would produce an economy in operation of approximately \$1,000,000 per annum, which could be applied to increasing the compensation of regular carriers who are legitimately entitled to it.

The elimination of this one useless and wasteful expenditure would permit of an increase in compensation to all carriers working eight hours per day and operating routes in excess of 24 miles in length at a rate of \$24 per mile without increasing the cost of service.

#### STAR SERVICE.

On June 30, 1917, there were 11,208 regular star routes in operation at an annual cost of \$8,103,421, and in addition 195 pound-rate routes, the approximate annual cost for which was \$300,000.

The total length of the regular star routes was 148,522 miles and the annual travel 79,162,473 miles. The cost per mile of travel was 10.24 cents.

In addition to the establishments and extension in this branch of the service to provide facilities at new post offices to meet the demands of increasing postal business, under authority provided by recent legislation, a considerable number of contracts have been awarded requiring the use of motor vehicles in the transportation of mails on this class of route, resulting in material reductions in

schedule running time. By this means mail is not only delivered to a large number of post offices of considerable importance located on branch lines of railroad where trains do not arrive early in the day, or at points more or less remote from the railroad, considerably earlier than would otherwise be possible, but where rural delivery routes emanate from such offices the expedited schedules on the star routes has had the effect of causing the mail from surrounding cities to be delivered on such rural delivery routes 24 or 48 hours earlier than formerly, with the equivalent advances in the dispatch of outgoing mail.

In two instances where bids received in response to regular advertisements for motor-vehicle service for the four-year term beginning July 1, 1917, were considered exorbitant, and the department, in accordance with authority granted by recent legislation, has purchased the necessary equipment and supplies and will operate the routes without a formal contract, all expenses to be charged to the account for inland transportation on star routes. This is to an extent an experiment, having for its purpose the object of determining definitely what the expense of operating such routes may be.

#### ROADS.

The act of July 11, 1916, providing for Federal aid in the construction of good roads, vested in the Secretary of Agriculture authority to designate the roads which shall be improved under this act. The relation between the construction of good roads and the extension of the Postal Service should be primary consideration in determining the highways on which the sums appropriated by the Government should be expended and the maximum benefits from the expenditures of such sums can not be obtained unless this department is authorized to designate the roads which shall be improved under the provisions of the Federal aid act.

#### RURAL MAIL BOXES.

Estimates were recently made of the cost of manufacturing rural mail boxes in the equipment shops of the department. These estimates show the cost of manufacturing such boxes to be \$1.147 for the improved type box having a letter slot. Private manufacturers claim that they can not make and sell this box to the public at less than \$1.50 each, and their request for authority to fix the price accord-

ingly has been granted. I recommend that legislative authority be granted for the manufacture of these boxes in the equipment shops, and that they be sold to the public. Inasmuch as about 163,000 are annually provided by postal patrons this difference in cost would amount to \$57,539 and represent a distinct service to the public.

#### EQUIPMENT AND SUPPLIES.

Experiments that have been conducted have resulted in the complete production or partial development of a number of useful and labor-saving devices at a minimum cost. Among these are a machine for producing printed facing slips "in runs," a machine for the rapid distribution of mail in post offices, a mechanical table for facing mail, an improved type of rural carriers' table and routing case, mailing cases for Army camps, collapsible distributing cases for the Army mail service in France, a self-inking roller stamp for canceling postage on parcel-post matter, an improved locking-cord fastener for mail sacks, and a fastening device for ordinary mail pouches which, with certain modifications, may be used on foreign-mail sacks in lieu of the present not wholly satisfactory method of closing the sacks with lead seals. Such devices as have been completed are already in use in the service, while successful development of the remainder will be accomplished in a short time.

As rapidly as possible the department is replacing rented canceling machines by purchase. Prior to July 1, 1917, there were 1,977 rented canceling machines, at a rental cost of \$233,275, and Government-owned machines to the number of 350. Since then the number of rented machines has been reduced to 500, at a rental cost of \$88,500, and the Government-owned machines number 1,863. Eight hundred machines were purchased at very low cost from companies renting them to the Government at high annual rentals, and in some instances purchases were made at lower figures than was formerly paid each year for rental. Thus far all of the rented machines have been replaced by new machines purchased from the regular appropriation for the rental and purchase of canceling machines. During the next fiscal year it is proposed to purchase enough additional machines to enable the elimination of rentals.

Conveyors and transveyors are mechanical devices essential to the efficient operation of post offices where any considerable amount of mail is handled. During the fiscal year 1916-17 the sum of

\$16,107.45 was expended for such conveyors and transveyors in post offices, the use of which effected a considerable saving of labor in handling the mail. In frequent instances the mechanical experts of the department designed more efficient methods of installation, thereby reducing the cost of the conveyors and providing a more satisfactory operating system.

Reinforced concrete letter-box posts may be substituted for metal letter-box posts. The estimated cost of concrete posts is \$1.33 each; thus total cost of 9,927 posts furnished during the year would be \$12,936.91, whereas \$35,256.33 was paid for metal posts. This would represent an apparent saving of \$22,319.42 if the concrete posts would prove otherwise satisfactory.

In the purchase of material and supplies for the service there has been a saving of thousands of dollars as the result of a thorough investigation as to the uses to which they are to be put. While the cost of such items as twine, wrapping paper, facing slips, ink, mucilage, etc., has advanced greatly (in some instances as much as 300 per cent), the deficiency appropriations have been relatively small—in fact, compare more than favorably with the appropriations made during peace times. Prompt delivery of supplies for the service has been made and, through the introduction of systematic methods, the number of employees engaged in the distribution of supplies has been reduced 30 per cent in three years.

During the fiscal year there were supplied the service a total of 738,294 new mail containers, consisting of 676,763 sacks and 61,531 pouches, of which 20,002 of the former and 20,425 of the latter were made at the Mail Bag Repair Shop.

A total of 1,802,406 bags were repaired, an increase of 35 per cent over the preceding year.

The bags condemned numbered 86,446, or 21 per cent less than during the fiscal year 1916. Much material has been saved from worn-out bags and reused in the manufacture of serviceable equipment. Thousands of bags have been saved to the service in this manner, and represent a quality of equipment difficult to obtain at this time, owing to the great demand on the looms of the country by the War and Naval Establishments.

Many thousand old-style pouches have been made ready for equipping with a new-style closing device designed to give added security to mail matter in transit.

Over 5,000 pieces of equipment and attachments were produced during the year for the executive departments, Washington, D. C., and the Government of the Philippine Islands.

The policy of supplying adequate postal scales to the service has been continued. An improved type of postal scale has been provided with which to replace those that have become unserviceable. Tests have been extensively made in about half of the States, and reports show that generally the scale equipment is excellent. The system of testing will be continued until every post office in the country is properly equipped. All purchases of postal scales are under the most rigid inspection of experts.

In addition to the large number before in use, 227 waste-paper baling machines have been supplied to post offices during the past year, and postmasters have been instructed to find a market for scrap paper.

Many duplicating devices have been supplied to postmasters when warranted by the amount of work to be done.

Automatic typesetting machines were installed in a number of post offices for the purpose of thoroughly testing their economic possibilities.

Some additions were made to the printing plants at various large offices, and new type and equipment were provided for many. A uniform system of cost accounting is required in the operation of these printing plants.

During the year 9,723 letter boxes, 1,001 package boxes, 1,610 combination letter and package boxes, and 700 storage boxes were furnished.

The 43 post-route maps have been kept revised up to date, and the printing and distribution of the semiannual edition of 39,180 completed maps was carefully supervised. The total sale of maps amounted to \$4,344.70.

There have been drawn 40 preliminary and 27 completed county rural-service maps and 238 local-center maps, also 8,624 amendments made to these maps. Parcel-post zone keys for 550 units of area were verified and issued during the year.

#### DISTRIBUTING STATIONS.

The unusual situation resulting from the war and the disturbed condition of the market has been met by buying wherever possible an

entire year's supply for immediate delivery, and also by short-termed contracts and purchases in the open market.

The continuous and uninterrupted supply of mail bags, letter boxes, satchels, straps, steel for the manufacture of mail locks and mail-bag equipment, and similar material has been maintained, notwithstanding the heavy demands for similar equipment incident to military operations.

Freight embargoes have interfered with deliveries, not only of products ready for shipment to the field but of materials entering into the manufacture of postal cards, stamped envelopes, and other supplies; but by being constantly on the alert either to have embargoes lifted or to divert shipments to the express or to the mail, no serious embarrassment has resulted from this source.

The policy of shipping direct from factory to the post offices using the supplies or to distributing post offices has been continued and extended, thus avoiding the longer hauls and the loss of time involved in shipment to Washington and reshipment to the field. This plan has been found economical in the saving of time, money, and labor.

The prompt payment of contractors' accounts has materially improved mutual relations and resulted in prompt deliveries and a desire to complete contracts as specified.

Under the law the Postmaster General is required to make contracts for penalty envelopes used by all the departments and independent establishments of the Government. These contracts are for four years, and in the present instance were made early in the war when the prices of paper and other materials entering into their manufacture were low. Not only have these prices materially increased, but the number of Government commissions and independent establishments has been multiplied and the demands of the Government for envelopes have been tremendously increased.

#### COST ACCOUNTING.

Various items and methods of postal operation have been scrutinized as to costs, and tremendous economy has resulted from the publicity of results, especially where postmasters have cooperated in using comparative data collected and transmitted to them for attention. The cost sheets on the maintenance of postal equipment at the larger post offices show a continued downward curve of expenditure as compared with previous years, and is therefore of proven value.

## DOMESTIC PARCEL POST.

The substantial growth and increase in the patronage of the Parcel Post Service, as predicted in previous annual reports, is the best evidence of the advantages and convenience to the public of this feature of the postal establishment. The parcel post affords the most convenient, expeditious, and efficient mode of transportation of parcels available to the public, and offers the only means of direct shipment to all points in the United States as well as its insular possessions. The large increase in the number of parcels handled during the year has demonstrated conclusively the wisdom of inaugurating this feature of the service and the need for this method of transportation. The number of parcels handled during the year increased more than 25,000,000, or 14 per cent, over that of last year, and the total weight exceeded 2,000,000,000 pounds. This remarkable growth is evidence of the practicability and usefulness of the parcel post, and indicates the extent to which it is appreciated by patrons of the Postal Service generally.

As the utility and expedition of the service have become better known its adoption by large commercial enterprises, such as mail-order houses, department stores, manufacturing concerns, and film exchanges has grown more general, its benefits have been greatly extended to the city householder and to the farmer, so that at the present time a well-defined system is in operation by which producer and consumer are brought together to their mutual benefit. Thus the high cost of living so keenly felt in the densely populated centers is, to some extent, ameliorated by direct dealing with the producer, thereby saving the profits of the middleman and securing at the same time fresh and wholesome commodities. Undoubtedly the parcel post has become an important factor in tending to simplify the problem of supplying necessaries for the table to the average city resident. The "farm to table" feature of the parcel post is receiving close attention by the department, and the number of city residents securing farm products direct is increasing constantly.

Congress by the act approved August 29, 1916, authorized the Postmaster General to conduct experiments in several communities to determine the most practicable means of extending the operations of the parcel post to promote direct marketing of farm products and furthering direct transactions between producers and consumers, and

for the purpose of pursuing these experiments and investigations \$10,000 was appropriated. The department made careful plans and arrangements to execute this authority, but the advent of the United States into the European war, and the consequent disturbance of normal conditions with respect to the supply and demand of food, food products, and commodities rendered it impracticable to undertake experiments and investigations which would be productive of authoritative and reliable data.

The marked increase in this class of mail may be attributed to various causes, chief among which are the widespread publicity given by the department and the security and celerity with which parcels are handled, due to the improved facilities. The fact that this great volume of mail is being handled by the Postal Service without congestion or delay, and that the losses and breakage are practically negligible, is due to the efficiency of the postal organization and to the extension of the Government-owned automobile service in the larger cities, and the substitution of automobiles for horse-drawn vehicles in other cities for use in the delivery and transportation of the mails.

The act of Congress providing for the establishment of a general parcel post delegated to the Postmaster General, subject to the consent of the Interstate Commerce Commission, authority to reform from time to time weight limits, rates, zones, and conditions of mailability if he found upon experience that any of these conditions were such as to prevent the shipment of articles desirable. Acting under the authority thus conferred, the consent of the Interstate Commerce Commission has been asked to increase the weight limit from 50 pounds in first and second zones and 20 pounds in the third zone to 70 pounds and in all other zones from 20 pounds to 50 pounds. If this recommendation is approved, it will undoubtedly result in still further benefit and advantages to shippers and consumers.

#### INSURED PARCELS.

The constantly increasing popularity of the insurance service is evidenced by the substantial growth in its patronage. There was an increase of 8,900,342 parcels insured over 1916, or 35.69 per cent, as compared with an increase of 6,924,269 parcels for 1916 over 1915. This gratifying increase is believed to have been largely due to the adoption of the policy of indemnifying shippers for partial damage

to insured mail, as well as to the hearty cooperation of postmasters in bringing the insurance feature of the service into prominence. It is believed that the simplicity of the new coupon system of insurance, which became effective July 1, 1917, will greatly increase this class of business.

The wisdom of increasing the maximum amount for which packages may be insured from \$50 to \$100, and readjusting fees, as outlined in the last annual report, has been demonstrated by the large number of packages insured, which amounted to more than thirty-three million for the last fiscal year. Under the present regulations, a package may be insured against loss and injury in an amount equivalent to its actual value; not exceeding \$5, on payment of a fee of 3 cents; not exceeding \$25, on payment of a fee of 5 cents; not exceeding \$50, on payment of a fee of 10 cents; and not exceeding \$100, on payment of a fee of 25 cents.

Effective July 1, 1917, the use of insurance tags on insured parcels was discontinued by the Post Office Department. Parcels are now accepted for insurance without tags, a coupon receipt being issued to the sender and record being made of the parcel at the mailing office. The parcel is then dispatched without a tag having been affixed and is delivered without record being made thereof at the office of address. This improvement was introduced throughout the service after an exhaustive test had been conducted at three large post offices which demonstrated clearly its practicability, and resulted in largely increased patronage. This simplified method of insurance adds to the convenience of the service to the patrons and of the department. It effects a material saving in the time of delivery clerks and facilitates expeditious delivery of parcels at destination.

#### COLLECT-ON-DELIVERY SERVICE.

There was an increase of 1,582,872 parcels sent collect on delivery during the fiscal year 1917 over the previous year.

While senders of C. O. D. parcels in the past were permitted to mail parcels calling for a remittance up to \$100, the insurance payable for loss, injury, or nonremittance of the C. O. D. charges was limited to \$50. As the senders of the insured parcels were protected against loss up to \$100 by the payment of a 25-cent fee, it was believed that equal facilities should be provided patrons of the C. O. D. service in this respect. Accordingly, on July 1, 1917, the fees were

changed to 10 cents for a remittance of \$50 or less, and 25 cents for a remittance over \$50 and not in excess of \$100. On the same date the limits of indemnity for which the department is liable for injury or loss to such matter was amended to provide for \$50 for a 10-cent fee and \$100 for a 25-cent fee.

SENDERS' RECEIPTS FOR ORDINARY PARCELS.

Receipts evidencing the mailing of fourth-class parcels, representing a revenue of \$10,000, were obtained by patrons of the Postal Service for approximately 1,000,000 ordinary fourth-class articles. This receipt merely serves to show that a parcel has been deposited in the mails and gives the name and address of sender and addressee. No receipt is obtained from the addressee on delivery and no indemnity paid for loss or damage. This feature of the service is largely used by agents and patrons of mail-order concerns in returning merchandise. It satisfies a definite need on the part of the public.

INDEMNITY FOR LOST OR DAMAGED REGISTERED, INSURED, AND COLLECT-ON-DELIVERY  
MAIL.

During the past year 2,536 claims for loss or damage on account of registered mail and 46,757 claims involving insured and C. O. D. mail were approved.

Probably no innovation in the insurance and collect-on-delivery services has been received with greater satisfaction than was the inauguration, on August 8, 1916, of the policy of paying indemnity for the injury of insured, C. O. D., and registered mail. Prior to that date indemnity had been provided only for the loss or rifling of such articles and not for mere damage to their contents, although when the damage to an article was so complete as to render it worthless and beyond repair it was regarded as having been constructively lost and the sender consequently entitled to indemnity if the total damage was not caused by negligence on his part in packing or failure to indorse the parcel.

This liberal construction of the term "loss," while it mitigated to some extent the hardships worked upon shippers when damage was sustained, did not afford complete protection to the articles mailed by them. It was felt by patrons, and reasonably so, that when a mailable article was properly packed and indorsed, the acceptance of an insurance (or C. O. D.) fee should assure its proper delivery

with the contents undamaged to the person addressed or his representative. To afford the best possible service to patrons of these services the present policy of paying for the cost of repairing partially damaged articles and for depreciation in their value due to damage was adopted, and it is gratifying to report as a result that, while the expenditures for indemnity have been larger than ever before, the increased patronage has amply justified and demonstrated the wisdom of the change.

REGISTERED MAIL.

The total paid registrations increased 3,060,728, or 8.93 per cent over the number of 1916. There were 3,280,451 more pieces in the domestic registered mail, an increase of 11.28 per cent. The decrease of 219,723 in foreign registrations (4.24 per cent) was due to war conditions and suspension of mail service to various countries.

The total paid registrations for 1916 showed recovery from the set-back experienced during the abnormal conditions created in 1914 and 1915, the first years of the European war. The increased figure for 1917 exceeds the total (37,048,302) for 1913 when the change was made excluding all fourth-class domestic parcels from the registered mail and substituting the insurance and C. O. D. features for that class of matter. Over 7,000,000 domestic parcels had been registered during 1912, the last full fiscal year during which registration of such parcels was permitted.

The small increase in official free registrations, 4.97 per cent, compared with a decrease of 6.25 per cent the preceding year, notwithstanding the continuation of efforts to restrict such registrations to necessary cases, results from the increased activities of various Government departments due to the war, and to the growing use of this service by Government departments for special shipments instead of utilizing other transportation agencies. Statistics for free registrations give but an inadequate idea of the far-reaching extent to which the registered mail is being used, through the cooperation of this department, by other executive departments of the Government.

Of the total free registrations 689,791 pieces, or 13.25 per cent, were mailed through the Washington, D. C., office.

The improvements in the service have consisted mainly of the extension of the plans and arrangements partially effected during the preceding year, such as the installation at several hundred more

offices of simplified arrangements for delivery of registered mail; further extension of the use of quick registration receipts; and the consolidation and revision of forms used in the registry service.

#### THE POSTAL MONEY-ORDER SYSTEM.

The fiscal year 1917 was the most prosperous in the history of the money-order system in so far as domestic business was concerned. The volume of transactions showed more than the usual increase, conclusively demonstrating the continued popularity of this facility with patrons of the postal service. On the other hand, due to the continuance of the war, the number and amount of international money orders issued were both much below the transactions of last year, which, in turn, had shown a decline compared with the preceding year. Tables showing money-order transactions in detail will be found in the appendix to this report.

On June 30, 1917, the money-order service was available at 56,170 post offices, compared with 56,026 on the same date in 1916, a net increase of 144 offices. There were 1,222 new offices established during the year, and 1,078 discontinued.

The international money-order service was available at 12,581 offices. During the year it was established at 1,103 offices, and discontinued at 40 offices.

The amount of money-order funds, which postmasters were authorized to retain on hand as "reserves" to provide for the prompt payment of money orders, amounted, at the close of the year, to \$5,018,540, an increase of \$171,210 over the previous year.

Although favorable rates of exchange were quoted during the year for most of the European countries, yet the unusually high cost of bills on Norway, Denmark, Sweden, the Netherlands, and Switzerland very materially reduced the gain on the purchase of exchange as compared with the preceding year. Bills purchased to discharge the indebtedness of the United States to foreign countries on money-order account amounted to \$28,189,627.80, on which a gross gain of \$1,119,119.74 was made. The loss was \$231,837.35, leaving a net gain of \$887,282.39 for the year.

Notwithstanding the fact that postmasters are informed that instances of alleged wrong payment will be cheerfully investigated by the department, the number of complaints on this account during the year was but 1,132, amounting to only \$16,701.12. The sum of

\$8,960.58 was recovered from the persons to whom 602 of the orders had been paid, and 214 of the orders, totaling \$3,454.96, were found to have been properly paid. The sum of \$3,951.79, representing 295 orders, was charged to the paying postmasters because of lack of precaution in making payment, and for the same reason issuing postmasters were charged in but two cases, amounting to \$17.15. Because of their own carelessness the remitters of 9 orders were forced to stand a loss of \$116.12, and the payee in one instance lost \$14.92. In the remaining 9 cases, totaling \$185.60, as neither the postmasters, remitters, nor payees were found to be legally at fault, and as it was not possible to recover the money from the persons to whom it had been paid, the department assumed this insignificant loss.

The electrical accounting system for recording and reporting paid money orders was installed during the year at Chicago, Pittsburgh, and St. Louis, and additional offices will be similarly equipped as soon as the machines can be secured. These installations were in addition to those mentioned in the last report.

The new system is beneficial in many ways. Not only does it eliminate the duplication of work in post offices and the auditor's office that previously obtained in connection with the recording and reporting of paid money orders, thereby effecting a very large saving in the expense of clerk hire, but in operating under the new system it has been conclusively demonstrated that information concerning paid money orders, for use in answering inquiries and acting on applications for duplicates, can be obtained in much less time and in a more effective manner than under the old methods.

Money-order business with Germany was suspended on April 6, 1917, as a result of the declaration of war with that country, the order of suspension including all its colonies and dependencies. On May 10 the postal administration of Greece notified this department of its decision to suspend provisionally the international money-order service, effective June 1, 1917.

At the close of the year money-order conventions with Austria, Belgium, Egypt, Germany, Greece, Mexico, and Portugal were in a state of suspension.

#### POSTAL SAVINGS SYSTEM.

The remarkable growth of the Postal Savings System during the past fiscal year fully justifies the action of Congress in removing

restrictions on deposits that existed prior thereto. The act of May 18, 1916, amended the original postal savings law by removing altogether the monthly limit on deposits of \$100 and by increasing the amount that a depositor may have to his credit from \$500 to \$1,000.

On June 30, 1917, at the close of the fiscal year, there were 674,728 depositors on the books of the system, with \$131,954,696 to their credit. The average balance per depositor was \$195.57. There was an increase during the year of 71,791 (11.91 per cent) in the number of depositors, \$45,934,811 (53.4 per cent) in the amount of deposits, and \$52.90 (37.07 per cent) in the average balance per depositor. Savings facilities were available at 6,423 post offices and 738 branches and stations, a total of 7,161 depositories. Postal savings funds were held by 5,583 banks, 3,486 being national banks, 1,274 State banks, 242 savings banks, 568 trust companies, and 13 "organized" private banks.

A study of postal-savings statistics brings to light many interesting facts. Approximately 74 per cent of the deposits were held at 143 post offices having \$100,000 and over on deposit. The cities and towns served by these post offices are industrial communities, clearly evidencing the fact, if additional evidence were needed, that postal-savings depositors are drawn largely from those who work for a daily wage. To these people the post office is familiar ground; they use it freely and it possesses their full confidence. The recent enlargement of its functions to include the care of their savings satisfied for them a long-felt want, and they have not been slow to avail themselves of the benefits of the added facilities. The post-office bank is convenient and the hours are suitable, but above every other consideration is the certain knowledge that their hard-earned savings are safe.

The Postal Savings Service is also particularly attractive to the foreign-born residents of the United States. To this class of people the postal bank fills an important place in national life. They were familiar with such banks in the land of their birth and could not understand why the service was lacking in the land of their adoption. The establishment of the service in this country has done much to sever ties which played a very large part in retarding the progress of these people toward full citizenship.

Experience has shown that the advantages of every new public facility must be kept constantly before the people until the number of individuals making use of the facility is sufficient to give it a status as an accepted function of Government. This is particularly true when the individual is called upon to change his manner of daily living in order to avail himself of the facility. The savings habit must be aroused and then fostered. In recognition of these well-settled principles the department has taken every opportunity during the past four years of bringing the advantages of the Postal-Savings System to the attention of the people. Many persons have been aroused to the wisdom of practicing economy and thrift through systematic saving, and have accepted the invitation extended by the department to call at the post office for additional information. The inquirer is there courteously received by the postal-savings clerk, given a clear idea of the purpose and plan of the system, and supplied with literature on the subject.

The postal-savings regulations provide for the payment of balances standing to the credit of deceased depositors, and those who have been adjudged to be mentally incompetent, to the legal representatives of the estate of the depositor. When the amount of the deposit is small, payment without administration is made to the person or persons who, under the laws of the domicile of the decedent, would be entitled to receive it if administration were had. During the fiscal year just closed 2,504 cases of this character were adjusted, involving the payment of \$455,708.10, an increase over the previous year of 402 cases and \$124,555.72 in amount. Of the cases adjusted in the past year 37 related to the accounts of deceased foreign-born depositors and involved settlements with heirs residing abroad.

The usual opportunities were afforded during the year for the conversion of deposits into United States postal-savings bonds. Bonds were issued on January 1, 1917, for \$887,960; on July 1, 1917, for \$718,800; a total for the year of \$1,606,760. Over 92 per cent of the bonds were applied for and issued in the registered form, indicating that they were purchased for permanent investment.

#### RECEIPTS FROM POSTAGE.

The receipts from postage paid on mail matter, constituting the principal source of the postal revenue, amounted during the last fiscal year to \$302,980,682.55, or 91.89 per cent of the total revenues,

an increase of 5.57 per cent over the postage receipts of the previous year. Mailings of second, third, and fourth class matter without stamps affixed, on which the postage was collected in money, produced \$20,802,895.90 of this amount, while the remainder, \$282,177,786.65, was derived from mailings of the various classes on which the postage was paid by means of stamps. The average per capita expenditure for postage for the year was \$2.90.

#### SECOND-CLASS MATTER.

Newspapers and periodicals mailed as second-class matter at the cent-a-pound rate and free in the county of publication during the fiscal year 1917 aggregated 1,202,339,658 pounds, a decrease of 131,018 pounds as compared with the preceding year. The postage collected on such mailings amounted to \$11,416,204.56, an increase of \$32,674.54 over the previous year. A table showing the weight of mailings of second-class matter, by States, will be found in the appendix to this report.

On June 30, 1917, there were 10,871 post offices at which publications were entered as second-class matter. Fifty of these offices having the largest mailings collected 80 per cent of the total postage paid at the cent-a-pound rate.

During the fiscal year 4,687 applications were received for admission of publications to the second-class of mail matter, for change in title, frequency of issue, or office of publication. The number of applications favorably acted on was 4,000, while 687 applications were denied. During the same period the issuance of 4,091 publications having a second-class status was discontinued, leaving 29,781 publications passing in the mails on June 30, 1917, at the second-class rates of postage, a decrease of 91 as compared with the previous year. At the close of the year 1,849 news agents held permits to mail second-class publications at the rates applicable to second-class matter.

Notwithstanding the high cost of print paper and other increased expenses connected with the publishing industry as the result of the abnormal conditions now existing, the mailings of second-class matter during the fiscal year 1917 were but slightly under those for 1916 which were the greatest in the history of the service. Since the cost of handling and transporting this class of mail is several times the revenue received therefrom, the drain imposed upon the postal

revenues has continued unabated, thus emphasizing the necessity pointed out in previous reports for some readjustment of the rates thereon. The question was considered by Congress at its last session in connection with the war revenue measure which finally became law October 3, 1917.

This act provides for an increase in the rates of postage for first-class mail and for a graduated increase in the rates on second class. It continues a flat rate on the portion of the publication devoted to reading matter and establishes zone rates on that devoted to advertising. The maximum rates on advertisements, however, will not be reached until July 1, 1921. A tax is also imposed on parcel post packages when the postage amounts to 25 cents or more. The language of the act clearly indicates that the increased rates on first-class mail and the tax on parcel post were imposed as a war tax and therefore only temporary, while the rates on second class were to partially reimburse the department for the enormous loss it suffers in the handling of this class of mail and is permanent legislation. The department does not favor the use of the postal system as a means of raising revenue except to meet the cost of the service and so informed the committees of Congress.

The rate of postage on second-class mail has been the subject of a number of extended investigations and an increase in the rates has been recommended many times. The difference between the revenue from this class of mail and the admitted cost of its transportation and handling is so great and the proof so conclusive that the publishers could no longer hope to defer some just and remedial legislation by Congress. It was for Congress to decide when it would legislate upon the subject, and it deferred such legislation until a time when it was dealing with many other questions which appealed to the patriotism and sense of fairness of the people.

When it became apparent that it was the purpose of the Congress to pass some legislation increasing the rates of postage on second-class matter, the Postmaster General conferred with many publishers, but at no time was he able to suggest a method of increasing the rates which would be acceptable to all. After the most careful consideration he suggested to Congress that the principle so long existing—that of a low flat rate on reading matter provided for in the basic act admitting publications to the mails as second class—be

continued. He also pointed out that the character of many publications had materially changed with the development of business, and a new element had been introduced which did not exist at the time the low flat rate was authorized. This new element was the introduction of advertising matter, which has grown to such an extent as to exceed the reading matter contained between the covers of many publications, in many instances amounting to as much as 60 or 70 per cent, and in some even as high as 80 per cent of the entire publication. It is but fair and just that this matter pay a higher rate. The department was at all times scrupulously fair to the publishers in presenting its suggestions and statistics.

The committees of Congress and the Congress itself also gave a most thorough consideration to all phases of the subject. The advisability of continuing the flat rate on reading matter and applying the zone rate to advertising matter was extensively discussed. While some publishers objected strenuously to a zone system of rates for advertising matter, others agreed that it was equitable and just. If Congress had abandoned the idea of applying the zone system and confined itself to an increase on the basis of a flat rate, the same strenuous objection would no doubt have been exerted against the change which was exerted against the zone rates for advertising matter.

The merits and demerits of the law as passed should be considered impartially. There should be far less objection to the increase in the rates on second-class mail than to those on first class. It is a well-known and undisputed fact that in the handling and transportation of the latter the department makes a profit of approximately \$60,000,000 a year. This is used to partially meet the enormous loss sustained in carrying and handling second-class mail, which is conservatively estimated at \$72,000,000 each year. If it was necessary to increase the postage rate on first-class mail for the purpose of raising revenue, it is apparent that a great injustice would have been done the people if no effort whatever had been made to increase the rates for second class. The Congress realized that the business of the publishers was adjusted to the prevailing low flat rate of postage and great consideration was shown to them in framing the law. While the new rate on first-class mail became effective within 30 days after the passage of the act, the rates for second class will not be effective until July 1, 1918, and the increase then will be but slight.

Additional increases are distributed over a period of three years, which should give the publishers ample time to readjust their business to meet the new rates.

The law continues the existing policy of a flat rate for that portion of the publication devoted to reading matter. This policy has been recognized by Congress for many years and is a wise one. Its continuance as to reading matter of every kind is a complete answer to the criticism that the zone system applied to advertising matter will build up sectional papers and prejudices. It does not put any greater limitation upon the dissemination of information or the circulation of literature than now exists, but because of the radical change which the development of the publishing industry has brought about by the large increase in advertising in these publications, the law wisely recognizes the distinction between reading matter and that which is purely advertising. As advertising matter is in all respects the same as third-class matter except its method of circulation, a higher rate is fixed thereon. This rate is proportioned according to the cost of handling and transporting it to the several zones. The publisher whose matter is transported the greatest distance and thereby entails the greatest cost to the department because of the long distance hauled should pay the higher rate of postage. The zone system requires this, and is therefore sound and entirely fair. Even on the shorter hauls the existing low flat rate of postage is insufficient to meet the expense of handling and transportation, and when viewed from a financial standpoint wholly it would be advantageous to the department if the publications transported and delivered as second-class mail were handled through other means than the Postal Service.

It has been argued that second-class mail should enjoy the low flat rate of postage because credit should be allowed for the amount of first-class postage revenue which results from it. The truth is that if we allowed the Government for all third-class revenue which it loses on these advertisements because they are mailed as second class and the first-class postage that would result from them if sent as third class the difference in favor of this claim would be negligible. The same argument for a low flat rate of postage could also be used with equal force for catalogues and third-class mail of all kinds, as they too create a large quantity of first-class mail.

When the advertising does not exceed 5 per cent of the entire publication it is exempt from the zone rates and is transported at a flat rate for reading matter, which is in accordance with the spirit of the original acts.

The rates which apply to reading matter are lower than any ever recommended by any investigating committee, and the final rates for advertising when a part of the periodical are on the average much lower than the advertiser would be required to pay if such advertising were sent as third-class mail. Even when the maximum rates provided in the law are reached the rate on reading matter will be  $5\frac{1}{2}$  cents less than the average cost to the department for the transportation and handling, and a heavy loss will still be incurred.

Some publishers claim that they can not pay a higher rate of postage. It must be conceded that the plea that legitimate business can not readjust itself to the normal cost of its conduct is without merit. They also claim that the increase on that portion of periodicals devoted exclusively to advertising matter will result in the discontinuance of advertising and therefore the discontinuance of the periodical, which argues that this business can not pay its legitimate expenses. This is not believed to be true of the publishing or any other legitimate business.

This increase in rates on second-class matter will enable the department immediately after the war to take the first step toward 1-cent letter postage; that is, to recommend that the rate on drop letters be reduced from 2 cents to 1 cent an ounce or fraction thereon, and when the rates on second-class matter more nearly meet the cost of transportation and handling such matter the final step toward 1-cent letter postage can then be taken.

#### ABUSE OF SECOND-CLASS MAIL PRIVILEGE.

The act of March 3, 1879, provides, among other things, that a publication, to be admissible to the second class of mail matter thereunder, shall have a "legitimate list of subscribers" and shall not be "designed primarily for advertising purposes, or for free circulation, or for circulation at nominal rates." It was therefore clearly the purpose of Congress that publications having the second-class mail privileges should be circulated in response to a genuine public demand based on their merits. Notwithstanding this, the practice grew up among some publishers of offering in connection with subscrip-

tions to their publications premiums or other extraneous inducements of such value as to reduce the price received for the subscriptions to such an extent as to make the rate for them merely nominal or free. Arrangements were also made with subscription agents whereby they retained the greater part, and in some cases the entire amount, paid by the subscriber, while in still other cases they were paid in addition a bonus for each name turned in, the agents obtaining the subscriptions by combining several publications in a so-called club offer at greatly reduced prices.

Such methods resulted in greatly inflated circulation, on which increased advertising rates were based. These practices constituted a flagrant abuse of the second-class mail privilege, serving to swell the amount of mail of this class, which is carried at a heavy loss. To correct such abuses paragraph 3, section 419, Postal Laws and Regulations, was amended on March 30, 1917, so as to set forth more clearly the prohibition of the statute with respect to circulation at nominal rates. To this end the regulation provides that subscriptions are regarded as at a nominal rate when obtained at a reduction to the subscriber of more than 50 per cent of the regular advertised annual price for a single subscription, whether the reduction be a direct discount or effected through a rebate, premium offer, clubbing arrangement with other publications, or otherwise; also when they are obtained through agents on commission or in connection with clubbing arrangements with other publications when the amount received by the publisher, after deducting a commission or rebate or through other arrangements, is less than 50 per cent of the amount at the regular advertised price. The first of these provisions is merely a reaffirmation of what has been the rule for many years. The second is an elaboration of the same rule so as to cover the condition arising from the practice that had grown up, under which publishers allowed agents to retain the greater part or all of the amount paid by subscribers, the agents obtaining the subscriptions by offering liberal premiums or other extraneous inducements. The regulation has met with the hearty approval of the vast majority of publishers, who were glad to be relieved of the unfair competition which formerly existed.

To be a "newspaper or other periodical publication" within the meaning of the law governing second-class matter a publication must,

among other requirements, be composed in its entirety of mailable matter. A publication containing matter which is nonmailable is not a "newspaper or other periodical publication" within the meaning of the law, and therefore is not entitled to the second-class mail privilege. In administering the law governing second-class matter it has been found necessary to revoke the second-class mail privilege of some publications for the reason that their contents consisted more or less of matter which was nonmailable and which, therefore, removed them from the class of publications entitled under the law to that privilege.

#### FREE MAIL PRIVILEGE.

The free-in-county mailings of second-class publications amounted during the fiscal year to 60,719,202 pounds, and it is estimated that the free mailings of Members of Congress and the various Government establishments under the franking and penalty privileges were somewhat greater. There was, in addition, a large amount of matter mailed free by certain agricultural colleges and experiment stations, as well as literature for the blind, copyright matter, etc.

Reference was made in my last report to abuses of the franking privilege, which occasionally arise, and it was pointed out that the enactment of legislation such as that embodied in the printing bill, then pending before Congress, would go far toward confining that privilege to its legitimate function and thus reduce the amount of franked mail to a minimum.

The act of March 3, 1879, provides that letters of soldiers, sailors, and marines, when indorsed to show the status of the sender, may be dispatched without prepayment of postage and upon delivery to the addressee the single rate only shall be collected. While this provision is an advantage and convenience both in peace and war, the department believed, in view of the fact that our troops are now in a foreign country and engaged in war, that they should be given the privilege while abroad of sending their letters free of all postage, either at the time of mailing or upon delivery. Legislation to this effect was accordingly recommended to Congress and embodied in the war-revenue act approved October 3, 1917. Our troops abroad are now enjoying this privilege. It not only facilitates communication with their loved ones at home, but constitutes a tangible form of recognition by this country of their noble service for it.

## MAIL TO AND FROM THE VIRGIN ISLANDS.

Coincident with the formal acquisition by this country of the Virgin Islands of the United States and the taking over of the government thereof on March 31, 1917, arrangements were made for the extension of the domestic classification, conditions, and rates of postage to mail to and from these islands, which embrace St. Thomas, St. John, St. Croix, and adjacent islands, formerly known as the Danish West Indies. The inhabitants of these islands are now in full enjoyment of all the facilities which the United States Postal Service affords, including the domestic parcel post, with its insurance and collect-on-delivery features, and the domestic money-order system.

FORWARDING AND RETURNING UNDELIVERABLE MAIL OF THE SECOND,  
THIRD, AND FOURTH CLASSES.

Attention was called in my last report to the fact that under existing law undeliverable mail matter other than of the first class can not be forwarded to the addresses or returned to the sender at another post office until the postage for its forwarding or return is first prepaid, and for this purpose the addressee or sender must be notified and the mail held until the postage is received. The consequent delay frequently imposes inconvenience, hardship, and loss, especially in the case of perishable matter, which often spoils before the required postage can be furnished and delivery effected. In order to expedite the handling and disposition of such undeliverable matter and relieve the Postal Service of the labor and expense of sending notices and holding the matter until the postage is received, provision should be made for the prompt forwarding or return of undeliverable perishable matter, also for the forwarding or return of other undeliverable fourth-class matter and that of the second and third classes bearing the pledge of the sender to pay the forwarding or return postage, the collection of such postage to be made upon delivery of the matter.

## PRODUCTION, DISTRIBUTION, AND REDEMPTION OF STAMPED PAPER.

The present year marks the seventieth anniversary of the use of the adhesive postage stamp in the United States, the first issue having been made in 1847. The use of the stamp has continued during this long period as the most efficient method of collecting the postal

revenue and one which is automatic in its operations. Through the years several extensions of the stamp system have been made, such as the stamped envelope, the newspaper wrapper, and the postal card; and a number of improvements have been developed in the interest of the public convenience, such as the stamp book, the coiled stamp, and recently the window stamped envelope. This last innovation is a development of the past year and provides an envelope having an opening in its face covered with transparent paper through which the address on the inclosure may be read. The department thus provides the public with an envelope the use of which constitutes a marked advance in commercial office methods, eliminating entirely two operations, the addressing and the stamping of envelopes. Inquiries and orders for the new window stamped envelope by the commercial world evidence a keen interest in and an appreciation of this new facility.

The department has also arranged to issue a new stamped envelope made of a specially fine grade of paper for the use of patrons of the service who want stationery of superior quality.

TRANSACTION IN STAMPED PAPER.

The audited sales of postage stamps and other stamped paper in the fiscal year 1917 aggregated \$295,173,821.09, an increase of 6.33 per cent above the sales of the previous year. A summary of transactions follows:

Postage stamps and other stamped paper on hand in post offices July 1, 1916	\$112,332,714.66
Stamped paper charged to postmasters	315,623,081.85
Stamped paper transferred from post offices	837,328.80
Increase in prices of stamped envelopes and wrappers on hand in post offices Feb. 1, 1917	178,949.91
 Total	 428,972,075.22
 Sales by postmasters, July 1, 1916, to June 30, 1917	 295,313,430.69
Stamped paper redeemed by department from postmasters	1,228,177.60
International reply coupons redeemed	2,665.10
Dead-letter bills	9,187.87
Stamped paper transferred to post offices	837,277.80
Stamped paper on hand in post offices June 30, 1917	131,581,336.16
 Total	 428,972,075.22

NOTE.—The sales reported above differ from those reported by the Auditor for the Post Office Department, the difference being due to credits allowed by the Auditor to

postmasters on account of losses by fire, burglary, and other casualties; to the excess revenue gained in sales of stamped envelopes and newspaper wrappers singly and in odd quantities, an item which is stated by postmasters directly to the Auditor and not to the department; to the adjustment of certain differences between the stamp and postal accounts; and to the adjustment in postal accounts of certain debits and credits which can not be entered in stamp accounts. The differences are all reconciled quarterly and annually.

There were 906,123 requisitions for stamped paper filled during the fiscal year 1917, calling for 12,535,020,848 adhesive stamps, 1,112,337,760 postal cards, 2,161,108,013 stamped envelopes and wrappers, 202,985 international reply coupons, 182,225 postal-savings cards, and 1,654,300 postal-savings stamps. The total number of pieces issued was 15,810,506,131, an increase of 7.9 per cent over the previous year. A large number of the stamps were issued in book form and in coils. The stamp books numbered 33,212,440; the coils of stamps 2,195,168.

Following an increase in the contract cost price of stamped envelopes and newspaper wrappers the department advanced the selling price to the public in compliance with the law requiring them to be sold at not less than cost of manufacture and distribution in addition to postal value. The increases were not large, however, and the envelopes are still sold at prices over and above the postage value which compare favorably with those of unstamped envelopes. The new prices increased the value of stocks on hand in post offices by \$178,949.91, and that sum will increase the postal revenues as the stocks are sold.

#### REDEMPTION.

The value of postage stamped paper redeemed from postmasters during the year was \$1,324,880.55. The value of postal-savings issues redeemed was \$4,869,732.70. The total redemptions were \$6,194,613.25.

#### LOSSES OF STAMPS BY BURGLARY.

A substantial decrease in losses of stamps by burglary of post offices was recorded in 1916, when the claims of postmasters numbered 690 and amounted to \$144,440.54. During 1917 these claims numbered but 480, aggregating \$80,040.46, the materially lessened losses being attributable to measures taken by the department which have reduced the risks. The establishment of branch post offices would have the effect of making these risks negligible.

## INSPECTION SERVICE.

Charges of disloyalty against postal employees and of violations of the espionage act have been thoroughly investigated when brought to the attention of the department.

During this administration investigations have been conducted at all the principal post offices with a view to determining whether the service was efficient and whether it was being operated in a businesslike manner. In accordance with this policy a thorough investigation was made during the year of the service in New York City, which, because of its size, was left until the last. The inquiry covered every detail of the service and disclosed information which will enable the department to reorganize the office in such a way that the business can be conducted in a more efficient manner and improved service rendered the public at greatly reduced cost.

A careful inspection of the Railway Mail Service of the entire country was made in connection with the restatement of transportation service on the space basis, the results of which are referred to elsewhere.

The Rural Delivery Service was carefully inspected in a limited number of States, resulting in a revision of the service and the extension of service to 59,447 additional families and an increased frequency of service for 17,698 families without additional expense.

Inspectors are required to collect not only postal and money-order funds due the department but amounts in settlement for lost or stolen registered letters, wrong payment of money orders, and sums tendered in settlement by postmasters who have falsified their accounts. During the year \$858,959.52 was collected and disbursed by inspectors in the field, an increase of \$41,792.24 over the previous year. The amount handled by the Chief Inspector was \$143,720.90, an increase of \$7,277.01 as compared with the previous year.

There were 3,074 arrests reported during 1917, of which 564 were post-office burglars, as compared with 3,048 the previous year, of which 570 were burglars.

In an enforcement of the statute having reference to schemes to defraud, there were 4,102 cases issued during the fiscal year ended June 30, 1917. Many of these cases have already been investigated and terminated successfully, many of the defendants having been convicted and sentenced. The investigation of other cases have been

completed, and the promoters are now awaiting trial in court. There were 132 reports submitted in which fraud orders were recommended. In addition, there were 40 reports referred to the Solicitor for the Post Office Department for his consideration as to the issuance of fraud orders. There were 697 persons arrested on the charge of using the mails in furtherance of schemes to defraud, an increase of seven over the preceding year. It is estimated that \$50,000,000 were obtained through the fraudulent operations of persons against whom prosecution was instituted during the fiscal year. The prompt investigation and vigorous steps taken to suppress the use of the mails for fraudulent purposes by various promoters of fraud have resulted in a saving to the public of hundreds of thousands of dollars.

#### FRAUD ORDERS.

The strict enforcement of the laws authorizing the issuance of orders forbidding the delivery of mail and the payment of money-orders to persons and concerns found to be conducting schemes for obtaining money or property through the mails by means of false and fraudulent pretenses, representations, and promises has been continued. While more cases have been considered and more hearings had upon rules to show cause why such orders should not be issued than during any previous year of the administration, the decline noted in my last annual report in the number of attempts to use the mails in the perpetuation of flagrant frauds has been even more pronounced this year. Practically every case that has come before the department has been made up on evidence of an involved and disputed character; and the utmost care and thoroughness has been required in reaching a just decision. In quite a number of cases there have been such equities on the side of the respondent and so many disputed questions of fact that it has been deemed proper to accept the stipulation of the respondent to discontinue the business instead of recommending the issuance of a fraud order. In nearly every case of this character the postmaster at the office from which the alleged fraudulent business was conducted has been instructed by the respondent to treat mail matter arriving at such office directed to the concern or party cited as refused; and thus the public has been protected practically to the same extent as by the issuance of a fraud order. In a number of other cases it has been found that while the business as originally planned was legitimate, fraudulent practices

have crept in in such a manner as to affect the whole enterprise. Wherever it has been possible in these cases to protect the public without issuing a fraud order and thus destroying the fundamentally legitimate business, the elimination of all fraudulent practices has been required and the issuance of a fraud order withheld, but in many instances such bad faith on the part of the promoters was shown that it was found necessary to issue fraud orders. The prime object of the department has been to protect the public from dishonest and unscrupulous users of the mails. This has been accomplished not only by the issuance of fraud orders but by other means, such as accepting as meeting the requirements of the law proposed changes in methods of business, the discontinuance of deceptive practices and in some instances of enterprises as a whole, and permitting the carrying out in good faith of promises made to the public before the case was brought to the attention of the department.

As has been stated in my previous reports, the effectiveness of these laws depends largely upon the expedition with which cases are handled. Indeed, a slothful or too deliberate handling of the cases could render the action taken nugatory, for it would be possible for swindlers to bring lucrative enterprises to a successful termination before being reached by fraud orders and begin business anew under other names and at other addresses. To attain expeditious handling of cases without disregarding precaution against injustice or the degree of care called for by the circumstances of the case has been the constant aim. Each year the experience of the preceding year and the establishment of additional precedents has increased the facility with which it has been possible to dispose of this class of cases.

Cooperation with advertising clubs and other associations which have interested themselves in honest advertising has been continued with marked effect in bringing about a higher standard of advertising throughout the country.

#### LOTTERIES.

Several thousand rulings upon the mailability of matter relating to lotteries and kindred prize schemes prohibited by law have been made during the year, and in a great number of cases considered the mails have been closed to the operation of these enterprises.

Some of these enterprises involved new schemes, others shrewd revisions of old ones designed to circumvent the law. In addition to these, several old schemes operated with success many years ago, and the unlawful character of which has long since been settled, were attempted to be revived throughout the country. One of these enterprises was the so-called endless-chain plan for the sale of silk petticoats for 10 cents, if each remitter would write a letter to a given number of friends and induce each to remit a similar amount for a petticoat, which practice was to continue indefinitely, each remitter to obtain the same number of patrons to the scheme. One of these promoters, employing an attractive mercantile firm name, began business in a large city and sent his literature throughout the country. Numbers of complaints reached the department and the matter was placed in the hands of post-office inspectors. The promoter fled before he could be arrested, but the endless chain continued to work and it was not long before the postmaster reported the receipt from all over the country of some 25,000 letters a day, each of which contained a remittance. It was only after great difficulty had been experienced and much publicity had been given to the fraud that these remittances by people hoping to get something for nothing was brought to an end.

The idea spread broadcast by this scheme was soon seized by others looking for a short and easy road to wealth, with the result that the department was flooded with complaints against hundreds of similar enterprises. One promoter established a magazine and planned to obtain paid-in-advance subscriptions at the rate of a million every few weeks, despite the fact that the publication was of doubtful interest. The inducement to pay \$1 for the subscription was the alleged chance to win many thousands of dollars by simply copying and mailing 10 letters to as many prospective adventurers.

Another threadbare proposition revived with variations was the so-called "mysterious" or "master-key" scheme, by means of which merchants throughout the country included with each purchase of merchandise amounting to a certain sum a key entitling the holder to a chance to try it in the lock of a phonograph, the person receiving the lucky key which would operate the lock being awarded the instrument. These schemes were placed with merchants by professional promoters, who made this their regular line of business and who sought to hide their identity.

For many years past the general public has been victimized by certain piano sellers, mostly of the itinerant class, by means of a scheme for the sale of pianos, familiarly known as the fake prize contest and credit-check method. All previous efforts to suppress this class of fakers proved unsuccessful. Illegal business of this character, conducted by numerous operators, recently grew to such proportions that it became necessary for the department to inaugurate a vigorous campaign against them. During the present year a number of promoters of this class have been indicted and brought to trial, and each case successfully prosecuted in the trial courts; and where appeals have been taken the action of the trial courts has been sustained. A new line of precedents has thus been established which disposes of the obstacles to successful prosecution in such cases presented by the earlier decisions. It is believed that this particular class of enterprise has now been entirely suppressed; certainly their unlawful character has been definitely established by the courts.

#### BONDS OFFERED AS SECURITY FOR POSTAL SAVINGS DEPOSITS.

Since July 1, 1913, this department has been charged with the duty of determining whether or not bonds tendered by banks as security for postal savings deposits are legally acceptable for that purpose, and many of the details of the work connected with the legal examination of the issues have been set forth in my several annual reports since that date.

The volume of the work for the past fiscal year greatly surpassed that for any previous year, the number of cases considered and disposed of for 1917 being 2,113, as compared with 1,084 for the year preceding, an increase of over 100 per cent. Of the number of bond issues examined, 1,906 were approved, 78 held to be not legally acceptable, 97 withdrawn by the institutions offering them, and 32 returned to the banks by the Treasurer of the United States at the suggestion of this department because of the failure of those offering them to furnish upon request the necessary data. Many of the issues included in the last two enumerations showed upon examination that they too were not legally acceptable, and they would have been so held had they been formally ruled upon instead of being treated as indicated.

In addition to the foregoing cases, this department was able to make an independent legal examination of 61 issues of the bonds

deposited as security for postal savings funds prior to the date on which the work was assigned to this department.

The bond issues with which this report deals represent a par value of many hundreds of millions of dollars.

The best results to the Postal Savings System and also to the depository banks can be obtained only by an expeditious disposition of the cases as they are presented for determination, and every endeavor is made to conclude a case as early as possible without sacrificing thoroughness and accuracy. To bring this about means that there should be before this department at the time the bonds are tendered certain data, such as copies of final legal opinions of reputable attorneys covering the issues, or in lieu thereof certified transcripts of the proceedings relating to the issuance of the securities, and also copies of the authorizing laws. It is gratifying to report that many of the banks and bond houses are, to the mutual advantage of all concerned, continuing to cooperate in the work by making it a practice to forward here as soon as they become available the necessary legal opinions relating to issues likely to be submitted as postal savings security, thus obviating the necessity of holding up an issue of bonds pending the receipt' of the necessary data. In many cases, however, the bonds are issued immediately after the passage of the authorizing act and are promptly tendered as security for postal savings deposits, far in advance of the publication of the statutes and before this department is able to procure the latter in the regular manner, in which cases the banks or bond dealers offering the securities could render a further valuable service by furnishing at or before the time of forwarding the bonds a copy of such unpublished act. This department is also indebted to many of the State and local authorities for data supplied by them, as well as to several firms of bond attorneys who have rendered opinions on special questions relating to issues with which they were concerned.

The opportunity afforded a bank or bond house dealing in the bonds to advertise in connection with their sale the fact that the obligations have been held to be legally acceptable as postal-savings security, when such is true, is readily taken advantage of, and that circumstance doubtless tends to cause the early submission after issuance of apparently most State and municipal bond issues of the country. Practically all the large issues are now submitted while current; and while the examination and opinion of this department

usually cover the entire issue, generally only a small number of the bonds of each issue are at that time deposited as postal-savings security. This practice results in the maximum number of issues being submitted for consideration.

That bonds after being declared legally acceptable as postal-savings security have an added commercial value seems to be well recognized by both the issuing municipalities and the purchasers, and much is being done by State legislatures, usually at the instance of bond dealers and bond attorneys, in the way of not only standardizing public securities generally and providing for their issuance under laws and conditions which permit of their acceptance under the postal-savings regulations, but also by enacting special legislation curing legal defects found by this department upon examination to exist in particular issues of bonds, with a view to making the latter eligible as security for postal-savings deposits. This action on the part of the lawmaking bodies has resulted in the subsequent approval by this department of a number of issues previously held to be not legally acceptable.

Instances may be cited where inadequate tax provisions for the payment of the bonds have been made adequate by subsequent statutory enactment; also where the statutory requirement for validating proceedings, not complied with, has been made noneffective by later enactment; and where express power to issue bonds to raise funds has been substituted in lieu of the power merely to borrow money.

Of the amendments to the postal-savings regulations during the year, one provided for the acceptance of "interest-bearing certificates of indebtedness of the United States," and made the provisions of section 10, which excludes a certain class of securities, not applicable to obligations of the United States Government.

Another amendment provided for the acceptance of farm-loan bonds authorized by Congress.

#### LIQUOR ADVERTISEMENTS.

Section 5 of the Postal Service act approved March 3, 1917, prohibits after July 1, 1917, the deposit or carriage in the mails of advertisements of intoxicating liquors or solicitations of orders therefor when addressed for delivery at any place in any State or Territory in which the local law forbids advertising the sale of such liquors or the soliciting of orders for them and provides a penalty for the viola-

tion of this law. It directs also that the Postmaster General shall publish from time to time in suitable bulletins the States in which it is unlawful to advertise or solicit orders for such liquors.

Pursuant to this direction such a bulletin was issued on June 15, 1917, effective July 1, 1917. The preparation of this bulletin involved a careful survey of the liquor laws of every State, county, and municipality in the Union to determine the exact territory in the several States affected by the act. A 34-page pamphlet was necessary to list the area, which extends over 35 States. This was accomplished through the cordial cooperation of the legal officers of the States.

The law has been put in full force without the slightest friction.

#### ESPIONAGE ACT.

The Espionage Act, approved June 15, 1917, has afforded the department an effective method of dealing with seditious and disloyal matter in the mails. Certain matter is made nonmailable by this act and attempts to circulate it by means of the postal system of the United States are made punishable by heavy fine and imprisonment. Such prohibited matter includes matter advocating or urging treason, insurrection, or forcible resistance to any law of the United States; matter conveying false reports or false statements intended to interfere with the operation or success of the military or naval forces of the United States, or to promote the success of its enemies; matter intended to cause insubordination, disloyalty, mutiny, or refusal of duty in the military or naval forces of the United States; matter intended to obstruct the recruiting or enlistment service of the United States; and any other matter, the circulation of which involves the violation of any of the numerous other criminal provisions of the Espionage Act. The law is being enforced.

#### DISABILITY AND INDEMNITY CLAIMS.

The administration of the law with respect to disability and indemnity claims of postal employees was in April last transferred to the new commission established to handle all cases of this character arising in Government service. It may be stated, however, that up to the time of this transfer this department had received 645 applications for compensation on account of disability and settled 728 pending applications, aggregating 23,944 days and affecting 273 postal employees, of which 5 applications, covering 264 days, were disapproved.

The department approved also applications from the representatives of the deceased for the \$2,000 indemnity provided by law to the number of 20.

#### CLAIMS OF POSTMASTERS FOR REIMBURSEMENT FOR LOSSES SUSTAINED.

The number of postmasters' claims resulting from losses of funds and stamp supplies on account of "fire, burglary, or other unavoidable casualty" and losses of funds in transit to designated depositories settled during the year was 2,112, of which 1,568 claims, aggregating \$314,015.01, were allowed.

#### DEAD LETTERS.

Recognizing the importance of the prompt return of undeliverable matter to the sender, the Postmaster General requested Congress to enact legislation that would authorize the establishment of branches of the Division of Dead Letters. This authority was granted by the act of August 28, 1916, and thereafter branches of the Division of Dead Letters were established in New York, Chicago, and San Francisco for the purpose of facilitating the disposal of undeliverable mail originating in the States adjacent to those cities, which has also served to expedite the return of all undeliverable mail and accomplished a considerable economy.

The work of these branches has been merged with the work of the post office where located with little or no increase in force, while it has been found possible to materially reduce the number of employees in the Division of Dead Letters because of the relief afforded.

It is of the utmost importance that the public exercise greater care in addressing its mail. It is also of equal importance that each letter have placed thereon a return request so as to make possible its prompt return to the sender if it can not be delivered to the addressee. That the public is becoming more careless with its correspondence is shown by the fact that during the past year more than 13,000,000 letters were found to be undeliverable, which is an increase of approximately 21 per cent over that of the preceding year. The failure to properly address letters no doubt caused many complaints of poor service when the department was in no wise responsible.

## TELEGRAPHHS AND TELEPHONES.

The Postmaster General has recommended in previous reports that Congress seriously consider the question of declaring a Government monopoly over all utilities for the transmission of intelligence, and that steps be taken as soon as possible to make these utilities a part of the Postal Establishment. The principle of Government ownership and control of the telegraphs and telephones is not only sound but practical and finds its greatest strength in the Constitution. That these utilities should be made a part of the Postal Establishment has been the opinion of practically all Postmasters General of the United States, who have held that the welfare of the Nation will be largely contributed to by the fullest utilization of these services by the people. This result can be accomplished only when they are made a part of the Postal Service and operated solely with a view to serving the public and not of making a profit.

In Alaska the telegraph and cable service is under the control of the War Department. As the reasons why it should be under the control of that department no longer exist, the Secretary of War has recommended its transfer to this department.

Recent developments have made it all the more imperative that Government ownership of the telegraphs and telephones should no longer be delayed, and action by Congress in this matter is again urgently recommended.

## BONDS.

The department has frequently directed attention to the cumbersome method of bonding its officers, contractors, and employees and the excessive premiums paid for fidelity bonds. The Postmaster General has recommended that authority be granted to substitute a guaranty fund in lieu of these bonds, this fund to be maintained and established by assessments fixed and prescribed by the department. A similar system has been operated satisfactorily in other countries, and there is no reason why it could not be successfully conducted by our Government. It would not only afford full protection but greatly simplify administration and materially reduce the costs. At present great delay occurs in transacting this business because of dilatory tactics on the part of the surety companies, and in the designation of persons to act in lieu of postmasters displaced because of delinquencies. When a surety company discontinues busi-

ness it is necessary to secure new bonds, involving a large amount of work on the part of the department. There is every reason why the Government should establish a guaranty fund for this purpose, and early legislation granting such authority is earnestly recommended.

#### COMPENSATION FOR RECRUITING.

The act of June 3, 1916 (an act to make further and more effectual provision for the national defense, and for other purposes), and the act of August 29, 1916 (an act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes), authorize the payment of \$5 to postmasters at second, third, and fourth class offices for each recruit secured by them and accepted for the Army, Navy, and Marine Corps. This is a patriotic duty which postmasters are willing and should be required to perform without compensation of any kind, and an expenditure for this purpose is unnecessary. It is therefore urged that this provision in these acts be repealed.

#### AUTOMATIC PROMOTIONS FOR PERSONS PERFORMING MILITARY SERVICE.

A number of postal employees are at this time performing military and naval duty who, if they had remained in the Postal Service would, under the law, be entitled to automatic promotions. As these persons are rendering invaluable service to our country and are still in the employ of the Government they should not be deprived of such advancement, and it is felt that the Congress should enact legislation authorizing the Postmaster General to reassign such employees to duty in the Postal Service when honorably discharged from the military or naval service at the salary to which they would have been entitled had they remained in the Postal Service, provided they are physically and mentally qualified to perform the duties which their positions require.

#### STATISTICS.

Tables presenting statistical data with respect to the department's affairs and the audit of its accounts will be found in the appendix to this report.

Respectfully submitted.

A. S. BURLESON,  
*Postmaster General.*

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APPENDIX.

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## FINANCIAL SUMMARY.

TABLE I.—*Comparison of revenues and expenditures for the fiscal year ended June 30, 1917, with those of the preceding year.*

Items.	Fiscal year.	
	1916	1917
REVENUES.		
Ordinary postal revenues.....	\$303,232,143.36	\$321,947,594.33
Revenues from money-order business.....	8,130,545.47	6,866,616.15
Revenues from postal-savings business.....	695,000.00	911,905.88
Total revenues from all sources.....	<u>312,057,688.83</u>	<u>329,726,116.36</u>
EXPENDITURES.		
Expenditures on account of the current year.....	297,637,128.87	306,480,767.43
Expenditures on account of previous years.....	8,566,904.27	13,357,950.97
Total expenditures during year.....	<u>306,204,033.14</u>	<u>319,838,718.40</u>
Excess of revenues over expenditures.....	5,853,655.69	9,887,397.96
Amount of losses by fire, burglary, bad debts, etc.....	24,419.62	51,186.06
Surplus in postal revenues.....	<u>5,829,236.07</u>	<u>9,836,211.90</u>

### *Revenues in detail.*

#### Postal revenues:

Sales of stamps, stamped envelopes, newspaper wrappers, and postal cards.....	\$295,173,821.09
Second-class postage (pound rate) paid in money.....	11,414,550.66
Third and fourth class postage paid in money.....	9,388,345.24
Receipts from box rents.....	5,310,644.86
Letter postage paid in money.....	8.28
Receipts from foreign mail transit service.....	282,257.78
Miscellaneous receipts.....	186,195.65
Fines and penalties.....	133,832.60
Receipts from unclaimed letters.....	57,938.17
Total postal revenues.....	<u>321,947,594.33</u>

#### Money-order revenues:

Revenues from domestic and international money-order business.....	6,363,675.53
Revenues from invalid money orders.....	502,940.62
Total money-order business.....	<u>6,866,616.15</u>
Revenues from postal-savings business.....	911,905.88
Total revenues from all sources.....	<u>329,726,116.36</u>

*Expenditures in detail.*

Items.	On account of the fiscal year 1917.	On account of previous fiscal years.	Total.
Compensation to assistant postmasters and clerks.....	\$58,515,049.10	\$45,035.94	\$58,560,085.04
Transportation of mails on railroads.....	54,691,112.57	6,216,085.73	60,907,198.30
Rural delivery.....	52,298,573.79	2,831,270.02	55,129,843.81
City delivery.....	42,523,508.71	34,653.50	42,558,162.21
Compensation to postmasters.....	31,899,850.77	45,252.91	31,945,103.68
Railway Mail Service.....	29,228,284.58	112,665.66	29,340,950.24
Transportation of mails on star routes.....	7,652,814.34	740,496.18	8,393,310.52
Transportation of mails—Vehicle.....	5,495,280.92	240,930.20	5,736,211.12
Rent, light, and fuel.....	5,328,800.52	18,811.77	5,347,612.29
Special-Delivery Service.....	2,724,370.60	641.75	2,725,012.35
Transportation of foreign mails.....	2,479,186.00	974,469.58	3,453,655.58
Mail-messengerservice.....	2,185,978.82	178,851.93	2,364,830.75
Manufacture of stamped envelopes.....	1,770,434.63	73,457.23	1,843,891.86
Railway post-office car service.....	1,327,512.36	515,840.35	1,843,352.71
Post-officeinspectors.....	1,201,172.63	34,361.42	1,235,534.05
Manufacture of postage stamps.....	923,139.37	24,008.93	947,148.30
Transportation of mails on steamboats.....	842,276.05	150,311.58	998,587.63
Transportation of mails—pneumatic-tube service.....	798,885.94	80,048.89	878,934.83
Transportation of mails—electric and cable cars.....	514,566.20	59,709.69	574,275.89
Mail bags and equipment.....	437,410.71	20,135.80	457,546.51
Manufacture of postal cards.....	337,799.73	25,470.04	363,269.77
Miscellaneous items at first and second class post offices services).....	304,155.56	5,636.67	309,792.23
Stationery.....	282,917.78	39,894.41	322,812.19
Canceling machines.....	260,544.53	40,414.48	300,959.01
Mail transportation in Alaska—Star.....	256,482.07	75,702.17	332,184.24
Twine and tying devices.....	249,567.02	4,303.54	253,870.56
Payment of money orders more than 1 year old.....	226,070.29	.....	226,070.29
Village delivery services.....	221,098.60	6,167.40	227,266.00
Freight on stamped paper and mail bags, etc.....	206,494.52	209,284.17	415,778.69
Indemnities—domestic registered mail.....	199,264.29	74,361.32	273,625.61
Equipment, City Delivery Service.....	152,368.05	51,557.62	204,425.67
Mail equipment, shops—labor.....	151,193.35	148.81	151,144.54
Facing slips, etc.....	131,839.80	8,869.63	140,709.43
Office appliances.....	110,075.58	4,880.56	114,956.14
Shipment of supplies.....	92,824.13	30,924.14	123,748.27
Balances due foreign countries.....	82,811.57	175,473.16	258,284.73
Miscellaneous items, first and second class post offices (purchases).....	54,360.82	15,760.10	70,120.92
Official and registry envelopes.....	54,233.09	10,894.25	65,127.34
Mechanical and labor-saving devices.....	51,320.65	21,685.57	73,006.22
Stamping appliances.....	45,365.64	3,653.04	49,018.68
Postal employeesinjured.....	41,669.40	54,971.28	96,640.68
Rent of building, Post Office Department.....	24,000.00	8,000.00	32,000.00
Supplies—Postal Savings System.....	20,858.65	5,530.24	26,388.89
Expenditures under 24 smaller items of appropriation.....	84,743.70	81,526.93	166,270.63
Total.....	306,480,767.43	13,357,950.97	319,838,718.40

1 Refund.

TABLE 2.—*Statement showing the audited revenues for the fiscal years 1917 and 1916, by quarters, with increases and per cent of increases.*

Quarter ended—	Fiscal year 1917.	Fiscal year 1916.	Increase.	Per cent of increase.
Sept. 30, 1916.....	\$74,201,392.40	\$69,295,729.18	\$4,905,663.22	7.07
Dec. 31, 1916.....	90,321,933.68	84,564,447.21	5,757,486.47	6.80
Mar. 31, 1917.....	84,246,687.54	79,699,622.44	4,547,065.10	5.71
June 30, 1917.....	80,956,102.74	78,497,890.00	2,458,212.74	3.13
Total.....	329,726,116.36	312,057,688.83	17,668,427.53	5.66

TABLE 3.—*Growth of the Postal Service—Receipts and expenditures for certain years from 1800 to 1917.*

Items.	1800	1810	1820	1830
Receipts.....	\$280,804	\$551,684	\$1,111,927	\$1,850,583
Expenditures.....	213,994	495,969	1,160,926	1,932,708
Excess of receipts.....	66,810	55,715	-----	-----
Excess of expenditures.....	-----	-----	48,999	82,125
Items.	1840	1850	1860	1870
Receipts.....	\$4,543,522	\$5,499,984	\$8,518,067	\$19,772,221
Expenditures.....	4,718,236	5,212,953	19,170,610	23,998,837
Excess of receipts.....	-----	287,031	-----	-----
Excess of expenditures.....	174,714	-----	10,652,543	4,226,616
Items.	1880	1890	1900	1905
Receipts.....	\$33,315,479	\$60,882,098	\$102,354,579	\$152,826,585
Expenditures.....	36,542,804	66,259,548	107,740,267	167,399,169
Excess of expenditures.....	3,227,325	5,377,450	5,385,688	14,572,584
Items.	1906	1907	1908	1909
Receipts.....	\$167,932,782	\$183,585,005	\$191,478,663	\$203,562,383
Expenditures.....	178,449,778	190,238,288	208,351,886	221,004,102
Excess of expenditures.....	10,516,996	6,653,283	16,873,223	17,441,719
Items.	1910	1911	1912	1913
Receipts.....	\$224,128,657	\$237,879,823	\$246,744,015	\$266,619,525
Expenditures.....	229,977,224	237,648,926	248,525,450	262,067,541
Excess of expenditures.....	5,848,567	-----	1,781,435	-----
Excess of receipts.....	-----	230,897	-----	4,551,984
Items.	1914	1915	1916	1917
Receipts.....	\$287,934,565	\$287,248,165	\$312,057,688	\$329,726,116
Expenditures.....	283,543,769	298,546,026	306,204,033	319,838,718
Excess of expenditures.....	-----	11,297,861	-----	-----
Excess of receipts.....	4,390,796	-----	5,853,655	9,887,398

TABLE 4.—*Annual expenditures, by items, for the years 1908 to 1917, inclusive.*

Items.	1908	1909	1910	
Service in post offices:				
Salaries of postmasters.....	\$25,602,973.86	\$26,571,911.15	\$27,514,362.80	
Salaries of clerks, etc.....	30,920,449.68	34,876,492.71	38,045,456.62	
City Delivery Service.....	26,450,138.33	29,869,783.03	31,805,485.28	
All other expenditures.....	9,649,691.38	10,061,092.05	10,405,405.69	
Total.....	92,623,253.25	101,379,278.94	107,770,710.39	
Railway Mail Service.....	17,390,532.15	18,356,800.13	19,389,414.44	
Rural Delivery Service.....	34,455,269.59	35,586,779.50	37,073,732.64	
Transportation of domestic mail:				
By railroads.....	48,458,255.34	49,869,374.52	49,405,311.27	
By other means of transportation.....	11,962,539.41	12,382,475.27	12,534,500.99	
Total.....	60,420,794.75	62,251,849.79	61,939,812.26	
Transportation of foreign mail.....	3,084,025.44	2,943,849.32	3,203,821.23	
Payment on account of invalid money orders.....	378,010.97	485,545.21	599,733.54	
Items.	1911	1912	1913	
Service in post offices:				
Salaries of postmasters.....	\$28,284,964.11	\$28,647,726.32	\$29,126,662.47	
Salaries of clerks, etc.....	40,364,930.39	42,484,457.37	45,785,826.34	
City Delivery Service.....	33,165,067.58	34,266,926.35	36,732,578.66	
All other expenditures.....	11,083,406.74	11,118,292.23	11,809,403.32	
Total.....	112,898,368.82	116,517,402.27	123,454,470.79	
Railway Mail Service.....	20,106,909.40	20,711,675.12	22,925,614.11	
Rural Delivery Service.....	37,145,756.65	41,889,522.80	45,702,413.20	
Transportation of domestic mail:				
By railroads.....	50,583,122.96	51,691,301.21	51,959,387.66	
By other means of transportation.....	13,175,365.83	13,288,700.46	13,375,142.06	
Total.....	63,758,488.79	64,980,091.67	65,334,529.72	
Transportation of foreign mail.....	3,315,349.28	3,917,370.94	4,258,621.29	
Payment on account of invalid money orders.....	424,053.74	509,387.28	391,892.22	
Items.	1914	1915	1916	1917
Service in post offices:				
Salaries of postmasters.....	\$29,968,515.35	\$30,400,145.92	\$31,135,234.45	\$31,945,103.68
Salaries of clerks, etc.....	50,933,220.39	53,316,548.83	55,011,110.23	58,560,085.04
City Delivery Service.....	40,549,103.67	42,667,813.92	43,341,097.64	42,762,587.88
All other expenditures.....	13,182,327.07	13,552,037.56	13,884,696.33	15,696,575.96
Total.....	134,633,166.48	139,936,546.23	143,372,138.65	148,964,352.56
Railway Mail Service.....	26,265,352.16	28,408,243.10	28,515,474.87	29,340,950.24
Rural Delivery Service.....	47,443,711.99	49,805,851.17	51,964,734.97	55,150,740.32
Transportation of domestic mail:				
By railroads.....	56,155,496.31	59,576,288.13	61,692,460.85	62,750,551.01
By other means of transportation.....	15,037,105.35	17,337,637.76	17,239,945.11	19,694,113.67
Total.....	71,192,601.66	76,913,925.89	78,932,405.96	82,444,664.68
Transportation of foreign mail.....	3,768,101.91	3,273,436.38	3,117,984.67	3,711,940.31
Payment on account of invalid money orders.....	249,834.96	208,023.65	301,294.02	226,070.29

TABLE 5.—*Statement showing receipt and disposition of funds coming directly to the department during the fiscal year ended June 30, 1917.*

## Dead-letter fund:

Amount in current funds deposited in the Treasury at Washington, D. C.....	\$58,875.73
Amount realized from the sale of foreign and uncurrent funds by the postmaster at New York, N. Y., and deposited with the assistant treasurer at New York, N. Y. ....	394.28
Total amount deposited.....	59,270.01
Amount of loss sustained in sale of uncurrent funds from counterfeits and mutilated minor coin and deductions on account of light-weight gold.....	181.97
Total dead-letter fund.....	\$59,451.98

## Other funds:

Amount deposited in the Treasury to the credit of the postal revenue, including proceeds from sale of parcel-post maps and guides and post-route maps; erroneous remittances by postmasters to the department and to the auditor; the proceeds of the sale of bills of exchange received from foreign governments in payment of postal balances, and amounts received on account of postal savings business.....	\$329,808.62
Amount returned to remitters.....	14,863.58
Amounts otherwise disposed of (made up principally of money-order balances turned over to the postmaster, Washington, D. C., for credit to money-order service). ....	21,132.26
Total other funds.....	365,804.46
Total received during the year.....	425,256.44

*Statement showing receipt and disbursement of post-office inspectors' collections for losses in the mails, etc., during the fiscal year ended June 30, 1917.*

Balance on hand June 30, 1916.....	\$51,562.51
Deposits by chief inspector.....	144,072.34
Total to be accounted for.....	195,634.85
Disbursements as per schedules approved by the Postmaster General....	161,269.48
Balance on hand June 30, 1917.....	34,365.37

TABLE 6.—*Balance sheet showing comparatively the resources and liabilities of the Postal Savings System on June 30, 1916, and June 30, 1917, the increase or decrease in each item during the period reported, and related data.*

Items.	Balance June 30, 1916.	Increase during year.	Decrease during year.	Balance June 30, 1917.
RESOURCES.				
Cash working balances—interest earning:				
Depository banks: Funds on deposit to the credit of the board of trustees.....	\$80,721,982.61	\$46,049,986.96	.....	\$126,771,969.57
Investments, interest earning:				
Treasurer of the United States:				
Postal-savings bonds purchased by the board of trustees and lodged with the Treasurer.....	1,558,500.00	743,180.00	.....	2,301,680.00
Cash working balances, noninterest earning:				
Postmasters: Undeposited funds, including balances due from and to late postmasters.....	419,618.69	133,471.13	.....	553,089.82
Treasurer of the United States—				
Funds deposited with the Treasurer, returnable to depository offices and banks.....	164,259.63	.....	\$80,365.83	83,893.80
Funds withdrawn for the payment of late postmasters' balances.....	1.20	.....	1.20	.....
Funds withdrawn for the purchase of postal-savings bonds for depositors.....	1,050.00	.....	1,050.00	.....
Secretary of the Treasury: Interest on investments in postal-savings bonds, computed to June 30 and payable July 1.....	19,481.25	9,289.75	.....	28,771.00
Depository banks: Interest on deposits, computed to June 30 and payable July 1.....	930,492.05	.....	<sup>1</sup> 930,492.05	.....
Cash reserve balances, noninterest earning:				
Treasurer of the United States—				
Funds withdrawn for a cash reserve.....	3,712,386.91	1,816,923.11	.....	5,529,310.02
Funds (counted as part of the reserve) of States and Territories in which no banks are now willing to receive postal-savings deposits.....	63,013.93	46,984.30	.....	109,998.23
Total resources.....	87,590,786.27	48,799,835.25	1,011,909.08	135,378,712.44

<sup>1</sup> In the fiscal year 1916 semiannual interest due by banks was not required to be taken up by them until the month of July. New instructions were issued during the fiscal year 1917 requiring them to take up interest in their June accounts.

TABLE 6.—*Balance sheet showing comparatively the resources and liabilities of the Postal Savings System on June 30, 1916, and June 30, 1917, the increase or decrease in each item during the period reported, and related data—Continued.*

Items.	Balance June 30, 1916.	Increase during year.	Decrease during year.	Balance June 30, 1917.
<b>LIABILITIES.</b>				
Demand liabilities, interest bearing:				
Depositors: Outstanding postal-savings certificates.....	\$86,019,885.00	\$45,934,811.00	.....	\$131,954,696.00
Demand liabilities, noninterest bearing:				
Depositors—				
Outstanding savings cards and stamps.....	68,545.60	2,782.10	.....	71,327.70
Matured interest due on outstanding postal-savings certificates.....	890,681.30	429,093.35	.....	1,319,774.65
Postal Service: Balance due for net interest and profits.....	4,176.89	43,552.10	.....	47,728.99
Earnings held subject to monthly charges for matured interest and losses and pending periodical settlements with Postal Service for net interest and profits.....	607,497.48	1,377,687.62	.....	1,985,185.10
<b>Total liabilities.....</b>	<b>87,590,786.27</b>	<b>47,787,926.17</b>	.....	<b>135,378,712.44</b>
Excess of interest-bearing liabilities over interest-earning resources.....	12,832,702.39	.....	\$670,455.96	12,162,246.43
<i>Manner in which funds to meet liabilities to depositors are held:</i>				
<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>	
Cash working balances.....	93.87	0.17	.....	94.04
Cash reserve balances.....	4.34	.....	0.11	4.23
Investments in bonds.....	1.79	.....	.06	1.73

<sup>1</sup> The values of certificates surrendered for bonds to be issued July 1, 1916, and July 1, 1917, \$906,700 and \$718,800, respectively, have been deducted, the interest liability on these certificates having terminated on June 30.

TABLE 7.—Statement showing the growth of the Postal Savings System, and giving a summary of transactions since it went into operation, by months.

Month.	In operation.			Deposits.	With- drawals. <sup>1</sup>	Balance to credit of depositors. <sup>1</sup>	Increase.		Average principal per deposi- tor.	Savings cards and stamps.			Balance on deposit in banks. <sup>2</sup>	
	Offices.	Branch- es and sta- tions.	Total depos- itories.				Amount.	Per cent.		Sold.	Cashed or converted into deposits.	Outstand- ing at close of month.		
June, 1917.....	6,423	738	7,161	\$10,619,265.00	\$10,024,117.00	\$131,954,696.00	\$595,148	0.5	674,728	\$195.57	\$11,146.00	\$13,235.00	\$71,337.90	\$126,840,819.83
May.....	6,804	738	7,542	11,518,661.00	8,101,860.00	131,359,548.00	3,416,801	2.7	.....	.....	12,906.90	13,414.00	73,426.90	125,210,612.53
April.....	6,864	735	7,599	11,570,285.00	9,052,224.00	127,942,747.00	2,518,061	2.0	.....	.....	13,584.70	14,830.00	73,934.00	121,861,728.06
March.....	7,015	724	7,739	12,437,904.00	8,002,166.00	125,424,686.00	4,435,738	3.7	.....	.....	16,810.90	15,764.00	75,179.30	119,865,300.86
February.....	7,716	724	8,440	12,650,213.00	7,507,701.00	120,988,948.00	5,142,512	4.4	.....	.....	14,016.20	12,462.00	74,132.40	115,421,761.18
January, 1917.....	7,688	717	8,405	11,312,838.00	7,625,593.00	115,846,436.00	3,687,245	3.3	.....	.....	18,290.10	14,237.00	72,578.20	111,268,820.02
December.....	7,684	718	8,402	10,179,133.00	6,584,334.00	112,159,191.00	3,594,799	3.3	661,011	169.45	13,303.40	18,039.00	68,525.10	106,683,487.30
November.....	7,684	719	8,403	10,030,579.00	5,750,582.00	108,564,392.00	4,279,997	4.1	.....	.....	14,783.30	13,649.00	73,260.70	103,588,372.07
October.....	7,683	718	8,401	10,602,765.00	5,861,399.00	104,284,395.00	4,741,366	4.8	.....	.....	15,444.40	13,458.00	72,126.40	99,495,446.76
September.....	7,683	717	8,400	10,756,029.00	5,867,721.00	99,543,029.00	4,888,308	5.2	.....	.....	14,702.00	13,178.00	70,140.00	94,313,244.95
August.....	7,682	716	8,398	10,302,693.00	5,460,271.00	94,654,721.00	4,842,422	5.4	.....	.....	14,490.70	13,344.00	68,616.00	89,858,595.66
July.....	7,686	721	8,407	10,131,852.00	6,339,438.00	89,812,299.00	3,792,414	4.4	.....	.....	11,913.70	12,990.00	67,469.30	85,132,185.65
June.....	7,701	720	8,421	9,317,311.00	5,485,809.00	86,019,885.00	3,831,502	4.7	602,937	142.67	13,657.30	14,470.00	68,545.60	80,775,586.36
May.....	7,702	720	8,422	7,123,665.00	5,085,534.00	82,188,383.00	2,038,131	2.5	.....	.....	15,018.60	14,877.00	69,358.30	78,023,376.61
April.....	7,706	721	8,427	6,066,497.00	4,909,028.00	80,150,252.00	1,157,469	1.5	.....	.....	15,152.70	16,882.00	69,216.70	76,421,585.99
March.....	7,697	721	8,418	6,533,183.00	4,684,351.00	78,992,783.00	1,848,832	2.4	.....	.....	20,333.00	16,645.00	70,946.00	75,242,576.96
February.....	7,701	723	8,424	6,131,474.00	4,072,443.00	77,143,951.00	2,059,031	2.7	.....	.....	17,152.40	13,583.00	67,258.00	73,344,672.93
January, 1916.....	7,702	723	8,425	6,097,937.00	5,362,431.00	75,084,920.00	735,506	1.0	.....	.....	17,862.30	13,172.00	63,668.60	71,572,593.62
December.....	8,809	722	9,531	5,509,141.00	4,545,808.00	74,349,414.00	963,333	1.3	564,887	131.62	14,347.20	16,148.00	58,998.30	69,034,264.44
November.....	8,811	722	9,533	6,123,843.00	4,120,793.00	73,336,081.00	2,003,050	2.8	.....	.....	14,654.00	13,315.00	60,799.10	69,545,396.48
October.....	8,811	721	9,532	6,335,963.00	4,256,434.00	71,383,031.00	2,079,529	3.0	.....	.....	14,511.80	12,463.00	59,460.10	67,667,694.92
September.....	8,812	720	9,532	5,964,495.00	4,309,492.00	69,303,502.00	1,655,003	2.4	.....	.....	12,181.20	11,415.00	57,411.30	65,617,457.70
August.....	8,815	719	9,534	5,863,870.00	4,243,019.00	67,648,499.00	1,620,851	2.5	.....	.....	13,336.10	12,926.00	56,645.10	64,088,666.67
July.....	8,829	718	9,547	5,708,489.00	5,365,549.00	66,027,648.00	342,940	.5	.....	.....	12,965.90	12,937.00	56,235.00	62,622,277.12
June.....	8,832	714	9,546	5,305,158.00	4,336,396.00	65,684,708.00	968,762	1.5	525,414	125.02	12,791.80	13,336.00	56,206.10	60,086,318.94
May.....	8,836	714	9,550	5,219,535.00	4,132,346.00	64,715,946.00	1,087,189	1.7	.....	.....	13,547.00	13,275.00	56,750.30	61,144,838.52

April.....	8,841	714	9,555	5,250,425.00	4,355,031.00	63,628,757.00	895,394	1.4	.....	13,766.20	13,924.00	56,478.30	60,188,019.89	
March.....	9,612	716	10,328	5,605,362.00	4,430,006.00	62,733,363.00	1,175,356	1.9	.....	16,467.70	15,377.00	56,636.10	60,374,318.44	
February.....	9,620	717	10,337	5,265,173.00	3,675,298.00	61,558,007.00	1,589,875	2.7	.....	17,049.70	11,942.00	55,545.40	59,100,089.05	
January, 1915.....	9,625	716	10,341	5,862,572.00	5,039,729.00	59,968,132.00	822,843	1.4	.....	13,849.60	12,132.00	50,437.70	57,697,001.85	
December.....	9,631	715	10,346	6,166,928.00	4,302,523.00	59,145,289.00	1,864,405	3.3	496,008	119.24	11,813.00	14,118.00	48,720.10	55,922,059.73
November.....	9,636	710	10,346	6,267,599.00	3,678,828.00	57,280,884.00	2,588,771	4.7	.....	11,763.70	11,031.00	51,025.10	54,871,728.24	
October.....	9,639	710	10,349	7,139,575.00	3,591,819.00	54,692,113.00	3,547,756	6.9	.....	12,714.30	11,440.00	50,292.40	52,528,308.66	
September.....	9,643	708	10,351	6,808,632.00	3,245,974.00	51,144,357.00	3,562,658	7.5	.....	10,975.50	10,553.00	49,018.10	48,918,985.46	
August.....	9,647	708	10,355	7,084,468.00	3,067,585.00	47,581,699.00	4,016,883	9.2	.....	11,466.20	10,990.00	48,595.60	45,888,661.45	
July.....	9,650	707	10,357	4,339,431.00	4,218,836.00	43,564,816.00	120,545	.3	.....	11,219.60	12,114.00	48,119.40	42,267,298.34	
June.....	9,639	708	10,347	4,128,214.00	3,435,577.00	43,444,271.00	692,637	1.6	388,511	111.82	11,708.50	12,667.00	49,013.80	40,918,673.31
May.....	9,639	707	10,346	3,584,279.00	3,273,788.00	42,751,634.00	310,491	.7	.....	12,447.70	11,564.00	49,972.30	41,245,611.82	
April.....	10,210	707	10,917	3,662,770.00	3,420,357.00	42,441,143.00	242,413	.6	.....	13,876.60	13,707.00	49,088.60	40,943,142.49	
March.....	10,213	704	10,917	4,044,592.00	3,294,770.00	42,198,730.00	749,822	1.8	.....	16,573.60	13,906.00	48,919.00	41,329,502.01	
February.....	10,214	700	10,914	3,971,431.00	2,560,407.00	41,448,908.00	1,411,024	3.5	.....	14,015.40	11,575.00	46,251.40	40,479,964.64	
January, 1914.....	10,212	694	10,906	4,418,652.00	4,130,298.00	40,037,884.00	288,354	.7	.....	15,670.80	12,449.00	43,811.00	39,186,325.99	
December.....	10,188	683	10,871	4,034,066.00	3,222,739.00	39,749,530.00	811,327	2.1	364,286	109.12	11,539.30	13,127.00	40,589.20	37,480,639.46
November.....	12,365	676	13,041	3,963,751.00	2,719,534.00	38,938,203.00	1,244,217	3.3	.....	11,466.10	10,303.00	42,176.90	37,825,707.24	
October.....	12,326	674	13,000	3,944,161.00	2,755,079.00	37,693,986.00	1,189,082	3.3	.....	10,883.70	10,643.00	41,013.80	36,679,469.44	
September.....	12,327	673	13,000	3,943,281.00	2,830,999.00	36,504,904.00	1,112,282	3.1	.....	11,388.40	10,509.00	40,773.10	35,460,559.90	
August.....	12,151	667	12,818	4,161,942.00	2,669,799.00	35,392,622.00	1,492,143	4.4	.....	10,676.20	10,895.00	39,893.70	34,357,723.71	
July.....	12,155	664	12,819	3,958,110.00	3,876,501.00	33,900,479.00	81,609	.2	.....	10,143.80	10,559.00	40,112.50	32,989,944.94	
June.....	12,158	662	12,820	3,388,147.00	2,626,339.00	33,818,870.00	761,808	2.0	331,006	102.00	10,498.60	10,848.00	40,527.70	31,512,337.46
May.....	12,158	662	12,820	3,593,286.00	2,709,578.00	33,057,062.00	883,708	2.7	.....	11,966.90	12,643.00	40,877.10	31,871,892.76	
April.....	12,158	663	12,821	3,458,651.00	2,561,712.00	32,173,354.00	896,939	4.0	.....	13,175.60	12,983.00	41,553.20	31,016,514.45	
March.....	12,160	663	12,823	3,714,762.00	2,464,672.00	31,276,415.00	1,250,090	4.2	.....	14,596.80	14,407.00	41,360.60	30,812,839.46	
February.....	12,167	658	12,825	3,460,541.00	1,966,359.00	30,026,325.00	1,494,182	5.2	.....	13,828.60	12,517.00	41,170.80	29,607,322.78	
January, 1913.....	12,174	649	12,823	3,637,451.00	3,162,367.00	28,532,143.00	475,084	1.7	.....	16,055.80	13,702.00	39,859.20	28,149,391.57	
December.....	12,177	646	12,823	3,250,096.00	2,315,114.00	28,057,059.00	934,982	3.4	302,157	92.86	11,405.50	13,505.00	37,505.40	26,341,644.33
November.....	12,166	646	12,812	3,616,985.00	2,089,565.00	27,122,077.00	1,527,420	6.0	.....	13,427.90	12,850.00	39,604.90	26,428,361.07	
October.....	12,130	645	12,775	3,449,375.00	2,011,519.00	25,594,657.00	1,437,856	6.0	.....	13,798.30	12,738.00	39,027.00	24,946,302.40	
September.....	12,132	628	12,760	3,323,733.00	1,912,360.00	24,156,801.00	1,411,373	6.2	.....	12,787.80	11,999.00	37,966.70	23,482,125.77	
August.....	12,110	595	12,705	3,536,960.00	2,563,517.00	22,745,428.00	973,443	4.5	.....	16,855.40	13,836.00	37,177.90	21,979,129.43	

<sup>1</sup> In several instances the marked variations in withdrawals and balances on deposit are due to the semiannual conversion of deposits into postal-savings bonds.

<sup>2</sup> Balances are shown by banks' books.

TABLE 7.—Statement showing the growth of the Postal Savings System, and giving a summary of transactions since it went into operation, by months—Continued.

Month.	In operation.			Deposits.	With- drawals.	Balance to credit of depositors.	Increase.		Number of de- positors.	Average princi- pal per deposi- tor.	Savings cards and stamps.			Balance on deposit in banks.
	Offices.	Branch- es and sta- tions.	Total deposi- tories.				Amount.	Per cent.			Sold.	Cashed or converted into deposits.	Outstand- ing at close of month.	
July.....	11,037	393	11,430	\$3,271,396.00	\$1,736,495.00	\$21,771,985.00	\$1,534,901	7.6	.....	.....	\$12,893.80	\$12,756.00	\$34,158.50	\$20,297,069.84
June.....	9,907	263	10,170	2,961,646.00	1,604,871.00	20,237,084.00	1,356,775	7.2	243,801	\$83.01	12,666.70	12,657.00	34,020.70	18,586,042.32
May.....	8,870	141	9,011	2,972,903.00	1,559,023.00	18,880,309.00	1,413,880	8.1	.....	.....	13,494.30	12,887.00	34,011.00	18,111,085.92
April.....	7,865	115	7,980	2,980,563.00	1,532,912.00	17,466,429.00	1,447,651	9.0	.....	.....	15,093.80	13,968.00	33,403.70	16,686,291.88
March.....	7,164	112	7,276	3,065,452.00	1,358,040.00	16,018,778.00	1,707,412	11.9	.....	.....	17,386.00	15,356.00	32,277.90	15,851,145.64
February.....	6,660	105	6,765	3,032,951.00	1,460,357.00	14,311,366.00	1,572,594	12.3	.....	.....	16,587.00	14,213.00	30,247.90	14,090,391.01
January, 1912.....	6,164	66	6,230	3,109,703.00	985,607.00	12,738,772.00	2,124,096	20.0	.....	.....	17,973.20	13,859.00	27,873.90	11,970,140.27
December.....	5,070	62	5,132	2,919,872.00	985,170.00	10,614,676.00	1,934,702	22.3	162,697	65.24	14,429.20	14,725.00	23,759.70	9,668,301.52
November.....	4,176	58	4,234	2,911,476.00	671,763.00	8,679,974.00	2,239,713	34.8	.....	.....	18,139.40	12,844.00	24,055.50	8,026,847.08
October.....	3,139	56	3,195	2,837,918.00	473,304.00	6,440,261.00	2,364,614	58.0	.....	.....	17,216.50	11,330.00	18,760.10	5,439,713.24
September.....	1,970	.....	1,970	2,185,438.00	282,645.00	4,075,647.00	1,902,793	87.6	.....	.....	12,891.70	6,720.00	12,873.60	2,993,018.77
August.....	1,277	.....	1,277	1,175,618.00	184,819.00	2,172,854.00	990,799	83.8	.....	.....	7,689.30	3,936.00	6,701.90	1,535,137.50
July.....	998	.....	998	578,817.00	73,907.00	1,182,055.00	504,910	74.6	.....	.....	2,911.90	1,851.00	2,948.60	973,390.73
June.....	400	.....	400	316,714.00	34,500.00	677,145.00	282,214	71.5	11,918	56.82	1,236.60	690.00	1,887.70	571,670.90
May.....	93	.....	93	154,505.00	28,016.00	394,931.00	126,489	47.1	.....	.....	735.10	581.00	1,341.10	381,777.90
April.....	48	.....	48	82,646.00	16,165.00	268,442.00	66,481	32.9	.....	.....	398.30	338.00	1,187.00	264,508.32
March.....	48	.....	48	80,701.00	12,609.00	201,961.00	68,092	50.9	.....	.....	652.80	498.00	1,126.70	191,878.97
February.....	48	.....	48	81,758.00	7,990.00	133,869.00	73,768	122.7	.....	.....	822.50	402.00	971.90	110,844.38
January, 1911.....	48	.....	48	61,805.00	1,704.00	60,101.00	.....	.....	.....	.....	980.40	429.00	551.40	.....

TABLE 8.—Comparative statement of money-order business for the fiscal years 1916 and 1917.

Items.	Year ended June 30—		Increase (+) or decrease (-).
	1917	1916	
<b>DOMESTIC.</b>			
Orders issued:			
Number.....	132,603,980	121,636,818	+10,967,162
Amount.....	\$813,318,927.69	\$719,364,950.46	+\$93,953,977.23
Orders paid and repaid:			
Number.....	131,724,512	122,379,113	+9,345,399
Amount.....	\$814,822,049.62	\$720,584,719.58	+\$94,237,330.04
Excess of payments and repayments over issues:			
Number.....	-879,468	742,295	-1,621,763
Amount.....	\$1,503,121.93	\$1,219,769.12	+\$283,352.81
Fees received.....	<sup>1</sup> \$7,427,716.26	\$6,718,550.45	+\$709,165.81
Average amount of orders.....	<sup>2</sup> \$6.133	\$5.91	+\$0.223
Average amount of fees.....	<sup>1</sup> \$0.05601	\$0.0552	+\$0.00081
<b>INTERNATIONAL.</b>			
Orders issued:			
Number.....	2,661,707	3,011,097	-349,390
Amount.....	\$41,644,877.99	\$46,357,386.34	-\$4,712,508.35
Orders paid and repaid:			
Number.....	2,133,110	2,171,973	-38,863
Amount.....	\$24,669,912.82	\$26,089,110.71	-\$1,419,197.89
Excess of issues over payments and repayments:			
Number.....	528,597	839,124	-310,527
Amount.....	\$16,974,965.17	\$20,268,275.63	-\$3,293,310.46
Fees received.....	<sup>3</sup> \$396,075.80	\$468,539.03	-\$72,463.23
Average amount of orders.....	<sup>4</sup> \$15.645	\$15.395	+\$0.25
Average amount of fees.....	<sup>3</sup> \$0.1488	\$0.1555	-\$0.0067

<sup>1</sup> Including fees for orders on British Guiana, Canada, Canal Zone, Cuba, the Philippine Islands, and other countries with which business is transacted on the domestic basis.

<sup>2</sup> Not including orders drawn on countries named in footnote 1.

<sup>3</sup> Not including fees for orders drawn on British Guiana, Canada, Canal Zone, Cuba, the Philippine Islands and other countries with which business is transacted on the domestic basis.

<sup>4</sup> Including amounts of orders drawn on countries named in footnote 3.

TABLE 9.—Comparative statement of money-order business for the fiscal years 1916 and 1917.

Items.	1917	1916	Increase (+) or decrease (-).	
			Amount.	Per cent.
Fees received for domestic money orders issued <sup>1</sup> .....	\$7,427,716.26	\$6,718,550.45	+ \$709,165.81	+ 10.55
Fees received for international money orders issued <sup>2</sup> .....	396,075.80	468,539.03	- 72,463.23	- 15.46
Gain on exchange.....	887,282.39	1,701,776.46	- 814,494.07	- 47.86
Total revenue-producing operations.....	8,711,074.45	8,888,865.94	.....	.....
Number of domestic money orders issued.....	132,603,980	121,636,818	+ 10,967,162	+ 9.02
Number of domestic money orders paid and repaid <sup>3</sup> .....	131,724,512	122,379,113	+ 9,345,399	+ 7.64
Number of international money orders issued.....	2,661,707	3,011,097	- 349,390	- 11.60
Number of international money orders paid and repaid.....	2,133,110	2,171,973	- 38,863	- 1.79
Amount of domestic money orders issued.....	\$813,318,927.69	\$719,364,950.46	+ \$93,953,977.23	+ 13.06
Amount of domestic money orders paid and repaid.....	814,822,049.62	720,584,719.58	+ 94,237,330.04	+ 13.07
Amount of international money orders issued.....	41,644,877.99	46,357,386.34	- 4,712,508.35	- 10.16
Amount of international money orders paid and repaid.....	24,669,912.82	26,089,110.71	- 1,419,197.89	- 5.44
Foreign exchange received.....	12,090,389.74	8,866,089.80	+ 3,224,299.94	+ 36.36
Foreign exchange purchased.....	28,189,627.80	26,375,438.02	+ 1,814,189.78	+ 6.88

<sup>1</sup> Includes fees for orders drawn on British Guiana, Canada, Canal Zone, Cuba, the Philippine Islands, and other countries (22 in all) with which the international money-order business is transacted on the domestic basis; that is, the orders are issued on domestic forms and charged for at domestic rates.

<sup>2</sup> Not including fees for orders drawn on countries named in footnote 1.

<sup>3</sup> Repaid money orders are those drawn on other offices, but paid by the office of issue; also orders drawn on the office of issue but paid to the remitter, who is not the payee, and also orders drawn on other than the office of issue and paid to the remitter.

TABLE 10.—*Statistics relating to money-order duplicates and repayments.*

Items.	Year ended June 30—		Increase (+) or de- crease (-).
	1917	1916	
Number of duplicates issued by the department:			
(1) Of orders issued and payable in the United States.....	87,197	76,127	+11,070
(2) Of orders issued in the United States payable in France.....	756	537	+ 219
(3) Of orders issued in the United States payable in British Guiana, Canada, Canal Zone, Cuba, the Philippine Islands, and other countries with which business is transacted on the domestic basis.....	2,869	2,427	+ 442
(4) Of orders payable in the United States issued in foreign countries with the exception of France and those named in (3).....	892	3,017	- 2,125
Number of repayments authorized by the department:			
(5) Of orders payable in the United States issued in foreign countries not named in (3).....	2,604	3,660	- 1,056
(6) Of orders issued in the United States payable in foreign countries not named in (3).....	27,500	25,180	+ 2,320

TABLE 11.—*Statement showing the number of pounds of second-class matter mailed at the cent-a-pound and free-in-county rates during the fiscal year ended June 30, 1917.*

State.	Subscribers' copies.		Sample copies at cent-a-pound rate.	Total at cent-a-pound rate.	Total mailings at cent-a-pound and free-in- county rates.
	Free in county.	At cent-a- pound rate.			
Alabama.....	666,978	5,970,258	53,265	6,023,523	6,690,501
Alaska.....	33,509	25,718	315	26,033	59,542
Arizona.....	179,982	678,077	7,566	685,643	865,625
Arkansas.....	549,062	4,024,885	6,891	4,031,776	4,580,838
California.....	1,814,349	25,457,885	76,070	25,533,955	27,348,304
Colorado.....	426,038	10,269,236	41,712	10,310,948	10,736,986
Connecticut.....	442,699	2,709,474	7,676	2,717,150	3,159,849
Delaware.....	100,468	378,448	529	378,977	479,445
District of Columbia.....	13,041,641	* 62,817	13,104,458	13,104,458	13,104,458
Florida.....	357,260	3,502,536	12,071	3,514,607	3,871,867
Georgia.....	519,466	15,947,516	96,424	16,043,940	16,563,406
Hawaii.....	81,252	361,458	53	361,511	442,763
Idaho.....	263,619	1,488,694	4,210	1,492,904	1,756,523
Illinois.....	5,122,621	128,317,943	1,200,217	129,518,160	134,640,781
Indiana.....	2,602,812	25,356,079	102,146	25,458,225	28,061,037
Iowa.....	3,982,265	37,328,698	432,114	37,760,812	41,743,077
Kansas.....	1,947,287	17,644,905	88,015	17,732,920	19,680,207
Kentucky.....	645,912	7,059,683	66,227	7,125,910	7,771,822
Louisiana.....	168,486	6,711,681	9,014	6,720,695	6,889,181
Maine.....	1,028,322	15,557,951	535,235	16,093,186	17,121,508
Maryland.....	478,707	7,801,603	39,902	7,841,505	8,320,212
Massachusetts.....	424,240	44,117,758	426,481	44,544,239	44,968,479
Michigan.....	3,868,985	24,751,655	88,629	24,840,284	28,709,269
Minnesota.....	2,038,648	42,445,576	183,210	42,628,786	44,662,434
Mississippi.....	307,163	918,396	3,008	921,404	1,228,567
Missouri.....	1,812,801	65,464,829	305,005	65,769,834	67,582,635
Montana.....	552,962	3,373,224	16,943	3,390,167	3,943,129
Nebraska.....	1,571,784	22,875,940	173,046	23,048,986	24,620,770

TABLE 11.—*Statement showing the number of pounds of second-class matter mailed at the cent-a-pound and free-in-county rates during the fiscal year ended June 30, 1917—Continued.*

State.	Subscribers' copies.		Sample copies at cent-a-pound rate.	Total at cent-a-pound rate.	Total mailings at cent-a-pound and free-in-county rates.
	Free in county.	At cent-a-pound rate.			
Nevada.....	50,752	407,093	752	407,845	458,597
New Hampshire.....	154,390	1,619,250	6,470	1,625,720	1,780,110
New Jersey.....	437,634	4,513,787	36,582	4,550,369	4,988,003
New Mexico.....	104,875	538,540	4,992	543,532	648,410
New York.....	6,019,836	271,536,853	1,412,282	272,949,135	278,968,971
North Carolina.....	817,961	5,786,785	19,627	5,806,412	6,624,373
North Dakota.....	726,680	3,054,609	15,206	3,069,815	3,796,495
Ohio.....	4,500,108	81,040,056	304,025	81,344,081	85,844,189
Oklahoma.....	986,754	8,150,636	36,639	8,187,275	9,174,029
Oregon.....	716,854	7,216,003	49,367	7,265,370	7,982,224
Pennsylvania.....	4,876,244	130,383,662	715,487	131,099,149	135,975,393
Porto Rico.....	269	509,845	47	509,892	510,161
Rhode Island.....	66,900	1,122,211	406	1,122,617	1,189,577
South Carolina.....	530,898	3,269,378	13,759	3,283,137	3,814,035
South Dakota.....	748,654	2,490,627	28,694	2,519,321	3,267,975
Tennessee.....	680,047	16,032,070	45,537	16,077,607	16,757,654
Texas.....	1,837,420	22,435,965	54,467	22,490,432	24,327,852
Utah.....	185,806	3,904,429	7,701	3,912,130	4,097,936
Vermont.....	519,562	1,605,938	5,795	1,611,733	2,131,295
Virginia.....	719,650	6,866,710	13,802	6,880,512	7,600,162
Washington.....	1,141,683	8,489,994	43,521	8,533,515	9,675,198
West Virginia.....	664,632	2,146,254	13,407	2,159,661	2,824,293
Wisconsin.....	2,106,168	17,462,037	114,363	17,576,400	19,682,568
Wyoming.....	142,685	451,103	6,960	458,063	600,748
Guam.....		221		221	221
Shanghai, China.....		14,134	1,706	15,840	15,840
Virgin Islands.....		134		134	134
Total.....	60,719,202	1,134,630,071	6,990,385	1,141,620,456	1,202,339,658

TABLE 12.—*Statement showing the number of pieces of mail registered, insured, and sent collect on delivery during the fiscal year ended June 30, 1916, and June 30, 1917.*

Description.	1916	1917
REGISTERED.		
Paid registrations:		
Domestic letters and parcels.....	29,091,506	32,371,957
Foreign letters and parcels.....	5,179,325	4,959,602
Total paid registrations.....	34,270,831	37,331,559
Official free.....	4,965,738	5,212,673
Total paid and free.....	39,236,569	42,544,232
Amount collected for registry fees.....	\$3,427,083.10	\$3,733,155.90
INSURED.		
Fourth-class (domestic parcel post):		
Pieces mailed at 25-cent fee.....	123,073	222,108
Fees.....	\$30,768.25	\$55,527.00
Pieces mailed at 10-cent fee.....	1,039,741	1,432,342
Fees.....	\$103,974.10	\$143,234.20
Pieces mailed at 5-cent fee.....	10,962,595	12,112,886
Fees.....	\$548,129.75	\$605,644.30
Pieces mailed at 3-cent fee.....	12,810,673	20,069,088
Fees.....	\$384,320.19	\$602,072.64
Total pieces insured.....	24,936,082	33,836,424
Total fees.....	\$1,067,192.29	\$1,406,478.14
COLLECT ON DELIVERY.		
Fourth-class (domestic parcel post) pieces.....	6,300,546	7,883,418
Fees.....	\$630,054.60	\$788,341.80
SUMMARY.		
Total paid registered, insured, and C. O. D. pieces.....	65,507,459	79,051,401
Total fees.....	\$5,124,329.99	\$5,927,975.84
Total paid registered, insured, and C. O. D. pieces, and free registered pieces.....	70,473,197	84,264,074

TABLE 13.—*Statement showing the operations of the special features of the registry, insurance, and C. O. D. services during the fiscal year ended June 30, 1917.*

CITY-CARRIER REGISTRATIONS.		
Offices having city delivery service	.....	1,956
Number of city carriers	.....	33,246
Letters registered	.....	292,758
Average city-carrier registrations for each office	.....	150
Average registrations for each carrier	.....	9
RURAL-CARRIER REGISTRATIONS.		
Routes in operation	.....	43,463
Number of rural carriers	.....	43,381
Letters and parcels registered	.....	796,275
INSURED AND C. O. D. PARCELS ACCEPTED BY RURAL CARRIERS.		
Insured	.....	876,511
C. O. D.	.....	18,995
Total	.....	895,506
REGISTRATIONS ON BOARD UNITED STATES VESSELS.		
Paid	.....	78,768
Free	.....	9,823
Total	.....	88,591
PARCELS INSURED AND SENT C. O. D. ON BOARD UNITED STATES NAVAL VESSELS.		
Insured at 3-cent fee	.....	6,195
Insured at 5-cent fee	.....	4,304
Insured at 10-cent fee	.....	933
Insured at 25-cent fee	.....	237
C. O. D.	.....	16
Total	.....	11,685

TABLE 14.—*Statement of the mailings during the fiscal year 1917 at the 50 offices transacting the largest registry business, the 50 offices transacting the largest insurance business, and the 50 offices transacting the largest C. O. D. business.*

Description.	Number of pieces.	Per cent of the 50 offices to all offices.
Registered (paid)	18,442,432	50.00
Insured	13,851,915	40.71
C. O. D.	5,414,240	68.7

One-half of the paid registrations of the country originated in the 50 post offices transacting the largest business of that nature in 1917; New York City registered the largest number (5,590,928); Akron, Ohio, showed the largest percentage of increase, 50 per cent, with a total of 94,976.

There was an increase of 3,421,480 parcels insured at the 50 offices transacting the largest insurance business for 1917 over the preceding year, the percentage of increase being 32.8. Of those offices the largest individual percentage of increase was at Pittsburgh, Pa., where 72.6 per cent more parcels were insured than during the fiscal year 1916. The largest number of parcels insured by any office was 3,290,745 at New York, N. Y.

The post office at Chicago again accepted more parcels for transmission by C. O. D. than any other office, 1,383,225 pieces, or 17.54 per cent of all C. O. D. parcels mailed, having been mailed there during the year. This was an increase of 239,110 pieces over the preceding year. Charges collected and remitted to senders of C. O. D. parcels mailed at Chicago amounted to \$9,991,371.40, for which remittances \$91,688.53 were received as money-order fees by the Postal Service.

TABLE 15.—*Statement showing the number of domestic and international registry claims, and the number of domestic insured and C. O. D. claims approved during the fiscal year ended June 30, 1917, the amount of indemnity paid, and the average amount of indemnity paid per piece of mail.*

Class of mail.	Number of claims approved.	Amount of indemnity paid.	Average indemnity paid per piece of mail.
Domestic registered mail.....	1,918	\$24,491.30	\$12.77
International registered mail.....	618	4,512.30	7.30
Insured domestic fourth-class mail.....	39,506	241,612.45	6.11
C. O. D. domestic fourth-class mail.....	7,251	45,216.99	6.23
Total.....	49,293	315,833.04	6.41

The number of claims in 1917 on account of domestic registered mail and the amount of indemnity required to pay them continues to show the material and satisfactory decreases indicated in the report of the two preceding years. The average was one article where indemnity was required to 16,000 articles registered. This condition, in the decreasing number of claims, in the face of an increase

of several million paid registrations and the extension of indemnity provisions to cover injury in addition to loss and rifling of such mail, may reasonably be taken as one indication of the growing effectiveness of the United States registry service with respect to its safety feature. The total amount of fees received for the registration of domestic mail was \$3,237,195.70.

The average amount of indemnity per claim for insured mail decreased still further during the fiscal year 1917. During 1914 (the first full fiscal year) this was \$7.91; 1915, \$7.22; 1916, \$6.49; and 1917, \$6.11. This decrease was despite the fact that the patronage of the 25-cent fee increased more than 78 per cent during 1917 over 1916. The average indemnity per piece for C. O. D. cases slightly increased during the same period, but as there were but 7,251 such claims, its effect on the total was not significant. The average C. O. D. indemnity for 1914 was \$6.61; for 1915, \$6.83; for 1916, \$6.13; and 1917, \$6.20. The average indemnity for all classes, registered, insured, and C. O. D., was \$6.41 for 1917 as compared with \$7 for 1916, \$7.80 for 1915, and \$8.50 for 1914.

The foregoing table represents the disbursements for indemnity chargeable to all fiscal years, which were made during 1917. A great many claims chargeable to 1917 will be presented and paid during 1918 and succeeding years.

#### MISCELLANEOUS TABLES.

TABLE 16.—*Post offices by classes in each State and Territory, July 1, 1917.*

States, Territories, and possessions.	Abbreviations.	Presidential.				Fourth class.	Total number of offices.
		First class.	Second class.	Third class.	Total.		
Alabama.....	Ala.....	5	26	107	138	1,066	1,204
Alaska.....	Alaska.....		4	9	13	146	159
Arizona.....	Ariz.....	4	15	32	51	273	324
Arkansas.....	Ark.....	5	30	118	153	1,495	1,648
California.....	Cal.....	23	99	223	345	1,337	1,682
Colorado.....	Colo.....	6	28	94	128	786	914
Connecticut.....	Conn.....	15	34	78	127	223	350
Delaware.....	Del.....	1	7	21	29	74	103
District of Columbia.....	D. C.....	1			1		1
Florida.....	Fla.....	7	31	89	127	873	1,000
Georgia.....	Ga.....	8	46	159	213	1,016	1,229
Guam.....	Guam.....					1	1
Hawaii.....	Hawaii.....	1	2	10	13	79	92
Idaho.....	Idaho.....	4	23	61	88	502	590
Illinois.....	Ill.....	34	141	385	560	1,184	1,744

TABLE 16.—*Post offices by classes in each State and Territory, July 1, 1917—Con.*

States, Territories, and possessions.	Abbreviations.	Presidential.				Fourth class.	Total number of offices.
		First class.	Second class.	Third class.	Total.		
Indiana.....	Ind.....	25	79	199	303	854	1,157
Iowa.....	Iowa.....	22	84	359	465	831	1,296
Kansas.....	Kans.....	15	66	246	327	843	1,170
Kentucky.....	Ky.....	8	28	119	155	2,476	2,631
Louisiana.....	La.....	6	20	101	127	1,040	1,167
Maine.....	Me.....	7	30	115	152	761	913
Maryland.....	Md.....	5	18	61	84	673	757
Massachusetts.....	Mass.....	32	73	125	230	467	697
Michigan.....	Mich.....	25	82	261	368	945	1,313
Minnesota.....	Minn.....	11	69	282	362	916	1,278
Mississippi.....	Miss.....	5	27	133	165	941	1,106
Missouri.....	Mo.....	10	62	270	342	1,652	1,994
Montana.....	Mont.....	8	19	105	132	848	980
Nebraska.....	Nebr.....	6	39	246	291	692	983
Nevada.....	Nev.....	1	10	21	32	184	216
New Hampshire.....	N. H.....	5	20	61	86	334	420
New Jersey.....	N. J.....	25	63	154	242	488	730
New Mexico.....	N. Mex.....	1	14	36	51	566	617
New York.....	N. Y.....	54	163	447	664	1,780	2,444
North Carolina.....	N. C.....	8	44	150	202	1,471	1,673
North Dakota.....	N. Dak.....	5	17	181	203	595	798
Ohio.....	Ohio.....	41	102	271	414	1,296	1,710
Oklahoma.....	Okla.....	8	54	202	264	968	1,232
Oregon.....	Oreg.....	4	24	96	124	756	880
Pennsylvania.....	Pa.....	48	181	371	600	2,670	3,270
Porto Rico.....	P. R.....	1	3	14	18	70	88
Rhode Island.....	R. I.....	5	5	24	34	86	120
Samoa.....	Samoa.....					1	1
South Carolina.....	S. C.....	5	26	85	116	580	696
South Dakota.....	S. Dak.....	5	22	139	166	533	699
Tennessee.....	Tenn.....	7	37	112	156	926	1,082
Texas.....	Tex.....	21	109	369	499	2,009	2,508
Utah.....	Utah.....	3	8	48	59	283	342
Vermont.....	Vt.....	5	27	49	81	332	413
Virginia.....	Va.....	11	41	147	199	2,239	2,438
Virgin Islands of the United States.	V. I.....		1	2		2	5
Washington.....	Wash.....	8	33	125	166	867	1,033
West Virginia.....	W. Va.....	8	29	90	127	1,851	1,978
Wisconsin.....	Wis.....	20	74	253	347	795	1,142
Wyoming.....	Wyo.....	2	11	29	42	358	400
Totals.....		600	2,300	7,484	10,384	45,034	55,418
OFFICES UNDER JURISDICTION OF PANAMA CANAL.							
Canal Zone.....	C. Z.....						15
OFFICES UNDER JURISDICTION OF WAR DEPARTMENT.							
Philippine Islands.....	P. I.....						589

TABLE 17.—*Post offices, by classes, July 1, 1913, to 1917.*

Year.	Presidential.				Fourth class.	Total.
	First class.	Second class.	Third class.	Total.		
1913.....	485	1,979	5,942	8,406	49,614	58,020
1914.....	521	2,081	6,044	8,646	48,164	56,810
1915.....	533	2,138	6,249	8,920	47,460	56,380
1916.....	567	2,211	6,414	9,192	46,742	55,934
1917.....	600	2,300	7,484	10,384	45,034	55,418

TABLE 18.—*Readjustment of presidential postmasters' salaries, July 1, 1917.*

Item.	First class.	Second class.	Third class.	Total presidential.
Number of offices, July 1, 1916.....	567	2,211	6,414	9,192
Increases:				
Advanced from fourth class Oct. 1, 1916.....		2	858	860
Advanced from fourth class Jan. 1, 1917.....			168	168
Advanced from fourth class Apr. 1, 1917.....		1	131	132
Advanced from second class Apr. 1, 1917.....	1			1
Advanced from lower class July 1, 1917.....	38	145	102	285
Relegated from higher class July 1, 1917.....		6	21	27
Total.....	606	2,365	7,694	10,665
Decreases:				
Advanced to higher class July 1, 1917.....		38	145	183
Relegated to lower class July 1, 1917.....	6	21	56	83
Discontinued subsequent to July 1, 1916.....		7	11	18
Total.....	6	66	212	284
Number of offices July 1, 1917.....	600	2,300	7,484	10,384
Net increase since July 1, 1916.....	33	88	1,071	1,192
Salaries of postmasters:				
July 1, 1917.....	\$2,135,900	\$5,443,600	\$10,546,800	\$18,126,300
Increase over salaries on July 1, 1916.....	121,600	208,100	1,209,300	1,539,000
Gross receipts:				
Four quarters ended Dec. 31, 1916.....	228,388,904	36,494,684	28,154,107	293,037,695
Increase over receipts for four quarters ended Mar. 31, 1916.....	15,127,143	1,164,486	3,084,531	19,376,160

TABLE 19.—*Clerical and carrier service for the fiscal years 1908 to 1917, inclusive.*

Fiscal year.	First and second class offices.			City Delivery Service.		
	Offices.	Clerks.	Cost of service.	Offices.	Carriers.	Cost of service.
1908.....	1,819	28,220	\$29,282,126	1,330	26,352	\$26,258,039
1909.....	1,979	29,930	32,920,754	1,440	27,620	29,738,123
1910.....	2,105	31,825	36,048,873	1,492	28,715	31,683,591
1911.....	2,246	32,319	38,393,295	1,541	29,168	32,970,451
1912.....	2,351	33,714	40,445,344	1,621	29,962	34,152,518
1913.....	2,390	35,486	43,668,732	1,675	30,923	36,600,544
1914.....	2,465	37,993	48,661,320	1,759	32,923	40,398,621
1915.....	2,601	38,761	50,837,401	1,808	32,902	42,458,003
1916.....	2,674	40,127	52,543,984	1,864	34,114	43,136,818
1917.....	2,775	41,805	55,942,003	1,948	34,592	48,047,712

TABLE 20.—*Report of the Division of Dead Letters for the fiscal year ended June 30, 1917.*

DEAD MAIL RECEIVED.		
Division of Dead Letters:		
Domestic origin, unclaimed.....	1	8,205,473
Domestic origin, unmailable.....	1,831,266	
Foreign origin, unclaimed.....	374,715	
		10,411,454
Dead letter branch, Chicago, Ill.: <sup>2</sup>		
Domestic origin, unclaimed.....	921,056	
Domestic origin, unmailable.....	358,539	
Foreign origin, unclaimed.....	37,506	
		1,317,101
Dead letter branch, New York, N. Y.: <sup>2</sup>		
Domestic origin, unclaimed.....	1,445,638	
Domestic origin, unmailable.....	205,300	
Foreign origin, unclaimed.....	40,715	
		1,691,653
Dead letter branch, San Francisco, Cal.: <sup>3</sup> Domestic origin, unclaimed.....		172,022
Dead letter branch, San Juan, P. R.:		
Domestic origin, unclaimed.....	20,720	
Domestic origin, unmailable.....	1,032	
Foreign origin, unclaimed.....	945	
		22,697
Total.....		13,614,927
Increase over preceding year, 2,775,037, or 21 per cent.		
RECAPITULATION.		
Delivered.....		4,523,305
Filed.....		80,048
Destroyed <sup>4</sup> .....		8,799,624
Under treatment.....		211,950

<sup>1</sup> Includes 475,000 letters classed as fraudulent.<sup>2</sup> Dead Letter branch established Jan. 1; extended Feb. 14 and May 1, 1917.<sup>3</sup> Dead Letter Branch established May 1, 1917.<sup>4</sup> Includes advertising circulars, picture cards, and parcels inclosing articles apparently without value.

TABLE 21.—*Undeliverable parcel post matter treated in post offices at division headquarters, Railway Mail Service, and the Division of Dead Letters during the fiscal year, 1917.*

Office.	Received.		Total.	Disposition.		
	Addressed.	Loose, etc.		Delivered.	Filed.	Destroyed.
Division of Dead Letters.....	53,055	5,067	58,122	22,214	14,918	20,990
Atlanta, Ga.....	20,197	4,171	24,368	9,826	11,155	3,387
Boston, Mass.....	23,281	9,613	32,894	10,466	18,610	3,818
Chicago, Ill.....	29,910	35,453	65,363	23,697	37,328	4,338
Cincinnati, Ohio.....	18,376	8,648	27,024	5,479	21,103	442
Cleveland, Ohio <sup>1</sup> .....	978	508	1,486	442	911	133
Fort Worth, Tex.....	28,090	6,106	34,196	9,146	17,270	7,780
New Orleans, La.....	9,254	1,679	10,933	2,947	7,768	218
New York, N. Y.....	46,601	48,695	95,296	20,084	59,090	16,122
Omaha, Nebr.....	12,397	2,987	15,384	8,669	5,367	1,348
Pittsburgh, Pa. <sup>1</sup> .....	352	472	824	294	448	82
St. Louis, Mo.....	25,228	7,082	32,310	8,973	21,780	1,557
St. Paul, Minn.....	28,728	4,103	32,831	23,296	9,490	45
San Francisco, Cal.....	17,394	7,837	25,231	1,750	23,180	301
Seattle, Wash.....	15,240	2,304	17,544	6,625	9,959	960
Total.....	329,081	144,725	473,806	153,908	258,377	61,521

<sup>1</sup> Discontinued Aug. 18, 1916, as headquarters for undeliverable fourth-class mail.

TABLE 22.—*Statistics on Government-owned motor vehicle service for fiscal year ended June 30, 1917.*

## COST OF OPERATION PER MILE AND PER HOUR, AND MILES PER GALLON OF GASOLINE.

Make of car.	Capacity.	Cost per mile without driver.	Cost per mile with driver.	Cost per hour without driver.	Cost per hour with driver.	Miles per gallon of gasoline.
Ford.....	750 pounds.....	\$0.09	\$0.17	\$0.42	\$0.77	8.6
Ford-Olsen.....	½ ton.....	.11	.19	.46	.82	8.0
Studebaker.....	do.....	.16	.26	.69	1.05	6.4
Overland.....	do.....	.15	.23	.62	.91	6.2
Buick.....	¾ ton.....	.17	.22	.90	1.20	5.6
White.....	do.....	.14	.24	.49	.78	6.7
G. M. C.....	do.....	.15	.20	.83	1.16	6.5
White.....	1 ton.....	.23	.37	.50	.81	4.5
G. M. C.....	1½ tons.....	.17	.24	.66	.93	5.2
White.....	do.....	.12	.20	.51	.79	6.5
Packard.....	do.....	.17	.29	.44	.73	4.0
White.....	3 tons.....	.31	.54	.43	.75	3.7
Kelly-Springfield.....	3½ tons.....	.17	.27	.66	1.06	4.0

## DEPRECIATION AND INTEREST RATE PER ANNUM, 16 HOURS A DAY, 365 DAYS IN THE YEAR, GOVERNMENT-OWNED MOTOR TRUCKS.

Make of car.	Size.	Per cent.	Make of car.	Size.	Per cent.
Ford.....pounds..	750	25	White.....tons..	1	20
Ford-Olsen.....tons..	$\frac{1}{2}$	25	Do.....do....	$1\frac{1}{2}$	20
Studebaker.....do....	$\frac{1}{2}$	$33\frac{1}{3}$	Packard.....do....	$1\frac{1}{2}$	20
Overland.....do....	$\frac{1}{2}$	$33\frac{1}{3}$	G. M. C.....do....	$1\frac{1}{2}$	$33\frac{1}{3}$
Buick.....do....	$\frac{3}{4}$	$33\frac{1}{3}$	White.....do....	3	20
G. M. C.....do....	$\frac{3}{4}$	$33\frac{1}{3}$	Kelly-Springfield.....do....	$3\frac{1}{2}$	20
White.....do....	$\frac{3}{4}$	20			

TOTAL NUMBER OF GOVERNMENT-OWNED MOTOR TRUCKS, BY MAKES AND CAPACITY, AT EACH OF THE FOLLOWING-NAMED OFFICES ON JUNE 30, 1917.

Make of truck.	Capacity.	Chicago.	Detroit.	Indianapolis.	Nashville.	Philadelphia.	Pittsburgh.	St. Louis.	Washington.	Total.
Ford.....	750 pounds.....	96	35	6	5	50	28	32	16	268
Ford-Olsen.....	$\frac{1}{2}$ ton.....	35	.....	.....	.....	.....	.....	.....	1	36
Studebaker.....do....	.....do....	10	.....	9	.....	14	.....	4	.....	37
Overland.....do....	.....do....	.....	1	.....	.....	.....	.....	.....	.....	1
White.....	$\frac{3}{4}$ ton.....	35	.....	.....	3	23	13	.....	8	82
Buick.....	.....do....	.....	5	.....	.....	.....	.....	.....	.....	5
G. M. C.....	.....do....	.....	.....	.....	.....	14	.....	14	1	29
White.....	1 ton.....	.....	.....	.....	.....	.....	2	.....	.....	2
G. M. C.....	$1\frac{1}{2}$ tons.....	.....	.....	.....	.....	9	.....	6	1	16
White.....	.....do....	38	.....	.....	.....	2	.....	.....	1	41
Packard.....	.....do....	.....	8	.....	.....	.....	5	.....	.....	13
White.....	3 tons.....	10	.....	.....	.....	.....	.....	.....	.....	10
Kelly-Springfield.....	$3\frac{1}{2}$ tons.....	.....	.....	.....	.....	1	.....	.....	.....	1
Total.....	.....	224	49	15	8	113	48	56	28	541

## COST OF MOTOR-VEHICLE SERVICE OPERATED BY THE POST OFFICE DEPARTMENT, FISCAL YEAR ENDED JUNE 30, 1917.

	Number.	Cost of operation and maintenance. <sup>1</sup>	Total miles run.	Total hours of service.	Cost per mile. <sup>1</sup>	Cost per hour. <sup>a</sup>
CHICAGO.						
750-pound Fords .....	96	\$112,785.06	1,537,194	345,219	\$0.07	\$0.33
½-ton Ford-Olsens .....	35	44,788.46	448,822	125,998	.10	.36
½-ton Studebakers .....	10	9,417.22	41,016	21,020	.23	.45
¾-ton Whites .....	35	60,568.72	412,163	155,032	.15	.39
1½-ton Whites .....	38	86,072.14	604,957	193,494	.14	.44
3-ton Whites .....	10	20,863.69	67,164	48,137	.31	.43
DETROIT.						
750-pound Fords .....	35	50,199.79	517,184	119,083	.10	.42
½-ton Overland .....	1	1,554.59	10,069	2,500	.15	.62
¾-ton Buicks .....	5	10,110.57	60,618	11,207	.17	.90
1½-ton Packards .....	8	20,247.20	172,440	41,134	.12	.49
INDIANAPOLIS.						
½-ton Studebaker .....	9	17,058.63	157,560	30,360	.11	.56
750-pound Fords .....	4	1,452.62	21,698	3,954	.07	.37
NASHVILLE.						
750-pound Fords .....	5	4,553.99	45,312	15,729	.10	.29
¾-ton Whites .....	3	3,193.10	17,540	13,633	.18	.23
PHILADELPHIA.						
750-pound Fords .....	50	88,028.15	895,811	168,116	.10	.52
½-ton Studebakers .....	14	29,769.23	134,369	27,415	.22	1.08
¾-ton Whites .....	23	74,038.32	554,878	91,217	.13	.81
¾-ton G. M. C. .....	15	35,678.11	181,824	38,875	.20	.92
1½-ton G. M. C. .....	10	27,040.08	131,587	36,728	.21	.76
3½-ton Kelly-Springfield .....	1	2,428.55	14,486	3,676	.17	.66
1½-ton Whites (6 months' service) .....	2	2,186.54	20,925	5,594	.10	.39
PITTSBURGH.						
750-pound Fords .....	28	37,143.75	273,608	75,079	.14	.49
¾-ton Whites .....	13	22,715.67	145,264	41,224	.16	.55
1-ton Whites .....	2	3,577.91	15,591	7,188	.23	.50
1½-ton Packards .....	5	6,929.73	30,202	17,336	.23	.40
ST. LOUIS.						
750-pound Fords .....	32	38,960.99	495,585	79,565	.08	.49
½-ton Studebakers .....	4	7,180.61	71,838	10,266	.10	.70
¾-ton G. M. C. .....	14	33,181.16	324,606	43,448	.10	.76
1½-ton G. M. C. .....	6	9,842.13	75,274	17,121	.13	.57
WASHINGTON.						
750-pound Fords .....	16	10,860.32	135,577	25,960	.08	.42
½-ton Ford-Olsen (10 months' service) .....	1	801.79	6,941	1,411	.12	.57
¾-ton Whites .....	8	13,726.39	144,359	29,903	.10	.46
1½-ton White .....	1	1,911.64	14,464	2,703	.13	.71

<sup>1</sup> Without driver.

NOTE.—Cost of operation and maintenance embraces all items of expense, such as repairs, garage rental, gasoline, oil, depreciation, interest at 3 per cent, overhead charges, and departmental administrative charges.

The above statement is for the fiscal year ended June 30, 1917, except that at Pittsburgh and Nashville motor-vehicle service was not established until Nov. 1, 1916. Some of the trucks were not placed in operation until the latter part of the fiscal year and therefore performed but little service during the year.

TABLE 23.—*Statement showing the growth of the Rural Delivery Service by years since its inception and the expenditure involved.*

Fiscal year.	Routes. <sup>1</sup>	Increase in routes.	Appropriation.	Expenditure.	Increase in expenditure.
1897	82		\$40,000	\$14,840	
1898	153	71	50,250	50,241	\$35,401
1899	412	259	150,032	150,012	99,771
1900	1,259	847	450,000	420,433	270,421
1901	3,761	2,502	1,750,796	1,750,321	1,329,888
1902	8,298	4,537	4,089,075	4,089,041	2,338,720
1903	15,119	6,821	8,580,364	8,051,599	3,962,558
1904	24,566	9,447	12,926,905	12,645,275	4,593,676
1905	32,110	7,544	21,116,600	20,864,885	<sup>2</sup> 8,219,610
1906	35,766	3,656	25,828,300	25,011,925	4,146,740
1907	37,728	1,962	28,200,000	26,661,555	1,649,930
1908	39,277	1,549	34,900,000	34,371,939	<sup>3</sup> 7,710,384
1909	40,628	1,351	35,673,000	35,661,034	1,289,095
1910	41,079	451	37,260,000	36,914,769	1,253,735
1911	41,656	577	38,860,000	37,125,630	210,861
1912	42,199	543	42,790,000	41,859,422	<sup>4</sup> 4,733,792
1913	42,805	606	47,000,000	45,642,810	<sup>5</sup> 3,783,388
1914	43,652	847	47,500,000	47,380,959	1,738,149
1915	43,866	225	53,000,000	52,565,811	5,184,852
1916	42,927	<sup>7</sup> 939	53,000,000	51,952,326	<sup>6</sup> 613,485
1917	43,464	536	53,000,000	52,423,090	470,764

<sup>1</sup> Apparent discrepancies between the figures in this column and in the corresponding column headed "Carriers" in previous annual reports are due to having been taken for periods other than fiscal years.

<sup>2</sup> Maximum salary of carriers increased from \$600 to \$720 per annum.

<sup>3</sup> Maximum salary of carriers increased from \$720 to \$900 per annum.

<sup>4</sup> Maximum salary of carriers increased from \$900 to \$1,000 per annum.

<sup>5</sup> Maximum salary of carriers increased from \$1,000 to \$1,100 per annum.

<sup>6</sup> Maximum salary of carriers increased from \$1,100 to \$1,200 per annum.

<sup>7</sup> Decrease.

The following statement shows what has been accomplished in the matter of providing maps of all counties in the United States having star or rural service:

Number of counties in the United States	3,027
Number of counties having rural delivery or star service	3,005
Number of counties for which maps have been drawn	1,006
Number of counties for which preliminary maps have been made	773
Number of counties for which base maps are available	399
Number of counties having rural delivery or star service for which there are no available base maps	828

TABLE 24.—*Statement showing number and mileage of rural routes and annual cost (including substitutes), at close of business June 30, 1916, and June 30, 1917.*

State.	Number of routes—		Mileage of routes—		Annual rate of cost (including substitutes).	
	June 30, 1916.	June 30, 1917.	June 30, 1916.	June 30, 1917.	June 30, 1916.	June 30, 1917.
Alabama.....	1,088	1,113	27,102	28,005	\$1,294,832	\$1,338,000
Arizona.....	27	27	678	711	30,238	30,650
Arkansas.....	594	629	14,191	15,214	665,224	718,200
California.....	331	391	11,160	12,138	412,864	526,825
Colorado.....	216	246	5,950	7,502	248,400	308,575
Connecticut.....	272	272	6,362	6,184	316,704	318,075
Delaware.....	80	81	2,500	2,515	107,368	109,175
District of Columbia.....	7	11	287	412	10,962	16,250
Florida.....	193	246	7,069	7,955	235,008	324,025
Georgia.....	1,613	1,622	42,035	43,052	1,976,064	2,015,025
Idaho.....	169	181	4,290	4,654	190,720	208,925
Illinois.....	2,845	2,822	69,129	69,206	3,490,748	3,473,225
Indiana.....	2,022	1,960	51,863	52,082	2,498,784	2,467,450
Iowa.....	2,169	2,174	58,665	58,691	2,707,680	2,720,925
Kansas.....	1,853	1,863	51,173	52,078	2,269,984	2,325,350
Kentucky.....	824	850	19,361	20,185	971,256	1,011,450
Louisiana.....	287	301	7,002	7,538	314,112	336,100
Maine.....	478	480	10,989	11,067	564,064	567,250
Maryland.....	413	415	9,952	9,841	487,672	491,575
Massachusetts.....	275	276	6,834	6,910	332,848	334,750
Michigan.....	1,776	1,794	48,404	48,807	2,184,520	2,213,875
Minnesota.....	1,583	1,596	43,841	44,278	1,948,816	1,981,175
Mississippi.....	907	937	22,271	23,328	1,052,608	1,097,950
Missouri.....	2,176	2,193	51,784	52,656	2,608,400	2,641,125
Montana.....	110	130	2,978	3,612	111,592	141,625
Nebraska.....	1,090	1,096	29,377	29,716	1,326,120	1,353,375
Nevada.....	4	4	85	85	4,375	4,375
New Hampshire.....	246	245	5,581	5,564	289,232	288,725
New Jersey.....	307	306	7,160	7,229	366,416	368,075
New Mexico.....	31	45	897	1,432	32,378	49,225
New York.....	1,948	1,945	45,120	45,339	2,342,096	2,344,650
North Carolina.....	1,388	1,398	32,320	32,868	1,618,800	1,638,525
North Dakota.....	649	675	18,965	19,798	709,176	777,525
Ohio.....	2,546	2,546	60,922	61,310	3,099,112	3,108,375
Oklahoma.....	1,061	1,116	33,094	34,088	1,345,504	1,442,950
Oregon.....	256	257	6,293	6,357	304,976	310,550
Pennsylvania.....	1,925	1,968	50,712	51,345	2,367,968	2,426,725
Rhode Island.....	48	48	1,005	1,018	52,040	52,700
South Carolina.....	869	877	20,709	21,007	1,032,568	1,047,750
South Dakota.....	623	636	18,326	18,780	737,368	770,875
Tennessee.....	1,610	1,609	38,454	38,629	1,919,160	1,927,625
Texas.....	2,018	2,056	52,081	53,226	2,455,808	2,502,275
Utah.....	55	54	1,237	1,296	62,009	63,975
Vermont.....	343	343	7,610	7,648	395,376	396,450
Virginia.....	1,107	1,116	24,785	25,118	1,279,472	1,294,300
Washington.....	357	368	8,811	9,161	408,552	430,825
West Virginia.....	410	424	9,487	9,702	472,080	496,758
Wisconsin.....	1,702	1,699	42,357	42,550	2,071,352	2,079,825
Wyoming.....	21	22	594	669	22,210	26,425
Total.....	42,927	43,463	1,091,852	1,112,556	51,715,616	52,920,408

TABLE 24.—Statement showing number and mileage of rural routes and annual cost (including substitutes) at close of business June 30, 1916, and June 30, 1917—Contd.

State.	Approximate number of patrons served—		Annual cost per patron—		Annual cost per piece of mail handled—	
	June 30, 1916.	June 30, 1917.	June 30, 1916.	June 30, 1917.	June 30, 1916.	June 30, 1917.
Alabama.....	922,447	943,189	\$1.404	\$1.419	\$0.0191	\$0.0180
Arizona.....	18,796	22,131	1.609	1.385	.0100	.0092
Arkansas.....	466,330	514,556	1.427	1.396	.0208	.0174
California.....	451,495	533,503	.914	.987	.0080	.0085
Colorado.....	135,222	158,139	1.837	1.951	.0116	.0115
Connecticut.....	195,528	189,152	1.620	1.682	.0094	.0108
Delaware.....	56,460	61,474	1.902	1.776	.0159	.0138
District of Columbia.....	13,294	12,581	.824	1.292	.0092	.0141
Florida.....	202,000	223,859	1.163	1.447	.0223	.0216
Georgia.....	1,336,866	1,409,472	1.478	1.429	.0182	.0162
Idaho.....	115,980	120,207	1.644	1.733	.0114	.0113
Illinois.....	1,317,353	1,328,885	2.650	2.614	.0147	.0144
Indiana.....	1,150,469	1,157,590	2.172	2.131	.0155	.0152
Iowa.....	1,031,325	1,037,273	2.625	2.623	.0136	.0126
Kansas.....	786,471	788,780	2.886	2.948	.0138	.0142
Kentucky.....	639,092	671,503	1.520	1.506	.0172	.0155
Louisiana.....	238,331	246,868	1.318	1.361	.0195	.0177
Maine.....	243,082	253,989	2.320	2.233	.0123	.0128
Maryland.....	281,009	282,808	1.735	1.738	.0136	.0127
Massachusetts.....	218,495	227,038	1.523	1.474	.0099	.0102
Michigan.....	1,086,253	1,091,603	2.011	2.028	.0130	.0133
Minnesota.....	724,353	746,198	2.690	2.655	.0142	.0137
Mississippi.....	693,234	715,019	1.518	1.535	.0214	.0200
Missouri.....	1,119,005	1,139,259	2.331	2.318	.0161	.0168
Montana.....	54,740	67,050	2.039	2.123	.0132	.0127
Nebraska.....	502,720	481,864	2.638	2.808	.0136	.0125
Nevada.....	1,904	2,070	2.300	2.114	.0114	.0109
New Hampshire.....	115,520	118,836	2.504	2.429	.0113	.0150
New Jersey.....	230,189	232,121	1.592	1.586	.0109	.0105
New Mexico.....	12,586	19,877	2.573	2.476	.0110	.0211
New York.....	1,079,671	1,089,298	2.169	2.152	.0124	.0131
North Carolina.....	1,046,210	1,075,310	1.547	1.524	.0203	.0184
North Dakota.....	207,685	225,970	3.415	3.441	.0182	.0166
Ohio.....	1,520,456	1,547,334	2.038	2.009	.0132	.0118
Oklahoma.....	633,218	687,760	2.125	2.098	.0162	.0165
Oregon.....	178,935	180,817	1.704	1.717	.0112	.0106
Pennsylvania.....	1,280,810	1,302,596	1.849	1.863	.0135	.0126
Rhode Island.....	34,344	34,330	1.515	1.535	.0098	.0125
South Carolina.....	682,387	702,268	1.513	1.492	.0227	.0212
South Dakota.....	231,168	238,225	3.190	3.236	.0144	.0141
Tennessee.....	1,185,852	1,228,379	1.618	1.569	.0245	.0208
Texas.....	1,490,368	1,552,693	1.628	1.611	.0162	.0144
Utah.....	67,326	62,523	.921	1.023	.0086	.0078
Vermont.....	142,830	144,615	2.768	2.742	.0177	.0156
Virginia.....	727,922	741,985	1.758	1.744	.0186	.0176
Washington.....	265,167	268,571	1.541	1.604	.0114	.0113
West Virginia.....	264,873	265,862	1.782	1.868	.0154	.0166
Wisconsin.....	899,203	905,611	2.304	2.296	.0154	.0136
Wyoming.....	8,712	9,816	2.549	2.692	.0135	.0171
Total and average...	26,307,686	27,060,857	1.966	1.955	.0150	.0144

TABLE 25.—Summary showing the operations of equipment shops, with comparison of production and cost during the years 1915, 1916, and 1917.

	1915.		1916.		Change in cost, 1916 from 1915.		1917.		Change in cost, 1917 from 1916.	
	Number.	Unit cost.	Number.	Unit cost.	Increase.	Decrease.	Number.	Unit cost.	Increase.	Decrease.
<b>MANUFACTURED.</b>										
L. A. locks.....	156,385	\$0.086365	282,151	\$0.082700	.....	\$0.003665	171,924	\$0.085820	\$0.003120	.....
Cord fasteners.....	396,000	.031817	635,584	.029856	.....	.001961	582,625	.032250	.002400	.....
Cord clamps.....	2,014,060	.000448	2,296,800	.000409	.....	.000039	2,474,390	.000345	.....	\$0.000064
Grommet rings.....	<sup>1</sup> 250,000	<sup>2</sup> .002754	<sup>3</sup> 1,352,400	.000998	.....	.001756	<sup>3</sup> 2,196,012	.001110	.000113	.....
Grommet tubes.....	1,672,682	<sup>2</sup> .002953	<sup>3</sup> 1,309,800	.000755	.....	.002198	<sup>3</sup> 819,180	.000980	.000235	.....
Pouch fasteners.....			46,121	.073286	.....	.....	46,365	.084915	.011529	.....
Internal-revenue locks.....			785	.971657	.....	.....	300	1.018800	.047143	.....
Arrow locks.....			3,152	.426323	.....	.....	4,969	.464205	.037882	.....
<b>REPAIRED.</b>										
Sacks.....	1,321,461	.075779	1,193,926	.069560	.....	.006219	1,591,798	.067800	.....	.001760
Pouches.....	212,101	.133051	137,633	.113080	.....	.020971	210,408	.106000	.....	.007080
Rotary registry locks.....	23,844	.....	19,755	.094200	.....	.....	12,341	.177800	.083600	.....
Serial locks.....			1,593	.204800	.....	.....	2,080	.206500	.001700	.....
Arrow locks.....			2,808	.117800	.....	.....	1,907	.163600	.045800	.....
Inside locks.....			457	.460000	.....	.....	875	.145500	.325500	.....
Cord fasteners.....	85,733	.....	105,680	.017500	.....	.....	106,510	.010400	.....	.000740
Railway Mail Service badges.....			793	.139900	.....	.....	586	.156000	.016100	.....
Eight-ounce scales.....			400	.640000	.....	.....	417	1.150400	.490400	.....
Four-pound scales.....			400	1.040000	.....	.....	173	1.446300	.406300	.....

<sup>1</sup> Brass.<sup>2</sup> Costs based on price of brass in 1915. Price of this material advanced more than 100 per cent since.<sup>3</sup> Steel.

Purchased.	1915.		1916.		1916 over 1915.		1917.		1917 over 1916.	
	Number.	Average unit cost.	Number.	Average unit cost.	Increase.	Decrease.	Number.	Average unit cost.	Increase.	Decrease.
Sacks.....	398,693	\$0.6171	406,395	\$0.6252	\$0.0081	.....	190,458	\$0.663	\$0.0378	.....
Saddlebags.....	1,501	3.67	.....	.....	.....	.....	.....	.....	.....	.....
Pouches.....	10,888	1.2648	40,896	.5794	.....	\$0.6854	41,166	.699	.1196	.....
Emergency sacks:										
Burlap.....	154,955	.0687	.....	.....	.....	.....	.....	.....	.....	.....
Cotton.....	.....	.....	347,164	.197	.....	.....	.....	.....	.....	.....
Cotton canvas mail sacks, No. 1A, lightweight.....	.....	.....	.....	.....	.....	.....	495,823	.4452	.....	.....
Total containers.....	566,037	.....	794,465	.....	.....	.....	727,387	.....	.....	.....

TABLE 26.—*Equipment shops—Comparative statement of costs for September, 1917.*

Description.	Unit costs, 1917.			Unit costs, 1916.		
	Labor.	Material.	Labor, material, and overhead.	Labor.	Material.	Labor, material, and overhead.
<b>LOCK SHOP.</b>						
<i>Manufacturing jobs.</i>						
Cord clamps.....	\$0.00010	\$0.000278	\$0.000444	\$0.000103	\$0.000168	\$0.000345
Assemble cord fasteners.....	.00428	.....	.007828	.003220	.....	.007801
Cord fastener tops.....	.00130	.006133	.008317	.001173	.002802	.004773
L. A. shackles.....	.00478	.020356	.028863	.002556	.011425	.016106
L. A. caps.....	.00390	.006169	.012977	.003771	.003328	.009951
L. A. plates.....	.00426	.005544	.013118	.003730	.003383	.010154
Arrow lock boltheads.....	.01761	.014833	.044113	.013131	.016303	.040149
Arrow lock bolt plates.....	.00498	.041000	.048920	.003189	.060144	.065356
Arrow lock bolt plate stumps.....	.00101	Scrap.	.001667	.000714	.000315	.001450
Flexible stamps.....	.02619	.002752	.045481	.018414	.002752	.037706
<i>Repair jobs.</i>						
Serial locks.....	.10539	.020047	.186948	.104129	.024581	.190212
Foreign locks.....	.12800	.....	.202000	.343333	.....	.417333
Arrow locks.....	.05039	.38416	.118713	.061164	.035397	.126462
Rotary registering locks.....	.04265	.003036	.064813	.052190	.059514	.120831
Cord fasteners.....	.005329	.002120	.011065	.009300	.002120	.015036
<b>BAG SHOP.</b>						
Sack repairs.....	.04029	.017010	.088982	.028956	.014307	.072654
Pouch repairs.....	.06169	.009807	.106726	.048231	.010698	.107883

NOTE.—Labor reported on 1916 jobs was increased 0.166 per cent before obtaining unit cost, and on repair jobs for 1916 the indirect for the 1917 jobs was used. This was done in order to equalize the difference in methods of distributing indirect.

## DIVISION OF SUPPLIES.

TABLE 27.—*Statement showing the number of requisitions handled for one month, the total labor cost of handling them, and the unit cost.*

Supplies.	Number handled.	Total labor cost.	Unit cost.
<b>Requisitions:</b>			
First-class offices.....	301	\$1,129.27	\$3.7517
Second-class offices.....	831	1,386.50	.16685
Third-class offices.....	1,229	933.56	.7596
Fourth-class offices.....	3,839	962.71	.2508
Informal requisitions ("Script").....	<sup>1</sup> 7,837	1,214.16	.1549
Postal savings (including certificates).....	1,698	203.12	.1196
Railway Mail Service.....	81	155.33	1.9177
Post-office inspectors.....	12	19.20	1.6000
Special orders, fires, new offices, etc. ....		154.34	.....
Money orders.....	4,859	234.17	.0482
Envelopes.....	4,738	274.86	.0580
Printed facing slips.....	278	203.17	.7308
Authorizations (allowances).....	1,651	413.93	.2507
<b>Topography:</b>			
Post-route maps.....		2,036.38	.....
Rural maps.....		993.36	.....
Parcel post.....		286.80	.....
Miscellaneous blue printing.....		18.44	.....
Total for supplies.....		10,619.30	.....

Supplies.	Number handled.	Total labor cost.	Unit cost.
<b>Requisitions:</b>			
First-class offices.....	282	\$1,091.99	\$3.8723
Second-class offices.....	695	1,463.72	2.1061
Third-class offices.....	770	740.56	.9618
Fourth-class offices.....	2,354	738.50	.3137
Script.....	<sup>1</sup> 5,793	934.94	.1614
Postal savings (including certificates).....	1,043	157.03	.1506
Railway Mail Service.....	81	83.89	1.9976
Post-office inspectors.....	10	18.79	1.8790
Money orders.....	3,616	150.84	.0417
Envelopes.....	3,695	162.48	.0440
Printed facing slips.....	437	155.16	.3551
Special orders, fires, new offices, etc. ....		108.77	.....
Authorizations (allowances).....	1,019	387.01	.3798
Rural routing tables.....		91.82	.....
<b>Topography:</b>			
Post route maps.....		1,802.99	.....
Rural maps.....		963.89	.....
Parcel-post work.....		150.16	.....
Miscellaneous blue printing.....		4.75	.....
Total.....		9,213.21	.....

<sup>1</sup> Estimated.

TABLE 28.—*Statement showing the cost of boxes and posts.*

	Total cost.	Cost each.
9,723 letter boxes.....	\$49,648.26	\$5.10
1,610 combination letter and package boxes.....	18,676.00	11.60
1,001 package boxes.....	10,320.31	10.31
700 storage boxes.....	10,327.20	14.753
9,727 posts.....	35,256.33	3.614

TABLE 29.—*Comparative tables showing the number of rented and Government-owned machines previously in service, together with a list of rented and Government-owned machines after July 1, 1917.*

Prior to July 1, 1917:

Rented machines, \$233,275 rental.....	1,977
Government-owned machines.....	350
Total machines in use.....	2,337

After July 1, 1917:

Rented machines, \$88,500.....	500
Government-owned machines.....	1,863
Total machines in use.....	2,363

*Operating statistics.*

	1917	1918 (estimated).
Rental.....	\$234,147.69	\$88,500.00
Power.....	7,092.30	7,100.00
Motors, oil, etc.....	5,126.57	5,000.00
Miscellaneous repairs.....	6,080.68	15,000.00
Purchase of machines.....	47,175.00	197,250.00
Total.....	299,622.24	312,850.00

TABLE 30.—*Statement showing the number of star routes in operation June 30 by contract sections, and the annual rate of cost for operating the service in each section.*

	Number of routes.	Cost.
First contract section.....	3,174	\$1,923,215.99
Second contract section.....	2,187	1,058,302.44
Third contract section.....	1,272	705,191.40
Fourth contract section.....	4,575	4,416,711.53

The following statement shows the cost of the service under the old contracts in the first section as of June 30, and the annual rate of cost of the service under the new contracts beginning July 1, 1917:

Cost of service under old contracts, June 30.....	\$1,923,215.99
Cost of service under new contracts, July 1.....	1,995,358.05
Increase.....	72,142.06

TABLE 31.—*Statement showing number of pounds, cost per pound, and total cost of various kinds of twine for fiscal years 1915, 1916, and 1917.*

Item.	Twine	1914-15			1915-16			1916-17		
		Number of pounds.	Cost per pound.	Total cost.	Number of pounds.	Cost per pound.	Total cost.	Number of pounds.	Cost per pound.	Total cost.
	Cotton.....	533,259	\$0.1323	\$70,550.18	660,677	\$0.1323	\$87,394.34			
					301,120	.1383	41,644.90			
1150.....	Jute.....	1,362,429	.1265	172,354.45	679,528	.099	67,187.83	1,187,151	\$0.099	\$117,518.02
		29,080	.1120	3,256.96				905,295	.141	127,646.59
1151.....	Soft, 6-fold jute.....	5,984	.1175	703.12	6,000	.095	570.00	6,217	.144	895.25
1152.....	Cotton, cable-laid.....	584	.245	143.08	1,200	.195	234.00	987	.249	245.76
1153.....	Jute, soft:									
	New York.....	18,054	.125	2,256.75	4,000	.9983	400.00	8,057	.157	1,264.95
	Stock.....	978	.1275	124.70	5,000	.998	485.00	2,027	.158	320.27
1154.....	Jute or flax, 4-fold.....	1,952	.159	310.37	3,000	.1225	367.50	2,946	.178	524.39
1155.....	Cotton, 7-ply, on cones.....	557	.199	110.84	12,261	.1845	2,262.16	6,967	.2097	1,452.56
	Total.....	1,952,877		249,810.45	1,672,786		200,545.73	2,119,647		249,867.79
	Tying devices.....				1 2,000,000		24,000.00			
							224,545.73			

<sup>1</sup> At \$6,000 per 500,000.

## AUDIT OF POST OFFICE DEPARTMENT ACCOUNTS.

The Auditor for the Post Office Department, under date of September 28, 1917, presents the following report giving the results of his audit of Post Office Department Accounts. The revenues of the Postal Service stated from July 1, 1916, to June 30, 1917, aggregated \$329,726,116.36, the expenditures \$319,838,718.40, and the excess of revenues over expenditures \$9,887,397.96. Deducting \$51,186.06 postal funds lost by burglary, fire, bad debts, etc., the postal surplus was \$9,836,211.90.

No. 1.—*Comparison of postal revenues and expenditures, fiscal years 1916 and 1917.*

Fiscal year.	Postal revenues.	Postal expenditures.	Adjusted losses and contingencies (postal funds).	Postal deficit.	Postal surplus.
1917.....	\$329,726,116.36	\$319,838,718.40	\$51,186.06	.....	\$9,836,211.90
1916.....	312,057,688.83	306,204,033.14	24,419.62	.....	5,829,236.07
Increase.....	17,668,427.53	13,634,685.26	26,766.44	.....	4,006,975.83
Decrease.....	.....	.....	.....	.....	.....
Rate of increase..... per cent.	5.66	4.45	.....	.....	.....
Rate of decrease.....	.....	.....	.....	.....	.....

## MONEY-ORDER BUSINESS.

The number of domestic money orders issued, stated from July 1, 1916, to June 30, 1917, was 133,291,973, aggregating \$822,679,622.83; the number of international money orders issued payable in foreign countries, 1,973,714, aggregating \$32,284,182.85; the number of domestic money orders paid, 133,605,805, aggregating \$834,695,404.16; and the number of international money orders paid and repaid in the United States, 251,817, aggregating \$4,796,558.28.

No. 2.—*Comparison of money orders issued, fiscal years 1916 and 1917.*

Fiscal year.	Domestic money orders issued. <sup>1</sup>			International money orders issued in the United States.		
	Number.	Value.	Average per order.	Number.	Value.	Average per order.
1917.....	133,291,973	\$822,679,622.83	\$6.17	1,973,714	\$32,284,182.85	\$16.35
1916.....	122,302,149	\$728,177,816.63	5.95	2,345,766	\$37,544,520.17	16.00
Increase.....	10,989,824	\$94,501,806.20	-----	-----	-----	-----
Decrease.....	-----	-----	-----	372,052	\$5,260,337.32	-----
Rate of increase..per ct..	8.98	12.97	-----	-----	-----	-----
Rate of decrease..do..	-----	-----	-----	15.86	14.01	-----

<sup>1</sup> Includes 687,993 orders, aggregating \$9,360,695.14, payable in "Domestic basis" foreign countries.

No. 3.—*Comparison of money orders and postal notes issued, fiscal years 1865 to 1917, inclusive.*

Fiscal year.	Number of money-order offices.	Domestic money orders issued. <sup>1</sup>		International money orders issued in the United States. <sup>2</sup>		Postal notes issued. <sup>3</sup>	
		Number.	Value.	Number.	Value.	Number.	Value.
1865.....	419	74,277	\$1,360,122.52	-----	-----	-----	-----
1866.....	766	243,609	3,977,259.28	-----	-----	-----	-----
1867.....	1,224	474,496	9,229,327.72	-----	-----	-----	-----
1868.....	1,468	831,937	16,197,858.47	-----	-----	-----	-----
1869.....	1,466	1,264,143	24,848,058.93	-----	-----	-----	-----
1870.....	1,694	1,671,253	34,054,184.71	-----	\$22,189.70	-----	-----
1871.....	2,076	2,151,794	42,164,118.03	-----	38,489.56	-----	-----
1872.....	2,452	2,573,349	48,515,532.72	41,812	883,006.00	-----	-----
1873.....	2,775	3,355,686	57,516,214.69	91,847	1,863,512.37	-----	-----
1874.....	3,069	4,420,633	74,424,854.71	112,614	2,265,242.32	-----	-----
1875.....	3,404	5,006,323	77,431,251.58	102,250	1,964,574.88	-----	-----
1876.....	3,401	4,998,600	77,035,972.78	109,409	2,068,668.03	-----	-----
1877.....	3,697	4,925,931	72,820,509.70	104,816	1,844,053.98	-----	-----
1878.....	4,143	5,613,117	81,442,364.87	120,788	2,047,696.86	-----	-----
1879.....	4,512	6,372,243	88,254,541.02	137,088	2,240,454.95	-----	-----
1880.....	4,829	7,240,537	100,352,818.83	221,372	3,463,862.33	-----	-----
1881.....	5,163	7,663,232	105,075,769.35	291,098	4,683,926.38	-----	-----
1882.....	5,491	8,420,869	113,400,118.21	377,443	6,536,514.48	-----	-----
1883.....	5,927	8,807,556	117,329,406.31	466,326	7,717,832.11	-----	-----
1884.....	6,310	7,835,694	122,121,261.98	478,148	7,688,776.53	3,689,237	\$7,411,992.48
1885.....	7,056	7,725,893	117,858,921.27	448,921	6,840,358.47	5,058,287	9,996,274.37
1886.....	7,357	7,940,302	113,819,521.21	493,423	7,178,786.21	5,999,428	11,718,010.05
1887.....	7,853	9,232,177	117,462,660.89	615,405	9,035,530.31	6,307,552	11,768,824.81
1888.....	8,241	9,959,207	119,649,064.98	759,636	11,293,870.05	6,668,006	12,134,459.04
1889.....	8,727	10,130,140	115,081,845.79	824,427	12,280,516.67	6,802,720	12,082,190.73
1890.....	9,382	10,624,727	114,362,757.12	859,054	13,230,135.71	6,927,825	12,160,489.60
1891.....	10,070	11,451,274	119,122,236.50	923,896	14,443,667.47	6,802,558	11,753,849.28
1892.....	12,069	12,069,442	120,066,801.07	983,476	15,120,271.55	7,050,040	11,895,765.51

<sup>1</sup> Domestic money orders first issued, Nov. 1, 1864, under act of Congress approved May 17, 1864.

<sup>2</sup> International money orders first issued, Sept. 1, 1869, under Postal Convention of Oct. 12, 1867.

<sup>3</sup> Postal notes first issued, Sept. 3, 1883, under act of Congress approved Mar. 3, 1883.

No. 3.—*Comparison of money orders and postal notes issued, fiscal years 1865 to 1917, inclusive—Continued.*

Fiscal year.	Number of money-order offices.	Domestic money orders issued.		International money orders issued in the United States.		Postal notes issued.	
		Number.	Value.	Number.	Value.	Number.	Value.
1893.....	18,434	13,309,735	127,576,433.65	1,055,999	16,341,837.86	7,753,210	12,903,076.73
1894.....	19,262	14,304,041	138,793,579.49	917,823	13,792,455.31	7,765,310	12,649,094.55
1895.....	19,691	22,031,120	156,709,089.77	909,278	12,906,485.67	.....	.....
1896.....	19,825	23,962,053	172,100,649.02	985,799	13,852,615.74	.....	.....
1897.....	20,031	25,169,055	174,482,676.94	944,185	13,588,379.33	.....	.....
1898.....	22,388	27,798,078	191,354,121.63	955,334	13,239,769.27	.....	.....
1899.....	26,784	29,007,870	211,213,592.84	968,501	13,744,770.37	.....	.....
1900.....	29,649	32,060,983	238,921,009.67	1,102,067	16,749,018.31	.....	.....
1901.....	30,529	35,586,379	274,546,067.34	1,247,888	20,072,613.65	.....	.....
1902.....	31,680	40,474,327	313,551,279.88	1,311,111	22,974,473.11	.....	.....
1903.....	34,547	46,229,354	357,851,458.32	1,626,476	31,014,125.14	.....	.....
1904.....	35,094	50,712,168	383,452,373.80	1,888,730	37,876,265.75	.....	.....
1905.....	36,832	53,722,463	401,916,214.78	2,163,098	42,503,246.57	.....	.....
1906.....	37,444	58,863,123	450,359,052.00	2,634,738	57,204,607.04	.....	.....
1907.....	37,572	62,530,408	486,478,146.65	3,179,511	77,252,907.05	.....	.....
1908.....	43,313	65,345,395	506,170,014.62	3,230,815	81,502,011.18	.....	.....
1909.....	50,043	69,304,395	498,511,747.14	3,175,014	69,317,899.97	.....	.....
1910.....	51,791	77,585,321	558,178,028.35	3,832,318	89,558,299.42	.....	.....
1911.....	51,809	81,906,206	590,034,432.52	4,060,431	97,681,211.85	.....	.....
1912.....	52,815	85,286,380	594,901,623.90	3,708,773	86,095,404.58	.....	.....
1913.....	54,594	91,412,698	636,814,179.46	3,850,310	90,703,205.12	.....	.....
1914.....	55,055	104,736,717	677,908,573.58	3,896,824	91,285,920.10	.....	.....
1915.....	55,670	105,728,032	665,249,087.81	2,399,836	51,662,120.65	.....	.....
1916.....	56,026	122,302,149	728,177,816.63	2,345,766	37,544,520.17	.....	.....
1917.....	56,170	133,291,973	822,679,622.83	2,798,465	32,284,182.85	.....	.....

No. 4.—*Comparison of postal revenues, expenditures, etc., 1837 to 1917.*

Fiscal year.	Estimated population.	Number of post offices.	Audited postal revenues.	Revenue per capita.	Audited postal expenditures.	Losses and contingencies—postal funds.	Audited postal surplus.	Audited postal deficit.
1837...	15,655,000	11,767	\$4,101,703.33	\$0.26	\$3,288,319.03	<sup>2</sup> \$0.28	\$813,384.58	-----
1838...	16,112,000	12,519	4,238,733.46	.26	4,430,662.21	-----	-----	\$191,928.75
1839...	16,584,000	12,780	4,484,656.70	.27	4,636,536.31	-----	-----	151,879.61
1840...	17,069,453	13,468	4,543,521.92	.27	4,718,235.64	-----	-----	174,713.72
1841...	17,591,000	13,778	4,407,726.27	.25	4,499,686.73	-----	-----	91,960.46
1842...	18,132,000	13,733	4,546,849.65	.25	5,672,751.76	<sup>2</sup> 1,688.81	-----	1,124,213.30
1843...	18,694,000	13,814	4,296,225.43	.23	4,374,753.71	90.56	-----	78,618.84
1844...	19,276,000	14,103	4,237,287.83	.22	4,298,512.70	115.25	-----	61,340.12
1845...	19,878,000	14,183	4,289,841.80	.22	4,320,731.99	5,959.94	-----	36,850.13
1846...	20,500,000	14,601	3,487,199.35	.17	4,076,036.91	44,480.66	-----	633,318.22
1847...	21,143,000	15,146	3,880,309.23	.18	3,979,542.10	101,586.29	-----	200,819.16
1848...	21,805,000	16,159	4,555,211.10	.21	4,326,850.27	53,609.36	174,751.47	-----
1849...	22,489,000	16,749	4,705,176.28	.21	4,479,049.13	<sup>2</sup> 1,385.41	227,512.56	-----
1850...	23,191,876	18,417	5,499,984.86	.20	5,212,953.43	291.49	286,739.94	-----
1851...	23,995,000	19,796	4,610,604.33	.27	6,278,401.68	308.03	131,894.62	-----
1852...	24,802,000	20,901	5,184,526.84	.21	7,108,459.04	<sup>2</sup> 909.35	-----	1,923,022.85
1853...	25,615,000	22,320	5,240,724.70	.20	7,982,756.59	332.78	-----	2,742,364.67
1854...	26,433,000	23,548	6,255,586.22	.24	8,577,424.12	30,862.08	-----	2,352,699.98
1855...	27,256,000	24,410	6,642,136.13	.24	9,968,342.29	649.99	-----	3,326,856.15
1856...	28,083,000	25,565	6,920,821.66	.25	10,405,286.36	2,581.82	-----	3,487,046.52
1857...	28,916,000	26,586	7,353,951.76	.25	11,508,057.93	<sup>2</sup> 387.77	-----	4,153,718.40
1858...	29,753,000	27,977	7,486,792.86	.25	12,722,470.01	<sup>2</sup> 833.45	-----	5,234,843.70
1859...	30,596,000	28,539	7,968,484.07	.26	11,458,083.63	<sup>2</sup> 571.30	-----	3,489,028.26
1860...	31,443,321	28,498	8,518,067.40	.27	19,170,609.99	<sup>2</sup> 3.93	-----	10,652,538.66
1861...	32,064,000	28,586	8,349,296.40	.26	13,606,759.11	<sup>2</sup> 5,485.73	-----	5,251,966.98
1862...	32,704,000	28,875	8,299,820.90	.25	11,125,364.13	601.12	-----	2,826,144.35
1863...	33,365,000	29,047	11,163,789.59	.33	11,314,206.84	<sup>2</sup> 7,792.11	-----	142,625.14
1864...	34,046,000	28,878	12,438,255.78	.37	12,644,786.20	198,282.30	-----	404,814.72
1865...	34,748,000	20,550	14,556,158.70	.42	13,694,728.28	<sup>2</sup> 55,819.08	917,249.50	-----
1866...	35,469,000	23,828	14,386,986.21	.40	15,352,079.30	<sup>2</sup> 31,241.99	-----	933,851.10
1867...	36,211,000	25,163	15,237,026.87	.42	19,235,483.46	<sup>2</sup> 26,104.67	-----	3,972,351.92
1868...	36,973,000	26,481	16,292,600.80	.44	22,730,792.65	107,156.35	-----	6,545,348.20
1869...	37,756,000	27,106	17,314,175.72	.46	23,698,131.50	<sup>2</sup> 20,218.58	-----	6,363,737.20
1870...	38,558,371	28,492	18,879,536.73	.49	23,998,837.63	<sup>2</sup> 21,446.79	-----	5,097,854.11
1871...	39,550,000	30,045	20,037,045.42	.51	24,390,104.08	5,693.55	-----	4,358,752.21
1872...	40,596,000	31,863	21,915,426.37	.54	26,658,192.31	6,328.17	-----	4,749,094.11
1873...	41,677,000	33,244	22,996,741.57	.55	29,084,945.67	40,688.74	-----	6,128,892.84
1874...	42,796,000	34,294	26,471,071.82	.62	32,126,414.58	102,565.31	-----	5,757,908.07
1875...	43,951,000	35,547	26,791,313.54	.61	33,611,309.45	324.93	-----	6,820,320.84
1876...	45,187,000	36,383	28,644,197.50	.63	33,263,487.58	27,962.96	-----	4,647,253.04
1877...	46,353,000	37,345	27,531,585.26	.59	33,486,322.44	172,618.84	-----	6,127,356.02
1878...	47,598,000	38,253	29,277,516.95	.62	34,165,084.49	17,461.74	-----	4,905,029.28
1879...	48,866,000	40,588	30,041,982.86	.62	33,449,899.45	8,016.41	-----	3,415,933.00
1880...	50,155,783	42,989	33,315,479.34	.66	36,542,803.68	<sup>2</sup> 5,370.86	-----	3,221,953.48
1881...	51,316,000	44,512	36,785,397.97	.72	39,592,566.22	14,790.86	-----	2,821,959.11
1882...	52,495,000	46,231	41,876,410.15	.80	40,482,021.23	140,465.35	1,253,923.57	-----
1883...	53,693,000	46,820	45,508,692.61	.85	43,282,944.43	44,395.61	2,181,352.57	-----
1884...	54,911,000	48,434	43,325,958.81	.79	47,224,560.27	8,455.83	-----	3,907,057.29
1885...	56,148,000	51,252	42,560,843.83	.76	50,046,235.21	<sup>2</sup> 3,091.16	-----	7,481,410.22
1886...	57,404,000	53,614	43,948,422.95	.77	51,004,743.80	12,174.25	-----	7,068,498.10

<sup>1</sup> The office of Auditor for the Post Office Department was created by act of Congress approved July 2, 1836.<sup>2</sup> Amount of balances due late postmasters closed to "Suspense" in excess of losses.

No. 4.—*Comparison of postal revenues, expenditures, etc., 1837 to 1917—Continued.*

Fiscal year.	Estimated population.	Number of post offices.	Audited postal revenues.	Revenue per capita.	Audited postal expenditures.	Losses and contingencies—postal funds.	Audited postal surplus.	Audited postal deficit.
1887...	58,680,000	55,157	\$48,837,609.39	\$0.83	\$53,006,194.39	\$23,566.80	-----	\$4,145,018.20
1888...	59,974,000	57,376	52,695,176.79	.88	56,468,315.20	1,672.38	-----	3,772,466.03
1889...	61,289,000	58,999	56,175,611.18	.92	62,317,119.36	27,596.26	-----	6,169,104.44
1890...	62,622,250	62,401	60,882,097.92	.97	66,259,547.84	23,314.52	-----	5,400,764.44
1891...	63,947,000	64,329	65,931,785.72	1.03	73,059,519.49	22,876.36	-----	7,150,610.13
1892...	65,191,000	67,119	70,930,475.98	1.09	76,180,846.16	60,605.79	-----	6,110,975.90
1893...	66,456,000	68,403	75,896,933.16	1.14	81,581,681.33	32,040.58	-----	5,716,788.75
1894...	67,740,000	69,805	75,080,479.04	1.11	84,994,111.62	63,882.74	-----	9,977,515.32
1895...	69,043,000	70,064	76,983,128.19	1.12	87,179,551.28	34,019.04	-----	10,230,442.13
1896...	70,365,000	70,360	82,499,208.40	1.17	90,932,669.50	10,740.21	-----	8,444,201.31
1897...	71,704,000	71,022	82,665,462.73	1.15	94,077,242.38	19,799.76	-----	11,431,579.41
1898...	73,060,000	73,570	89,012,618.55	1.22	98,033,523.61	33,646.69	-----	9,054,551.75
1899...	74,433,000	75,000	95,021,384.17	1.28	101,632,160.92	19,358.85	-----	6,630,135.60
1900...	76,126,000	76,688	102,354,579.29	1.34	107,740,267.99	24,669.40	-----	5,410,358.10
1901...	77,708,000	76,945	111,631,193.39	1.43	115,554,920.87	57,793.23	-----	3,981,520.71
1902...	79,298,000	75,924	121,848,047.26	1.53	124,785,697.07	23,520.10	-----	2,961,169.91
1903...	80,897,000	74,169	134,224,443.24	1.66	138,784,487.97	26,932.43	-----	4,586,977.16
1904...	82,503,000	71,131	143,582,624.34	1.74	152,362,116.70	33,276.81	-----	8,812,769.17
1905...	84,118,000	68,131	152,826,585.10	1.81	167,399,169.23	21,802.99	-----	14,594,387.12
1906...	85,742,000	65,600	167,932,782.95	1.96	178,449,778.89	25,945.82	-----	10,542,941.76
1907...	87,373,000	62,658	183,585,005.57	2.11	190,238,288.34	38,748.70	-----	6,692,031.47
1908...	89,013,000	61,158	191,478,663.41	2.15	208,351,886.15	37,056.25	-----	16,910,278.99
1909...	90,662,000	60,144	203,562,383.07	2.24	221,004,102.89	38,050.65	-----	17,479,770.47
1910...	92,318,000	59,580	224,128,657.62	2.43	229,977,224.50	32,915.07	-----	5,881,481.95
1911...	93,983,000	59,237	237,879,823.60	2.53	237,648,926.68	11,778.80	\$219,118.12	-----
1912...	95,656,000	58,729	246,744,015.88	2.58	248,525,450.08	4,088.90	-----	1,785,523.10
1913...	97,337,000	58,020	266,619,525.65	2.74	262,067,541.33	41,333.41	4,510,650.91	-----
1914...	99,027,000	56,810	287,934,565.67	2.91	283,543,769.16	14,333.46	4,376,463.05	-----
1915...	100,725,000	56,380	287,248,165.27	2.85	298,546,026.42	35,447.82	-----	11,333,308.97
1916...	102,431,000	55,935	312,057,688.83	3.04	306,204,033.14	24,419.62	5,829,236.07	-----
1917...	104,146,000	55,414	329,726,116.36	3.16	319,838,718.40	51,186.06	9,836,211.90	-----

<sup>1</sup> Amount of balances due late postmasters closed to "Suspense" in excess of losses.

No. 5.—*Financial condition of the Post Office Department as shown by the audit of accounts to June 30, 1917.*

POSTAL SERVICE.

ASSETS.

Funds deposited in United States Treasury depositaries.....	\$24, 236, 641. 87
Balances due from the money-order service on account of revenue from money-order business.....	1, 503, 360. 65
Balance due from the Postal Savings System.....	907, 728. 99
Funds in the custody of fiscal agents of the Post Office Department:	
Postmasters.....	\$6, 533, 665. 84
Superintendent, Division of Finance.....	34, 365. 37
	6, 568, 031. 21
Balance due from the money-order service on account of transfer of funds.....	195, 725. 42
Unavailable funds, act of Congress approved Mar. 4, 1911:	
Assistant treasurer of the United States, New Orleans, La., 1861.....	\$31, 164. 44
Depositories of the United States—	
Savannah, Ga., 1861.....	205. 76
Galveston, Tex., 1861.....	83. 36
Little Rock, Ark., 1861.....	5, 823. 50
	37, 277. 06
Total.....	33, 448, 765. 20

LIABILITIES.

Post Office Department warrants outstanding.....	\$10, 535, 167. 68
Post Office Department warrants outstanding more than 3 years transferred to account of "Outstanding liabilities".....	236, 460. 93
	10, 771, 628. 61
Postmaster General's drafts outstanding.....	16, 724. 02
Balances due postmasters.....	290, 893. 17
Balance due the United States Treasury on account of grants.....	21, 267, 640. 87
Balance due the Postal Savings System on account of balances transferred to Postal Service.....	210. 15
Inspectors' collections—Suspense.....	34, 365. 37
Adjustment items.....	801. 23
Balances July 1, 1908 (excess of assets over liabilities).....	1, 066, 501. 78
Total.....	33, 448, 765. 20

## MONEY-ORDER SERVICE.

## ASSETS.

Funds deposited in United States Treasury depositaries:

Assistant Treasurer of the United States—

Chicago, Ill.....	\$912,759.00
New York, N. Y.....	5,055,130.31
	—————
	\$5,967,889.31
Funds in the custody of postmasters.....	11,450,178.03
Balances due from foreign countries.....	827,012.49
	—————
Total.....	18,245,079.83
	—————

## LIABILITIES.

Drafts on the postmaster at New York outstanding.....	323,656.78
Drafts on the Assistant Treasurer of the United States at New York outstanding.....	1,100,000.00
Balances due foreign countries.....	6,559,707.95
Balances due the Postal Service on account of revenue from money-order business.....	1,503,360.65
Balances due the Postal Service on account of transfer of funds.....	195,725.42
Balances due postmasters.....	148,273.68
Domestic money orders outstanding.....	6,702,192.55
International money orders certified to the United States and not paid prior to July 1, 1917.....	43,291.78
International money orders issued in the United States and not certified prior to July 1, 1917.....	308,471.85
Amounts received from foreign countries on account of international money orders to be repaid by the United States.....	34,760.69
Adjustment items.....	82.39
Balances July 1, 1908 (excess of assets over liabilities).....	1,325,556.09
	—————
Total.....	18,245,079.83

No. 6.—*The Post Office Department general account with the United States Treasury depositaries, stated from July 1, 1916, to June 30, 1917.*

POSTAL SERVICE.

Balance on deposit July 1, 1916.....	\$17,383,479.09	.....
Deposits of funds.....	161,707,923.13	.....
Post Office Department warrants and counter warrants.....	234,174,638.39	\$234,174,638.39
Post Office Department warrants paid.....	154,854,760.35	154,854,760.35
Balance on deposit June 30, 1917.....	24,236,641.87	
 Total.....	413,266,040.61	413,266,040.61

No. 7.—*The Post Office Department account with the superintendent, Division of Finance, stated from July 1, 1916, to June 30, 1917.*

Balance due the United States July 1, 1916.....	\$51,562.51	.....
Receipts.....	567,748.66	.....
Disbursements.....		\$584,945.80
Balance due the United States June 30, 1917.....		34,365.37
 Total.....	619,311.17	619,311.17

No. 8.—*The General Post Office Department warrant account, stated from July 1, 1916, to June 30, 1917.*

Outstanding July 1, 1916.....		\$6,441,962.13
Issued.....		158,975,479.94
Post Office Department warrants and counter warrants.....	\$234,174,638.39	234,174,638.39
Paid.....	154,854,760.35	
Canceled.....	7,258.15	
Outstanding more than 3 years transferred to account of "Outstanding liabilities".....	20,255.89	
Outstanding June 30, 1917.....	10,535,167.68	
 Total.....	399,592,080.46	399,592,080.46

No. 9.—*The Post Office Department general account with the United States Treasury, stated from July 1, 1916, to June 30, 1917.*

Balance due the United States Treasury July 1, 1916 .....	\$16, 631, 428. 97
Audited postal revenues.....	\$329, 726, 116. 36
Audited postal expenditures:	
Service of the fiscal year—	
1917 .....	\$306, 480, 767. 43
1916 .....	9, 459, 356. 30
1916 and prior years (certified claims).....	19, 141. 84
1915 .....	3, 436, 873. 97
1914 .....	439, 173. 18
1914 and prior years (certified claims).....	3, 388. 77
1913 .....	16. 91
	319, 838, 718. 40
Adjusted losses and contingencies—Postal funds.....	51, 186. 06
	319, 889, 904. 46
Audited postal surplus, fiscal year 1917.....	9, 836, 211. 90
Total.....	26, 467, 640. 87
Postal surplus, fiscal year 1916, covered into the United States Treasury .....	5, 200, 000. 00
Balances due the United States Treasury, June 30, 1917.....	21, 267, 640. 87
Total.....	26, 467, 640. 87

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No. 10.—*Analysis, by fiscal years, of the balance due the United States Treasury June 30, 1917.*

Service of the fiscal year—	Audited postal revenues.	Grants from the United States Treasury.	Balance due the Post Office Department.	Balance due the United States Treasury.	Audited postal expenditures.	Adjusted losses and contingencies, postal funds.	Repayments to the United States Treasury.
1917.....	\$329,726,116.36	.....	.....	\$23,194,162.87	\$306,480,767.43	\$51,186.06	.....
1916.....	312,057,688.83	\$5,500,000.00	.....	5,236,784.04	307,096,485.17	24,419.62	<sup>2</sup> \$5,200,000.00
1916 and prior years (certified claims).....	.....	.....	\$19,141.84	19,141.84	.....	.....	.....
1915.....	287,248,165.27	6,300,000.00	7,598,084.73	.....	301,110,802.18	35,447.82	.....
1914.....	287,934,565.67	.....	391,756.28	.....	284,811,988.49	14,333.46	<sup>2</sup> 3,500,000.00
1914 and prior years (certified claims).....	.....	.....	3,388.77	.....	3,388.77	.....	.....
1913.....	266,619,525.65	{ 1 300,000.00 2,000,000.00 }	.....	857,700.75	262,220,491.49	41,333.41	{ 2,000,000.00 <sup>2</sup> 3,800,000.00 }
1912.....	246,744,015.88	3,851,732.75	1,033.06	.....	248,592,692.79	4,088.90	2,000,000.00
1912 and prior years (certified claims).....	.....	.....	7,264.81	.....	7,264.81	.....	.....
1911.....	237,879,823.60	3,724,017.17	335.38	.....	238,592,397.25	11,778.80	3,000,000.00
1911 and prior years (certified claims).....	.....	27,973.75	1.92	.....	27,975.67	.....	.....
Total.....	.....	.....	8,021,006.79	29,288,647.66	.....	.....	.....
Net balance June 30, 1917.....	.....	.....	.....	21,267,640.87	.....	.....	.....

<sup>1</sup> Parcel post equipment.<sup>2</sup> Postal surplus covered into the United States Treasury.

No. 11.—*General appropriation and expenditure account—Service of the Post Office Department, stated to June 30, 1917.*

*Service of the fiscal year 1917.*

Current annual appropriations:

Postal act approved July 28, 1916 .....	\$322,737,679.00
Sales of post-route maps .....	4,222.00
Deficiency act approved Apr. 17, 1917 .....	3,404,000.00
Permanent appropriations, unpaid money orders more than 1 year old .....	3,893,970.84
Subject to appropriation, audited expenditures (authorized by law) in excess of appropriations:	
Compensation to postmasters .....	899,850.77
Special-delivery fees .....	713,091.94
<b>Total</b> .....	<b>\$331,652,814.55</b>

Audited expenditures from July 1, 1916, to June 30,

1917 .....	306,480,767.43
<i>Balance unexpended June 30, 1917</i> .....	<i>25,172,047.12</i>
<b>Total</b> .....	<b>331,652,814.55</b>

No. 11.—*General appropriation and expenditure account—Service of the Post Office Department, stated to June 30, 1917—Continued.*

*Service of the fiscal year 1916.*

Current annual appropriations:

Joint resolution approved Mar. 4, 1915.....	\$313, 364, 667. 00
Sales of post-route maps.....	3, 082. 00
Joint resolution approved Dec. 7, 1915.....	100, 000. 00
Deficiency act approved Feb. 28, 1916.....	2, 365, 000. 00
Deficiency act approved Sept. 8, 1916.....	816, 100. 00
Deficiency act approved Apr. 17, 1917.....	16, 000. 00
Permanent appropriations:	
Unpaid money orders more than 1 year old.....	3, 692, 324. 24
Total.....	\$320, 357, 173. 24

Audited expenditures:

From July 1, 1915, to June 30, 1916.....	297, 637, 128. 87
From July 1, 1916, to June 30, 1917.....	9, 459, 356. 30
Balance reappropriated for fiscal year 1917:	
Unpaid money orders more than 1 year old.....	3, 391, 030. 22
Balance unexpended June 30, 1917.....	9, 869, 657. 85
Total.....	320, 357, 173. 24

*Service of the fiscal year 1915.*

Current annual appropriations:

Postal act approved Mar. 9, 1914.....	\$313, 364, 667. 00
Sales of post-route maps.....	2, 490. 50
Deficiency act approved Jan. 25, 1915.....	50, 000. 00
Deficiency act approved Mar. 4, 1915.....	471, 769. 00
Deficiency act approved Feb. 28, 1916.....	78, 389. 74
Deficiency act approved Apr. 17, 1917.....	5, 175. 12
Permanent appropriations:	
Unpaid money orders more than 1 year old.....	2, 591, 302. 17
Total.....	316, 563, 793. 53

Audited expenditures:

From July 1, 1914, to June 30, 1915.....	289, 199, 978. 75
From July 1, 1915, to June 30, 1916.....	8, 473, 949. 46
From July 1, 1916, to June 30, 1917.....	3, 436, 873. 97
Balance reappropriated for fiscal year 1916:	
Unpaid money orders more than 1 year old.....	2, 383, 278. 52
Balance unexpended June 30, 1917.....	13, 069, 712. 83
Total.....	316, 563, 793. 53

*Service of the fiscal year 1914.*

Unexpended balances of appropriations available

July 1, 1916.....	\$291, 421. 25
Deficiency act approved Sept. 8, 1916.....	390, 800. 00
<hr/>	
Total.....	\$682, 221. 25
Audited expenditures from July 1, 1916, to June	
30, 1917.....	439, 173. 18
Balance unexpended June 30, 1917.....	243, 048. 07
<hr/>	
Total.....	682, 221. 25
<hr/>	

*Service of the fiscal year 1913.*

Unexpended balances of appropriations available July 1, 1916.....	\$2, 483. 61
Audited expenditures from July 1, 1916, to June 30,	
1917.....	\$16. 91
Balance unexpended June 30, 1917.....	2, 466. 70
<hr/>	
Total.....	2, 483. 61
<hr/>	

*Service of the fiscal year 1916 and prior years (certified claims).*

Current annual appropriations:

Deficiency act approved Sept. 8, 1916.....	\$19, 218. 31
Audited expenditures from July 1, 1916, to June 30,	
1917.....	\$19, 141. 84
Balance unexpended June 30, 1917.....	76. 47
<hr/>	
Total.....	19, 218. 31
<hr/>	

*Service of the fiscal year 1914 and prior years (certified claims).*

Current annual appropriations:

Deficiency act approved Apr. 17, 1917.....	\$3, 436. 37
Audited expenditures from July 1, 1916, to June 30,	
1917.....	\$3, 388. 77
Balance unexpended June 30, 1917.....	47. 60
<hr/>	
Total.....	3, 436. 37
<hr/>	

No 12.—*Audited revenues—Service of the Post Office Department, stated from July 1, 1916, to June 30, 1917.*

Source.	Quarter ended—				Total for year.
	Sept. 30, 1916.	Dec. 31, 1916.	Mar. 31, 1917.	June 30, 1917.	
Sales of postage stamps and other stamped paper.....	\$66,359,788.50	\$81,875,448.29	\$75,272,457.09	\$71,666,127.12	\$295,173,821.09
Second-class postage paid in money.....	2,753,300.41	2,854,500.97	2,922,142.80	2,884,606.48	11,414,550.66
Third and fourth class postage paid in money.....	2,226,470.77	2,268,568.26	3,026,271.82	1,867,034.39	9,388,345.24
Box rents.....	1,304,380.19	1,312,865.77	1,340,481.92	1,352,916.98	5,310,644.86
Miscellaneous receipts.....	34,073.48	61,147.78	42,923.92	48,050.47	186,195.65
Letter postage paid in money.....	.46	6.02	.....	1.80	8.28
Foreign mail transit service.....	13,927.77	92,049.47	19,589.04	156,691.50	282,257.78
Fines and penalties.....	10,895.97	26,025.17	54,260.98	42,650.48	133,832.60
Dead letters.....	6,533.09	18,077.10	9,334.72	23,993.26	57,938.17
Revenue from money-order business <sup>1</sup> .....	1,487,844.78	1,813,244.85	1,559,225.25	1,503,360.65	6,363,675.53
Unpaid money orders more than one year old.....	.....	.....	.....	502,940.62	502,940.62
Interest and profit Postal Savings System.....	4,176.89	.....	.....	907,728.99	911,905.88
Total.....	74,201,392.40	90,321,933.68	84,246,687.54	80,956,102.74	329,726,116.36

<sup>1</sup> Detailed statement on p. 151.

No. 13.—*Comparison of audited revenues, service of the Post Office Department, fiscal years 1916 and 1917.*

Source.	Fiscal year—		Increase.	Decrease.
	1917	1916		
Sales of postage stamps and other stamped paper.....	\$295,173,821.09	\$277,608,304.86	\$17,565,516.23	.....
Second class postage paid in money.....	11,414,550.66	11,385,929.78	28,620.88	.....
Third and fourth class postage paid in money.....	9,388,345.24	8,791,443.91	596,901.33	.....
Box rents.....	5,310,644.86	5,112,831.81	197,813.05	.....
Miscellaneous receipts.....	186,195.65	97,235.71	88,959.94	.....
Letter postage paid in money.....	8.28	.80	7.48	.....
Foreign mail transit service.....	282,257.78	113,612.27	168,645.51	.....
Fines and penalties.....	133,832.60	76,927.89	56,904.71	.....
Dead letters.....	57,938.17	45,856.33	12,081.84	.....
Revenue from money order business.....	6,363,675.53	6,821,499.75	.....	\$457,824.22
Unpaid money orders more than 1 year old.....	502,940.62	1,309,045.72	.....	806,105.10
Interest and profit, Postal Savings System.....	911,905.88	695,000.00	216,905.88	.....
<b>Total.....</b>	<b>329,726,116.36</b>	<b>312,057,688.83</b>	<b>18,932,356.85</b>	<b>1,263,929.32</b>
Net increase.....			17,668,427.53	.....
Rate of increase.....			<i>a</i> 5.66	.....

*a* Per cent.

No. 14.—*Losses and contingencies—Postal funds adjusted from July 1, 1916, to June 30, 1917.*

Losses:

Burglary, fire, and other unavoidable casualties.....	\$32,835.46
Bad debts, late postmasters' accounts.....	14,043.97
Compromise debts.....	1,297.51
Balances due late postmasters closed to "suspense".....	3,009.12
<b>Total losses.....</b>	<b>51,186.06</b>

## No. 15.—Audited expenditures—Service of the Post Office Department.

Appropriation title.	Stated from July 1, 1916, to June 30, 1917, service of the fiscal year—					Comparison fiscal years, 1916 and 1917.			
	1917	1916	1015	1916 and prior years (certified claims).	1914 and prior years (certified claims).	Total expenditure audited during the fiscal year 1917.	Total expenditure audited during the fiscal year 1916.	Increase.	Decrease.
<i>Office of the Postmaster General.</i>									
Rent of buildings, Post Office Department.	\$24,000.00	\$8,000.00	.....	.....	.....	\$32,000.00	\$32,000.00	.....	.....
Electric power, light, etc.	3,010.83	295.23	.....	.....	.....	3,306.06	4,084.40	.....	\$778.34
Post Office Inspectors:									
Salaries.	763,485.50	287.50	.....	.....	.....	763,773.00	749,857.94	\$13,915.06	.....
Per diem.	235,599.00	22,890.00	.....	.....	.....	258,489.00	248,025.00	10,464.00	.....
Clerks, division headquarters.	132,010.97	.....	.....	.....	.....	132,010.97	132,453.41	.....	442.44
Traveling expenses.	35,986.90	3,648.26	\$24.15	\$7.00	.....	39,666.31	40,699.58	.....	1,033.27
Livery hire.	28,862.43	6,064.67	.....	.....	.....	34,927.10	39,411.27	.....	4,484.17
Miscellaneous expenses, division headquarters.	5,227.83	1,439.84	.....	.....	.....	6,667.67	5,758.90	908.77	.....
Payments of rewards:									
* Rewards.	3,681.40	13,780.00	2,645.00	.....	.....	20,106.40	26,474.00	.....	6,367.60
Information.	614.75	815.88	.....	.....	.....	1,430.13	1,759.71	.....	329.58
Postal employees injured.	41,669.40	40,758.82	5,389.54	8,604.24	“\$218.68	96,640.68	135,796.74	.....	39,156.06
Special Assistant to the Attorney General.	5,500.00	.....	.....	.....	.....	5,500.00	.....	5,500.00	.....
Travel expenses, etc., Postmaster General.	264.22	35.82	.....	.....	.....	300.04	511.73	.....	211.69
Relief of Marshall Field & Co.	.....	.....	.....	200.00	.....	200.00	.....	200.00	.....
Parcel Post (insurance).	.....	.....	.....	3.40	.....	3.40	.....	3.40	.....
<i>Office of the First Assistant Postmaster General.</i>									
Compensation to postmasters.	31,899,850.77	45,046.55	* 1,154.73	162.40	1,198.69	31,945,103.68	31,135,234.45	809,869.23	.....
Compensation to assistant postmasters.	3,116,047.86	1,282.90	41.66	.....	350.00	3,117,722.42	2,995,222.89	122,499.53	.....
Clerks, first and second class post offices.	48,007,947.57	12,017.59	298.44	441.80	388.56	48,021,093.96	45,414,126.30	2,606,967.66	.....

Printers, mechanics, and skilled laborers.....	48,254.90	458.25			48,713.15	40,064.74	8,648.41	-----
Watchmen, messengers, and laborers .....	1,466,400.80	686.95			1,467,087.75	1,305,005.32	162,082.43	-----
Clerks, contract stations.....	1,100,703.19	331.07		37.94	1,101,072.20	1,046,242.69	54,829.51	-----
Temporary clerk hire (includes vacation service).....	2,202,647.65	3,773.91	1,018.14		78.94	2,207,518.64	1,762,691.99	444,826.65
Separating mails, third and fourth class post offices.....	686,292.07	3,672.39	556.39	132.14	332.00	690,984.99	666,525.06	24,459.93
Unusual conditions at post offices.....	126,691.67	16,604.91	450.25			143,746.83	78,782.25	64,964.58
Clerks, third-class post offices:								
Clerks.....	1,713,170.28	* 19.55	1,420.48	385.00	104.12	1,715,060.33	1,639,861.76	75,198.57
Assistant postmasters.....	46,893.11	150.00	41.66			47,084.77	62,587.23	
Rent, light, and fuel.....	5,328,800.52	16,757.25	1,110.93	644.85	298.74	5,347,612.29	5,159,036.39	188,575.90
Miscellaneous items, first and second class post offices—Services.....	304,155.56	5,542.49	57.18	1.25	35.75	309,792.23	297,084.30	12,707.93
City delivery carriers.....	38,889,093.68	33,456.43	1,671.00	263.16		38,924,484.27	37,576,496.69	1,347,987.58
Temporary city delivery carriers.....	3,051,603.91	326.26	* 43.75	666.30		3,052,552.72	2,921,324.40	131,228.32
City delivery carriers, new offices.....	31,602.19	* 2 2.30				31,599.89	22,236.10	9,363.79
Vehicle service (includes city delivery horse hire and wagon service).....	5,495,280.92	240,768.92	80.68	80.60		5,736,211.12	5,030,794.13	705,416.99
Mail messenger service.....	2,185,978.82	178,899.51	* 53.17	5.59		2,364,830.75	2,158,679.83	206,150.92
Pneumatic tube service.....	798,885.94	80,048.89				878,934.83	961,795.01	
Car fare and bicycle allowance.....	535,758.93	* b 1,683.60				534,075.33	504,982.54	29,092.79
Street car collection service.....	8,200.00					8,200.00	7,580.00	620.00
Detroit River postal service.....	7,250.00					7,250.00	6,500.00	750.00
Special delivery car fare.....	11,278.66	55.05				11,333.71	10,618.43	715.28
Special delivery fees.....	2,713,091.94	569.34	17.36			2,713,678.64	2,201,582.88	512,095.76
Travel expenses, etc., First Assistant Postmaster General.....	210.19	249.76				459.95	34.00	425.95
Rewards to postal employees for inventions.....				400.00		400.00		400.00

\* Repayments in excess of audited expenditures.

a Fiscal year 1914.

b Fiscal year 1913.

No. 15.—*Audited expenditures—Service of the Post Office Department—Continued.*

Foreign mail transportation:								
Regular service.....	2,371,544.86	892,756.47	75,021.37		3,339,322.70	2,660,732.34	678,590.36	.....
Sea post office service.....	45,618.20				45,618.20	53,712.75		8,094.55
Harbor transfer service.....	59,522.94	6,691.74			66,214.68	78,059.24		12,744.56
Assistant Superintendent, Division of Foreign Mails.....	2,500.00				2,500.00	2,500.00		.....
Balances due foreign countries.....	82,811.57	94,405.35	81,067.81		258,284.73	314,813.82		56,529.00
Travel expenses, etc., Second Assistant Postmaster General.....	72.30	70.80			143.10	239.55		96.45
<i>Office of the Third Assistant Postmaster General.</i>								
Manufacture of postage stamps.....	923,139.37	24,008.93			947,148.30	794,204.58	152,943.72	.....
Manufacture of stamped envelopes and newspaper wrappers.....	1,770,434.63	73,457.23			1,843,891.86	1,380,158.81	463,733.05	.....
Distribution of stamped envelopes and newspaper wrappers.....	14,808.92				14,808.92	14,319.55	489.37	.....
Manufacture of postal cards.....	337,799.73	24,912.17		557.87	363,269.77	353,749.27	9,520.50	.....
Ship, steamboat, and way letters.....	120.94				120.94	28.34	92.60	.....
Indemnities, domestic mail.....	199,264.29	71,427.25	1,953.98	545.74	<sup>c</sup> 16.91 <sup>a</sup> 70.25	273,278.52	220,128.35	53,150.17
Indemnities, international registered mail.....	179.99	2,858.57	839.81	518.46	320.28	4,717.11	6,792.52	2,075.41
Indemnities, lost insured mail.....					<sup>a</sup> 347.09	347.09	3,064.02	2,716.93
Travel expenses, etc., Third Assistant Postmaster General.....	40.75					40.75	400.11	359.36
Travel expenses, etc., Postal Savings System.....	21.70					21.70		21.70
Unpaid money orders more than one year old.....	226,070.29				226,070.29	301,294.02		75,223.73
Relief of E. M. Morgan.....			19.11		19.11		19.11	.....

<sup>a</sup> Fiscal year 1915.<sup>b</sup> Fiscal year 1913.<sup>c</sup> Repayments in excess of audited expenditures.

No. 15.—Audited expenditures—Service of the Post Office Department—Continued.

Appropriation title.	Stated from July 1, 1916, to June 30, 1917, service of the fiscal year—						Comparison fiscal years, 1916 and 1917.		
	1917	1916	1915	1916 and prior years (certified claims).	1914 and prior years (certified claims).	Total expenditures audited during the fiscal year 1917.	Total expenditures audited during the fiscal year 1916.	Increase.	Decrease.
<i>Office of the Fourth Assistant Postmaster General.</i>									
Stationery (includes supplies money-order service and supplies registry system).....	\$282,917.78	\$39,894.41	.....	.....	.....	\$322,812.19	\$254,008.75	\$68,803.44	.....
Official and registry envelopes (includes inspection agency, Cincinnati, Ohio).....	54,233.09	10,894.25	.....	.....	.....	65,127.34	56,229.65	8,897.69	.....
Supplies, Postal Savings System.....	20,858.65	5,530.24	.....	.....	.....	26,388.89	14,056.38	12,332.51	.....
Equipment, city delivery service (includes city delivery, incidental expenses):									
Regular equipment.....	152,868.05	51,557.62	.....	.....	.....	204,425.67	232,670.27	.....	\$28,244.60
Dies for letter boxes.....									
Stamping appliances.....	45,365.64	3,653.04	.....	.....	.....	49,018.68	36,892.38	12,126.30	.....
Letter balances, scales, etc.....	4,512.40	37,563.77	.....	.....	.....	42,076.17	65,517.30	.....	23,441.13
Wrapping paper.....	18,607.44	2,989.30	.....	.....	.....	21,596.74	11,502.49	10,094.25	.....
Twine and tying devices.....	249,567.02	4,303.54	.....	.....	.....	253,870.56	220,333.05	33,537.51	.....
Facing slips, etc. (includes intaglio seals, etc.).....	131,839.80	7,813.93	.....	\$1,055.70	.....	140,709.43	87,157.93	53,551.50	.....
Office appliances.....	110,075.58	4,742.40	\$10.66	127.50	.....	114,956.14	117,919.68	.....	2,963.54
Supplies rural-delivery service.....	11,340.84	9,552.82	.....	2.85	.....	20,896.51	15,929.06	4,967.45	.....
Shipment of supplies.....	92,824.13	30,495.32	100.19	261.64	\$66.99	123,748.27	121,516.77	2,231.50	.....
Post-route maps:									
Miscellaneous items.....	8,039.29	8,312.23	.....	.....	.....	16,351.52	13,725.28	2,626.24	.....
Books.....									
Miscellaneous items, first and second class post offices—purchases.....	54,360.82	15,760.10	.....	.....	.....	70,120.92	90,388.32	.....	20,267.40

Equipment, first and second class post offices:								
Equipment.....	13,529.21					13,529.21		13,529.21
Post-office furniture.....								
Canceling machines.....	260,544.53	40,393.07	10.22		11.19	300,959.01	306,172.91	5,213.90
Mechanical and labor-saving devices.....	51,320.65	21,685.57				73,006.22	36,466.51	36,539.71
Mail bags and equipment (includes mail locks, etc.):								
Mail bags, etc.....	437,410.71	20,135.80				457,546.51	468,497.41	10,950.90
Special equipment.....								
Mail equipment shops, labor (includes mail-bag repair shop labor and mail-lock repair shop labor).....	151,193.35	*48.81				151,144.54	138,117.39	13,027.15
Star-route service.....	7,652,814.34	738,919.41	1,176.54	218.86	{ a 174.86 6.51	8,393,310.52	8,656,586.96	263,276.44
Rural-delivery service:								
Carriers, tolls, and ferriage.....	52,287,161.53	75,162.50	2,753,239.95	2,709.59	51.68	55,118,325.25	51,938,127.07	3,180,198.18
Clerks, substations.....	11,412.26	63.84	42.46			11,518.56	10,678.84	839.72
Special experiments, parcel post.....	62.53					62.53		62.53
Village-delivery service.....	221,098.60	6,221.42	*54.02			227,266.00	130,315.18	96,950.82
Travel expenses, etc., Fourth Assistant Postmaster General.....	126.00	42.00				168.00	668.43	500.43
Relief of Chesapeake & Ohio Ry. Co.....				6.33		6.33		6.33
Relief of Morgan's Louisiana & Texas R. R. & Steamship Co.....				6.01		6.01		6.01
Total.....	306,480,767.43	9,459,356.30	3,436,873.97	19,141.84	442,578.86	319,838,718.40	306,204,033.14	16,899,577.67
Net increase.....								3,264,892.41
								13,634,685.26

\* Repayments in excess of audited expenditures.

a Fiscal year 1914.

No. 16.—*Appropriation and expenditure accounts—Service of the Post Office Department.*

## SERVICE OF THE FISCAL YEAR 1917.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1917.	
<i>Office of the Postmaster General.</i>				
Rent of buildings, Post Office Department.....	\$32,000.00	\$24,000.00	\$8,000.00	.....
Electric power, light, etc.....	4,000.00	3,010.83	666.78	\$322.39
Post office inspectors:				
Salaries.....	783,700.00	763,485.50	.....	20,214.50
Per diem.....	262,860.00	235,599.00	23,748.00	3,513.00
Clerks, division headquarters.....	134,000.00	132,010.97	.....	1,989.03
Traveling expenses.....	43,850.00	35,986.90	3,192.99	4,670.11
Livery hire.....	45,000.00	28,862.43	5,057.95	11,079.62
Miscellaneous expenses, division headquarters.....	7,500.00	5,227.83	890.46	1,381.71
Payment of rewards:				
Rewards.....	25,000.00	3,681.40	1,400.00	19,241.35
Information.....		α 614.75	62.50	
Postal employees injured.....	234,000.00	41,669.40	.....	192,330.60
Special assistant to the Attorney General.....	6,000.00	5,500.00	.....	500.00
Traveling expenses, etc., Postmaster General.....	1,000.00	264.22	.....	735.78
<i>Office of the First Assistant Postmaster General.</i>				
Compensation to postmasters.....	31,000,000.00	31,899,850.77	.....	α 899,850.77
Compensation to assistant postmasters.....	3,500,000.00	3,116,047.86	.....	383,952.14
Clerks, first and second class post offices.....	48,631,100.00	48,007,947.57	.....	623,152.43
Printers, mechanics, and skilled laborers.....	59,000.00	48,254.90	.....	10,745.10
Watchmen, messengers, and laborers.....	1,512,000.00	1,466,400.80	.....	45,599.20
Clerks, contract stations.....	1,160,000.00	1,100,703.19	.....	59,296.81
Temporary clerk hire.....	2,270,000.00	2,202,647.65	.....	67,352.35
Separating mails, third and fourth class post offices.....	710,000.00	686,292.07	.....	23,707.93
Unusual conditions at post offices.....	130,000.00	126,691.67	.....	3,308.33
Clerks, third-class post offices:				
Clerks.....	1,775,000.00	1,713,170.28	.....	14,936.61
Assistant postmasters.....		b 46,893.11	.....	
Rent, light, and fuel.....	5,500,000.00	5,328,800.52	.....	171,199.48
Miscellaneous items, first and second class post offices—Services.....	350,000.00	304,155.56	1,056.71	44,787.73
City delivery carriers.....	39,116,700.00	38,889,093.68	.....	227,606.32
Temporary city delivery carriers.....	4,100,000.00	3,051,603.91	.....	1,048,396.09
City delivery carriers, new offices.....	75,000.00	31,602.19	.....	43,397.81
Vehicle service.....	5,585,819.60	5,495,280.92	28,921.78	61,616.90

<sup>a</sup> Postmaster General authorized to expend not exceeding \$5,000 out of appropriation "Payment of rewards."

<sup>b</sup> Postmaster General authorized to expend not exceeding \$400,000 out of appropriation "Clerks, third-class offices."

No. 16.—*Appropriation and expenditure accounts—Service of the Post Office Department—Continued.*

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1917.	
<i>Office of the First Assistant Postmaster General.</i>				
Mail messenger service.....	\$2,253,000.00	\$2,185,978.82	\$30,175.23	\$36,845.95
Pneumatic tube service.....	976,000.00	798,885.94	159,935.60	17,178.46
Car fare and bicycle allowance.....	625,000.00	535,758.93	.....	89,241.07
Street car collection service.....	10,000.00	8,200.00	.....	1,800.00
Detroit River postal service.....	7,250.00	7,250.00	.....	.....
Special delivery car fare.....	13,000.00	11,278.66	.....	1,721.34
Special delivery fees.....	2,000,000.00	2,713,091.94	.....	† 713,091.94
Travel expenses, etc., First Assistant Postmaster General.....	1,000.00	210.19	.....	789.81
<i>Office of the Second Assistant Postmaster General.</i>				
Star route service—Alaska.....	322,000.00	256,482.07	53,833.04	11,684.89
Power boat and aeroplane service.....	1,060,000.00	842,276.05	179,279.49	38,444.46
Railroad transportation:				
Regular service.....	322,000.00	256,482.07	53,833.04	11,684.89
Special terminal service, St. Louis.....	61,685,000.00	54,685,304.30 a 5,808.27	6,317,387.07	676,500.36
Freight on stamped paper and mail bags.....	645,000.00	206,494.52	32,558.81	405,946.67
Railway post office car service.....	4,397,000.00	1,327,512.36	5,222.12	3,064,265.52
Railway Mail Service—Salaries.....	28,825,050.00	26,703,538.21	.....	2,121,511.79
Railway postal clerks—Travel allowances.....	1,488,336.00	1,291,186.99	.....	197,149.01
Railway Mail Service—Emergency.....	60,000.00	51,320.80	.....	8,679.20
Railway Mail Service—Vacation.....	893,900.00	680,903.23	.....	212,996.77
Railway Mail Service—Traveling expenses.....	55,000.00	37,208.72	4,130.91	13,660.37
Railway Mail Service—Miscellaneous expenses.....	606,723.00	462,616.58	2,181.30	141,925.12
Railway Mail Service—Per diem and expenses, Asst. Superintendent:				
Per diem.....	2,660.00	1,209.00	.....	1,149.95
Expenses.....		b 301.05	.....	.....
Electric and cable car service:				
Regular service.....	639,180.40	508,337.14	65,406.72	58,583.59
Unusual conditions.....		c 6,229.06	623.89	.....
Wagon service in lieu of electric or cable car service.....		(d)	.....	.....

† Audited expenditures (authorized by law) in excess of appropriation.

a Postmaster General authorized to expend not exceeding \$35,000 out of appropriation "Railroad transportation."

b Not exceeding \$500 authorized out of appropriation "Railway Mail Service, per diem and expenses, assistant superintendents."

c Postmaster General authorized to expend not exceeding \$15,000 out of appropriation "Electric and cable car service."

d Postmaster General authorized to expend not exceeding \$100,000 out of appropriation "Electric and cable car service."

No. 16.—*Appropriation and expenditure accounts—Service of the Post Office Department—Continued.*

Appropriation.	Audited expenditures.			
	Amount appropriated, including special acts and deficiencies.	Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1917.	Balance unexpended.
<i>Office of the Second Assistant Postmaster General—Continued.</i>				
Foreign mail transportation:				
Regular service.....	\$3,800,000.00	\$2,371,544.86	\$553,752.15	\$769,461.85
Sea post-office service.....		<i>a</i> 45,618.20		
Harbor transfer service.....		<i>b</i> 59,522.94	100.00	
Assistant Superintendent, Division of Foreign Mails.....	2,500.00	2,500.00		
Balances due foreign countries.....	681,700.00	82,811.57	48,513.27	550,375.16
Travel expenses, etc., Second Assistant Postmaster General.....	1,000.00	72.30	23.55	904.15
<i>Office of the Third Assistant Postmaster General.</i>				
Manufacture of postage stamps.....	926,000.00	923,139.37	2.30	2,858.33
Manufacture of stamped envelopes and newspaper wrappers.....	1,866,000.00	1,770,434.63	94,642.07	923.30
Distribution of stamped envelopes and newspaper wrappers.....	15,500.00	14,808.92		691.08
Manufacture of postal cards.....	440,000.00	337,799.73	74,162.75	28,037.52
Ship, steamboat, and way letters.....	150.00	120.94		29.06
Indemnities, domestic mail.....	200,000.00	199,264.29	82.44	653.27
Indemnities, international registered mail.....	10,000.00	179.99	72.67	9,747.34
Travel expenses, etc., Third Assistant Postmaster General.....	1,000.00	40.75	6.90	952.35
Travel expenses, etc., Postal Savings System.....	500.00	21.70		478.30
Unpaid money orders more than one year old.....	3,893,970.84	226,070.29		3,667,900.55
<i>Office of the Fourth Assistant Postmaster General.</i>				
Stationery.....	325,000.00	282,917.78	24,614.45	17,467.77
Official and registry envelopes.....	72,700.00	54,233.09	14,573.48	3,893.43
Supplies, Postal Savings System.....	75,000.00	20,858.65	5,493.09	48,648.26
Equipment, City Delivery Service:				
Regular equipment.....	225,000.00	152,868.05	23,313.48	48,818.47
Dies for letter boxes.....		(c)		
Stamping appliances.....	50,000.00	45,365.64	4,586.03	48.33
Letter balances, scales, etc.....	50,000.00	4,512.40	27.65	45,459.95
Wrapping paper.....	23,000.00	18,607.44		4,392.56
Twine and tying devices.....	250,000.00	249,567.02	432.98	

*a* Postmaster General authorized to expend not exceeding \$103,000 out of appropriation "Foreign mail transportation."

*b* Postmaster General authorized to expend not exceeding \$79,100 out of appropriation "Foreign mail transportation."

*c* \$6,000 authorized out of appropriation "Equipment, City Delivery Service."

No. 16.—*Appropriation and expenditure accounts—Service of the Post Office Department—Continued.*

Appropriation.	Audited expenditures.			
	Amount appropriated, including special acts and deficiencies.	Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1917.	Balance unexpended.
<i>Office of the Fourth Assistant Postmaster General—Continued.</i>				
Facing slips, etc.....	\$155,000.00	\$131,839.80	\$11,627.98	\$11,532.22
Office appliances.....	135,000.00	110,075.58	13,562.84	11,361.58
Supplies, Rural Delivery Service.....	12,000.00	11,340.84	51.76	607.40
Shipment of supplies.....	125,000.00	92,824.13	15,985.53	16,190.34
Post-route maps:				
Miscellaneous items.....	29,222.00	8,039.29	5,439.17	15,743.54
Books.....		(a)		
Miscellaneous items, first and second class post offices—purchases.....	70,000.00	54,360.82	1,685.64	13,953.54
Equipment, first and second class post offices:				
Equipment.....	40,000.00	13,529.21	1,059.30	25,411.49
Post-office furniture.....		(b)		
Canceling machines.....	300,000.00	260,544.53	36,520.20	2,935.27
Mechanical and labor-saving devices.....	75,000.00	51,320.65	1,834.56	21,844.79
Mail bags and equipment:				
Mail bags, etc.....	480,000.00	437,410.71	5,316.11	37,273.18
Special equipment.....		(c)		
Mail equipment shops, labor.....	155,000.00	151,193.35	-----	3,806.65
Star-route service.....	8,675,000.00	7,652,814.34	719,591.12	302,594.54
Rural Delivery Service:				
Carriers' tolls and ferrage.....	53,000,000.00	52,287,161.53	2,452.63	698,973.58
Clerks, substations.....		d 11,412.26		
Special experiments, parcel post.....	10,000.00	62.53	-----	9,937.47
Village delivery service.....	250,000.00	221,098.60	-----	27,385.10
Travel expenses, etc., Fourth Assistant Postmaster General.....	1,000.00	126.00	-----	814.35
Total.....	330,039,871.84	306,480,767.43	8,584,833.40	14,974,271.01

<sup>a</sup> \$500 authorized out of appropriation "Post-route maps."<sup>b</sup> \$25,000 authorized out of appropriation "Equipment, first and second class post offices."<sup>c</sup> Postmaster General authorized to expend not exceeding \$5,000 out of appropriation "Mail bags and equipment."<sup>d</sup> Not exceeding \$20,000 authorized out of appropriation "Rural Delivery Service."

No. 17.—*Appropriation and Expenditure Accounts—Service of the Post Office Department.*

## SERVICE OF THE FISCAL YEAR 1916.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1916.	
<i>Office of the Postmaster General.</i>				
Rent of buildings, Post Office Department.....	\$32,000.00	\$32,000.00	.....	
Electric power, light, etc.....	4,500.00	4,004.08	.....	\$495.92
Post office inspectors:				
Salaries.....	779,500.00	750,145.44	.....	29,354.56
Per diem.....	261,400.00	248,772.00	.....	12,628.00
Clerks, division headquarters.....	134,000.00	132,453.41	.....	1,546.59
Traveling expenses.....	43,750.00	40,667.88	\$3.00	3,079.12
Livery hire.....	45,000.00	41,247.47	.....	3,752.53
Miscellaneous expenses, division headquarters.....	7,500.00	6,386.02	.....	1,113.98
Payment of rewards:				
Rewards.....	25,000.00	{ 16,230.00	900.00 }	5,933.15
Information.....		{ a 1,936.85	.....	
Travel expenses, etc., Postmaster General.....	1,000.00	467.95	.....	532.05
<i>Office of the First Assistant Postmaster General.</i>				
Compensation to postmasters.....	31,150,000.00	31,131,572.14	.....	18,427.86
Compensation to assistant postmasters.....	3,200,000.00	2,993,389.01	.....	206,610.99
Clerks, first and second class post offices.....	46,082,100.00	45,414,448.73	.....	667,651.27
Printers, mechanics, and skilled laborers in post offices.....	44,600.00	40,522.99	.....	4,077.01
Watchmen, messengers, and laborers in post offices.....	1,404,000.00	1,305,562.59	.....	98,437.41
Clerks, contract stations.....	1,100,000.00	1,046,102.15	.....	53,897.85
Vacation service, first and second class post offices.....	450,000.00	290,250.81	.....	159,749.19
Temporary and auxiliary clerks in post offices.....	2,000,000.00	1,472,258.42	.....	527,741.58
Separating mails, third and fourth class post offices.....	675,000.00	666,459.75	.....	8,540.25
Unusual conditions at post offices.....	110,000.00	94,070.97	.....	15,929.03
Clerks, third-class post offices:				
Clerks.....	1,700,000.00	{ 1,637,131.60	..... }	145.77
Assistant postmasters.....		{ b 62,722.63	.....	
Rent, light, and fuel.....	5,200,000.00	5,146,068.06	.....	53,931.94
Miscellaneous items, first and second class post offices—Services.....	350,000.00	301,213.71	.....	48,786.29
Mechanical and labor-saving devices.....	50,000.00	46,838.81	.....	3,161.19

<sup>a</sup> Postmaster General authorized to expend not exceeding \$5,000 out of appropriation "Payment of rewards."

<sup>b</sup> Postmaster General authorized to expend not exceeding \$400,000 out of appropriation "Clerks, third-class offices."

## No. 17.—Appropriation and Expenditure Accounts—Service of the Post Office Department—Continued.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1916.	
<i>Office of the First Assistant Postmaster General—Continued.</i>				
City delivery carriers.....	\$37,700,000.00	\$37,566,850.73	.....	\$133,149.27
City delivery carriers, substitute, auxiliary, and temporary.....	2,975,000.00	2,916,404.01	.....	58,595.99
City delivery carriers, new offices.....	100,000.00	22,226.30	.....	77,773.70
City delivery horse hire.....	2,300,000.00	2,068,971.74	.....	231,028.26
Car fare and bicycle allowance.....	525,000.00	502,897.69	.....	22,102.31
Street car collection service.....	10,000.00	7,580.00	.....	2,420.00
Detroit River postal service.....	6,500.00	6,500.00	.....	.....
City delivery, incidental expenses.....	100,000.00	88,293.68	.....	11,706.32
Special delivery car fare.....	13,000.00	10,665.98	.....	2,334.02
Special delivery fees.....	2,225,000.00	2,201,990.80	.....	23,009.20
Village delivery service.....	200,000.00	131,866.60	\$48.00	68,085.40
Travel expenses, etc., First Assistant Postmaster General.....	1,000.00	278.01	.....	721.99
<i>Office of the Second Assistant Postmaster General.</i>				
Star route service—Alaska.....	305,100.00	303,591.86	.....	1,508.14
Power boat service.....	1,049,400.00	1,013,262.76	36.50	36,100.74
Mail messenger service.....	2,160,000.00	2,151,097.68	.....	8,902.32
Pneumatic tube service.....	966,800.00	961,830.29	4.10	4,965.61
Wagon service.....	3,005,000.00	2,942,358.79	.....	62,641.21
Railroad transportation:				
Regular service.....	58,172,000.00	{ 58,078,023.93 a 23,291.69 }	616.94	70,067.44
Special terminal service, St. Louis.....				
Freight on stamped paper and mail bags.....	594,000.00	591,328.75	1,248.55	1,422.70
Railway post office car service.....	5,412,000.00	4,204,471.05	.....	1,207,528.95
Railway Mail Service—Salaries.....	28,521,440.00	26,456,057.60	.....	2,065,382.40
Railway postal clerks—Travel allowances.....	1,534,500.00	1,314,177.53	.....	220,322.47
Railway Mail Service—Emergency.....	67,500.00	59,476.13	.....	8,023.87
Railway Mail Service—Vacation.....	143,900.10	110,982.57	.....	32,917.43
Postal employees—Injured.....	190,500.00	129,532.94	.....	60,967.06
Railway Mail Service—Traveling expenses.....	55,200.00	39,757.37	.....	15,442.63
Railway Mail Service—Miscellaneous expense.....	770,000.00	489,014.10	2.11	280,983.79
Railway Mail Service—per diem and expenses, assistant superintendents:				
Per diem.....	3,607.00	{ 1,977.00 b 700.00 }	.....	930.00
Expenses.....				

<sup>a</sup> Postmaster General authorized to expend not exceeding \$35,000 out of appropriation "Railroad transportation."

<sup>b</sup> Not exceeding \$700 authorized out of appropriation "Railway Mail Service, per diem and expenses, assistant superintendents."

No. 17.—*Appropriation and expenditure accounts—Service of the Post Office Department—Continued.*

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1916.	
<i>Office of the Second Assistant Postmaster General—Continued.</i>				
Electric and cable car service:				
Regular service.....		\$670,033.27	\$776.24	
Unusual conditions.....	\$684,000.00	a 6, 645.59	.....	\$6,544.90
Wagon service in lieu of electric or cable car service.....		(b)	.....	
Foreign mail transportation:				
Regular service.....		2,995,113.07	.....	
Sea post-office service.....	4,000,000.00	c 53,576.97	.....	872,209.96
Harbor transfer service.....		d 79,100.00	.....	
Assistant Superintendent, Division of				
Foreign Mails.....	2,500.00	2,500.00	.....	
Balances due foreign countries.....	681,800.00	189,153.87	.....	492,646.13
Travel expenses, etc., Second Assistant Postmaster General.....	1,000.00	310.35	.....	689.65
<i>Office of the Third Assistant Postmaster General.</i>				
Manufacture of postage stamps.....	810,000.00	773,793.25	.....	36,206.75
Manufacture of stamped envelopes and newspaper wrappers.....	1,650,000.00	1,389,836.59	1,472.75	258,690.66
Distribution of stamped envelopes and newspaper wrappers.....	20,500.00	14,313.99	.....	6,186.01
Manufacture of postal cards.....	385,000.00	372,061.47	.....	12,938.53
Ship, steamboat, and way letters.....	250.00	28.34	.....	221.66
Indemnities, domestic mail.....	242,000.00	240,712.29	1,279.88	7.83
Indemnities, international registered mail.....	15,000.00	3,174.25	701.67	11,124.08
Travel expenses, etc., Third Assistant Postmaster General.....	1,000.00	400.11	.....	599.89
Travel expenses, etc., Postal Savings System.....	500.00	.....	.....	500.00
Unpaid money orders more than 1 year old.....	3,692,324.24	301,294.02	.....	e 3,391,030.22

*a* Postmaster General authorized to expend not exceeding \$15,000 out of appropriation "Electric and cable car service."

*b* Postmaster General authorized to expend not exceeding \$100,000 out of appropriation "Electric and cable car service."

*c* Postmaster General authorized to expend not exceeding \$116,000 out of appropriation "Foreign mail transportation."

*d* Postmaster General authorized to expend not exceeding \$87,900 out of appropriation "Foreign mail transportation."

*e* Unavailable balance reappropriated for fiscal year 1917.

## No. 17.—Appropriation and expenditure accounts—Service of the Post Office Department—Continued.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1916.	
<i>Office of the Fourth Assistant Postmaster General.</i>				
Stationery.....	\$135,000.00	\$132,354.73	.....	\$2,645.27
Official and registry envelopes.....	80,000.00	60,465.50	.....	19,534.50
Supplies, money-order service.....	180,000.00	145,251.45	.....	34,748.55
Supplies, registry system.....	7,500.00	1,200.50	.....	6,299.50
Supplies, Postal Savings System.....	100,000.00	18,825.36	.....	81,174.64
Inspection agency, Cincinnati, Ohio.....	5,520.00	2,746.45	.....	2,773.55
Supplies, City Delivery Service.....	160,000.00	159,774.64	.....	225.36
Stamping appliances.....	40,000.00	37,002.44	.....	2,997.56
Letter balances, scales, etc.....	100,000.00	97,215.21	.....	2,784.79
Wrapping paper.....	15,000.00	9,631.91	.....	5,368.90
Twine and tying devices.....	225,000.00	224,636.59	.....	363.41
Facing slips, etc.....	85,000.00	78,399.36	.....	6,600.64
Office appliances.....	120,000.00	119,421.72	.....	578.28
Supplies, Rural Delivery Service.....	45,000.00	19,452.95	.....	25,547.05
Shipment of supplies.....	145,000.00	130,998.80	\$49.37	13,951.83
Intaglio seals, etc.....	12,000.00	6,035.05	.....	5,964.95
Post route maps:				
Miscellaneous items.....	33,082.00	17,272.40	.....	15,809.60
Books.....		(a)	.....	
Miscellaneous items, first and second class post offices—Purchases:				
Miscellaneous items.....	125,000.00	92,876.30	.....	32,123.70
Post-office equipment.....		(b)	.....	
Canceling machines.....	300,000.00	298,283.82	.....	1,716.18
Mail bags:				
Mail bags.....	463,000.00	462,405.94	.....	594.06
Special equipment.....		(c)	.....	
Mail-bag repair shop, labor.....	108,300.00	98,948.00	.....	9,352.00
Mail locks, etc.....	15,000.00	14,900.99	.....	99.01
Mail-lock repair shop, labor.....	40,100.00	39,024.83	.....	1,075.17
Star-route service.....	8,675,000.00	8,465,894.98	50.75	209,054.27
Rural Delivery Service:				
Carriers, tolls, and ferriage.....	53,000,000.00	51,941,578.42	15.12	1,047,658.54
Clerks, substations.....		d 10,747.92	.....	
Travel expenses, etc., Fourth Assistant Postmaster General.....	1,000.00	710.43	.....	289.57
Total.....	320,357,173.24	307,096,485.17	7,204.98	13,253,483.09

<sup>a</sup> \$100 authorized out of appropriation "Post route maps."<sup>b</sup> \$25,000 authorized out of appropriation "Miscellaneous items, first and second class post offices—Purchases."<sup>c</sup> Postmaster General authorized to expend not exceeding \$5,000 out of appropriation "Mail bags."<sup>d</sup> Not exceeding \$20,000 authorized out of appropriation "Rural Delivery Service."

No. 18.—*Appropriation and expenditure accounts—Service of the Post Office Department.*

## SERVICE OF THE FISCAL YEAR 1915.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1915.	
<i>Office of the Postmaster General.</i>				
Rent of buildings, Post Office Department.....	\$32,000.00	\$32,000.00	.....	
Electric power, light, etc.....	4,500.00	3,780.98	.....	\$719.02
Post Office inspectors:				
Salaries.....	779,500.00	766,934.02	.....	12,565.98
Per diem.....	261,400.00	248,463.00	.....	12,937.00
Clerks, Division Headquarters.....	134,000.00	131,572.46	.....	2,427.54
Traveling expenses.....	43,750.00	39,298.03	.....	4,451.97
Livery hire.....	45,000.00	37,308.62	.....	7,691.38
Miscellaneous expenses, Division Headquarters.....	7,500.00	5,498.33	.....	2,001.67
Payment of rewards:				
Rewards.....	30,175.12	26,144.00	{ a 1,406.12	} 2,625.00
Information.....		.....		
Travel expenses, etc., Postmaster General.....	1,000.00	233.60	.....	766.40
<i>Office of the First Assistant Postmaster General.</i>				
Compensation to postmasters.....	30,750,000.00	30,424,451.61	.....	325,548.39
Compensation to assistant postmasters.....	3,200,000.00	3,135,693.59	.....	64,306.41
Clerks, first and second class post offices.....	46,082,100.00	43,840,264.92	.....	2,241,835.08
Printers, mechanics, and skilled laborers in post offices.....	44,600.00	41,357.92	.....	3,242.08
Watchmen, messengers, and laborers in post offices.....	1,404,000.00	1,249,186.70	.....	154,813.30
Clerks, contract stations.....	1,100,000.00	1,066,518.40	.....	33,481.60
Vacation service, first and second class post offices.....	450,000.00	268,585.08	.....	181,414.92
Temporary and auxiliary clerks in post offices.....	2,000,000.00	1,250,965.15	.....	749,034.85
Separating mails, third and fourth class post offices.....	675,000.00	650,849.72	.....	24,150.28
Unusual conditions at post offices.....	90,000.00	71,600.84	.....	18,399.16
Clerks, third-class post offices:				
Clerks.....	1,700,000.00	1,607,028.33	{ b 88,715.84	} 4,255.83
Assistant postmasters.....		.....		
Rent, light, and fuel.....	5,200,000.00	4,844,593.91	.....	355,406.09
Miscellaneous items, first and second class post offices—Services.....	350,000.00	291,496.04	.....	58,503.96

*a* Postmaster General authorized to expend not exceeding \$5,000 out of appropriation "Payment of rewards."

*b* Postmaster General authorized to expend not exceeding \$400,000 out of appropriation "Clerks, third-class offices."

No. 18.—*Appropriation and expenditure accounts—Service of the Post Office Department—Continued.*

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1915.	
<i>Office of the First Assistant Postmaster General—Continued.</i>				
Mechanical and labor-saving devices.	\$50,000.00	\$3,980.39	.....	\$26,019.61
City delivery carriers.	37,700,000.00	36,897,918.10	.....	802,081.90
City delivery carriers, substitute, auxiliary, and temporary.	2,975,000.00	2,894,709.82	.....	80,290.18
City delivery carriers, new offices.	100,000.00	46,286.59	.....	53,713.41
City delivery horse hire.	2,300,000.00	2,057,783.51	.....	242,216.49
Car fare and bicycle allowance.	525,000.00	504,756.76	.....	20,243.24
Street car collection service.	10,000.00	8,740.00	.....	1,260.00
Detroit River postal service.	6,500.00	6,500.00	.....	
City delivery, incidental expenses.	100,000.00	87,771.73	.....	12,228.27
Special delivery car fare.	13,000.00	10,832.08	.....	2,167.92
Special delivery fees.	2,225,000.00	1,879,200.00	.....	345,800.00
Village delivery service.	200,000.00	106,312.89	.....	93,687.11
Travel expenses, etc., First Assistant Postmaster General.	1,000.00	66.75	.....	933.25
<i>Office of the Second Assistant Postmaster General.</i>				
Star route service—Alaska.	304,000.00	294,434.18	.....	9,565.82
Power boat service.	1,068,271.00	1,067,819.06	.....	451.94
Mail messenger service.	2,123,442.00	2,118,827.71	.....	4,614.29
Pneumatic tube service.	966,800.00	962,763.65	.....	4,036.35
Wagon service.	2,644,118.00	2,609,647.46	.....	34,470.54
Railroad transportation:				
Regular service.	56,188,000.00	55,340,498.11	.....	822,622.42
Special terminal service, St. Louis.		a 24,879.47	.....	
Freight on stamped paper and mail bags.	607,450.00	552,711.87	.....	54,738.13
Railway post-office car service.	5,412,000.00	4,520,622.07	.....	891,377.93
Railway Mail Service—Salaries.	28,521,440.00	26,341,593.16	.....	2,179,846.84
Railway postal clerks—Travel allowances.	1,534,500.00	1,351,665.69	.....	182,834.31
Railway Mail Service—Emergency.	67,500.00	54,131.35	.....	13,368.65
Railway Mail Service—Vacation.	143,900.00	118,467.18	.....	25,432.82
Postal employees—Injured.	219,500.00	137,325.58	.....	82,174.42
Railway Mail Service—Traveling expenses.	55,200.00	47,975.25	.....	7,224.75
Railway Mail Service—Miscellaneous expenses.	770,000.00	398,433.50	.....	371,566.50

<sup>a</sup> Postmaster General authorized to expend not exceeding \$35,000 out of appropriation "Railroad transportation."

## No. 18.—Appropriation and expenditure accounts—Service of the Post Office Department—Continued.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1915.	
<i>Office of the Second Assistant Postmaster General</i> —Continued.				
Railway Mail Service—Per diem and expenses, assistant superintendents:				
Per diem.....	\$3,607.00	\$2,412.00	.....	\$513.62
Expenses.....		a 681.38	.....	
Electric and cable car service:				
Regular service.....		796,582.95	.....	
Unusual conditions.....	803,277.74	b 6,694.79	.....	
Wagon service in lieu of electric or cable car service.....		(c)	.....	
Foreign mail transportation:				
Regular service.....		2,845,128.78	.....	
Sea post-office service.....	4,000,000.00	d 66,160.50	.....	1,010,100.72
Harbor transfer service.....		e 78,610.00	.....	
Assistant superintendent, Division of Foreign Mails.....	2,500.00	2,500.00	.....	
Balances due foreign countries.....	681,800.00	302,704.02	.....	379,095.98
Travel expenses, etc., Second Assistant Postmaster General.....	1,000.00	50.65	.....	949.35
<i>Office of the Third Assistant Postmaster General</i> .				
Manufacture of postage stamps.....	810,000.00	697,084.66	.....	112,915.34
Manufacture of stamped envelopes and newspaper wrappers.....	1,650,000.00	1,482,109.33	.....	167,890.67
Distribution of stamped envelopes and newspaper wrappers.....	20,500.00	17,448.98	.....	3,051.02
Manufacture of postal cards.....	385,000.00	340,882.85	.....	44,117.15
Ship, steamboat, and way letters.....	250.00	83.18	.....	166.82
Indemnities, domestic mail.....	195,000.00	178,248.35	\$73.58	16,678.07
Indemnities, international registered mail.....	15,000.00	6,547.68	.....	8,452.32
Travel expenses, etc., Third Assistant Postmaster General.....	1,000.00	\$5.95	.....	914.05
Travel expenses, etc., Postal Savings System.....	500.00	.....	.....	500.00
Unpaid money orders more than 1 year old.....	2,591,302.17	208,023.65	.....	f 2,383,278.52

*a* Not exceeding \$700 authorized out of appropriation "Railway Mail Service, per diem and expenses assistant superintendents."

*b* Postmaster General authorized to expend not exceeding \$15,000 out of appropriation "Electric and cable car service."

*c* Postmaster General authorized to expend not exceeding \$100,000 out of appropriation "Electric and cable car service."

*d* Postmaster General authorized to expend not exceeding \$116,000 out of appropriation "Foreign mail transportation."

*e* Postmaster General authorized to expend not exceeding \$87,900 out of appropriation "Foreign mail transportation."

*f* Unavailable; balance reappropriated for fiscal year 1916.

## No. 18.—Appropriation and expenditure accounts—Service of the Post Office Department—Continued.

Appropriation.	Amount appropriated, including special acts and deficiencies.	Audited expenditures.		Balance unexpended.
		Stated to June 30, 1917.	Payments by warrants from July 1, 1917, to Sept. 30, 1917, for services rendered prior to June 30, 1915.	
<i>Office of the Fourth Assistant Postmaster General.</i>				
Stationery.....	\$135,000.00	\$134,957.01	.....	\$42.99
Official and registry envelopes.....	80,000.00	79,929.21	.....	70.79
Supplies, money-order service.....	180,000.00	147,430.56	.....	32,569.44
Supplies, registry system.....	7,500.00	98.50	.....	7,401.50
Supplies, Postal Savings System.....	100,000.00	14,046.09	.....	85,953.91
Inspection agency, Cincinnati, Ohio.....	5,520.00	5,520.00	.....	.....
Supplies, City Delivery Service.....	160,000.00	158,963.23	.....	1,036.77
Stamping appliances.....	40,000.00	39,330.90	.....	669.10
Letter balances, scales, etc.....	100,000.00	99,867.68	.....	132.32
Wrapping paper.....	15,000.00	14,857.15	.....	142.85
Twine and tying devices.....	250,000.00	249,966.81	.....	33.19
Facing slips, etc.....	82,000.00	81,947.56	.....	52.44
Office appliances.....	120,000.00	119,456.24	.....	543.76
Supplies, Rural Delivery Service.....	45,000.00	18,872.82	.....	26,127.18
Shipment of supplies.....	145,000.00	119,393.70	.....	25,606.30
Intaglio seals, etc.....	12,000.00	11,915.34	.....	84.66
Post route maps:				
Miscellaneous items.....	32,490.50	22,415.87	.....	10,074.63
Books.....		(a)	.....	
Miscellaneous items, first and second class post offices—Purchases:				
Miscellaneous items.....	125,000.00	87,142.60	.....	37,857.40
Post-office equipment.....		(b)	.....	
Cancelling machines.....	300,000.00	299,443.22	.....	556.78
Mail bags:				
Mail bags.....	363,000.00	359,271.99	.....	3,728.01
Special equipment.....		(c)	.....	
Mail bag repair shop, labor.....	108,300.00	93,113.66	.....	15,186.34
Mail locks, etc.....	15,000.00	14,885.65	.....	114.35
Mail lock repair shop, labor.....	40,100.00	36,783.66	.....	3,316.34
Star route service.....	8,725,000.00	8,712,576.53	.....	12,423.47
Rural Delivery Service:				
Carriers, tolls, and ferriage.....	53,000,000.00	52,554,800.80	.....	434,188.99
Clerks, substations.....		d 11,010.21	.....	
Travel expenses, etc., Fourth Assistant Postmaster General.....	1,000.00	164.37	.....	835.63
Tot 1.....	316,563,793.53	301,110,802.18	\$73.58	15,452,917.77

<sup>a</sup> \$100 authorized out of appropriation "Post route maps."<sup>b</sup> \$25,000 authorized out of appropriation "Miscellaneous items, first and second class post offices—Purchases."<sup>c</sup> Postmaster General authorized to expend not exceeding \$5,000 out of the appropriation "Mail bags."<sup>d</sup> Not exceeding \$20,000 authorized out of appropriation "Rural Delivery Service."

No. 19.—*Gross postal receipts and principal expenses at post offices stated from July 1, 1916, to June 30, 1917.*

States, Territories, etc.	Number of post offices.	Gross postal receipts.				Compensation to postmasters.	City Delivery Service.	Rural Delivery Service.
		First and second class post offices.	Third-class post offices.	Fourth-class post offices.	Total.			
Maine.....	913	\$1,630,864.34	\$429,479.63	\$429,648.04	\$2,489,992.01	\$516,177.64	\$297,171.58	\$587,553.22
New Hampshire.....	420	857,798.69	230,177.69	223,625.13	1,311,601.51	284,923.17	219,800.21	301,615.92
Vermont.....	413	720,492.44	188,355.79	215,020.48	1,123,868.71	273,131.17	121,813.43	422,636.43
Massachusetts.....	697	14,913,810.69	446,780.82	325,760.51	15,686,352.02	663,575.52	3,712,945.69	341,899.88
Rhode Island.....	120	1,550,422.69	78,218.18	62,323.53	1,690,964.40	95,637.49	392,714.97	67,574.74
Connecticut.....	350	4,020,097.74	332,803.64	159,801.64	4,512,703.02	352,468.03	836,526.82	325,310.25
New England States.....	2,913	23,693,486.59	1,705,815.75	1,416,179.33	26,815,481.67	2,185,913.02	5,580,972.70	2,046,590.44
New York.....	2,444	52,283,258.90	1,646,181.85	1,175,389.70	55,104,830.45	1,911,569.40	8,756,142.19	2,441,029.60
New Jersey.....	730	6,819,505.98	599,499.46	353,041.23	7,772,046.67	654,008.19	1,816,522.74	378,091.88
Pennsylvania.....	3,270	22,441,991.56	1,439,244.76	1,402,272.32	25,283,508.64	2,002,083.54	4,737,429.47	2,529,872.16
Delaware.....	103	508,805.52	88,167.37	38,801.02	635,773.91	73,181.38	91,504.86	116,538.39
Maryland.....	757	3,604,833.58	209,117.98	314,379.95	4,128,331.51	346,535.31	747,601.23	518,870.87
District of Columbia.....	1	2,197,346.26	.....	.....	2,197,346.26	6,000.00	474,896.03	11,741.48
Eastern States.....	7,305	87,855,741.80	3,982,211.42	3,283,884.22	95,121,837.44	4,993,377.82	16,624,096.52	5,996,144.38
Virginia.....	2,438	3,036,622.65	506,674.03	899,783.78	4,443,080.46	883,943.54	493,311.51	1,371,704.53
West Virginia.....	1,978	1,452,615.84	359,176.87	641,693.03	2,453,485.74	638,208.15	250,004.83	514,440.72
North Carolina.....	1,673	1,875,581.80	577,410.73	601,958.75	3,054,951.28	711,025.15	266,087.49	1,735,632.11
South Carolina.....	696	989,227.05	329,949.53	297,141.72	1,616,318.30	376,595.31	183,812.94	1,116,047.46
Georgia.....	1,229	3,279,965.91	622,525.29	547,383.40	4,449,874.60	689,438.73	439,970.23	2,150,475.61
Florida.....	1,000	1,764,913.79	333,613.39	393,824.52	2,492,351.70	463,297.84	208,369.49	321,933.30
Alabama.....	1,204	1,553,869.24	435,260.70	515,616.05	2,504,775.99	567,297.01	317,057.27	1,403,659.03
Mississippi.....	1,106	849,087.14	527,355.22	467,970.40	1,844,412.76	549,815.73	128,563.95	1,143,417.22

Louisiana.....	1,167	2,155,604.09	347,387.54	469,461.17	2,972,452.80	495,665.25	317,782.04	346,108.38
Texas.....	2,508	6,277,820.06	1,584,209.09	1,062,832.62	8,924,861.77	1,461,081.47	834,571.78	2,626,558.02
Arkansas.....	1,648	1,216,952.42	442,008.05	548,043.04	2,207,003.51	592,497.02	205,821.23	729,714.95
Kentucky.....	2,631	2,419,235.85	481,955.30	614,441.55	3,515,632.70	689,451.93	480,355.81	1,051,365.19
Tennessee.....	1,082	3,201,237.68	424,830.86	482,151.98	4,108,220.52	546,005.48	477,778.57	2,045,608.12
Southern States.....	20,360	30,072,733.52	6,972,356.60	7,542,332.01	44,587,422.13	8,664,322.61	4,603,487.14	16,556,664.64
Ohio.....	1,710	16,596,076.39	980,212.34	748,898.33	18,325,187.06	1,236,095.20	2,924,592.51	3,224,802.91
Indiana.....	1,157	6,035,785.74	710,996.93	503,892.99	7,250,675.66	856,559.69	1,146,906.76	2,638,795.50
Illinois.....	1,744	34,432,325.14	1,470,171.70	842,421.40	36,744,918.24	1,465,206.86	4,355,847.77	3,681,231.09
Michigan.....	1,313	8,777,573.18	1,039,082.15	629,537.93	10,446,193.26	1,012,629.71	1,700,987.13	2,325,349.80
Wisconsin.....	1,142	5,450,481.47	928,266.53	568,338.62	6,947,086.62	914,566.11	1,045,215.33	2,181,657.94
Minnesota.....	1,278	7,067,479.89	1,047,125.67	617,482.70	8,732,088.26	934,705.67	1,089,173.61	2,029,564.38
Iowa.....	1,296	5,530,061.99	1,321,549.13	653,102.78	7,504,713.90	1,141,437.57	847,884.03	2,828,581.81
Missouri.....	1,994	11,437,745.59	1,017,436.49	776,444.38	13,231,626.46	1,028,667.00	1,691,230.81	2,782,162.29
Middle Western States.....	11,634	95,327,529.39	8,514,840.94	5,340,119.13	109,182,489.46	8,589,867.81	14,801,837.95	21,692,145.72
North Dakota.....	798	842,981.70	590,745.92	437,307.79	1,871,035.41	525,680.77	73,145.31	769,008.04
South Dakota.....	699	769,448.22	528,020.79	321,925.00	1,619,394.01	441,229.56	97,774.54	770,780.55
Nebraska.....	983	3,095,224.77	921,136.91	424,294.59	4,440,656.27	684,835.90	422,868.97	1,383,956.74
Kansas.....	1,170	2,867,816.54	910,270.75	575,959.51	4,354,046.80	867,303.60	545,262.75	2,409,263.91
Montana.....	980	1,233,596.15	427,895.07	402,948.45	2,064,439.67	435,550.36	156,675.83	132,134.95
Wyoming.....	400	272,583.15	130,887.27	142,007.29	545,477.71	153,510.76	28,920.12	25,027.86
Colorado.....	914	2,640,433.09	382,097.89	388,774.02	3,409,305.00	448,876.52	472,510.17	294,060.98
New Mexico.....	617	335,234.41	166,860.09	199,754.84	701,849.34	215,446.78	36,822.53	42,801.08
Oklahoma.....	1,232	2,071,965.22	794,239.95	528,404.13	3,394,609.30	735,510.76	279,688.58	1,504,408.56
Western States.....	7,793.	14,129,283.25	4,852,154.64	3,419,375.62	22,400,813.51	4,507,945.01	2,113,668.80	7,331,442.67

No. 19.—*Gross postal receipts and principal expenses at post offices stated from July 1, 1916, to June 30, 1917—Continued.*

States, Territories, etc.	Number of post offices.	Gross postal receipts.				Compensation to postmasters.	City Delivery Service.	Rural Delivery Service.
		First and second class post offices.	Third-class post offices.	Fourth-class post offices.	Total.			
Washington.....	1,033	\$3,394,526.25	\$489,548.68	\$436,468.65	\$4,320,543.58	\$545,692.88	\$643,705.28	\$430,795.41
Oregon.....	880	1,881,458.98	352,846.62	322,675.81	2,556,981.41	407,037.36	378,736.93	315,336.69
California.....	1,682	10,817,817.66	869,286.38	741,892.19	12,428,996.23	1,081,905.26	2,085,846.20	512,665.96
Idaho.....	590	677,275.06	255,716.41	231,284.11	1,164,275.58	290,436.67	69,048.47	206,286.69
Utah.....	342	971,895.94	192,800.10	153,925.81	1,318,621.85	184,590.69	179,576.79	64,217.16
Nevada.....	216	202,901.94	85,861.16	87,904.95	376,668.05	102,278.04	13,729.68	4,430.69
Arizona.....	324	629,796.89	133,028.88	126,821.15	889,646.92	159,025.27	49,201.42	30,890.22
Alaska.....	159	30,270.00	49,889.50	47,612.38	127,771.88	50,536.35	.....	.....
Pacific States.....	5,226	18,605,942.72	2,428,977.73	1,148,585.05	23,183,505.50	2,821,502.52	3,419,844.77	1,564,622.82
China (Shanghai).....	1	12,448.71	11,481.87	.....	23,930.58	.....	.....	.....
Guam.....	1	.....	.....	4,571.13	4,571.13	633.30	.....	.....
Hawaii.....	92	208,641.66	35,923.96	54,443.90	299,009.52	56,120.19	25,806.18	.....
Porto Rico.....	88	179,928.70	53,399.76	58,892.05	292,220.51	66,111.09	17,687.10	.....
Samoa (Tutuila).....	1	.....	.....	1,361.16	1,361.16	931.73	.....	.....
Insular possessions, etc. ....	183	401,019.07	100,805.59	119,268.24	621,092.90	123,796.31	43,493.28	.....
Total United States.....	55,414	270,085,736.34	28,557,162.67	23,269,743.60	321,912,642.61	31,886,725.10	47,187,401.16	55,187,610.67

No. 20.—*Money orders issued and paid from July 1, 1916, to June 30, 1917.*

States, Territories, etc.	Domestic money orders issued.		International money orders issued in the United States.		Domestic money orders paid.		International money orders paid and repaid in the United States.	
	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.
Maine.....	1,518,349	\$9,527,264.65	8,482	\$130,629.32	1,239,446	\$6,151,913.49	733	\$15,470.99
New Hampshire.....	823,928	5,092,865.18	8,596	124,282.98	346,326	2,814,681.15	649	10,601.59
Vermont.....	736,181	4,240,120.25	8,078	104,103.91	288,032	2,243,772.29	565	9,822.30
Massachusetts.....	3,851,448	29,616,853.58	198,948	2,487,555.10	4,515,698	30,836,853.96	23,193	339,032.88
Rhode Island.....	507,113	4,028,467.04	30,926	322,019.83	496,504	3,373,947.51	2,256	51,516.82
Connecticut.....	1,601,630	13,808,196.78	73,728	1,039,553.39	841,308	7,176,579.67	4,841	94,817.66
New England States.....	9,038,649	66,313,767.48	328,758	4,208,144.53	7,727,314	52,597,748.08	32,237	521,262.24
New York.....	9,964,935	80,900,324.61	431,525	6,207,009.86	22,827,995	155,303,866.15	77,568	1,456,589.76
New Jersey.....	2,549,681	20,213,848.85	106,581	1,420,870.10	1,677,506	14,310,213.36	10,703	160,713.76
Pennsylvania.....	8,645,375	63,811,896.01	156,235	2,435,378.01	7,821,261	54,627,042.90	20,880	373,556.95
Delaware.....	273,778	1,778,260.21	3,416	53,519.09	149,389	907,580.60	341	4,636.68
Maryland.....	1,081,989	6,749,973.79	9,306	133,271.60	1,447,045	7,090,620.70	2,189	75,071.58
District of Columbia.....	315,915	2,713,249.57	11,445	172,328.07	1,038,119	4,923,831.03	5,496	56,716.24
Eastern States.....	22,831,673	176,167,553.04	718,508	10,422,376.73	34,961,315	237,163,154.74	117,177	2,127,284.97

No. 20.—*Money orders issued and paid from July 1, 1916, to June 30, 1917—Continued.*

States, Territories, etc.	Domestic money orders issued.		International money orders issued in the United States.		Domestic money orders paid.		International money orders paid and repaid in the United States.	
	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.
Virginia.....	2,604,596	\$12,746,093.80	7,656	\$163,961.15	1,446,189	\$8,707,280.41	1,029	\$24,272.71
West Virginia.....	1,854,965	12,030,140.80	5,211	113,614.59	552,148	3,912,740.11	526	25,728.34
North Carolina.....	2,685,030	9,453,447.74	2,108	38,271.85	697,355	4,532,525.10	354	8,727.54
South Carolina.....	1,851,646	7,008,362.22	1,510	30,924.88	459,323	2,711,015.97	172	4,097.83
Georgia.....	3,355,784	11,548,249.64	3,362	62,970.19	1,774,848	7,272,059.19	615	16,387.93
Florida.....	1,860,481	9,319,771.96	6,521	122,396.02	2,430,038	8,514,620.98	1,141	15,638.73
Alabama.....	2,901,255	10,831,645.74	4,043	75,134.44	825,655	5,521,083.66	456	11,472.30
Mississippi.....	2,647,105	9,955,619.52	1,028	21,260.43	643,576	3,864,628.70	197	3,200.28
Louisiana.....	2,066,767	10,588,352.09	6,111	125,797.92	1,818,818	8,182,957.93	844	55,267.40
Texas.....	6,171,167	33,371,770.93	11,867	213,536.68	3,822,164	23,791,733.36	1,719	39,580.62
Arkansas.....	2,987,124	12,941,473.36	1,410	23,864.50	1,199,900	5,385,933.91	239	4,862.31
Kentucky.....	2,018,016	9,107,593.05	2,335	36,360.76	1,445,039	7,104,887.30	590	22,052.57
Tennessee.....	2,318,913	10,544,644.30	2,943	55,303.59	2,739,906	10,076,825.25	487	15,585.25
Southern States.....	35,322,849	159,447,165.15	56,105	1,083,397.00	19,854,959	99,578,291.87	8,369	246,873.81
Ohio.....	6,415,582	41,350,252.30	65,487	1,041,593.77	4,644,064	31,966,655.18	10,693	189,366.15
Indiana.....	3,621,476	20,005,234.43	15,036	265,129.50	2,330,120	14,248,733.89	2,604	35,157.75
Illinois.....	7,563,689	47,322,165.18	176,451	2,134,905.19	33,247,893	175,598,309.44	24,619	385,040.64
Michigan.....	6,060,072	42,205,982.72	72,615	965,957.93	3,523,275	27,429,493.28	6,953	164,077.49
Wisconsin.....	3,804,417	23,462,234.00	22,521	404,397.60	1,978,075	13,862,272.28	2,993	65,881.35
Minnesota.....	3,471,215	21,010,560.81	42,757	802,805.12	2,901,304	18,307,933.77	3,947	113,135.13
Iowa.....	3,906,688	19,994,260.38	18,737	411,991.76	2,080,796	10,794,565.37	2,232	43,426.91
Missouri.....	3,871,851	18,721,017.55	18,575	353,805.08	6,076,380	31,990,264.36	3,661	61,361.87
Middle Western States.....	38,714,990	234,071,707.37	422,179	6,380,585.95	56,781,907	324,193,227.57	57,702	1,057,447.29

North Dakota.....	1,471,605	8,431,992.14	6,260	157,789.26	259,553	2,000,138.23	529	17,469.78
South Dakota.....	1,179,245	6,673,629.02	5,121	94,194.10	283,590	2,080,684.93	633	17,748.93
Nebraska.....	2,130,611	11,732,537.41	10,564	202,381.24	1,247,744	8,267,535.00	1,148	25,275.58
Kansas.....	2,719,063	13,068,576.41	7,039	121,901.91	1,118,410	6,502,558.09	2,140	15,816.75
Montana.....	1,563,201	13,188,477.73	31,746	748,888.79	564,054	5,954,153.22	1,141	34,875.07
Wyoming.....	472,720	3,680,407.16	4,764	135,211.74	146,668	1,444,775.05	195	4,971.86
Colorado.....	1,884,962	13,336,464.55	15,889	350,409.20	1,058,994	8,814,242.77	2,123	49,056.18
New Mexico.....	669,024	5,076,192.32	1,677	46,123.69	215,243	2,357,014.30	147	3,906.18
Oklahoma.....	2,999,980	14,831,566.31	3,505	43,582.56	795,407	5,416,514.93	530	6,439.42
Western States.....	15,090,420	90,019,843.05	86,565	1,900,482.49	5,689,663	42,837,616.52	8,596	175,559.75
Washington.....	2,781,279	17,973,341.87	64,046	1,680,640.90	2,214,045	18,039,037.78	4,102	109,459.65
Oregon.....	1,508,765	9,264,002.17	26,369	666,378.17	892,885	7,345,463.73	1,761	39,033.15
California.....	4,668,152	36,968,576.90	168,829	3,518,575.29	4,171,566	37,556,140.27	18,688	406,375.48
Idaho.....	892,000	6,287,336.37	8,360	230,507.75	226,612	2,275,300.00	458	10,076.07
Utah.....	588,370	4,917,103.96	15,400	365,190.58	422,184	4,016,207.97	946	25,160.49
Nevada.....	401,629	4,005,642.54	5,462	140,235.48	110,761	1,395,999.26	187	5,708.49
Arizona.....	816,852	7,844,715.60	11,390	235,748.63	192,567	2,379,234.82	382	7,647.08
Alaska.....	124,927	2,974,065.97	5,553	212,292.56	25,090	832,819.95	118	5,733.40
Pacific States.....	11,781,974	90,234,785.38	305,409	7,049,569.36	8,255,710	73,840,203.78	26,642	609,193.81
China (Shanghai).....	9,297	248,188.86	.....	.....	3,717	92,386.50	.....	.....
Guam.....	2,758	96,340.61	249	7,413.57	221	5,957.10	16	440.70
Hawaii.....	160,526	2,568,363.53	44,688	1,203,778.89	83,578	1,649,256.27	737	19,184.12
Porto Rico.....	335,454	3,406,552.16	897	16,864.50	246,907	2,722,306.50	75	1,516.37
Samoa (Tutuila).....	1,897	55,832.78	294	10,920.70	168	6,581.76	11	263.14
Virgin Islands.....	936	11,567.56	62	649.13	291	3,050.04	7	199.65
Superintendent money-order system.....	550	37,955.86	.....	.....	55	623.43	248	37,332.43
Insular possessions, etc.....	511,418	6,424,801.36	46,190	1,239,626.79	334,937	4,480,161.60	1,094	58,936.41
Total United States.....	133,291,973	822,679,622.83	1,973,714	32,284,182.85	133,605,805	834,695,404.16	251,817	4,796,558.28

No. 21.—*Money orders exchanged between the United States and "domestic basis" foreign countries, stated from July 1, 1916, to June 30, 1917.*

Countries.	United States domestic orders paid in foreign countries.		Foreign domestic orders paid in the United States.		Excess paid in foreign countries.	Excess paid in the United States.
	Number.	Value.	Number.	Value.		
Antigua.....	1,346	\$13,475.92	579	\$2,663,17	\$10,812.75	.....
Bahamas.....	855	10,490.10	2,768	16,464.39	.....	\$5,974.29
Barbados.....	20,089	228,627.16	1,877	21,545.44	207,081.72	.....
Bermuda.....	1,564	20,089.73	3,276	23,439.60	.....	3,349.87
British Guiana.....	2,393	24,751.12	3,418	26,293.33	.....	1,542.21
British Honduras.....	256	2,565.74	7,097	61,015.59	.....	58,449.85
Canada.....	573,486	7,591,870.47	1,521,580	14,884,261.02	.....	7,292,390.55
Canal Zone.....	5,230	120,054.75	124,259	1,960,694.17	.....	1,840,639.42
Cuba.....	23,295	360,296.53	125,444	1,216,932.10	.....	856,635.57
Dominica.....	232	1,995.15	429	5,471.80	.....	3,476.65
Grenada.....	1,545	21,307.22	992	13,431.09	7,876.13	.....
Jamaica.....	28,989	299,881.04	2,909	47,875.04	252,006.00	.....
Martinique.....	45	683.56	35	1,593.94	.....	910.38
Mexico (no business).....		1,143.09		1,360.76	.....	217.67
Montserrat.....	644	7,785.94	86	894.18	6,891.76	.....
Nevis.....	447	5,678.74	44	294.79	5,383.95	.....
Newfoundland.....	9,054	198,631.03	12,001	138,771.88	59,859.15	.....
Philippine Islands.....	11,918	361,291.51	68,318	1,375,243.55	.....	1,013,952.04
St. Kitts.....	1,066	21,126.03	202	1,228.10	19,897.93	.....
St. Lucia.....	705	6,459.65	1,067	39,029.17	.....	32,569.52
St. Vincent.....	1,593	21,844.38	341	4,793.12	17,051.26	.....
Trinidad.....	3,165	39,959.26	4,541	28,623.63	11,335.63	.....
Virgin Islands.....	76	687.02	130	1,434.68	.....	747.66
Total.....	687,993	9,360,695.14	1,881,293	19,873,354.54	598,196.28	11,110,855.68

No. 22.—*Money orders exchanged between the United States and "international basis" foreign countries, stated from July 1, 1916, to June 30, 1917.*

Countries.	International orders cer-		International orders cer-		Excess cer-	Excess cer-	
	Number.	Value.	Number.	Value.	ified by the	ified by	
					United	United	foreign
Australia.....	7,109	\$121,690.85	21,003	\$341,700.01	-----	-----	\$220,009.16
Austria (no business).....							
Belgium (no business).....							
Bolivia.....	28	505.52	374	3,111.68	-----	2,606.16	
Chile.....	723	11,203.70	1,898	28,767.75	-----	17,564.05	
Costa Rica.....	183	3,257.23	1,070	9,920.14	-----	6,662.91	
Denmark.....	31,007	510,900.73	3,566	78,124.89	\$432,775.84	-----	
Egypt.....		10.50			10.50		
France.....	87,536	908,970.16	8,138	115,013.12	793,957.04	-----	
Great Britain.....	874,170	10,090,856.65	125,759	2,631,560.35	7,459,296.30	-----	
Germany.....	21,559	250,163.68	2,821	60,596.76	189,566.92	-----	
Greece.....	52,161	2,304,818.39	347	4,006.83	2,300,811.56	-----	
Honduras.....	67	1,383.43	87	2,343.14	-----	959.71	
Hongkong.....	2,158	50,748.98	1,922	6,092.50	44,656.48	-----	
Hungary.....	2,440	36,337.60	-----		36,337.60	-----	
Italy.....	363,684	7,057,508.32	1,737	80,272.75	6,977,235.57	-----	
Japan.....	139,264	4,238,157.32	11,534	172,526.73	4,065,630.59	-----	
Liberia.....	156	6,181.30	198	6,762.78	-----	581.48	
Luxemburg.....	376	7,370.86	4	155.59	7,215.27	-----	
Netherlands.....	29,779	389,128.03	5,008	63,107.46	326,020.57	-----	
New Zealand.....	2,227	45,075.71	15,391	294,332.43	-----	249,256.72	
Norway.....	91,916	2,278,054.75	5,046	143,012.72	2,135,042.03	-----	
Peru.....	368	10,009.42	-----	50.00	9,959.42	-----	
Portugal (no business).....							
Russia.....	12,135	165,192.45	-----		165,192.45	-----	
Salvador.....	49	563.06	295	1,357.11	-----	794.05	
Sweden.....	183,922	3,182,375.96	6,760	321,876.10	2,860,499.86	-----	
Switzerland.....	35,145	621,507.37	2,984	51,040.76	570,466.61	-----	
Union of South Africa.....	1,634	28,554.91	5,363	73,015.55	-----	44,460.64	
Uruguay.....	81	1,755.96	303	2,732.41	-----	976.45	
Total.....	1,939,877	32,322,282.84	221,608	4,491,479.56	28,374,674.61	543,871.33	

No. 23.—*The Post Office Department general account with postmasters, stated from July 1, 1916, to June 30, 1917.*

MONEY-ORDER SERVICE.

Balances due the United States July 1, 1916 .....	\$12, 525, 336. 65
Domestic money orders issued.....	\$822, 679, 622. 83
International money orders issued. \$32, 284, 182. 85	
Less repaid and void.....	335, 885. 85
	31, 948, 297. 00
Fees collected for issuing domestic money orders.....	7, 427, 716. 26
Fees collected for issuing international money orders.....	396, 075. 80
Exchange received from foreign countries as payment on account.....	12, 090, 389. 74
Deposits of surplus funds received from postmasters.....	681, 742, 397. 34
Drafts drawn on the postmaster at New York.....	45, 871, 184. 08
Drafts drawn on the Assistant Treasurer United States at New York.....	49, 490, 046. 37
Funds transferred from the postal account.....	5, 600, 958. 96
Miscellaneous receipts.....	801. 88
Balances due late postmasters closed to "suspense".....	1, 259. 58
Adjustment transfers.....	114, 510. 44
Collection orders.....	2, 492. 64
Balances paid late postmasters.....	2, 57
Adjustment items.....	82. 39
	1, 657, 365, 837. 88
Balances due postmasters June 30, 1917.....	148, 273. 68
 Total.....	 1, 670, 039, 448. 21
 Balances due postmasters July 1, 1916 .....	 61, 201. 92
Domestic money orders paid.....	834, 695, 404. 16
Certified international money orders paid and repaid.....	\$4, 796, 558. 28
Certified orders repaid.....	\$324, 514. 94
Uncertified orders repaid .....	11, 370. 91
	335, 885. 85
	4, 460, 672. 43
Commissions allowed postmasters for issuing money orders.....	2, 169, 719. 37
Losses by burglary, fire, and other unavoidable casualties.....	55, 554. 87
Losses by bad debts, etc., late postmasters' accounts.....	23, 548. 22

Exchange purchased and remitted to foreign countries as payments on account.....	\$28,189,627.80
Funds transferred to the postal account.....	3,880,774.81
Revenue from money-order business transferred to postal revenue.....	6,397,105.75
"Unpaid money orders more than 1 year old" transferred to postal revenue.....	502,940.62
Deposits of surplus funds made by postmasters.....	681,742,397.34
Money-order funds deposited with the assistant treasurer United States, Chicago.....	27,030,000.00
Money-order funds deposited with the assistant treasurer United States, New York.....	23,407,399.90
Drafts paid by the postmaster at New York.....	45,848,444.60
Adjustment transfers.....	114,510.44
Collection orders.....	2,492.64
Balances paid late postmasters.....	2.57
Adjustment items.....	7,390.35
Incidental expenses.....	82.39
	\$1,658,528,068.26
Balances due the United States June 30, 1917.....	11,450,178.03
Total.....	1,670,039,448.21

No. 24.—*The Post Office Department general account with United States Treasury depositaries, stated from July 1, 1916, to June 30, 1917.*

Money-Order Service.	New York.	Chicago.	Total.
Balance on deposit July 1, 1916.....	\$3,722,776.78	\$882,759.00	\$4,605,535.78
Deposits of funds.....	23,407,399.90	27,030,000.00	50,437,399.90
Transfers from Chicago.....	27,000,000.00	.....	27,000,000.00
Total.....	54,130,176.68	27,912,759.00	82,042,935.68
Postmaster General's drafts paid.....	49,075,046.37	.....	49,075,046.37
Transfers to New York.....	.....	27,000,000.00	27,000,000.00
Balance on deposit June 30, 1917.....	5,055,130.31	912,759.00	5,967,889.31
Total.....	54,130,176.68	27,912,759.00	82,042,935.68

No. 25.—*The general transfer account—Postal and money-order funds, stated from July 1, 1916, to June 30, 1917.*

Balance due the Money-Order Service July 1, 1916.....	\$1,524,458.73	.....
Transferred from Postal to Money-Order Service.....	.....	\$5,600,958.96
Transferred from Money-Order to Postal Service.....	3,880,774.81	.....
Balance due the Postal Service June 30, 1917.....	195,725.42	.....
Total.....	5,600,958.96	5,600,958.96

No. 26.—*The Post Office Department general account with foreign countries, stated from July 1, 1916, to June 30, 1917.*

MONEY-ORDER SERVICE.

Balances due the United States July 1, 1916.....	\$1,780,273.91
Credit allowed the United States for payment of money orders issued in "domestic basis" foreign countries.....	\$19,873,354.54
Credit allowed the United States for international money orders certified by foreign countries, less repaid and void.....	4,491,479.56
Credit allowed the United States for repaid and void international money orders.....	440,363.38
Credit allowed the United States for remittances on account.....	28,856,460.95
Commissions allowed the United States for the payment of foreign money orders.....	20,522.76
Gain on foreign exchange.....	887,282.39
Gain on conversion of funds.....	11,350.89
	54,580,814.47
Balances due foreign countries June 30, 1917.....	6,559,707.95
Total.....	62,920,796.33
	7,487,104.18
Balances due foreign countries July 1, 1916.....	
Credit allowed foreign countries for the payment of United States domestic money orders.....	9,360,695.14
Credit allowed foreign countries for United States international money orders certified for payment..	32,322,282.84
Credit allowed foreign countries for repaid and void international money orders.....	34,049.61
Credit allowed foreign countries for remittances on account.....	12,757,222.89
Commissions allowed foreign countries for payment of United States money orders.....	132,039.60
Incidental expenses.....	389.58
Balances due the United States June 30, 1916.....	54,606,679.66
	827,012.49
Total.....	62,920,796.33

No. 27.—*The general domestic money-order account, stated from July 1, 1916, to June 30, 1917.*

Outstanding July 1, 1916.....	\$8, 708, 255. 10
Issued in the United States.....	822, 679, 622. 83
Credit allowed the United States for payment of money orders issued in "domestic basis" foreign countries.....	19, 873, 354. 54
Paid in the United States.....	\$834, 695, 404. 16
Credit allowed foreign countries for payment of United States domestic money orders.....	9, 360, 695. 14
"Unpaid money orders more than 1 year old" transferred to postal revenue.....	502, 940. 62
Outstanding June 30, 1917.....	6, 702, 192. 55
 Total.....	851, 261, 232. 47
	851, 261, 232. 47

No. 28.—*The general international money-order account (foreign countries issued),  
stated from July 1, 1916, to June 30, 1917.*

Outstanding July 1, 1916.....	\$46, 534. 26
Credit allowed the United States for money orders certified by foreign countries.....	4, 491, 479. 56
Repaid and void.....	335, 885. 85
Paid in the United States.....	\$4, 796, 558. 28
Repayment authorized in country of issue.....	34, 049. 61
Outstanding June 30, 1917.....	43, 291. 78
 Total.....	4, 873, 899. 67
	4, 873, 899. 67

No. 29.—*The general international money-order account (United States issued),  
stated from July 1, 1916, to June 30, 1917.*

Outstanding July 1, 1916.....	\$357, 942. 75
Issued.....	32, 284, 182. 85
Credit allowed foreign countries for United States international money orders certified for payment.....	\$32, 322, 282. 84
Uncertified orders repaid.....	11, 370. 91
Outstanding June 30, 1917.....	308, 471. 85
 Total.....	32, 642, 125. 60
	32, 642, 125. 60

No. 30.—*The general money-order revenue account, stated from July 1, 1916, to June 30, 1917.*

Audited revenues:

Fees collected for issuing domestic money orders..	\$7,427,716.26
Fees collected for issuing international money orders.....	396,075.80
Miscellaneous receipts.....	801.88
Commissions allowed the United States for the payment of money orders issued in foreign countries..	20,522.76
Gain on foreign exchange.....	887,282.39
Gain on conversion of funds.....	11,350.89
	—————
	\$8,743,749.98

Audited expenditures:

Commissions allowed postmasters for issuing money orders.....	2,169,719.37
Commissions allowed foreign countries for payment of money orders issued in the United States.....	132,039.60
Incidental expenses.....	471.97
	—————
	2,302,230.94

Losses:

Burglary, fire, and other unavoidable casualties.....	\$55,554.87
Bad debts, etc., late postmasters' accounts.....	23,548.22
	—————
	79,103.09

Contingencies:

Balances due late postmasters closed to "suspense".....	1,259.58
	—————
	77,843.51
	—————
	2,380,074.45

Revenue from money-order business <sup>a</sup>..... 6,363,675.53

<sup>a</sup> This item does not represent the *net revenue*, as all expenses for the maintenance and operation of the money-order service, except those shown above, are by requirement of law paid directly from the postal revenues.

