68TH CONGRESS, 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 1384

# POSTAL SALARIES AND POSTAGE RATES

FEBRUARY 4, 1925.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. MOORE of Ohio, from the Committee on the Post Office and Post Roads, submitted the following

## REPORT

[To accompany H. R. 11444]

The Committee on the Post Office and Post Roads, having had under consideration the bill (H. R. 11444) reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes, reports the same back to the House with the recommendation that the bill do pass.

Amendment No. 1. On page 1, in line 5, strike out the word and figures "July 1, 1924," and insert in lieu thereof the word and figures "January 1, 1925."

Amendment No. 2. Beginning on page 36, strike out everything after the words "first-class matter," in line 18, and strike out all of pages 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, and 50, and insert in lieu thereof the following:

### PRIVATE MAILING CARDS

SEC. 201. The rate of postage on private mailing cards described in the act entitled "An act to amend the postal laws relating to use of postal cards," approved May 19, 1898, shall be 2 cents each.

### SECOND-CLASS MATTER

SEC. 202. (a) In the case of publications entered as second-class matter (including sample copies to the extent of 10 per centum of the weight of copies mailed to subscribers during the calendar year) when sent by the publisher thereof from the post office of publication or other post office, or when sent by news agents to actual subscribers thereto, or to other news agents for the purpose of sale—

(1) The rate of postage on that portion of any such publication devoted to matter other that advertisements shall be 1½ cents per pound or fraction thereof.

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(2) On that portion of any such publication devoted to advertisements the rates per pound or fraction thereof for delivery within the eight postal zones established for fourth-class matter shall be as follows:

For the first, second, and third zones, 3 cents.

For the fourth, fifth, and sixth zones, 6 cents.

For the seventh and eighth zones, and between the Philippine Islands and any portion of the United States, including the District of Columbia and the several Territories and possessions, 9 cents.

The rate of postage on newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual, shall be 1½ cents per pound or fraction thereof, and the publisher of any such newspaper or periodical, before being entitled to such rate, shall furnish to the Postmaster General, at such times and under such conditions as the Postmaster General may prescribe, satisfactory evidence that none of the net income of such organization or association inures to the benefit of any private stockholder or individual.

(b) Where the space devoted to advertisements does not exceed five per centum of the total space, the rate of postage shall be the same as if the whole of such publication was devoted to matter other than advertisements.

(c) The rate of postage on daily newspapers and on the periodicals and newspapers provided for in this section, when deposited in a letter-carrier office for delivery by its carriers, shall be the same as now provided by law, and nothing in this act shall affect existing law as to free circulation and existing rates on second-class mail matter within the county of publication. The Postmaster General may hereafter require publishers to separate or make up to zones, in such a manner as he may direct, all mail matter of the second class when offered for mailing.

(d) With the first mailing of each issue of each such publication, the publisher shall file with the postmaster a copy of such issue, together with a statement containing such information as the Postmaster General may prescribe for determining the postage chargeable thereon.

SEC. 203. The rate of postage on publications entered as second-class matter, when sent by others than the publisher or news agent, shall be 2 cents for each two ounces or fraction thereof, for weights not exceeding eight ounces, and for weights of such matter exceeding eight ounces the rates of postage prescribed for fourth-class matter shall be applicable thereto.

SEC. 204. Where the total weight of any one edition or issue of any such publication mailed to any one zone does not exceed one pound, the rate of postage shall be 1 cent.

SEC. 205. The zone rates provided in section 202 of this title shall relate to the entire bulk mailed to any one zone and not to individually addressed packages.

### THIRD-CLASS MATTER

SEC. 206. (a) Mail matter of the third class shall include books, circulars, and other matter wholly in print (except newspapers and other periodicals entered as second-class matter), proof sheets, corrected proof sheets and manuscript copy accompanying same, merchandise (including farm and factory products), and all other mailable matter not included in the first or second class, or in the fourth class as defined in section 207.

(b) The rate of postage thereon shall be one and half cents for each two ounces or fraction thereof, up to and including eight ounces in weight, except that the rate of postage on books, catalogues, seeds, cuttings, bulbs, roots, scions, and plants, shall be 1 cent for each two ounces or fraction thereof.

(c) The written additions permissible under esisting law on mail matter of either the third or fourth class shall be permissible on either of these classes as herein defined without discrimination on account of classification.

### FOURTH-CLASS MATTER

SEC. 207. (a) Mail matter of the fourth class shall weigh in excess of eight ounces, and shall include books, circulars, and other matter wholly in print (except newspapers and other periodicals entered as second-class matter), proof sheets, corrected proof sheets and manuscript copy accompanying same, merchandise (including farm and factory products), and all other mailable matter not included in the first or second class, or in the third class as defined in section 206.

(b) That on fourth-class matter the rate of postage shall be by the pound as established by, and in conformity with, the act of August 24, 1912, and in addition thereto there shall be a service charge of 2 cents for each parcel, except upon parcels or packages collected on rural delivery routes, to be prepaid by postage stamps affixed thereto, or as otherwise prescribed by the regulations of the Postmaster General.

Whenever, in addition to the postage as hereinbefore provided, there shall be affixed to any parcel of mail matter of the fourth-class postage of the value of 25 cents with the words "Special handling" written or printed upon the wrapper, such parcel shall receive the same expeditious handling, transportation, and delivery accorded to mail matter of the first class.

The classification of articles mailable as well as the weight limit, the rates of postage, zone or zones, and other conditions of mailability under this section if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby directed, subject to the consent of the Interstate Commerce Commission after investigation, to reform from time to time such classifications, weight limit, rates, zone or zones or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

(c) That during the twelve months next succeeding the approval of this act the Postmaster General be, and he is hereby, authorized to conduct experiments in the operation of not more than 50 rural routes, in localities to be selected by him; said experiments shall be designed primarily to develop and to encourage the transportation of food products directly from producers to consumers or vendors, and, if the Postmaster General shall deem it necessary or advisable during the progress of said experiments, he is hereby authorized, in his descretion, on such number or all of said routes as he may desire, to reduce to such an extent as he may deem advisable the rate of postage on food products mailed directly on such routes for delivery at the post offices from which such routes start, and to allow the rural carriers thereon a commission on the postage so received at such rate as the Postmaster General may prescribe, which commission shall be in addition to the carriers' regular salaries. The amounts due the carriers for commissions shall be determined under rules and regulations to be prescribed by the Postmaster General directly from the postal revenues: *Provided*, That the amount so paid shall in no case exceed the actual amount of revenue derived from this experiemental service.

A report on the progress of this experiment shall be made to Congress at the next regular session.

MONEY ORDERS

SEC. 208. Section 3 of the act entitled "An act to modify the postal money-order system, and for other purposes," approved March 3, 1883, as amended, is amended to read as follows:

"SEC. 3. A money order shall not be issued for more than $100, and the fees for domestic orders shall be as follows—

"For orders not exceeding $2.50, 5 cents.
"For orders exceeding $2.50 and not exceeding $5, 7 cents.
"For orders exceeding $5 and not exceeding $10, 10 cents.
"For orders exceeding $10 and not exceeding $20, 12 cents.
"For orders exceeding $20 and not exceeding $40, 15 cents.
"For orders exceeding $40 and not exceeding $60, 18 cents.
"For orders exceeding $60 and not exceeding $80, 20 cents.
"For orders exceeding $80 and not exceeding $100, 22 cents.

REGISTERED MAIL

SEC. 209. (a) The first sentence of section 3927 of the Revised Statutes is amended to read as follows:

"SEC. 3927. Mail matter shall be registered only on the application of the party posting the same, and the fees therefor shall not be less than 15 nor more than 20 cents in addition to the regular postage, to be, in all cases, prepaid; and all such fees shall be accounted for in such manner as the Postmaster General shall direct."

(b) Notwithstanding the provisions of such sections, as amended, the Postmaster General may fix the fee for registered mail matter at any amount less than 20 cents.

SEC. 210. Section 3928 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 3928. Whenever the sender shall so request, and upon payment of a fee of 3 cents, a receipt shall be taken on the delivery of any registered mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender and be received in the courts as prima facie evidence of such delivery."

INSURANCE AND COLLECT-ON-DELIVERY SERVICES

SEC. 211. (a) The fee for insurance shall be 5 cents for indemnification not to exceed $5; 8 cents for indemnification not to exceed $25; 10 cents for indemnification not to exceed $50; and 25 cents for indemnification not to exceed $100. Whenever the sender of an insured article of mail matter shall so request, and upon payment of a fee of 3 cents, a receipt shall be taken on the delivery of such insured mail matter, showing to whom and when the same was delivered, which receipt shall be returned to the sender and be received in the courts as prima facie evidence of such delivery.

(b) The fee for collect-on-delivery service shall be 12 cents for collections not to exceed $10; 15 cents for collections not to exceed $50; and 25 cents for collections not to exceed $100.

(c) The provisions of the act entitled "An act to extend the insurance and collect-on-delivery service to third-class mail, and for other purposes," approved June 7, 1924, and of section 8 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912, with respect to the insurance and collect-on-delivery services, are hereby continued in force.

SPECIAL DELIVERY

SEC. 212. (a) To procure the immediate delivery of mail matter weighing more than 2 pounds and not more than 10 pounds, stamps of the value of 15 cents shall be affixed (in addition to the regular postage), and for the special delivery thereof 11 cents may be paid to the messenger or other person making such delivery.

(b) To procure the immediate delivery of mail matter weighing more than 10 pounds, stamps of the value of 20 cents shall be affixed (in addition to the regular postage), and for the special delivery thereof 15 cents may be paid to the messenger or other person making such delivery.

(c) For the purposes of this section the Postmaster General is authorized to provide and issue special-delivery stamps of the denominations of 15 and 20 cents.

SEC. 213. The act entitled "An act making certain changes in the postal laws," approved March 2, 1907, is amended to read as follows:

"That when, in addition to the stamps required to transmit any letter or package of mail matter through the mails, there shall be attached to the envelope or covering ordinary postage stamps of any denomination equivalent to the value fixed by law to procure the immediate delivery of any mail matter, with the words 'special-delivery' or their equivalent written or printed on the envelope or covering, under such regulations as the Postmaster General may prescribe, said letter or package shall be handled, transmitted, and delivered in all respects as though it bore a regulation special-delivery stamp."

SEC. 214. The Postmaster General is hereby authorized to continue the work of ascertaining the revenues derived from and the cost of carrying and handling the several classes of mail matter and of performing the special services, and to state the results annually as far as practicable and pay the cost thereof out of the appropriation for inland transportation by railroad routes.

REPEALS

SEC. 215. The following acts and parts of acts are hereby repealed:

(a) Sections 1101 to 1106, inclusive, of the revenue act of 1917;

(b) The act entitled "An act fixing the rate of postage to be paid upon mail matter of the second class when sent by persons other than the publisher or news agent," approved June 9, 1884; and

(c) The act entitled "An act to amend an act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes,' approved March 9, 1914," approved April 24, 1914.

EFFECTIVE DATE

SEC. 216. This title, except section 217, shall become effective on May 1, 1925.

SEC. 217. A special joint subcommittee is hereby created to consist of three members of the Committee on Post Offices and Post Roads of the Senate and three members of the Committee on the Post Office and Post Roads of the House, to be appointed by the respective chairmen of said committees. The said special joint subcommittee is authorized and directed to hold hearings prior to the beginning of the first regular session of the Sixty-ninth Congress, to sit in Washington or at any other convenient place and to report during the first week of the first regular session of the Sixty-ninth Congress, by bill, its recommendations for a permanent schedule of postal rates. Said special joint subcommittee is hereby authorized to administer oaths, to send for persons or papers, to employ necessary clerks, accountants, experts, and stenographers, the latter to be paid at a cost not exceeding 25 cents per one hundred words; and the expense attendant upon the work of said special joint subcommittee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon voucher of its chairman. This section shall become effective upon the enactment of this act.

This bill (H. R. 11444), as reported by the committee, contains two titles, Title I, dealing with the salary increases for postal employees and Title II, with a revision of postage rates.

## TITLE I

Title I is identically the same as the salary bill passed by the House and Senate in May, 1924, except that salary schedules are effective from January 1, 1925. It is believed by the committee that it provides the best balanced and fairest reclassification of postal salaries in the history of the Postal Service. It provides an increase of $300 per year for post-office clerks and city letter carriers, with proportionate increases in salaries or allowances for all other postal employees. This has had the practically unanimous endorsement of Congress and is supported by strong public sentiment.

It is provided that the salary schedules shall be effective as of the date of January 1, 1925. It is the earnest belief of the committee that these postal employees have earned this additional compensation. All the measures introduced in this session of Congress have made the salaries retroactive to July 1, 1924, as provided in the original bill. However, the committee believes that it will be a just provision if the date January 1, 1925, is agreed upon instead, and so recommends.

## TITLE II

Title II deals with the first class, second class, third class, and fourth class of mail matter, as well as the special services rendered by the postal establishment.

### FIRST-CLASS MAIL

The only change made in first-class rates pertains to private mailing cards, which are now carried at 1 cent each. The bill raises this to 2 cents.

### SECOND-CLASS MAIL

Second-class rates are a complicated structure with eight subclassifications at present.

### NEWSPAPERS AND MAGAZINES

For newspapers and magazines carried at pound rates by zones the measure establishes a system of three zones, instead of eight as at present. The proposed rates are for the first, second, and third zones, 3 cents a pound on advertising matter; for the fourth, fifth, and sixth zones, 6 cents a pound; and for the seventh and eighth zones, 9 cents a pound. The present rate of 1½ cents per pound for the reading matter of such publications remains unchanged.

### RELIGIOUS, SCIENTIFIC, FRATERNAL, ETC., PUBLICATIONS

Publications issued by religious, scientific, agricultural, fraternal, and other similar organizations not operated for profit are carried at present at a flat rate of 1¼ cents per pound. This bill increases that rate to 1½ cents per pound.

### FREE-IN-COUNTY PRIVILEGE

Newspapers and publications now having the right to free distribution in the county in which they are printed and published are not disturbed by this bill, and those rights remain unchanged. They will still have the free-in-county service.

### THIRD-CLASS MAIL

In regard to third-class rates there has been for many years an urgent demand that third and fourth class mail matter be consolidated. This appeal has come because of the flagrant inconsistencies in the rates for third and fourth class matter over 8 ounces. This bill places all present third-class matter above 8 ounces in the fourth class and applies to it the parcel-post rates. It also places in the third class all mail matter at present carried in the fourth class where the weight is less than 8 ounces. This is believed to be a worthy change in the present classification. The rate fixed for third-class matter is 1½ cents for each 2 ounces instead of 1 cent, as at present. From this rate is excepted books, catalogues, seeds, cuttings, bulbs, roots, scions, and plants, on which the rate remains at 1 cent for 2 ounces, as at present.

### FOURTH-CLASS MAIL

In view of the fact that the present law authorizes the Postmaster General to fix rates on parcel post, with the consent of the Interstate Commerce Commission, the committee did not deem it wise to suggest a complete rate structure for parcel post. Instead it recommends the levying of a service fee of 2 cents per parcel, excepting parcels originating on rural routes. This measure further directs the Postmaster General to reform, with the consent of the Interstate Commerce Commission, classifications, weight limits, rates, zone or zones, or conditions of mailability in order to promote the service to the public or to insure the receipt of adequate revenue. The measure also includes a provision for an experiment on rural routes by the Postmaster General for the purpose of encouraging the transportation of food products directly from producers to consumers and vendors, and provides for a special compensation to be paid to carriers on the routes selected.

### SPECIAL SERVICES

This measure fixes rates for money orders, registered mail, insurance, collect on delivery, and special delivery. In accordance with the recommendations of the Post Office Department, these are so regulated that it is believed there will be no undue burden on any of the users of these services while at the same time the revenues received will more nearly pay the cost of the services. The bill fixes the date on which the postage rates shall become effective as May 1, 1925, thus giving the Post Office Department time to promulgate the rates and also giving the public due notice when the new rates become effective.

### JOINT CONGRESSIONAL COMMITTEE

Provision is made in this measure for the appointment of a special joint subcommittee consisting of three members of the Committee on Post Offices and Post Roads of the Senate and three members of the Committee on the Post Office and Post Roads of the House, for the purpose of studying the entire postage rate problem. While no date is fixed when the rates and fees carried in the bill shall cease to be in effect, it is believed that a thorough and painstaking investigation of the complicated problem of postage rates will suggest certain changes in the permanent schedules. This special joint subcommittee is directed to report its recommendations during the first week of the first regular session of the Sixty-ninth Congress.

### CONCLUSION

Your committee has been engaged for more than a year upon the study of postal salaries and postage rates. It believes that the bill herewith presented embodies the best judgment of the committee after such study and investigation. The final estimates of the Post Office Department show that the postage rate schedules will yield $61,222,768, as follows:

The department estimates the probable increase in revenue per annum which will be derived as follows:

| | |
|---|---|
| First class | $10, 000, 000 |
| Second class: | |
| Publishers | 2, 998, 252 |
| Transient | 1, 000, 000 |
| Third class | 18, 000, 000 |
| Fourth class | 13, 600, 000 |
| 25-cent special service (parcel post) | 3, 000, 000 |
| Insured service (third and fourth) | 3, 058, 147 |
| C. O. D. service (third and fourth) | 1, 103, 879 |
| Money orders | 3, 582, 490 |
| Registery service | 3, 980, 000 |
| Special-delivery service | 900, 000 |
| | 61, 222, 768 |

This revenue is almost sufficient to meet the entire cost of the increased compensation to postal workers. It must be remembered also that the natural growth of the postal business means a gain of approximately $14,000,000 a year. The Post Office Department estimates that there will be a surplus under present conditions in 1926, so that the passage of this measure will, for all practical purposes, make postal revenues balance expenditures.

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68TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 1384
2d Session } { Part 2

# POSTAL SALARIES AND POSTAGE RATES

FEBRUARY 7, 1925.—Ordered to be printed

Mr. RAMSEYER, from the Committee on the Post Office and Post Roads, submitted the following

## MINORITY REPORT

[To accompany H. R. 11444]

### TITLE I

This title is the postal salary bill and word for word the same bill that the President vetoed on the day of the adjournment of the last session of Congress, except that the date the bill is to become effective has been changed from July 1, 1924, to January 1, 1925. I filed minority views on the bill vetoed by the President and also made a speech against it. For the speech and minority report see Congressional Record, volume 65, part 10, Sixty-eighth Congress, first session, pages 10191 to 10196.

### TITLE II

This title has to do with postage rates. Some increases in postage rates have been made in each class of mail and in nearly every service rendered by the Post Office Department, except in a few items the rates have been decreased.

In the spring of 1921 the Committee on the Post Office and Post Roads of the House addressed itself to the problem of ascertaining the costs of carrying the different classes of mail and rendering the special postal services. A subcommittee of five members, of which I was the chairman, was appointed to work out a program of procedure with the result that the House Committee on the Post Office and Post Roads induced the Joint Postal Commission to undertake the work with the funds that commission then had on hand. It was soon learned that the Joint Postal Commission did not have sufficient funds and that the task was too great for the clerical force in the employ of that commission. The necessity of making a cost ascertainment appealed to the judgment of both the House Committee on the Post Office and Post Roads and to the Senate Committee on Post Offices

and Post Roads. By the joint support of these two committees an appropriation of $500,000 during the closing days of the last Congress was made available to the Post Office Department to make the cost ascertainment. The Post Office Department made a report to Congress on the cost of handling the different classes of mail and rendering the various postal services, on December 2, 1924.

Table No. 80 of that report is as follows:

TABLE 80.—*Statement showing recapitulation of allocations and apportionments of revenues and expenditures for the fiscal year 1923, shown in Table A, according to the classes of mail matter and special services, and the losses or gain on each*

| Classes of mail matter and special services | Revenues | Expenditures | Loss | Gain |
|---|---|---|---|---|
| Paid first class | $271, 894, 051. 49 | $191, 476, 335. 17 | | $80, 417, 716. 32 |
| Second class | 31, 214, 425. 47 | 105, 927, 294. 14 | $74, 712, 868. 67 | |
| Third class | 43, 844, 940. 77 | 60, 136, 516. 25 | 16, 291, 575. 48 | |
| Fourth class | 120, 649, 662. 42 | 127, 566, 416. 25 | 6, 916, 753. 82 | |
| Franked matter | | 357, 819. 45 | 357, 819. 45 | |
| Penalty matter | | 6, 214, 131. 44 | 5, 214, 141. 44 | |
| Free for blind | | 27, 315. 29 | 27, 315. 29 | |
| Foreign | 12, 871, 746. 39 | 17, 591, 003. 59 | 4, 603, 838. 17 | |
| Receipts foreign mail transit | 115, 419. 03 | | | |
| Money order | 11, 601, 425. 82 | 21, 141, 936. 99 | 9, 540, 511. 17 | |
| Registry | 8, 005, 579. 20 | 18, 379, 593. 01 | 10, 374, 013. 81 | |
| Postal savings | 5, 409, 504. 00 | 708, 092. 95 | | 4, 701, 411. 05 |
| Special delivery | 8, 175, 648. 33 | 8, 297, 645. 67 | 121, 997. 34 | |
| Insurance | 7, 185, 771. 14 | 8, 331, 730. 60 | 1, 145, 959. 46 | |
| C. O. D | 4, 079, 143. 35 | 5, 904, 580. 74 | 1, 825, 437. 39 | |
| Treasury savings | | 221, 809. 28 | 221, 809. 28 | |
| Total | 525, 047, 317. 41 | 572, 282, 220. 81 | 132, 354, 030. 77 | 85, 119, 127. 37 |
| Loss, excluding unassignable and unrelated items | | | 47, 234, 903. 40 | |
| Less unassignable revenues | 7, 773, 776. 74 | | 7, 773, 776. 74 | |
| Net loss, excluding unrelated | | | 39, 461, 126. 66 | |
| Unrelated | 1, 592, 077. 63 | 1, 936, 653. 15 | 344, 575. 52 | |
| Grand total | 534, 413, 171. 78 | 574, 218, 873. 96 | 39, 805, 702. 18 | |

The purpose of ordering this cost ascertainment was, first, to ascertain the revenues and expenditures according to class of mail matter and special services and the loss or gain on each, and, second, to bring about reforms in the Post Office Department to improve the efficiency of the service and to establish better business methods in handling the different classes of mail matter and performing the special services.

On the whole the Post Office Department ought to be placed on a self-sustaining basis, that is, the revenue derived from handling the different classes of mail and performing the special services should equal the cost thereof. This was one of the points stressed in the President's veto message, returning the Postal Salary Bill to Congress without his signature.

The purpose sought to be accomplished by the Committee on Post Office and Post Roads of the House in Title II of the bill was to meet this objection of the President. I wish to state in all frankness that Title II of the bill as reported by the House committee is decidedly better than Title II of the bill which was passed by the Senate, and, in my opinion, is an improvement over the recommendations of the Post Office Department as incorporated in the so-called Sterling-Paige bill. The House bill will produce the desired revenue. The

Post Office Department estimates that the House bill will produce additional revenue annually as follows:

| | |
|---|---|
| First class | $10, 000, 000 |
| Second class: | |
| Publishers | 2, 998, 252 |
| Transient | 1, 000, 000 |
| Third class | 18, 000, 000 |
| Fourth class | 13, 600, 000 |
| 25-cent special service (parcel post) | 3, 000, 000 |
| Insured service (third and fourth) | 3, 058, 147 |
| C. O. D. service (third and fourth) | 1, 103, 879 |
| Money orders | 3, 582, 490 |
| Registry service | 3, 980, 000 |
| Special-delivery service | 900, 000 |
| | 61, 222, 768 |

FOURTH-CLASS MATTER

I am opposed to a revision of the rates on fourth-class matter by Congress. The adjusting of postage rates on fourth-class matter is a highly technical undertaking which should be left to a nonpolitical expert body. There is no more reason why Congress should undertake to do that job than there is for Congress to undertake to adjust the freight rates or the express rates.

The Sixty-fourth Congress very wisely, in my opinion, authorized the Postmaster General, with the approval of the Interstate Commerce Commission, to reform from time to time the classification of articles mailable, as well as the weight limit, the rates of postage, zone or zones, and other conditions of mailability of fourth-class matter. The law giving the Postmaster General this authority is found in United States Statutes at Large, Sixth-fourth Congress, first session, volume 39, part 1, page 431, section 6, which reads as follows:

> If the Postmaster General shall find on experience that the classification of articles mailable, as well as the weight limit, or the rates of postage, zone or zones, and other conditions of mailability, under section 8 of the act approved August 24, 1912, or any of them, are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby authorized to reform from time to time such classification, to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof: *Provided, however,* That before any change is hereafter made in weight limit, rates of postage, or zone or zones, by the Postmaster General, the proposed change shall be approved by the Interstate Commerce Commission after thorough and independent consideration by that body in such manner as it may determine.

The Postmaster General under this law, with the experts in the Postal Service and with the information available in the cost ascertainment report, can place into effect a scientific revision of parcel-post rates with the approval of the Interstate Commerce Commission. The revision of rates on fourth-class mail matter should be left where the law has placed it and should not be brought into Congress to be made the football of politics. For Congress at this time to undertake to tamper with the rate schedule on fourth-class matter, in my opinion, is a step backward and unfair to the users of that class of mail.

SECOND-CLASS MATTER

For years the postage rates on second-class matter have been the subject of bitter controversy. To bring about a truce between the

publishers of the country and Congress, and at the same time to insure justice to the Government, I have introduced the following bill:

A BILL To authorize the Postmaster General to fix postage rates on second-class mail

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That if the Postmaster General finds on experience that the rates of postage, zones, or other conditions of mailability in respect to that portion of publications entered as second-class matter which is devoted to advertisements, and for which a zone rate is provided, are such as to permanently render the cost of service for that portion of any such publication greater than the receipts of the revenue therefrom, he is authorized, subject to the consent of the Interstate Commerce Commission after investigation, to reform from time to time such rates, zones, or conditions of mailability in respect to that portion of such publications in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

There is no purpose to interfere with the present policy of Congress on the newspapers that now enjoy the free-in-county privilege nor with those newspapers and periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual. The bill that I have introduced applies only to that portion of publications devoted to advertisements and which is now subject to zone rates. Such postage rates should be determined by some nonpolitical expert body. The determination of such rates should be taken out of Congress and out of politics.

I do not claim that my bill is the last word of wisdom on the subject. It is entirely possible that a different rule could be devised to guide the action of the Postmaster General and the Interstate Commerce Commission than the one set out in my bill without detriment either to the publishers or the Government. What I am seeking to bring about is a scientific and businesslike method of arriving at the rates on that portion of the newspapers and periodicals which are now subject to zone rates, and to do that the subject must of necessity be taken out of Congress and out of politics. A proposal of this kind should be welcomed by the publishers, Congress, and the people.

Some publishers have shown a commendable disposition to be fair and a willingness to pay the Government the cost of handling their publications. Attention is directed to the testimony of Mr. S. E. Thomason, Chicago, Ill., vice president and business manager of the Chicago Tribune and also president of the American Newspaper Publishers' Association, before the subcommittee of the Committee on Post Offices and Post Roads of the Senate a few weeks ago. On page 256 of the hearings appears the following:

Representative RAMSEYER. Are you ready to subscribe to the proposition to pay the Government for the carrying of your mail what it actually costs the Government to carry it?

Mr. THOMASON. I think that is a big question, Mr. Ramseyer, and I would say that if we are given the opportunity to determine what the costs of carrying second-class mail are, we are willing to pay those costs in the same proportion that other users of the mail pay those costs. Moreover, given time, we are perfectly willing to come down here and submit a definite fixed policy with our reasons sustaining it.

To arrive at "a definite fixed policy, to determine what the costs of second-class mail are," and to fix rates accordingly is the purpose of my bill.

Furthermore, it is the contention of some publishers that under existing postage rates they pay the department more than the costs of handling their publications. In the same hearings will be found the testimony of Mr. Arthur J. Baldwin, vice president, McGraw-Hill Co., and also president of the National Publishers' Association. On page 127 of the hearings appear the following questions and answers:

Representative RAMSEYER. Do I understand it is your contention that the magazines you have named and that are published by the McGraw-Hill Co., on the basis of estimated cost as found by the cost ascertainment report, would pay the Government more than the cost of carrying their publications and distributing them through the post offices?

Mr. BALDWIN. Yes, I do.

Senator HARRELD. It is your contention that you are now paying the Government a profit on such publications as they handle for you?

Mr. BALDWIN. I mean, if our publications were not paying on this deficit, the Government would have $125,000 a year greater than the actual cost of handling the matter.

What could be fairer and more practical than to refer this highly technical controversy to some nonpolitical expert body in the same manner as postage rates on fourth-class mail have been referred by Congress?

It is the contention of many publishers that if the problem of transportation costs were properly studied and properly corrected, the Post Office Department could save from 25 to 50 per cent of the amount which to-day it pays to the railroads for carrying the mails and that this amount is about $100,000,000 a year. If this contention of the publishers can be sustained, it will mean a saving to the Government on railroad transportation alone of many millions of dollars annually. There is a much greater possibility and hope of bringing about such reform and saving through a nonpolitical expert commission or tribunal than through Congress.

Respectfully submitted.

C. W. RAMSEYER.

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