OPERATIONS AND MAINTENANCE OF ROADS, ALASKA

"An appropriation of $2,600,000, equal to that available for the current year, is recommended. This represents a reduction of $700,000 below the amount requested in the budget.

"There are reports of overloads being permitted on Alaska highways, necessitating high maintenance costs. To the extent that such is increasing the need for greater maintenance appropriations, immediate corrective action should be taken. If the military services are indulging in such practices, military appropriations should be drawn upon for any resulting high maintenance costs, and such practices by private operators should be prohibited."

Savings: $700,000.


ALASKA RAILROAD SPECIAL FUND

"An estimate of $2,500,000 was submitted for completion of the rehabilitation program of the railroad, for acquisition of boats and barges, and for certain repairs and improvements to marine and other facilities. The estimate has been reduced by $500,000, and an appropriation of $2,000,000 is recommended to cover all of the items included in the budget. To the extent that such appropriations may be inadequate, the program should be reduced. The committee does not intend that additional appropriations be provided for the rehabilitation program, and does not intend to support an endless program of additional capital investment in the Alaska Railroad.

Realistic long-range objectives to accomplish well-defined transportation needs will have to be worked out before estimates for additional capital expenditures will be considered, and any proposed capital expenditures from appropriated funds will be carefully reviewed in the light of their self-liquidation possibilities."

Savings: $500,000.

Department of Justice
"Senator Ferguson. I am still coming back to the question of why we cannot get more of the costs of these offices that serve the public, such as the offices of those probating wills, and having to do with the filing of deeds, and the recording of different instruments. Why can we not collect from the man who uses that service?"

"Mr. Cogswell. The requirement is that there must be a deposit of $15 to cover costs at the time that the petition for probate of a will is filed. That covers certain of the papers filed. After that has been exhausted, bills are sent for costs, as the costs accrue.

"Senator Ferguson. Yes; but why should not the costs be covered by the fees? Why should not these fees be increased? When was the last increase in these fees?"

"Mr. Cogswell. There has not been an increase in fees since 1901...."

Savings: Amount unspecified.

Source: Mr. Ferguson, Senator from Michigan, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Departments of State, Justice, Commerce, and the Judiciary Appropriations for 1952, Part I, p. 412.

* * * * *

"My idea is that the Government could save an awful lot of money and we could save a lot of personnel in the Antitrust Division if you would—if you advised business people that you considered them guilty of a violation of the statute and should discontinue the illegal practice."
Savings: Amount unspecified.

Source: Mr. Rooney, Representative from New York, in Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 82d Cong., 1st Sess., Department of Justice Appropriations for 1952, p. 240.

* * * * *

SALARIES AND EXPENSES, CLAIMS OF PERSONS OF JAPANESE ANCESTRY

"...However, I will read the third question of Senator Ferguson now:

"'How much has been expended for administration: '2/3 of Japanese property claims in the West'?

"The answer is $34,3,535 through February 28, 1951.

"The fourth question is:

"'How much of these funds have been transferred to other Departments or Justice Department activities (not including the $610,000 rescinded under section 121 of last year)?'

"The answer is $971,660."

I will be very frank with you. This whole situation not only perplexes one, but it startles me. To say the least it is a rather loose way of doling out the money of the taxpayers of this country. Perhaps Congress is to blame for it for the manner in which we enacted the legislation."

"Congress has evidently been misled when they thought $10 million would cover it. It is going to run up to probably double that."

Savings: Amount unspecified.


* * * * *
Salaries, Claims Division.

"No funds are included for the new positions requested for the Claims Division. If properly organized and operated, this division can adequately discharge its responsibilities with a smaller staff... an investigation was ordered to determine the actual situation with regard to the alleged backlog of work and the reasons therefor. This investigation revealed that, in one section, where it had been reported that there was a backlog of 5,321 cases there was actually only 1,418. It was shown that records were kept in a haphazard manner, were incomplete in some instances and duplicating in others; that there was reluctance to delegate authority to United States attorneys; that there was lack of effective administrative control over the work; and that personnel was distributed with insufficient regard for the volume and importance of the work in the various sections..."

Savings: Amount unspecified.


* * *

Salaries, Criminal Division.

"Mr. Rooney. My attention has been called to the fact that at $250 a piece, $52,150 would cover travel for 208 attorneys. Is that correct?"

... ... ...

"If there are 119 attorneys you are providing travel for, then the figure, instead of being $250 would be about $430 each."

"Mr. Kilguss. That is too high."

... ... ...

"Mr. Rooney. What do you expect us to do under the circumstances?"

"Mr. Butts. If I may make a suggestion, the $52,000 should be reduced to approximately $25,000."

"Mr. Rooney. Then we have saved $27,150 of the taxpayers' money here in a few minutes; or did we?"
"Mr. Whearty, I am inclined to think that we did."

Savings: $27,150.


* * * * *

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

"I would like to see an arrangement made whereby the Civil Service Commission, which is supposed to be the agency of the Government to investigate all applicants for appointment, investigates workers such as those in the Voice of America and the Atomic Energy Commission. If there is found in the name check which has to be made by the FBI any information against a man in the way of subversion or questioning his loyalty, we would make that investigation under the loyalty program. If there was nothing against the man, the Civil Service Commission would make a straight personnel investigation. In the course of their investigation, if they found the man was subversive, they would stop and send it to the FBI for handling, just as is done under the loyalty program. Under the loyalty program we do not investigate all persons applying for employment in the Government. We only investigate those against whom there is some record of possible disloyalty.

"I think a great deal of our time is wasted today by handling straight personnel investigations which could just as well be handled by another agency of the Government."

Savings: Amount unspecified.

Source: Mr. Hoover, Director, Federal Bureau of Investigation, in Hearings before the Subcommittee of the Committee on Appropriations, Senate, 82d Cong., 1st Sess., Department of State, Justice, Commerce, and the Judiciary Appropriations for 1952, Part 1, p. 36.
IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

"It is believed that some savings can be effected in the amount requested for alien registration. The request was based on 4,000,000 aliens registering, whereas, the testimony revealed that only 2.3 million were registered by February 1951..."

Savings: Amount unspecified.


* * *

"...my amendment seeks to strike out an amount of $1,000,000 in this bill for the Immigration and Naturalization Service. In the regular appropriation bill, which has not yet been signed by the President of the United States, the Congress has agreed to an amount of $37,000,000 plus for the Immigration and Naturalization Service. Now, before the ink is dry on that bill, in comes a supplementary request for $1,000,000..."

Savings: $1,000,000.

Source: Mr. Jensen, Representative from Iowa, Congressional Record, August 20, 1951, p. 10590.

* * * * *

FEDERAL PRISON SYSTEM

BUILDINGS AND FACILITIES

"The request for $950,000 for 'Building and facilities' to construct a new Federal jail at Anchorage, Alaska is disallowed by the committee at this time...The committee does not in the least question any part of the testimony to the effect that the present jail is unsatisfactory. However, in view of the current shortage and
strategic value of certain materials which would be used in the construction of a new jail, it feels that such construction should be deferred to a later and more advantageous date."

Savings: $950,000.

"...the effect of my amendment is to permit the Labor-Federal Security agencies to fill 25 percent of the vacancies which occur in those agencies during the fiscal year 1952, with some exceptions...."

"Turn-over in the Government is a serious matter and this amendment, while seeking economy as its primary objective, also provides an incentive for the agencies of government to try to hold the resignations down which in itself provides some economy in the retention of trained employees and the savings of payments for accrued annual leave. Under this amendment if the agencies can improve working conditions and keep employees longer, they are not penalized."

"It is estimated that this amendment will deny the employment of about 8,000 persons in the fiscal year 1952 from the approximately 48,000 requested. Since they will be going off the rolls on a gradual basis we will assume that the 8,000 is the equivalent of 4,000 on a full-year basis. This would figure roughly about $16,000,000 from the budget request less whatever the committee cut amounts to in terms of personnel. I estimate that this amendment will further reduce the bill now before the House by ten to eleven million dollars."

Savings: $10,000,000 - $11,000,000.

Source: Mr. Jensen, Representative from Iowa, Congressional Record, April 18, 1951, pp. 4209-4210.

"I merely move that on page 2 lines 12 and 13 be stricken from the bill, and that in lieu of the figure 1$1,400,000' there be inserted the figure 1$1,000,000.'"

"...the reason for my offering the amendment is that the employment figures for the Department of Labor show that at the beginning of 1949 there were altogether 3,537 employees in the Department. There was an increase of employees in the Department of 50 percent in 1949 and 16 percent during 1950. During 1951 the Department
intends to increase the number of employees still further. I see no reason why we should not cut the figure back at this time. If we wish to reduce appropriations this is one way of getting underway in that direction. I believe the time has come for us to cut as much as we can, and I think such cuts should be made not only in the field service, but also in the office of the Secretary.

Savings: $400,000.

Source: Mr. Williams, Senator from Delaware, Congressional Record, June 8, 1951, p. 6437.

The Bureau of Labor Statistics accounted for about one third of the Department's employees. Some others were kept busy, according to a report by Rep. John B. Williams, a Mississippi Democrat and chairman of a House Civil Service subcommittee, in squandering $1,000,000 while keeping occupied writing personal letters, reading office manuals and making work-progress reports on nonexistent projects.

Waste: More than $1,000,000.


OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

"...The committee recommends $1,400,000 for salaries and expenses, a reduction of $75,000 below the estimate and $25,000 below the House allowance. The committee concurs with the House report, but adds a further cut of $25,000 in the international labor affairs activity."

Savings: $75,000.

SALARIES AND EXPENSES, OFFICE OF SOLICITOR

"...What I am proposing at the moment is a cut in the expenditures for the Office of the Solicitor of the Department of Labor."

"...What I am proposing, at the moment, is that instead of appropriating approximately $1,670,000 for the Solicitor's office, we appropriate $1,575,000, or a reduction of approximately $95,000. In brief, this is a cut of 8 2/3 percent below the budget estimate.

"...the legal staffs of the Government are swollen and inflated. If there is one commodity of which the Government has a surplus, it is lawyers. Virtually every agency has a large number of lawyers, a large percentage of whom are not needed..."

"We have progressed to the point where it is not the Congress which really makes the laws of the country. It is the heads of the agencies who interpret the laws and get from their paid attorneys opinions which in some cases are in violation of the statute, and in many cases do not carry out the intent of the statute.

"So while I have a very warm feeling for lawyers as a class, and especially for those lawyers who are members of this body, nevertheless, I think that this is an appropriation which can with profit be reduced. Without wishing to be sadistic toward these attorneys, many of them may return to more profitable employment in private industry or in the Armed Forces of the United States."

Savings: $95,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 8, 1951, pp. 6440, 6441.

* * * * *

SALARIES AND EXPENSES, BUREAU OF LABOR STANDARDS

"A reduction of $78,000 below the estimate and currently available funds of $766,000 has been made by the committee, allowing $688,000.

"The equivalent of 10 full-time personnel is assigned to international labor matters with a budget of $48,000. The Committee is not convinced that this much is needed, particularly in view of the sizeable staff provided in the Secretary's appropriation exclusively for international labor matters, and accordingly has reduced the Bureau's allotment by $26,000. Another activity is the work of reg-
istering data filed by labor unions under provisions of the Labor-Management Relations Act. The work is highly routinized and with procedures improved through experience in the past few years the reduction of $8,000 against this allotment can be absorbed without impairing the operation.

Savings: $78,000.


* * * * *

BUREAU OF EMPLOYMENT SECURITY

SALARIES AND EXPENSES

"The budget request for salaries and expenses for implementation of Public Law 78 is $3,185,000. The committee recommends $1,075,000, a reduction of $2,110,000. The budget request included $304,330 for the domestic labor program. It appears that only about $75,000 of this amount can be related to new functions arising under Public Law 78 and this amount is recommended. Other additional work-\load which may arise from the new law is not dissimilar to workload already being handled in the domestic farm labor program and should be absorbed by the present staff. A total of $2,880,670 was requested for the foreign labor program, including related increases in the Office of the Secretary and the Office of the Solicitor...In the committee's opinion this administrative cost is entirely out of proportion and the committee has allowed $1,000,000 for these activities."

Savings: $2,110,000.


* * *

"...those proposals call for a reduction in appropriations of...$610,000 from the appropriation for the employment work of the Bureau of Employment Security..."
"...Mine is a proposal to reduce not only money for personnel, but also other expenditures such as transportation, printing, travel, and so on."

Savings: $610,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, June 8, 1951, p. 6464.

GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION

"The committee recommends $19,000,000 for this item, a reduction of $2,800,000 in the budget estimate of $21,800,000. The committee has allowed the request of $18,430,000 for the State salary increases, additional costs arising from changes in State unemployment compensation laws, rent increases, and similar costs of the regular employment security program.

"The $1,230,000 requested for community manpower organization for defense has not been allowed. This activity is already being financed to a limited extent through funds made available for the Defense Production Act. It is an activity properly chargeable to defense production costs and the request under this head has therefore been denied. The remaining portion of the cut is against the item of $2,110,600 for the farm placement program. The Committee recommends $570,000 for this activity...."

Savings: $2,800,000.


BUREAU OF EMPLOYEES' COMPENSATION

EMPLOYEES' COMPENSATION FUND

"The items for...the Department of Labor [Employees' Compensation Fund] should be held to the actual amount spent in the fiscal year 1950."
Savings: $9,000,000 (as shown in table in source).


* * * * *

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

"...The committee recommends $5,371,352 for salaries and expenses, an increase of $128,352 over the House allowance, and $563,648 under the budget estimate. The committee has disallowed any funds for the collection, analysis, and publication of statistics on foreign labor conditions, concurring in the statement in the House report that 'the proposal is somewhat nebulous and hazy in regard to exactly how it will contribute effectively to our sum total of knowledge in combating communist influences in labor forces.'"


* * * * *

"...Would it not be less costly for this agency in the State of Michigan to perhaps expand its monthly survey rather than to have the Bureau of Labor Statistics undertake a whole new setup, with all the trouble that an employer has of making out one form for the State of Michigan and one for the Bureau of Labor Statistics?"

* * * * *

"...I would like to make this request: That Mr. Douty look into that situation so far as the Michigan reports are concerned, and after he has had an opportunity to examine those reports, call me to explain the situation, or else have someone in your department call me and explain why you could not use the Michigan type reports."
Savings: Amount unspecified.


* * * * * *

REVISION OF CONSUMERS' PRICE INDEX

"The subcommittee finds that a substantial part of the $1,000,000 initially appropriated for the revision of the Consumer Price Index by this Division was dissipated through gross overstaffing, inferior planning, untrained supervision, and improvident administration.

"The subcommittee believes that the supervision prevalent in this Division has been inept, poorly qualified, and without the proper concept of the taxpayers' interest in the responsibility it has assumed."

Savings: Amount unspecified.

Post Office Department
POST OFFICE DEPARTMENT

GENERAL

"The present system is running at a loss of $500 million a year. It is hampered by an archaic and overcentralized organizational structure, a mass of cumbersome legal regulations and restrictions, outmoded equipment and methods, low morale due to political appointment of postmasters, and hidden subsidies to airlines and other carriers--$120 million a year. One 'airline' with total revenue of only $36,000 got $440,000 in subsidy payments."

Savings: $500,000,000.


* * *

"...The Post Office Department, which has an annual deficit of more than half a billion, should be self-supporting, as it was during World War II..."

Savings: $521,000,000.


* * *

"The Post Office Department's $500 million annual deficit can be cut at least in half, according to the bipartisan Hoover Commission, by modernizing its organization, methods, and equipment; by increasing rates on penny postcards and for special services such as money orders and registry; and by ending the political appointment of postmasters."

* * *

"...The Commission noted that certain free services, such as franked mail for the government itself, cost the Post Office $55 million a year."
Though pending postal-rate legislation will make this service pay for itself, these penny post cards at present cost 2½ cents to print and deliver. The annual loss on this item is $50 million."

"The Civil Aeronautics Board sets the rates to be paid to the airlines by the Post Office for carrying mail. This amounts to a subsidy. Contracts for carrying overseas mail are also made on a subsidy basis. No one knows the amount of these hidden subsidies but the losses are paid out of the Post Office Department's budget...."

"Analysis of costs and methods has long been stymied by archaic organization—even though the Department is making valiant attempts within the limits afforded it. Some areas where there is room for improvement include:

"Mechanical aids in receiving, sorting, and handling mail. It is estimated that in larger offices 80% of the sorting operation could be performed with the help of mechanical devices.

"Costs per mile for operation and maintenance average much higher than in comparable business operations; operating costs of the truck fleet are $2 million a year higher than necessary due to vehicle age (average age, 15½ years), obsolete maintenance equipment and practices, absence of cost standards."

Savings: At least $250,000,000 annually.

Source: Citizens Committee for the Hoover Report, Here's How We Can Get A Modern Economical Postal Service, July 1, 1951, pp. 2-3, 5-6.

* * *

"I am proposing today a bill that I have introduced which, if adopted, would achieve a saving of approximately $2,000,000 in the Post Office Department's annual operating expenses in the rental of post office call and lockboxes, and drawers."
"The legislation proposed would require the Post Office Department to rent its boxes on an annual, rather than a quarterly basis. My bill...would eliminate three-fourths of the post office accounting transactions required in the issuance of more than 12,000,000 receipts annually for post office call and lock boxes and drawers."

"In view of the important factor these rental boxes play in the revenue of the Department I have recently completed a survey of the operation of 35 post offices throughout the country on this question of box rentals."

"Using these 35 post offices as an index I am satisfied...that if these boxes were rented on an annual, instead of a quarterly basis there would be an annual saving of over $3,000,000 man-hours. In view of the salary grade of the various types of people in a given office that at some time or another is used in collecting this quarterly rental, including the postmaster, I feel conservative in my statement that these man-hours saved represents over $2,000,000."

Savings: $2,000,000 annually.

Source: Mr. Deane, Representative from North Carolina, Congressional Record, February 28, 1951, p. 1739.

"...The House will do well to give consideration to a bill, H.R. 4741,...to provide a sweeping reorganization of the Post Office Department and convert it into an independent agency to be known as the United States Postal Service. Let us designate the handling of the mail and this system of communication for what it was intended—a service to the 152,000,000 inhabitants of this country.

"The bill which I introduced would go far toward wiping out political influence and substitute efficiency, economy, and morale in this huge Government operation which has been saturated with politics for many years and still is. I am opposed to making the users of the mails, no matter who they may be, pay the costs of an operation that is ridden with politics."

Savings: Amount unspecified.

Source: Mr. Gross, Representative from Iowa, Congressional Record, September 19, 1951, pp. 11815-11816.
"My suggestions...with reference to putting this United States postal service back to its former position of service and efficiency...are/"

"First. Submit to Congress a realistic budget which recognizes that approximately one-fourth of the cost of operating the post-office system is for the service of all the people and that this amount will be appropriated for that purpose and not as a deficiency appropriation to make up for a deficit.

"Second. That postage rates be raised on a graduated scale by as much as can be paid without preventing the people from getting the full measure of information and enlightenment from literature, periodicals, newspapers, and books. That, if necessary, in order to pay the remaining three-fourths of the cost of operation that even first-class mail be raised. However, since first-class letter mail seems to be paying its way now I would be loath to raise it unless good postal service could not be given without it.

"Third. Money orders, registry, insurance, special delivery, and collect on delivery should all pay their own way or be abolished. There does not seem to be any demand for the Government to operate postal savings at this time when banks and insured savings are available in every community. This is costing the post office a lot of money and is taking business away from regular financial institutions. This is a three-and-one-quarter-billion-dollar banking business.

"Fourth. We must make the operation of the Post Office Department as efficient as any Government business can be made. I know that where the funds to operate a business are voted by the Congress; where the board of directors is a Committee of Congress; where the head of the business is appointed by the President of the United States; and where the customers are the American people that it is difficult to get the highest efficiency. That is for the same reason that any dictatorship is more efficient than a democracy but it does not mean that it is better or more satisfactory."

"Most of these Hoover report recommendations have been put into effect in the post office. They have not been in operation long enough to get the full benefit of these reforms. One that has not been put into effect is the decentralization of authority. Every matter of discretion or judgment from 42,000 post offices must clear through the Postmaster General's office in Washington. That means that in order to get a dipper and water bucket for the postmaster in a village in Michigan permission must be had from the Postmaster General in Washington."
"Fifth. The post office needs every possible program of mechanization that it can get. There has not been a great deal of mechanical change in the handling of mail since Benjamin Franklin started putting mail into sacks prior to the Declaration of Independence. Every other industry realizing that manpower was the greatest expense of business has made the arm of man more efficient as his hours have decreased and his pay become greater. Just as the Post Office Committee needs a trained staff to continuously study the question of postal rates, the operations department of the post office needs an experimental staff working on methods and instruments to make the handling of the mail more efficient. It may be necessary to cut down the size and weight of parcel post. It was started out with a 5-pound limitation, then it went to 11 pounds, later to 50, and it is now 70 pounds. There is a bill now before the House to cut down the size and weight of all packages designated for towns where there are express facilities.

"Sixth. The question of adequate pay for post office employees is constantly before the Congress. These increases should be granted by a humanitarian standard but it must be granted on the basis of need. A report for 1925 shows that there was a great demand for an increase in salary at that time, but the figures showed that the percentage of resignations for carriers then ran 1.61 to 2.10 percent from the years 1920 to 1923 while among clerks it ran 5.55 to 6.56 percent. Today the turn-over among clerks and carriers is reported for the past 12 months to be approximately 50 percent. In the Detroit, Michigan post office alone, 1,100 postal employees have left the service during the past 12 months and a majority of those left in the lower grades have had to secure outside employment in order to supplement their incomes.

"Government can never pay salaries quite comparable to outside industry in the manufacturing communities yet there was a time when the post office service had an attractiveness about it which drew excellent men. Without continuous employment there can be no efficiency in this organization. From the Postmaster General who acts as the president of the biggest operating business in the world at a salary of $22,500 down to the clerks and carriers with beginning salaries of $2,670 a year we are trying to run the greatest business in the world at the lowest pay scale for comparable work in the country. There will always be able men who are willing to be Postmaster Generals for that salary but to have an organization that will operate efficiently the carriers, clerks, and other postal employees must have a salary which they can support a family on along with the honor of being in the postal service.

"Your post office is a business. If we are not going to operate it as such, we might as well close it up and get a flock of carrier pigeons."
Savings: Amount unspecified.
Source: Mr. Reams, Representative from Ohio, Congressional Record, July 30, 1951, pp. A5013-A5014.

* * *

"... Here is a sample of the Post Office's overcentralization of management at work. Everyone of the country's 42,000 postmasters has to report similarly to Washington. Each must write to Washington on the simplest matters. And this has been going on at least since 1836, when the last basic change in the Postal Service's organizational structure occurred...."

* * *

"With bulldog tenacity, however, the Postal Service is still resisting the proposal that it decentralize (by dividing into fifteen postal regions, each headed by one supervising official) so that its 42,000 postmasters will not be tied directly by its apron strings to Washington." Savings: Amount unspecified.

* * * * *

PERSONAL SERVICES

"...this amendment, in its present form, simply applies the 10-percent rule to the general administration of the Post Office Department. It applies the rule to the inspection service, which has been the principal source of controversy in consideration of this appropriation item. The Senate committee had invoked the 10-percent rule, but excepted the Bureau of Accounts and the Inspection Service. It is the purpose of this amendment to cover both of those services, as I shall explain later.
"It is proposed in the budget request for this item to add 200 postal inspectors to the inspection service, and 35 clerks for a total increase of 235 positions. This would bring total employment in the field service to 1,439. The House acted to deny 120 of those positions... Although we are dealing in money figures here and cannot apply the 10-percent reduction to positions, if we did so we would find that the 10-percent rule would have the effect of reducing the budget request to 1,296 positions, which is 92 more than the present number of permanent positions.

"On a dollar basis, which is how this amendment and the Senate's 10-percent rule works, we would be reducing personal services in the field for the inspection service from $7,692,500 to $6,923,250, which is approximately $400,000 more than was available last year..."

...What did we find in the City of Boston? We found 86 employees in the postal service drawing pay, getting other persons to check them in, and working on other jobs. Think of it! That had been going on for years. Then we hear talk about adding more inspectors. Why does the Department not use the hundreds of inspectors it already has?"

Savings: $769,250.

Source: Mr. Ferguson, Senator from Michigan, Congressional Record, July 27, 1951, pp. 9217-9218.

* * * * *

CONTRIBUTIONS TO POSTAL REVENUES

GENERAL

Amendment offered by Mr. H. Carl Andersen to strike out the appropriation of "$485,000,000" and insert an appropriation of "$454,200,000".

"...suppose that we do subscribe and agree to the need of the Department for an additional 3.77 percent in this item in transportation of mail for which they have asked $467,000,000, suppose we do
agree with the premise they have placed before the subcommittee that the mail will increase by 3.77 percent. Let us give them the $16,200,000 that involves, but let us not give them an additional $11,000,000 for which there seems to be no justification.

"Why should we give them an increase of 6.6 percent when they tell the subcommittee on appropriations that they are basing their request entirely upon their estimated increase of 3.77 percent in the mail volume? Certainly we have a right to look into this very huge item.

"I anticipate that the opposition will bring out the matter of pending rate cases, but the fact remains that the situation relative to this particular item, as far as I know, will be the very same in 1952 as far as calculations are concerned as obtained in 1951. This 3.77 figure is purely a guess on the part of the Department. Surely in that vast expenditure of $465,900,000 there must be some place where that great Department can save a little bit here and a little bit there and effectuate the over-all saving of 2½ percent."

Savings: $30,600,000.

Source: Mr. Andersen, Representative from Minnesota, Congressional Record, March 21, 1951, p. 2891.

* * *

"....this is a proposal for a reduction of $36,000,000 in round figures, below the Senate committee figure; a reduction from $1,852,100,000 to $1,816,000,000...."

"The budget estimate of an increase of 4 percent seems to have been based primarily on an estimated increase in volume of 3.7 percent...."

"...I should like to ask why we should vote money to take care of an increase in volume until we know that there will be such an increase. If in fact an increase in volume follows, then after that has been demonstrated we can vote added money in a supplemental bill, but if we increase the appropriation and there is no increase in volume, there will be no assurance that the money will be returned to the Treasury...."

"...I am somewhat curious about certain things that have happened in the Post Office Department. The Postmaster General estimated the savings, as the result of curtailment of delivery, at as high as $80,000,000 a year. I should like to know where those savings
have gone. They do not seem to show up in any decrease in the appropriations requested by the Post Office Department. On the contrary, there is a request for an increase. There was a request for an increase of $73,000,000, although the Postmaster General has said that he saved as much as $80,000,000 by curtailing services such as cutting deliveries from two a day, in certain general urban areas, to one a day. If $80,000,000 was saved, then that certainly should afford some leeway to reduce the figure below the amount requested by the Post Office Department and below the amount recommended by the Committee.

"We seem to get a cut in services from the Post Office Department and an increased request for money. I submit that the Post Office Department is going in opposite directions, requesting more money from the taxpayers, and giving less service to the mail users."

"...most of us have, I think, read the report of the Hoover Commission on the business organization of the Post Office Department, which criticized very severely the business methods used, the methods of delivering mail, and the types of equipment used. I think it is safe to say, and a very charitable thing to say, that the Post Office Department has dragged its feet on modernization."

Savings: $36,100,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, July 20, 1951, p. 670h.

* * *

"...last year the appropriations for transportation of mails amounted to $438,000,000. In the pending bill the House appropriated $465,000,000. The Senate committee has raised the figure to $466,000,000, which is $1,000,000 more than the House figure, and $28,000,000 more than the appropriation of last year, or an increase of 6½ percent, although it is estimated that there will be an increase of only 3.7 percent in the volume of traffic.

"Furthermore, attention should be called to the fact that the requested appropriation of $466,000,000 does not include any allowance for increased rates for mail transportation which may be authorized by the Interstate Commerce Commission. That will be taken care of in a deficiency appropriation, to follow later;..."

"In the past, I think we have tended to take the appropriations for transportation of mails too much for granted. What happens, as we all know, is that the Interstate Commerce Commission fixes the rates for transportation of mails by the railroads and charges the cost to the Post Office. The Civil Aeronautics Board then fixes the rates for air transportation, and charges the amount to the Post Office. Also, the Maritime Administration fixes the rates on mail carried by ships, and charges the cost to the Post Office Department."
"Certainly there are subsidies connected with both the transportation of air mail and the transportation of sea mail. I have heard competent authorities express the belief that, of the $60,000,000 paid the air lines for domestic transportation of mail, at least half this amount is a subsidy, and that, of the approximately equal amount of $60,000,000 paid to air lines for the foreign transportation of mails, probably two-thirds is a subsidy; so that, in effect, the Post Office is being saddled with a $70,000,000 subsidy."

"...what we have done...has been to turn the Post Office over to these three regulatory bodies, which are peculiarly susceptible to pressure from the airlines, from the ocean shipping companies, and from the railroads respectively, which can fix any rates they wish, and the Post Office must pay the bill."

"...Why should we vote money to take care of an increase in volume of postal business before we know whether there is actually going to be an increase in volume? Some days ago I pointed out that the Post Office and Civil Service Committee has pending before it a bill to increase postal rates. There has been great difficulty in getting a bill on this subject from that Committee. Nevertheless, I hope that a postal rate increase bill will be passed by the Congress at this session in order that the subsidies to the newspapers and magazines, the direct-mail advertisers, the mail-order houses, those who use parcel post, or the users of second-, third-, or fourth-class mail, the cost of which now amounts to $300,000,000 a year at least, can be either completely eliminated or greatly curtailed. When that happens—and I pray to God it may happen—the increase of rates will certainly diminish the volume of the mail."

"...My proposal is that we make an increase of only a little more than 2½ percent above last year, and save $16,000,000."

Savings: $16,000,000.


* * *

"Senator Ecton. It seems to me that this payment to the airlines should be segregated. It does not seem fair to me to include that in your expenses and charge the postal system with a deficit on account of that."
"Mr. Burke. We fully agree with you on that. That subsidy should be lifted out of the post-office expenditures. We hope that as a result of the bill that is now pending before the Senate, a solution will be worked out of that problem, so that the subsidy can be identified as such and the appropriation can be made direct to the Civil Aeronautics Board and we will not be involved in that payment at all. We would strongly advocate that, but we have no way of determining the actual amount of the subsidy.

"Senator Kilgore. In the last session, the Appropriations Committee approved and there was passed through the House money to audit the airlines to determine the exact amount of the subsidy of operational costs. Of course, no results came from that.

"Mr. Burke. No; that is very actively considered in every session of Congress. The Postmaster General has repeatedly strongly advocated that in some way the air-mail subsidy be determined and that it be taken out of the postal expenses.

"Senator Ecton. And the amount borne by the public would be cut down.

"Mr. Burke. It would be cut down to $110,000,000. That would be $50,000,000 of income that we do not now have. Our postal volume is increasing at such a rapid rate that it wouldn't be particularly unfortunate if we had to give up that $50,000,000."

Savings: More than $50,000,000.


* * *

"The amendment I have offered is a very simple proposal. I understand the subcommittee does not feel the complete 3.7 percent of $66,476,000 increase for postal operations can be absorbed. My amendment, therefore, suggests that one-third of that, or 1.2 percent of the increase based on the volume of mail estimated for the fiscal year 1952, shall be absorbed by the Department. That will leave the Department with no less than $44,400,000 in excess of what it had for the present fiscal year."

"...it seems to me that with the mechanization and other improvements which are now under consideration and the possibility of increased postal rates which are now under consideration, it surely is not asking too much to suggest that it absorb the anticipated increase in cost of operations to the extent of 1.2 percent..."

Savings: $22,000,000.

Source: Mr. Wigglesworth, Representative from Massachusetts, Congressional Record, March 21, 1951, p. 2690.

* * * * * *

PROPOSED POSTAL RATE INCREASE

GENERAL

"...the purpose of the amendment is to increase the rates on second-class matter, namely, on magazines and newspapers."

"...The amendment which I have just sent to the desk provides for an increase of 20 percent in the first year, 20 percent in the second year, and 20 percent in the third year, making a total increase of 60 percent at the end of the third year.

"This amendment is needed both, first, to raise more revenue for the Post Office Department and to reduce the postal deficit; and second, it would likewise be a step toward equalizing the burden of sacrifice which we have thrown upon the users of first-class mail. I should like to speak on each of these points in turn."


Savings: $373,000,000.

Source: Mr. Douglas, Senator from Illinois, Congressional Record, September 7, 1951, p. 11269.
"I do not think it is important as to whether the newspaper and magazine profession is making money. They should pay for the legitimate service they are receiving. If they are not making money they should increase their rates, either their advertising rates or the cost of their subscriptions.

"I feel that we should approach this thing in a businesslike way and not be motivated or influenced by any lobby that comes in here. I think everyone of us wants to see low rates not only on postage, but on everything; but I think we are inconsistent if we are not willing to provide by law the rates which will at least take up part of this deficit we have.

"I know that the small newspaper publishers, of whom I am one, have no reason to complain about the postage rates that we have paid, and would not have cause for complaint even if these rates were doubled. Even then you are going to have a subsidy to the newspapers and the magazines."

Savings: Amount unspecified.

Source: Mr. Jones, Representative from Missouri, Congressional Record, September 19, 1951, p. 11816.

...it is shocking, how low the postal rate on newspapers and magazines is today. I appeal to this committee to be fair; let us make the newspapers and magazines pay some little part of what they should pay. We are asking them to pay only 10 percent of the deficit caused by carrying second-class mail.

"The deficit is about $200,000,000. Under the bill as reported by the committee the increased revenue will be about twenty-three or twenty-four million dollars. There will still be a deficit on your newspapers and magazines if you stand by the committee of around $175,000,000..."

Savings: About $23,000,000 - $24,000,000.

Source: Mr. Murray, Representative from Tennessee, Congressional Record, September 19, 1951, p. 11826.