

SIX-DAY MAIL DELIVERY

HEARINGS
BEFORE THE
COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
NINETY-FIFTH CONGRESS
FIRST AND SECOND SESSIONS

NOVEMBER 18, 22; DECEMBER 13, 15, 1977;
JANUARY 5, 9, 11, 12, 16; MARCH 11, 1978

Serial No. 95-61

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



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1978

22-212

H621-25

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SIX-DAY MAIL DELIVERY

FRIDAY, NOVEMBER 18, 1977

U. S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Denver, Colo.

The committee met, pursuant to notice at 9:30 a.m., in the Silver Room, Hilton Hotel, Hon. Patricia Schroeder, presiding.

Present: Congresswoman Patricia Schroeder, of Colorado, and Congressman Cecil Heftel, of Hawaii.

Mrs. SCHROEDER. I think we will go ahead. I want to thank so many of you for coming.

We also want to thank Congressman Heftel for being with us. He used to live in Denver and used to run KIMN. We are glad to have him back with us. He now represents Hawaii. We are glad to have him here with us to hear about this issue.

One of the main reasons we are doing this, which is always the question that everyone asks, is that we on the Post Office Committee have been having trouble with the Postal Service. They have been proposing to cut back Saturday delivery.

In the bill that the Post Office Committee has now reported and will be going to the floor, we say they cannot cut out Saturday service, period.

We know that the Postal Service is doing a survey, and their survey is going to be brought to us on Saturday service, so our committee decided that we would try to do an equal survey to see if our survey came up with the same things that they came up with.

We selected two areas in Denver to do a mailing to, and at this point we have gotten about a 15 percent return from that area, which is very high, and I assume we will be getting many more.

I have stacked them up here because I think it is a very interesting result.

The Postal Service was telling us most people that they encountered didn't care that much about Saturday delivery. We have now about a 2 to 1 ratio coming through, and you see the "yeses" for Saturday service and the anti-Saturday service.

We are really, first of all, relatively surprised by the very large number of responses we got in a short period of time. Fifteen percent is relatively high in a short time, which means many more will be coming, and, second, the 2 to 1 response for Saturday service.

We are here to get other people's opinions, and we are trying to build a record to counter what the Postal Service may be getting. We may come off with agreement and not have to counter, but for once we

thought we would be prepared, and we are doing many hearings. By many, I mean small hearings. Just a few of us are taking different cities and each of us are taking a couple of cities to do broad coverage to collect as much data as possible.

What we will be doing this morning is having some formal presentations first, and as soon as that is done we will open it up to a public forum, and anyone who would like to add something we will certainly take it down and make it a part of the record.

The reason it is not quite as formal as is usual, No. 1, we wanted it to be that way, and, No. 2, we put the hearing together kind of in a hurry, so it was hard to schedule great numbers of witnesses. We kind of prefer the informality anyway.

Again, thank you for coming and thank you for attending, and we hope it comes out to be very interesting and we will keep everyone apprised of the returns that come in.

Meanwhile, welcome, Congressman Heftel.

Mr. HEFTEL. Well, I won't say thank you, but I will say mahalo.

It is sometimes interesting to know a little about each other as we meet in this manner. In 1960 I left Denver with the family including my son Chris, who was considerably younger by some 17 years. He is back here for the first time in those 17 years. I hadn't seen him for 2 years and 2 months until last night because he had been in Japan.

So, Chris, why don't you stand and the folks can see that little fellow who grew up here and left to go to Japan.

I think it is also an insight for you when Members of Congress can give you some reaction to the people that you elect and that we work with, like Pat Schroeder. I think perhaps Pat is one of the outstanding people in the Congress. She is one of the better reasons for electing and hiring women in government instead of men, and a very, very effective Member of what we now call the sophomore class. I am a part of the so-called freshman class.

I suppose this type of hearing is the only opportunity that any of us in Congress have to find out on given issues what the people we represent want in their Government. Theoretically your Government will certainly pay for it and we have the mailers that went out, as did Congresswoman Schroeder's, to our constituency, Honolulu. Notwithstanding the representations that few people cared and certainly did not want any added expenses of Saturday delivery, we have a return so far of 3 to 1 in opposition to canceling Saturday delivery. Some thousands of entries or answers have been returned in a matter of 2 days. I don't know what the total will be when we hold our hearings in Honolulu next week.

And so the way that you express yourselves on any issue can influence what happens in Congress. I think perhaps that's the one thing that we all have to share, that as you the public make your wishes known by phoning the local office, by mail to Washington, by mail to Denver, you will affect what we will do legislatively. Because I'm new in the process of Government I can guarantee you that that's the most effective thing you can do.

And so with that I will again express Mahalo for being back in Denver, and turn it back to you.

Mrs. SCHROEDER. Thank you. I think we wish we could all go back to Hawaii.

Mr. HEFTEL. Be my guest, if you have a ticket.

Mrs. SCHROEDER. Yes, I was afraid you would ~~add that~~, a ticket, but we are delighted to have you this morning.

Our first witness has not arrived, so I think we will begin with our first panel.

Nancy Mengel is with us from the Denver Commission on the Disabled. We have Roger Doherty from the Commission on the Aging and is Barry Rosenberg here from the Denver Commission on the Disabled?

Would they all come up to this table.

Mrs. MENGEL. I am sorry to say I do not think the rest of my group has arrived yet.

Mrs. SCHROEDER. We will start with you, if that's all right, Nancy. We are very pleased to have you.

Mrs. MENGEL. My interpreter is with me.

Mrs. SCHROEDER. Nancy has an interpreter with her, so as she testifies there may be some lag time between give and take, so that's fine, too.

Nancy, we will be glad to have you begin.

STATEMENT OF NANCY MENGEL, DENVER COMMISSION ON THE DISABLED, GOVERNOR'S COUNCIL ON THE HANDICAPPED, AND DENVER COMMISSION ON THE AGING

Mrs. MENGEL. The Denver Commission on the Disabled, the Colorado Governor's Council on the Handicapped, and the Denver Commission on Aging thank you for this opportunity to testify on the possible discontinuation of Saturday mail delivery by the Post Office. We believe that such a cut in services could potentially be a hardship for older persons and handicapped individuals who must rely on the mails for much of their business and social communications. Although we agree that, if possible, the mail service should be a self-supporting system, we do not agree that this should be done at the expense of services that have become vital to a large segment of our population.

The elimination of Saturday mail service would inconvenience elderly and disabled people in the following areas: The scheduled delivery of annuity, pensions, and welfare checks; delivery of mail orders, including reading material for the blind; and the timely receipt of business and social correspondence.

Of these three categories, perhaps the most serious is the delay that the elimination of Saturday delivery will cause in the delivery of a wide range of payments including welfare checks which are scheduled to be delivered on, say, the second or sixth of each month, Supplemental Security Income (SSI) checks are scheduled to arrive on the third of the month, and U.S. Government annuity checks which are scheduled to arrive on the first of the month. It is important that all such payments arrive on schedule to reduce hardships to people on fixed incomes and to reduce the chance of theft. If a check is scheduled to arrive on Saturday and Saturday delivery is cut, that check will not arrive until Monday—a 2-day delay. If the Post Office has a backlog of mail that cannot be processed over the weekend that

check might be further delayed until Tuesday. For someone living on a fixed income such as SSI that pays a maximum of approximately \$200 in Colorado at this time, a delay of 2 or 3 days can be a great hardship since this money is all the recipient has to pay for food and other necessities.

In addition to welfare, pension, and annuity payments, some food stamp certifications are sent by mail. Medicaid cards are delivered once a month by mail and could be delayed if Saturday service is cut. A person on medicaid whose up-to-date card has been delayed in the mail might be denied medical service.

A delay in the delivery of mail orders may not seem important until you consider the fact that handicapped and elderly persons often receive medicines, hearing aid batteries, and other living aids by mail. Most of the reading material for the blind, both recorded and in braille, is sent by mail. For persons with limited mobility who are elderly or disabled, mail order companies provide a major commercial service. For individuals in rural areas or small towns, mail order may be the only source of vital goods and services.

Older persons and handicapped individuals tend to rely heavily on the mails for business and social contacts for some of the same reasons that they rely on mail orders. A quick survey of professionals who work with aged persons reveals the viewpoint that the elimination of Saturday mailing would be particularly harmful to the most vulnerable of aged persons—those who are easily disoriented by change. Many persons have cited the social and communication hardship for both older and handicapped people that will result if Saturday deliveries are cut. For example, the mails may be the only contact a person with limited mobility has with friends and family. Then again, many deaf people must rely on letters and other written materials to take the place of the telephone they cannot use.

The above problems that will occur for handicapped and elderly individuals if Saturday mail delivery is eliminated are compounded by the fact that many post office facilities are not easily accessible for persons with limited mobility. Those beautiful steps leading to many of our old post offices are impossible for persons in wheelchairs. This means that even where post offices, including many self-service facilities, are open on Saturday, they will not be available to persons with certain handicapping conditions.

We also feel that any plan that will save money by substantially cutting back on the number of post office jobs will potentially be a hardship for both the general public and handicapped groups. At a time when more disabled persons are receiving a better education but are still highly unemployed, it would be ironic if they were denied jobs in the Postal Service simply because of reduction in services.

In closing, the Commission on the Disabled, the Governor's Council on the Handicapped, and the Commission on Aging strongly favor maintaining the present 6-day schedule for mail delivery.

Again, we thank you for the opportunity to offer our comments at this hearing.

Mrs. SCHROEDER. Thank you very much, Nancy. My one question, and I only have one because I think you did such a good job, it seems

to me that a 1 day delay might mean a whole week delay, because many aging and disabled must rely on someone to take them to the store or take them to the doctor, and they can't do it when they are working, so if they don't get it on Saturday they have to wait a whole week until someone can take them.

Mrs. MENGEL. That's correct.

Mrs. SCHROEDER. So you would think that's correct to add, too? Would that be fair to say?

Mrs. MENGEL. I think if you are dealing with the actual situation of the people involved, yes, that is fair to say, and another thing, things close down on Saturdays, so disabled and elderly people must rely on people who work 9 to 5 and Saturday is the only day they can go.

Mrs. SCHROEDER. Thank you very much. Do you have some questions?

Mr. HEFTEL. How would Nancy feel about 5 day delivery but not excluding Saturday, but rather a day during the week other than Saturday?

Mrs. MENGEL. I would prefer to see a full 6 days, but if we had to go 1 day I think it should not be Saturday because I personally feel there should never be 2 consecutive days without mail delivery.

Mr. HEFTEL. Thank you very much.

Mrs. SCHROEDER. Thank you. I see our first witness is here. Tim, we are very happy to have you with us.

This is Congressman Tim Wirth from the Second District, who has been very helpful, and we are happy to see him.

STATEMENT OF HON. TIMOTHY E. WIRTH, CONGRESSMAN, SECOND CONGRESSIONAL DISTRICT, COLORADO

Mr. WIRTH. Thank you very much, Mrs. Schroeder. My apologies for my tardiness this morning.

Mr. Heftel, welcome to Colorado. Maybe we can have a hearing in Hawaii in the not too distant future.

First of all, I wanted to thank you and thank the residents and constituents in the Second Congressional District for your efforts on behalf of service to people in this country.

I think a lot of us feel very, very strongly that the 6-day service must be maintained, understanding the costs of that, but understanding also the social value of that. My testimony addresses that issue.

I would like to add a couple of comments to that, if I may, which I think are useful at least in my understanding of the issues of postal service.

First of all, it seems to me that we in the United States are looking at a significant crisis of government, looking at a time when people are losing some of their faith in what government can do for them. It seems to me cutting out another day of service does precisely that, accelerates that very pattern.

People want access to the Postal Service, and as the previous witness so eloquently pointed out it is terribly necessary to so many people. To cut out another day of service it seems to me further accelerates the problems.

Second, I think we all have to be aware of the increasing pressures that are going to be placed on the Postal Service from the electronic revolution in the United States. As you know much better than I, we are in a situation in the United States where a great deal of first-class mail is going to be overtaken by electronic funds transfer, where a lot of that revenue is going to disappear from the Postal Service, and people have got to be aware of the fact that somehow that cost is going to have to be made up, either with increased costs or increased subsidies, if in fact we want to maintain the Postal Service as we know it today. The electronic revolution is overtaking the Postal Service, as so many other areas.

One of the subcommittees on which I sit, the Subcommittee on Communications, is looking at this, and I am sure we will be working with your subcommittee down the line as we work on the electronic revolution and its effects.

We are faced with a difficult decision concerning the U.S. Postal Service, a decision which is especially complex because it requires a definition of what the Postal Service is meant to be: Is it a self-supporting business, or is it a governmental service?

The House of Representatives has passed a resolution—one which I supported—conveying the sense of the Congress that 6-day mail delivery should be continued. In other words, Congress has opted for the service definition.

We should all be clear about what that option means. As the saying goes, "There is no such thing as a free lunch."

I support the retention of Saturday delivery, but I also realize the large costs it imposes on the system, costs we will all pay for in one way or another. Quite simply there will either be higher postal rates, or increased Federal subsidies to the Postal Service. Higher rates will bring a drop in mail volume, so it is most unlikely that the Postal Service can become a self-supporting entity as long as present service requirements are maintained.

Nevertheless, I believe that these costs are justified by the benefits which will be received by the elderly, the rural population and others who depend on the mails as a primary source of communication. Moreover, eliminating Saturday delivery will compound the present delivery delays and thus affect all of us.

A quick look at some post office history shows this is not a new problem. Despite the rapidly increasing sophistication of our communication techniques, we find ourselves in somewhat the same position as the 1840's. Then, the high costs of mail and relatively slow service by the Federal Post Office encouraged many private competitors to enter the market, cutting into the post office's revenues and requiring higher Government subsidies. In 1845, Congress enacted legislation giving the post office a monopoly over mail, thus directing that frontier and rural mail be supported by the more profitable urban mail systems. Congress felt that the mails were a key part of holding together a fledgling Nation. That commitment to communication expanded as the Nation grew, and remains firm today—despite the development of alternative communications systems, such as the telephone.

The recent Postal Reorganization Act, which was intended to make the new Postal Service a business—operating on a break-even basis with improved service by 1984—should be seen as a part of that history. A new choice was made, but unfortunately, neither goal is being achieved. While the Postal Service operated in the black last year, increased Federal subsidies will probably be required. Now the Postal Commission has supported the Service's push to cut out 1 day of service.

As you know, the Postal Commission recommended a change to 5 delivery days and an increase in the Federal subsidy to 10 percent of operating expenses. The Commission justified this by stating it would save \$400 million. Two dissenting commissioners felt an increase in the Federal subsidy to 13 percent of operating expenses was a small price to pay for the continued service.

While the efficiency of the Postal Service leaves a great deal to be desired, one must have some sympathy for its plight. Asked to operate like a business, it is proposing to do what most businesses would do in a similar situation—reduce its costs. Understandably, it has taken a long look at Saturday deliveries because labor accounts for 85 percent of its costs. And at the same time, the Postal Service faces rising competition from private industry in parcel post and electronic mail.

Like many of my colleagues, I find it hard to support both a reduction in service and an increase in Federal subsidies. The Postal Service can be a good deal more effective in its operations, and I believe that 5-day delivery would worsen, not improve, the speed with which mail moves. I believe most of all that the human benefits of 6-day delivery outweigh the costs. There are a number of other ways that the Postal Service can cut its operating expenses. Let's deal with efficiency before we cut service.

Thank you.

Mrs. SCHROEDER. Thank you. We appreciate it. You represent a district a little bit different from mine, in that it is not quite as urban, so we were surprised by this type of response from the more urban district, and I would imagine the less urban the district probably the more important the 6-day delivery. Would you guess that to be the truth?

Mr. WIRTH. The response that we have gotten on the subject of 6-day delivery has been, if that's a stack of 2 to 1, it says here "yeses" and "nos," I think ours would be more like 12 to 1.

Mrs. SHROEDER. That's very interesting, and we have been surprised, as I say, that it is as strong as 2 to 1 in urban districts. Thank you very much.

Mr. HEFTEL. Tim, one quick question, because I think it is an insight we need. We are appropriating considerable sums of money trying to create additional jobs, and we don't know yet what we will receive in services from those jobs we create.

Does it make sense on the one hand to be creating jobs for services that may or may not directly be of benefit to the people, and on the other hand because we want to save money we reduce service, which reduces employment. So you compound the unemployment problem and at the same time spend money trying to cure it?

Mr. WIRTH. I think the people of the United States and certainly the people of the district that I represent don't want to create jobs unless those are useful jobs, and I think that if we get into the job creation business and we are doing that to deliver mail, people will understand that and support that. If we create jobs to redo the railroads and develop alternative transportation programs, people understand that and will support that.

If we create jobs just for the purpose of creating jobs, you know then we are going to get into a lot of resistance, and that distinction I think is a very fair distinction to make and one that makes sense. I mean it is commonsense to say let's create a job that is going to have a productivity. Certainly, delivering the mail has a productivity. Certainly building houses has a productivity, but too often the whole job-creating concept gets confused with raking leaves, and when that happens we are in trouble in terms of developing a decent employment strategy in the United States.

Mr. HEFTEL. Thank you.

Mr. WIRTH. Thank you very much.

Mrs. SCHROEDER. And we will wait for him to invite us to Hawaii, right, Tim?

Mr. WIRTH. That's right.

Mrs. SCHROEDER. Our next witness is the president and publisher of the Colorado Business Magazine, Robert Titsch. Is he here? He is walking in. We welcome you and we are delighted to have you here.

Mr. TITSCH. Thank you.

Mrs. SCHROEDER. It will be interesting to see what a publisher has to say about this.

STATEMENT OF ROBERT TITSCH, PRESIDENT AND PUBLISHER, COLORADO BUSINESS MAGAZINE

Mr. TITSCH. Good morning Madam Chairman and distinguished committee members. I want to thank you for asking me to come before this committee.

Titsch Publishing, Inc. is the largest of over 150 magazine publishing companies headquartered in the State of Colorado. Our publications include Colorado and Colorado Business magazines, as well as numerous trade journals, newsletters, and directories. We have a reader audience of more than 500,000 nationwide and produce a mail volume of between 5 and 6 million articles per year. Nevertheless, we are still, by magazine publishing standards, a small business. We rely heavily on the post office and we do not have to our avail an alternate means of distribution. The outcome of the U.S. postal decision regarding Saturday delivery could greatly affect our company as well as the rest of the small business community of Colorado.

Subscribers complaints regarding late delivery, sometimes as much as 27 days, pose one of the foremost problems of our business. During a routine procedure of our annual audit by Price-Waterhouse, it was discovered that our first class mail which had arrived from out of town sat for 3 days in the Boulder Post Office before being delivered. As is the case with any business, we are faced with the task of meeting subscriber/customer needs or satisfaction in order to perpetuate our

existence. Moreover, the publishing industry, as is especially true with smaller businesses, must depend on a steady flow of working capital which is directly related to the flow of invoices and receivables.

In other words, time is money. Coupled with the prevailing sluggish mail service, the elimination of Saturday delivery could effect an even greater financial operating handicap on the small businessman who already is at the mercy of the postal system.

As a publishing company with paid and controlled subscriber magazines, we have maintained second and third class mail privileges. These rates have soared since 1970 by over 200 percent, and projections for 1979 are expected to be over 400 percent. We are paying more and the service is worsening, something that is no longer unusual in the American economy. Studies done by several publishing companies throughout the Nation have indicated that the vast majority of magazines and other publications could be forced out of business due to postal rates.

It is not inconceivable that, without Government subsidy of postal service, the print media could become extinct. The printed word, the backbone of our culture and the understructure of free society, serves as a balancing factor of media and free speech. If the magazine industry is crippled, the electronic media of TV and radio become more powerful. Their influence would be omnipotent, over not only the economy, but the people and Government as well. It should be noted that this power would be in the hands of a very small and concentrated group, since the overwhelming expense would be too restrictive to encourage competition.

The magazine industry serves to foster an inexpensive market place of competition for all areas of new organizations and ideas. The opinions and ideas disseminated by the very select and limited control of the electronic media could result in less individuality and expression by the American citizen. I would like to quote Arthur Schlesinger, Jr., who, when addressing the Postal Rate Commission in 1973, said:

It is suggested that an increased mortality rate for magazines will not matter because the Postal Service policy will leave television, radio, and movies unaffected. The electronic media, it is proposed, will suffice to meet the information needs of the American people. One had hardly supposed that the Postal Service had been so rapidly converted to McLuhanism. In any case this argument is based on an obvious fallacy. Television is a medium for what Gilbert Seldes called in a notable book some years ago "the great audience." Since it requires mass audiences, it dwells under the tyranny of the lowest common denominator. Television has already taken the mass audience away from the magazines, which accounts, in part, for the disappearance of so many of our traditional all-purpose magazines in recent years. Television, moreover, is characterized by a relative concentration of control in three major networks; and the licensing procedures as well as the costly technology make new entry exceedingly difficult. Even the field of daily newspapers has been marked in our time by a steady decline in competition.

These developments have made the magazine the medium par excellence for diverse opinion and specialized audiences. In the magazine field, new entry remains feasible—unless postal rates become prohibitive. In the magazine field, competition remains an acute fact of life. The magazine has become the great outlet for the multitudinous energies and values of our society, the channel of communication for the particular interests in our infinitely varied national life, the means of expression for all those ideas and views that are the concern of Americans as individuals and special groups rather than as a broad, undifferentiated mass, the means of expression too for the more reflective and considered interpretations that form so vital a part of the educational process. To condemn magazines to a lingering death would be not only to impoverish the nation's intellectual and cultural life but to weaken the foundations of the Republic.

The historic system of encouragement to magazines and newspapers is deeply rooted in national tradition as well as in public necessity. This system must not be cavalierly terminated because of a meager understanding of the historic role and dignity of the Postal Service. There has been no more useful byproduct of our contemporary turmoil than our renewed attention to the quite extraordinary wisdom and foresight of the very remarkable men who established the Republic. In this field as in so many others we can do no better than to recall and follow the precepts of the Founding Fathers. Knowledge remains, as George Washington said, "the surest basis of public happiness."

The only real way to combat these catastrophic consequences could be the Government subsidizing of the Postal System as a service to the American citizens and businessmen. Airlines are Government subsidized and farmers are subsidized to produce or not produce, so why shouldn't the U.S. Postal Service be subsidized by the General Treasury as well? Does this not create an economic imbalance—when print media and small businesses are saddled with the burden of postal inflation and decreased services?

Every other country in the Western Hemisphere subsidizes its postal system, realizing the significance to its people and government. The answer does not lie in postal service cutbacks such as eliminating Saturday deliveries, nor rate increases which would effect tremendous financial burden on publishing and print media. Such actions will only result in mail volume loss, the possible demise of print media, and a most definite imbalance in communication media. We must preserve the proliferation of free speech. And this should be done, not through the decrease, but the increase of postal services.

Madam Chairman, in summary, I urge everyone to consider the consequences which would result from the elimination of Saturday postal delivery: The retardation of an already sluggish delivery service; a reduced work force which could result in increased unemployment; and a reduction of actual work time, 4 days per month or 48 days per year, which could increase payroll expenses and lower productivity.

The resulting burdens and jeopardy placed upon print media and the small business community which could result in an imbalance of communication media—compelling the reduction of the printed word and reinforcing the use of electronic media thus placing more power in the hands of TV networks.

Increased, not decreased, postal service is essential to perpetuate a broad range of culture, unrestricted free speech, the delivery of information and resources, and the encouragement of individuality to the American citizen and businessman.

Madam Chairman, this concludes my prepared testimony and I would be glad to answer any questions you may have.

Mr. SCHROEDER. Thank you very much, and if I may call you Bob, I want to say that was a very, very excellent presentation. I think the analogy of what happens if the printed media goes down and we have to rely on the electronic media is really something that we do not talk about enough, so I am very glad to know you hit that.

You are also a small businessman and I'm sure that you, too, are worried about the size of the Federal budget and one of the reasons that we have had so much pressure to do away with Saturday delivery has been, quote, to save money, unquote. They are now estimating: it costs \$400 million to do Saturday delivery.

Do you have any feelings about that? I know in your statement you said several things, but have you got any additional light you might shed on that from a businessman's standpoint?

Mr. TITSCH. Well, in negotiating labor contracts, one thing that's interesting that continuously happens, or even in dealing with most people, is the old adage of "two steps forward and one backwards," thereby gaining one step every time you do that, and the relevance to that, in answer to your question, would be this:

Let's suppose that we cut the service back and let's suppose what is going to happen to the payroll. Are we going to take people who work 5 days and say they are going to be on a 4-day workweek and so the people who are needed for Saturday delivery are going to be terminated and put into the ranks of unemployment?

If we put them into the ranks of unemployment, what's going to happen? That's obviously going to cost somebody some money. If we let them stay and cut the workweek back to 4 days, which wouldn't surprise me if that would be a move on somebody's part, then I would say that what's going to happen then is that the people who were working 5 days are going to want to be paid the same amount of money on 4 days, and we are going to have increased expenses and less service or worse productivity.

Mrs. SCHROEDER. I'm glad you said what you said, because that's what I was hoping you would say. What you are saying is, you question the \$400 million savings and whether that's real.

The staff here did some interesting research and came up with the fact that until 1950, as we all know, mail was delivered twice a day. Then the national postmaster said we must be away with this because we will save \$80 million a year. We did away with it and the interesting thing was the postal cost rose \$100 million the year after we discontinued it, so instead of saving 80 it rose to 100. I'm not sure but I think what we are really saying is a lot of figures that float around have got historical data to prove often it doesn't quite happen, and I'm glad to have you add your cynicism to the savings.

Mr. TITSCH. Perhaps the committee would do well to remember the adage, "Beware of Post Office bearing gifts."

Mrs. SCHROEDER. I like that. That's very, very funny.

Congressman Heftel?

Mr. HEFTEL. Since you are a very heavy user of our postal systems, and not limiting your comments or observations to the question of 5-day versus 6-day delivery, what in the report would you like to place about those observations of the Postal Service, in a constructive form, of course?

Mr. TITSCH. Well, the service is getting worse, not better. It is getting more expensive. I do not think that that's a burden that I am sharing alone. I have been in the restaurant business. The adage when we call people to check on receivables, "I didn't get the bill," and you mailed it 4 weeks ago is getting a little old.

Any time that I am carrying \$3,000 or \$4,000 or \$5,000 in a receivable and it takes the post office 2 or 3 weeks to deliver a first-class business letter across the country, I am hurting, because I have to pay interest on that money and have to borrow that money to keep that business going. I can't tell you how to fix the post office. I would be scared to death of that. I'm sure you in your wisdom

would come up with an adequate recommendation, but it seems to me that there is a flat tire out there and someone ought to fix it.

Mr. HEFTEL. Your observations on the distinction that may occur for the small specialized printed media in the face of the electronic system are interesting. You pinpointed that once. When the Commission wanted to have a survey conducted to find out from the public something about their attitudes toward 6-day versus 5-day delivery they commissioned the A. C. Nielsen Co. to conduct the survey, who as we know is the primary source of electronic measurements in America. They got a response of 80 percent, but it wasn't 80 percent favorable elimination of 6-day delivery. It was 80 percent expressing willingness to accept 5-day delivery, and so when you run a survey that says, "Do you want to cut back," and get 2 to 1, 3 to 1, 12 to 1, 4 to 1, saying, "We don't want to cut back," but if you asked a question, "Are you willing to accept 5-day delivery?" you get a different reaction, which says four out of five people are polite and nice and say, "Well, if we have to accept it, we will."

Mr. TITSCH. May I make a comment on that? First of all, A. C. Nielsen has to be very big in the printed media. They own Neo-Data in Boulder, which is the largest company of its type in the country. They also own a card-reading service down the street.

Mr. HEFTEL. And many other things.

Mr. TITSCH. They are what is referred to as big time. The distinction between the consumer and the business, I think, are two different problems, and that is to say as a consumer if you were to tell me that you are not going to deliver mail to my house on Saturdays I would say, "That's fine," but my question would be, "Will you keep the mails moving over the weekend?", because therein lies the problem.

Whether I get a piece of mail on Saturday or Monday doesn't upset me, but whether my customers get the bill I send them that Monday is important, and if the Postal Service in its wisdom cuts back the Saturday delivery, is it also going to cut back, let's say, the home office guys who are causing the mail to flow during Saturdays and Sundays and holidays, or are they going to cut those guys back, too. I think therein lies why the survey possibly in my humble opinion would turn up in that manner, because you are not going to kill the consumer by 1 day.

Mr. HEFTEL. However, the indications from the surveys that we are conducting do not come out with that conclusion. We are finding, whether it is 2 to 1 or 4 to 1 or 3 to 1 or 12 to 1, the so-called consumer saying, "We want Saturday delivery service." As far as business is concerned I have a feeling the businesses who say, "You can cut back Saturday," are the businesses who are not affected by the cutback and therefore what does it matter, what do they feel about Saturday, because they do not need it. It is what happens to the people who do need it.

Mr. TITSCH. You know, it is like the definition of a recession and depression. When you are out of work, it is a recession. When I am out of work, it is a depression.

Mr. HEFTEL. Same thing.

Mrs. SCHROEDER. Thank you again. We really appreciate your testimony.

Mr. TITSCH. Thank you.

Mrs. SCHROEDER. Our next witness is Robert Dunning, who is the bank sales manager for the Rocky Mountain Bank Note Co.

Mr. Dunning, we are delighted to have you with us this morning.

STATEMENT OF ROBERT DUNNING, BANK SALES MANAGER, ROCKY MOUNTAIN BANK NOTE CO.

Mr. DUNNING. Well, as the previous gentleman asked—I would like to clarify—is service going to be stopped over the weekend as far as the transportation or the trucks going from area to area? Now, your answer on that will depend on whether I'm against it or for it.

Mrs. SCHROEDER. I think that's the real sticky question. In other words, they are not proposing at the moment that everything stop after 5 days, that it just all sit and wait and gather dust until the following Monday morning at 9 o'clock or whenever, but there are many people fearsome that this is the opening wedge to that, and we really don't have the answer. We don't have a crystal ball to really read what the next Postal Service proposal will be, so I wish I knew whether this is the opening wedge to that or a natural lead-in to that, or whether it will just be stopping the door-to-door delivery, and we don't have an answer.

The staff has tried to pursue that and we just can't find out what's really lurking in the minds of those that are planning these things.

Mr. HEFTEL. May I speak?

Mrs. SCHROEDER. Surely.

Mr. HEFTEL. I do not think you can anticipate that the Postal Service will incur the problems of cutting from 6 days to 5 days in delivery by simultaneously indicating any other cuts in service over the weekend, so that you will never know the answer to that until after the cut from 6 to 5 days, because they won't jeopardize that by saying anything will be affected other than the home and business delivery on Saturday.

Mr. DUNNING. Our concern is we mail approximately 140,000 packages from 13 firms to Western States every week. Due to the nature of our business, we clean it up on Fridays, so about 25 percent of the business hits the mail on Friday evening. If this will flow to the bulk centers, it will not have a great effect whether the check orders are delivered Saturday or Monday. Like the previous gentleman, I'm not really concerned, but if it does stand still over the weekend it will then make the delivery in some of our areas extend from 4 days to possibly 10 days due to the weekends involved, and this, of course, would definitely have some effect on our sales volume and our business, and that is my objection.

If the business flows, I have no objection to the Saturday delivery being discontinued.

Mrs. SCHROEDER. Well, that's one of those things that we have great difficulty knowing. The question is whether we are engaged in a war of attrition, as some people seem to think, starting with the 1950 cutbacks and gradually eroding, bit by bit, or whether this is truly the end of what they will be proposing.

I really rather doubt it is the end of what they are proposing. I think you are a businessman and we have all looked at the trend, and the trend in everything in Government is the costs are going up and so you constantly have to be looking at what you are going to cut next year to stay within your budget.

Now, whether that would be the logical followup proposal, I'm not sure, but it seems like it would make a lot of sense if you are not doing door-to-door delivery, then maybe you just lock the door of the bulk mail centers, too, and you do not have the overtime and all the additional things and you run everything 9 to 5, and that is something we all have to think about, where do we draw the line and say we are either going to subsidize the Postal Service and it is going to provide the following service, or we are going to really insist that it be a business and constantly be cutting back to try and stay within that budget.

How far does it cut back before it becomes meaningless? In other words, such ineffective delivery that you can no longer use it. That's a tough one and I do not know the answer to that.

Mr. DUNNING. That basically goes back to the same fact. As businessmen, we look at our service and product and see how much we have to charge for it in order to break even, and I will say this, I don't think the Post Office looks at their services in a businesslike means. If they need more money, I think the users should pay for it, not the nonusers in a tax subsidized fashion.

You know, I have no desire to pay \$3 an order to send checks out, but if that's what they need to do it, that should be established and continue the service.

Mrs. SCHROEDER. So you would prefer to meet the cost of the service but not that the service get cut back such that you really have to go look for some other way?

Mr. DUNNING. That's what I am saying, and I am also saying that they should be placed in a competitive businesslike atmosphere as far as their services are concerned. I feel that way.

Mrs. SCHROEDER. Please continue with your statement.

Mr. DUNNING. My firm is very much concerned about the proposal to eliminate Saturday mail processing and home delivery. Rocky Mountain Bank Note Co. operates 14 plants in 8 States. Mail from these plants goes to customers in 19 States in the West. The firm's average mail volume is approximately 140,000 third-class packages per week. Most of these packages contain bank checks, which we consider of high value from a security standpoint.

The bank stationery industry has always been vitally concerned with Postal Service, and it has strongly supported Postal Service efficiency efforts in presorting to sectional center and five digit mail sacks, in commingling different types of bulk mail in common sacks, in constantly reviewing audit and inspection processes with Post Office personnel, and in support of the proposed new small parcels postage rate. Many of our plants are located to take advantage of bulk mail centers, and the mailing time in each of our plants is always set to correlate with local Post Office processing and dispatch schedules. Our company has always supported efforts to achieve the best possible Postal Service, and our people in many locations have served on mail user councils and have participated in postal service meetings and conventions.

We have several reasons for concern about the proposed elimination of Saturday mail processing and home delivery.

One, speed of service is a vital aspect of our business, and any delay in delivery of our check packages is going to cause customer inconvenience and potential loss of business to us.

Two, since our packages are in effect negotiable instruments, there is a security concern in their handling, and any delay in the mails could result in increased vulnerability to theft.

Three. The elimination of Saturday mail processing would promote the advantages of local source mailing and production as opposed to regional mailing, because of the advantage in delivery time. We believe this result would be at odds with the concept behind the establishment of regional bulk mail centers.

Four. At the present time, third-class mail service is not reliable enough to be put in jeopardy to additional delay.

Five. Personal check package mailing from the Nation's check printers amounts to over 2½ million packages per week, which means that tremendous numbers of consumers would be adversely affected by the delay in service.

Mrs. SCHROEDER. We are going to finish the panel we began. It looks like it is a little bit out of order. Ludwig Rothbein from the Commission on Disabled and Roger Doherty from the Commission on the Aging. If you could both come up, we would be happy to hear from you.

STATEMENT OF LUDWIG ROTHBEIN, COMMISSIONER, DENVER COMMISSION ON THE DISABLED, AND CONSULTANT, GOVERNOR'S COUNCIL ON THE HANDICAPPED

Mr. ROTHBEIN. My name is Ludwig Rothbein. While I am a commissioner on the Denver Commission on the Disabled, I am also a consultant on the Governor's Council for the Handicapped, and I fully support the testimony which was given earlier. However, representing the handicapped population of Colorado in totality, I would like to bring in another issue.

Colorado is largely rural outside of Denver, and the process of cutting down services, which was begun since the fifties, is now even going in the direction of cutting rural services, especially if we cut Saturday delivery. We have enough trouble reaching accessibility to the cities, and the Post Office has never considered the disabled either in accessibility or in employment.

Now we are going to make it worse by not even getting the checks on time and all these other issues which were discussed, so I have to speak for the handicapped population of the rural areas of Colorado and strongly protest any cutback of Saturday delivery. What I am additionally concerned about is that there seems to be three forces at hand which becomes confusing to the public and maybe Congress.

With all respect to Congress, maybe the real issue which should be decided is maybe we made a mistake, and I supported that at that time, when we created a corporation. Maybe the real issue is to create a Postal Service which again remembers that this is one of the few things for which the taxpayer gets service. It is here for the taxpayers' benefit.

Benjamin Franklin didn't build the Postal Service just to deliver business mail. It was service to the public, and you accomplish nothing special, and with the Government it is a habit, you have a good idea, you put it in process, see if it doesn't work, you spend billions and billions of dollars to make it work.

Now, apparently Congress made the same mistake when they created a corporation and now we are going to have to cutback from 6 days to 5 days. Next year, and 3 years from now, maybe the public will accept it. At that time, what's going to prevent, 5 years later, when they go deep in debt—and with the present management you know it is going to happen—3-day delivery? You already have the centralized postal pickups. Pretty soon you are going to say why can't the public go to the street corner and pick up their mail, which they are already experimenting with.

I would like to make a suggestion. Put a moratorium on any further cutback in service. We know you cut two a day delivery. You cut collections to one a day, and now this.

Build up advisory boards of real consumers, not just the businessmen, not just the people who have a financial investment in this, but of the people who receive services, and make a whole front-end analysis of what's needed in the Post Office and then start building up from there.

I will give you another suggestion if you want a better Postal Service. In the Postal Service if an employee is impertinent to his manager, he gets written up. Why is it that postal management today has the right to be impertinent to legislators? Why don't you put in the law that you can put disciplinary charges for inefficient management to the bosses?

And in my additional new position as the State coordinator for the Concerned Seniors of Better Government, I can assure you that we are going to wake up retired people again to help you to monitor these public services and we are going to work in conjunction with the people who are presently employed, because the people who are working really want to give you better service, if you give us a chance and get rid of the fat on top. Thank you.

Mrs. SCHROEDER. Thank you. As always, you were very refreshing, Ludwig.

STATEMENT OF ROGER DOHERTY, STAFF MEMBER, COMMISSION ON AGING

Mr. DOHERTY. My name is Roger Doherty. I am on the staff for the Denver Commission on Aging.

I have no statement today and I couldn't follow Mr. Rothbein anyway. What I did want to do is endorse Mrs. Mengel's comments, which were delivered earlier and of which you have a copy, and reaffirm our particular concern about the eroding qualities of life for older people in both urban and rural areas.

We are concerned about isolation among the masses and the importance of the mails as a communication tool. The extent to which older people rely on the mails is very, very great, and we are terribly concerned that the elimination of Saturday delivery would be a negative step and have a negative influence and impact to the lives of older people.

Mrs. SCHROEDER. Thank you very much, Roger. We appreciate it. It is hard to think of questions to ask you two. I think certainly the case has been made very well for the problems of the aging and handicapped and people in the rural areas.

Ludwig, I know you worked at one time for the Postal Service, so you have had great firsthand experience with what has happened and how service has eroded, and you know the frustrations in Washington of trying to figure out how we put Humpty Dumpty back together. To put it very mildly, that's a part of what we are attempting to do gradually, but it is like pushing on a string some days and that's a lot of what the hearings are about. But I love your comments about supervisors, as everybody else did, supervisors being impertinent to the legislators, and I know we certainly have found that there are a few supervisors who if they see mail with my frank on it feel the urge to put it in cold storage or step on it.

Mr. ROTHBEIN. I would like to make a difference between supervisors and managers. There are many hard-working foremen and line supervisors, and I was a manager, so I am just as guilty, so I know that, so I want to make that distinction.

Mrs. SCHROEDER. Well, there are many good people at all levels, and unfortunately it is like anything. There are a few Congressmen, as you well know, who are now climbing the Khyber Pass and doing a tour of the world, and others working, so you have the same problem in any organization. A few bad ones can spoil it for anybody, but it is a different problem. I'm glad you pointed this out.

Mr. ROTHBEIN. Could I just ask you, Pat, are you going to enforce a 5-day rule on the Khyber Pass? [Laughter.]

Mrs. SCHROEDER. Our next people are the people representing the neighborhood areas, George Pease from the Greater Park Hill Community, Inc. and Mike Henry from Capitol Hill United Neighborhood. We are glad to have both of you.

STATEMENT OF MIKE HENRY, PRESIDENT, CAPITOL HILL UNITED NEIGHBORHOOD

Mr. HENRY. Thank you, Congresswoman Schroeder and Mr. Heftel. My name is Michael Henry. I am the president of Capitol Hill United Neighborhood.

We really do appreciate the search by your staff to reach out and get the sorts of interests that don't normally testify in hearings of this nature. We are very much appreciative that you did contact our two neighborhood groups.

Capitol Hill United Neighborhood is a fairly broadly based neighborhood organization in the center of Denver. We have a large number of lower income citizens and a very large number of elderly citizens, and we are particularly concerned about the impact that the proposed cutback will have on these people.

We did at our board meeting last evening unanimously oppose the proposed cutback.

We are also awfully concerned about what happened about a year ago in Denver, and I am not sure whether this is nationwide or not, in

regard to the cutback on counter service on Saturdays. To me that indicates a real bias on behalf of the Postal Service against regular people and in favor of businesses.

Working people certainly need access to counter service on Saturdays, and we also believe that they very badly need, particularly older people, need the Saturday delivery, both in terms of need to quickly receive their social security and government benefits, and also just the communications like, as Mr. Doherty and Mr. Rothbein indicated, older people particularly and also just regular transients in the anonymous urban areas need access to their communications as best they can, and to cut back from the 6 to 5 days would dangerously hurt the ability to communicate with the rest of the world that these people need.

Speaking of our general bias toward business, it would seem to me that at least for equity's sake if the Postal Service is going to insist on the cutback that they might consider at least a cutback, for example, on Wednesday, Tuesday. Apparently they have never even considered that because businesses are open 5 days a week, but regular citizens who work need the Saturday service just as much.

We would certainly suggest, and I am sure you hear this from everyone, that it ought to be very carefully looked at who is subsidizing who in postal rates, and that the third class rates ought to be scrutinized very, very carefully, and if greater revenue is needed that might be a good place to find it.

And the final consideration that we would bring to you is the question of employment, and we being an innercity neighborhood are very concerned with high employment, and we would be worried that the cutback would have some impact. I guess the proposal isn't too specific on that point yet, but we would be very concerned about losing good positive productive jobs. Thank you.

Mrs. SCHROEDER. Thank you very much.

STATEMENT OF GEORDIE PEASE, CHAIRMAN, GREATER PARK HILL COMMUNITY, INC.

Mr. PEASE. My name is Geordie Pease. I am chairperson of the Greater Park Hill Community Organization.

I just would like to correct the pronunciation of my first name, because Geordie is the Scots name for a person named George who is kind of large and clumsy and awkward, and Georgie is a kind of childhood taunt that we grew up with.

Mrs. SCHROEDER. My apologies.

Mr. PEASE. This is to the members of the Post Office and Civil Service Commission from Geordie Pease, chairman of the board of governors of the Greater Park Hill Community, Inc.

The Greater Park Hill Community, Inc., is a nonprofit, tax-exempt Colorado corporation. Incorporated in 1970 as a merger of three community organizations located in Denver's Park Hill community, Greater Park Hill is Denver's, if not the Nation's, oldest and largest interracial community organization. Our roots and original parent organizations were planted and formed during the late 1950's as a response by both black and white citizens to those members of so-

ciety who are ignorant enough to state that persons of different racial, ethnic, and socioeconomic backgrounds ought not, or cannot, live together as neighbors and friends in a residential community.

During the past 20 years, we, as an organization and as concerned citizens, have peopled the picket lines against blockbusting, redlining, white-flight to the suburbs, and against any other influence whatsoever which denigrates the intrinsic value of human beings and their neighborhoods.

I might interject here that the cessation of mail deliveries on Saturdays by the U.S. Government will be perceived by the majority of my community members as another visible example of the Government's lack of concern for us as citizens.

We also have been a positive organization, positive to interracial living as a normal, natural, and highly valuable lifestyle. We take positive and direct action to insure that the physical environment in which we live matches the high quality of life we strive for, for all our community members.

Part of that high quality of life is the adequate and competent provision of services, and this is at the municipal level. State level, regional level, and the governmental level.

Again, the cessation of mail delivery services on Saturday would be another example of an uncaring government, not caring about the constituency.

In the next paragraph I talk about our structure. I will not read that. We are sponsored by 14 churches. Each church sends delegates to the Greater Park Hill community, plus we elect members at large from the community. Our total board varies between 40 to 60 active members.

I do think it is important that you know that we are not a board of affluent community members who sit down and discuss current problems in which we are not actively involved. Our board members are tuned in to their neighborhoods within our Greater Park Hill community. They know the feelings, the tenure and texture of what our constituency represents, what they feel, and the concept of constituency is very large in our organization.

We have a population of about 31,000 people, but that's according to census data. Now, census data are kind of a collection of the inaccurate by the inept, so we really do not know exactly what our census data is, because this was done kind of down and dirty and we did not have the time nor the resources I might add to do a scientific survey like our friends and brothers from business and industries might do.

I did a down and dirty in person and had telephone interviews with my board of governors and executive board, and again I have to express the fact that these people are not speaking for themselves but are speaking for a significant number of voters in the city and county of Denver; 18 persons were interviewed, and out of the 12 members of the executive board, 8 of the 12 were interviewed. Then I interviewed 10 delegates at large.

It was the consensus of the board of directors that full service postal delivery on Saturday ought to be continued. There were 15 total votes cast for continuation. For discontinuation, there were two votes, curiously enough a husband and wife team. One person expressed no opinion.

And because the executive board may speak for the full board of governors, representing a total membership in our organization between 4,000 and 8,000 persons, it is our opinion and our policy statement that full service mail delivery on Saturday must be continued.

Mrs. SCHROEDER. Thank you so much, Geordie. I really appreciate your coming.

I have several comments to make. Maybe one of the things we should point out to the Postal Service, and I couldn't point out more about this Saturday counter service and how it should have been delayed, maybe we should point out to the Postal Service how much the Internal Revenue Service means to working people, because we are almost causing people not to work. I don't know what people do that are working over Christmas that need to mail packages, and in urban America it is absolutely difficult.

Mr. HENRY. Likewise, they close at 5:30. Perhaps 1 week evening they should open until 7:30 or 9, and they don't open until 9 o'clock in the morning.

Mrs. SCHROEDER. Well, maybe the Postal Service should be talking to people about encouraging people to stay at their jobs. Geordie, I know this is not the topic, but I am delighted to hear you say what you did. As you know, we have a Census bill kicking around to get neighborhood data. We have been at war with the Census and they have been back in this week and hopefully they are going to work out some kind of compromise, but it is a constant problem with their benign neglect in urban areas also. I am glad to hear you are aware of it, and we have several things we are working on. We are glad to have your comments on that.

Mr. PEASE. Thank you. Just one further short comment. I do not feel, and again I will speak for my constituency, that the government or business industry ought to consider the Postal Service as a private sector operating business. It is something that ought to be subsidized.

If persons are talking about an overspend of \$3 or \$4 million or even \$3 or \$4 billion, I would say to them I wonder what the cost of the fighter planes are every year. I wonder what the total cost of bribes and payoffs in Korea were. I wonder if we are talking again and criticizing the Postal Service, and I will not criticize them if the Postal Service is being attacked because they do not implement so-called modern management techniques, and I am a former management technician consultant. If they are being criticized, I would say that would reflect construction of the entire governmental structure and not be limited to the Postal Service.

Mrs. SCHROEDER. Congressman Heftel.

Mr. HEFTEL. I think the most obvious, interesting, and memorable statement that we all ought to walk away with today, particularly those of us from Congress, is that when the entire commercial retail industry of America found out that the way you do business with the people of America is to go to neighborhood shopping centers and stay open until 9 o'clock in the evening, the Postal Service decided that it would not only close before people were ready to shop but they would also not have Saturday service available. If you wanted to make sure

that you minimize the ability of the public to use the Postal Service you would do what the Postal Service is now doing. It is ludicrous because if there is one service in America that cuts across every strata of our society it is the Postal Service. So they would be theoretically the first to open until 9 o'clock during the week, modifying their hours, perhaps functioning 2 days a week from 12 until 8 or 9 if they can't take the full schedule of hours.

They do not do this, and I think it is one of the things we have an obligation to bring back to our committee and then to bring into the Postal Service and find out why we are not working as you would with the people in a commercial sense, when this is supposed to be a service available to the highest degree to the most numbers of people.

Mr. PEASE. I do not mean this facetiously, please, but in the minds of a lot of community residents and so-called grass roots services there is a conceptual linkage between services. All right, trash collection and mail delivery, you cut down on the mail delivery. What's the next thing that a governmental entity might cut down on? Trash collection, police protection, and, for example, the fire department hypothetically, and God forbid might decide that because of municipal budgeting shortages that we can only answer and respond to fire alarms between Monday and Friday, between 9 and 3.

Mr. HEFTEL. No comment.

Mrs. SCHRÖEDER. Well, very good. I thank you both for coming.

Mr. PEASE. We appreciate it.

Mrs. SCHROEDER. Our next witness is Mike DeWitt, president of Branch 47 of the National Association of Letter Carriers. He has been writing "Letters to the Editor" of late, which many of you may have seen.

We are glad to have you with us. We know you have not been shy and hesitant to speak out. We will be happy to hear what you say.

STATEMENT OF MIKE DEWITT, PRESIDENT, BRANCH 47 OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. DEWITT. Madam Chairman and members of the committee, my name is Mike DeWitt and I am president of Branch No. 47 of the National Association of Letter Carriers, AFL-CIO, in Denver.

Please accept my commendation for your convening this committee in Denver and for your apparent interest in the opinions of Americans, as to further attempts to cut back already severely deteriorated postal service.

As a letter carrier, I and my fellow carriers are constantly in close, personal contact with our postal patrons. After a few years on a particular route, the letter carrier not only becomes acquainted with those whom he serves, but in many instances, becomes close friends with his patrons.

As a result, we learn earlier than most, the views of our patrons as to mail service. Certainly, we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service hire.

Therefore, I can tell you with confidence that the Denver postal patrons are angry with the present levels of service they receive and with the constantly increasing costs they must pay for this poor service.

A proposal then, conceived in far off Washington, D.C., that Denver postal patrons must pay 3 cents more on an already overpriced first-class stamp, and in addition, will receive 1 day a week less of mail delivery, simply makes no sense to them or to me.

As I have said, I am pleased you are here in Denver to learn of our views. But, as often is the case, the person who really should be here for that purpose—the Postmaster General—is back in Washington, D.C.

After all, the Congress has indicated quite clearly that they understand the fallacy of this proposed reduction in service. The overwhelming votes in the House and on the Dole-Clark amendment in the Senate in favor of the continuation of 6-day delivery, demonstrate that the Members of Congress are aware of public sentiment outside of Washington, D.C. That support is listening to the postal patrons in Denver, and other cities and rural areas throughout this Nation.

But the Postmaster General is apparently deaf to both the postal patron and to the Members of Congress.

The proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more and more, year after year. That is an obvious result of that policy.

Less obvious, but equally compelling, is the impact of this cutback in mail service to the economy of Denver.

The loss of postal jobs will be significant. In Denver alone, we have approximately 118 part-time flexibles now fully employed. The no-lay-off clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period. Obviously, no man or woman can earn a living subject to 4 hours work every 2 weeks.

These employees, then, would no longer have income as a result of working. The loss to the Denver economy of this monthly payroll would be severe in a period of decreasing employment, particularly.

The cost to our area in providing income to these displaced workers in the way of welfare and unemployment benefits will similarly be unavoidable.

In conclusion, Madam Chairman, please take back to Washington, D.C., that opinion from Denver, which your previous vote on this issue demonstrates that you share—namely, Denver is against any further cuts in an already deteriorated Postal Service.

What Denver really wants is better, less costly postal service—not worse, more expensive service. Thank you.

Mrs. SCHROEDER. Thank you, Mike, and I really appreciate your statement. I think your statement shows some of the frustrations the letter carriers must feel in that when you confront the person one on one and they tell you how unhappy they are with the service, what's your response? What can you do?

Mr. DEWITT. When a patron comes to a letter carrier or comes to me, as you have stated about the editorials and editorials I have written, I try to bring it to the public and say:

Okay, Public, you are the people that count. You are the taxpayers. You pay the bill. Write letters. Explain your situation. Explain your displeasure of what is happening. Let Congress, let your Senators, let the President understand that you are sick and tired of a postal service that is giving less and less and less but wanting more in a cost for postage stamps, whether it be special delivery letter, certified, registered mail, whatever it may be.

The costs are going up and up, and the service is rotten.

Mrs. SCHROEDER. And you would probably concur a bit with Ludwig's comments that some of the problem has been management, and you really as a postal carrier can't get to it, you can't influence it.

Mr. DEWITT. Very true. You know, there is a thing that the public is not cognizant of. You have to go into a post office to understand the situation. I can take you to any station in Denver, Colo., right now, or to a surrounding area. It doesn't make any difference. You are going to find mail stacked up all over the place. It is there.

What management is trying to do now is push, push, push, go faster, go faster. They don't want to give you the help. They don't want to give you the overtime. They just want you to run.

Therefore, the way our routes are set up now it is humanly impossible to go out and carry a route in 8 hours. We can't carry the mail. It is stacked. That's management's fault. They're the ones that should take care of that. They are the ones getting paid for it, but, no, they want to put it on the letter carrier.

The postal patron called up. "Where is this check? Why is this late?"

As a matter of fact, yesterday I gave Romaine three or four copies of some material from Greeley. They were anywhere from 5 to 6 days late, to 3 weeks late, things that already had transpired, different functions, and the people just received the letters. They did not know a thing about it. The reason they didn't know about it, the mail service was poor.

They are not giving us what we should be expecting of the letter carriers to perform in the city or Nation.

Mrs. SCHROEDER. I think that's one of the real frustrations. Are you saying there are not enough people to sort it and adequately prepare it and get it to the mail carrier?

Mr. DEWITT. Right now, through attrition in the Denver Postal Service alone, since January of 1977, we have had 56 employees either retire or resign. Up to about a month and a half ago is the first time they have hired any new subcarriers. As of this date, they have hired 35. All right, you still are minus 21 people in the work force now. They are making us absorb it.

Mrs. SCHROEDER. So they make your route bigger?

Mr. DEWITT. They make your route bigger with less personnel. That's the way it has been. We tried fighting them. We succeed every once in awhile, I might add.

Mrs. SCHROEDER. Do they issue track shoes?

Mr. DEWITT. No; but the heart attack rate is going up.

Mrs. SCHROEDER. Thank you very much. Do you have any questions, Mr. Heftel?

Mr. HEFTEL. Mike, how long have you been in the Postal Service?

Mr. DEWITT. Twelve years.

Mr. HEFTEL. Do you have a clear perception of the difficulties in the Service before and after the so-called change from a pure Government service to a quasi-business service with the elimination of the Postmaster General?

Mr. DEWITT. Well, it used to be—before the good Postmaster General who came from American Can Co. and wanted to take this post office over and run it like a can company—we used to be able to have things and the working conditions were much better. The individuals got along seemingly well. We had good rapport with our postal patrons, but now since our good Benjamin Baylor has taken over and wants to have his corporation, there is no way that the Department of Agriculture or similar departments can be self-supporting without any type of remuneration, reimbursement, subsidy, whatever you want to call it.

Now, this is what he is trying to do right now, trying to tighten the belt, trying to run it like a corporation. It seems like every time a cost of living comes up or pay raise, management is right there and saying, "OK, you are going to get \$9 or \$10 more. Well, you are going to have to go out and run a little faster."

It is not working. It is not working one bit.

Mr. HEFTEL. Thank you very much, Mike.

Mr. DEWITT. I would like to add, I do have a list of the Cherry Creek Shopping Center in which there are 58 shops. We did a poll, and Mr. Lipscomb, who manages that shopping center, did a fantastic job of polling the people. Out of 58, there were 7 places that said 5-day delivery would be good. The rest of them all want 6-day delivery.

Mrs. SCHROEDER. We are happy to have that information.

Thank you very much. We have now finished our formal witnesses that we asked to try and present a broad overall spectrum. We are now ready to open it up for the public forum.

STATEMENT OF GENE LLAFET, LETTER CARRIER, THORNTON, COLO.

Mr. LLAFET. My name is Gene Llafet. I am a carrier out of Thornton. I just wanted to say the other Congressman over here stated something that I want to bring out. At Thornton Post Office we have only 25 carriers, but I would say the majority of them would like to have Saturday and Sunday off, but the President and everybody else had said Saturday, and the gentleman here brought up other than Saturday.

Now, I wish somebody would notify the letter carriers that it could be Tuesday or Wednesday or Thursday. They do not seem to believe the vice president of our union in Washington, D.C., but maybe they would believe Congressmen if the Congressmen came out and said, "Let's talk about Tuesday or Wednesday. Let's not talk about Saturday. Let's talk about staggered days off."

Maybe the employee would then understand the the problems that we have in the unions today trying to keep the 5-day delivery, or Congress, too.

And you talk about better service. I know when Congresswoman Schroeder came down to the union hall, she stated that there was deadwood in the post office, and a lot of it was up on top. I do not understand why the Congress hasn't gotten rid of them.

There is only one thing that the post office is there for, and that's

to give service to the people, and they talk about a \$450 million savings on Saturday. How much would the post office save if they got rid of the deadwood on top?

I have no idea. I don't know their salaries and I doubt if I could get them or even our union could get it. I think we tried one time and couldn't get it, but I would like to know how much deadwood is on top, like the Postal Rate Commission, and the 23 Assistant Postmasters General.

When it was under Congress, the Postmaster only had two assistants. Now they have 23, I understand.

I am an individual that has to go out and work for a living. I can't afford a machine to be put in my house so I can communicate with my wife's folks in Ohio. I can't afford it. I have a tough enough time to pay r. y bills at 13 cents a letter, and I have to mail it because it is my job if I don't mail it. People have to mail their letters, and to put it back together, the only thing I can suggest to Congress as a letter carrier and as an individual is to please take it back underneath Congress.

Give us the right to get mail, to deliver the mail the way we should, the way that it is supposed to be, not the way the American Can wants it to be.

Mrs. SCHROEDER. Thank you very much. Let me first tell you that Romaine Pacheco here in the back is our postal representative. She can get the salaries for you, if you would like them. Feel free to call the Denver office.

Why we cannot get rid of the deadwood is because the Postal Service has been this half and half thing. It is a corporation in which the President of the United States cannot get rid of the Postmaster General. We have a bill in, attempting to change that, and hopefully that will be coming for vote.

Mr. LLAFET. That's House bill 7700?

Mrs. SCHROEDER. Right.

Mr. LLAFET. Well, see, Congress can. In 1 day they got to lift the blackout ban for football, and it has taken them what, 5 years, 6 years, to realize that the Postal Service is going downhill.

Mrs. SCHROEDER. I agree.

Mr. LLAFET. And I don't understand. I'm frustrated. I know Mike is frustrated, and I'm sure the patrons are frustrated, because it is important. I think it is a right that has come through Benjamin Franklin. On that we don't want to make money, and we can't make money. You can't make money delivering a letter.

The only thing you can do is give somebody a happy day by giving him a letter from their grandmother or from their mother or son or daughter, and if it is going to cost them \$50 to mail that letter, there is no way it is going to be a happy day, because you can't afford it. Everything is going up, telephones and everything. Why can't we keep the mail as the cheapest way to go so people can communicate.

Mrs. SCHROEDER. I agree, and our frustration is attempting to get a majority of the Congress to agree with us. We are going to work on it.

Mr. LLAFET. Send them out and let them carry mail for a couple of days.

Mrs. SCHROEDER. That might not be a bad idea.

**STATEMENT OF PAUL MENDRICK, PRESIDENT, DENVER LOCAL,
AMERICAN POSTAL WORKERS UNION**

Mr. MENDRICK. I am Paul Mendrick, president of the Denver local, American Postal Workers Union, which represents the unified mail workers, who are making every attempt to give you the very best service and the American public the very best service possible.

I would like to offer a statement at this time which would include some observations of the hearings so far.

We believe that Congress has the responsibility, Madam Chairman, to intervene on behalf of the American postal patrons, the 77 million households which receive postal service, and to sustain or improve the service and insure its financial integrity.

Ever since the Postal Reorganization Act of 1970 and the break-even concept that it embraced, the Postal Service has deteriorated. The break-even concept has caused postal management to aggressively engage the Postal Service on profit-loss considerations rather than the concept of providing efficient service.

Proposed changes are encompassed in H.R. 7700. This legislation is endorsed by the APWU, and fundamental to any efforts to put the nation's Postal Service on the proper course to abandon the mythology which contains the notion that the Postal Service is a business and not a public service. We believe the Postal Service must extend to every citizen, regardless of whether he or she lives in a tiny village or large city. We believe this makes the Postal Service effectively a public service in its entirety.

Since the Reorganization Act of the Post Office Department 7 years ago, we failed to make clear the real issues. What is the Post Office for? Is it to provide an efficient service to the American public, or is it properly on a break-even concept with the service secondary to the philosophy?

The first words in our opinion of the Postal Reorganization Act defines our nation's postal policy. The Postal Reorganization Act declared that the Postal Service was established as a basic and fundamental service to the people. Its basic function was to bind the nation together through personal, educational, literary and business correspondence of the people.

We of the American Postal Workers Union in Denver are adamantly opposed to any service cutbacks. We feel that every American has the constitutional right to an efficient and expeditious mail system, and that to eliminate Saturday delivery is only another attempt to deal with one of the Postal Service's problems, and that is only the financial problems.

I think what has been said here today is that the Postal Service has got to recognize that their main function is to provide a service to every American, and that if it is necessary that Congress should accept the responsibility and subsidize the Postal Service to be able to give this service to the American public. Thank you.

Mrs. SCHROEDER. Paul, thank you, and that's why we are doing the hearings across the country. I really appreciate your input.

STATEMENT OF HARRY GRABILL

Mr. GRAYBILL. Madam Chairwoman and Members of the Postal Committee, I am Harry Graybill. I am a private citizen. I do not represent any one organization.

In my opinion we should continue with the postal delivery on Saturdays. It is a necessity. People look forward to it. It is for a lot of people a great enjoyment to get that letter on Saturday.

For many people who are on a fixed income, occasionally their check does arrive on Saturday, They can go out and do with that check what they want, and that Saturday, because on that day their children, their grandchildren, are off from work. They can come out and work with them.

If you may recall, in the very early fifties when President Truman appointed the late President Herbert Hoover to a commission to check out the Postal Service, the Hoover Commission came back with the following recommendations: to streamline the Postal Service, to provide every mail carrier with a vehicle so he will have everything on hand, also to keep the three cent stamp on first class mail.

In the 25 years since that recommendation we have gone up to 13 cents. We are talking about going up to 16 and maybe 21 cents.

At this time that we start to look at the general public, the service at the Post Office has gone down.

Ladies and gentlemen, to every problem there is a solution. We know that every poison and snake bite is acted on, to sickness and pain we have medication, there is always a solution to the problem.

What seems to be the problem? Why don't we look at it carefully?

We take people. We put them to work. We put people who have never been taught the art of music and we put them in an orchestra and say, "Go ahead and play the music." This is what we have been doing. We keep on doing that in business. We keep on doing that in construction projects.

The last several months I spent in Wyoming on the \$8 million hospital at Warren Air Force Base. For 9 weeks I have been doing one item. I have repaired, I have adjusted, and I have fixed up other people's mistakes.

We have the same problem in the Post Office. It is not the deadwood we are looking at. We are looking at incompetence, people who have never been trained to do the job right, that we have never taught them the art and science of discipline.

In the United States we have academies to teach our military, our law enforcement, the art of leadership. What do we do with people in the blue collar force? Put them in the orchestra and say, "Teach them, train them." We can't do it. We cannot. This is our problem within our postal system.

So, my recommendation, one minimum is trainers to train people to do the job right the first time. It can be done, because other countries are doing it.

Mrs. SCHROEDER. Thank you very much, Harry. We appreciate your insight into that and I know you have been interested in vocational education for a long time.

STATEMENT OF JACK HIRSHFELD, POASTAL EMPLOYEE

Mr. HIRSHFELD. My name is Jack Hirshfeld. I am a postal employee.

I would like to address the question which has been the subject here all morning long: The concept between money on the one hand and service on the other. I think most of the things I wanted to say or had on my mind have been touched on by one speaker or another.

It is very clear as far as money is concerned that service and money are not in contradiction, that if what we wanted to do was save the \$450 million, all we have to do is shut down our defense establishment tomorrow for one day, but nobody would suggest that because they think it is an essential service.

The question about fighting fires after 3 o'clock in the afternoon and so on I think really covers that question. The question is not how do we save that money, but, rather, the question is not a matter of do we save that money, but are we committed to the service?

It is unlikely that we would save the money to begin with. Since I have been in the Postal Service, which is less than 5 years, the total number of postal employees has been reduced by about 150,000, close to 200,000, out of an original total of 700,000. Yet the deficits increase, so cutting people, reducing the people, is not saving us money at all, and it is very unlikely it will do that in the future.

The idea that the Postal Service should be run like a business encompasses two ideas. One is that it should make money. The other is that it should be managed well. These two are two different things. Good businesses in this country are managed well. They are managed for profitability. Services like the Postal Service should not be managed for profitability, but for maximum service.

Good management in the Postal Service is not management that makes it profitable, but management that delivers the mail. That's what good management requires, and it has got nothing to do with how much it costs.

The costs of delivering mail has gone up for a number of reasons. One of them is the postal reorganization bill. As a consequence of postal reorganization, postal workers today are almost at the center of our economy. When I started working at the post office and shortly before that, most postal workers were somewhere about a third of the way up in the income ladder, and I have talked to people who have worked in the post office, who have worked there for 20 and 30 years, and tell me horror stories about what it was like to try to support a family on a postal income in the early forties and late forties.

The postal reorganization bill has been very good in some ways for postal workers and income for the public, and I think that arguments that the postal reorganization bill should be destroyed and the whole thing should go back into the hands of Congress is a real danger for the American people.

One thing that the postal reorganization bill, or, rather, postal reorganization, has demonstrated is that whereas an independent postal management can act on its own very quickly to meet changing requirements, Congress acts very slowly. I think you admitted that a few minutes ago to a fellow postal worker, and therefore to leave the management of the Postal Service in the hands of Congress I think would be a mistake.

On the other hand, the issues that have been raised here which have to do with service are crucial to our understanding of what the future of the Postal Service should be. Either we are committed to service or we are not. If we are committed to service, we shouldn't be thinking only about the 5 day delivery plan.

Postal service has been cut back in many ways. In the neighborhood that I live in, in North Denver, there are only two mail collection boxes that are collected daily. There are several that are collected only every other day. People who mail their letters into their collection boxes on a 5 day delivery system in a weekend with a holiday are lucky to see a letter mailed on a Tuesday in Denver delivered to North Denver on the following Wednesday, 9 days later. That's ridiculous.

I was in China earlier this year and I was astonished to discover that despite the primitive development of their entire industrial system compared to ours that you could count on a letter in any given city which was mailed in the morning being delivered that afternoon, because they have a commitment to service. That's the point, and whatever it costs, and how the costs are raised, that's a separate question, but we have to decide whether we want the services or not.

Now, I want to say something about how the revenues can be increased. Working in the Postal Service I have seen an awful lot of mail that goes by very cheap. That mail is third-class mail. It is my opinion after looking at the various classes of mail and various kinds of service that it would be appropriate to alter the rate structure for third class mail and alter the service that goes with it. Third-class mail is not only cheaper but slower, and there is no reason why postal management should be given the option of putting mail aside simply because it is cheaper.

What happens on a daily basis routinely at the post office is first-class mail and parcels and so on which have priority get moved as priority. Third-class mailers, who are getting a break of a subsidy from the public in any case, their mail gets shunted aside and sometimes unconscionably. I personally received a letter this week on Wednesday, which was November 16, a third-class mailing, which required response by November 15, so I know what the consequences of that are. The business that sent that letter out saved nothing by getting a cheaper rate, and it is my opinion that it is the third-class mail that can be the basis of increased revenue for the Postal Service.

The principal basis for increased revenue, however, is continued support from the Federal Government for all deficits. This means that the postal management must be accountable to some Federal agency of some kind for its expenditures. You can't just give postal management a blank check, even if they are quasi-independent.

Many governments around the world have agencies which are quasi-independent of the government but which are nevertheless accountable to it. A very good example of this is the BBC in Great Britain, which is independent of the government, which receives subsidies from the government, which gets its principal revenue from some other source, taxation on television sets, as the Postal Service does from its postage, and is nevertheless accountable for its expenditures because otherwise it would just go ahead and spend more money right and left.

One last thing I want to say, which is one thing that the Members of Congress who are interested in putting the priority of service back into the Postal Service can do, is encourage a letterwriting campaign as somebody here said. Citizens are constantly urging letter writing campaigns to write to their Congressman. Here Congress is virtually helpless. Congress should promote a letter writing campaign to the Postmaster General.

Mrs. SCHROEDER. There is only one problem, how to get to him, even if he gets all the mail. I appreciate your coming.

STATEMENT OF BOB SWEENEY, EDITOR AND PUBLISHER OF THE DAILY PRESS, CRAIG, COLO.

Mr. SWEENEY. My name is Bob Sweeney. I am editor and publisher of the Daily Press in Craig, Colo., and a member of the Press board of directors and a spokesman on behalf of the State's 164 newspapers, both weekly and daily, that have over a million circulation in the State of Colorado. I came in from Craig this morning. I might report that it is snowing 210 miles west of here.

And, also, maybe in the small towns of Colorado we have a little different viewpoint about the Postal Service than what I have heard from some people here this morning. I think postal service in Craig, Colo., has improved and I think as the State's No. 1 impacted city, our post office in Craig has done a marvelous job of trying to do a very tough task. Mail in Craig has doubled and tripled over the last 3 or 4 years. Salaries at the steam plants have taken most of the workers away from the Postal Service, and people who have stayed have been working very hard. I have seen our postmaster out on Christmas Day.

I have a tendency to go into the Post Office to deliver papers. I see the stacks of mail. I see these people working tremendously hard to try and get a job done, and I think when we start talking about not doing mail on Saturday or can we not do mail on Tuesday or Wednesday, how can you do 2 days work in 1? How can it be done?

This is what the people in the post office tell me. How can we do 2 days work in 1? If we do not mail the mail on Saturday, we have got to do it Monday. Monday we have new mail coming in.

You cannot run the Postal Service like a spigot and turn it off and on.

I think Benjamin Franklin has been here today. He was in the newspaper business as well as the Postal Service. I think we are all in the communications business and I think those of us in the newspaper business share some sympathy with those in the postal business, because we are communicating. We are communicating with people, and so are you, and we can't turn communication on and off. We have to be able to communicate daily.

The Army can't be turned off on the weekend. The Postal Service can't be turned off on the weekend.

I think if anything I like the idea about increasing the mail at the shopping centers, staying open longer hours, doing more flexible things to increase and improve postal service, and from a commerce and industry standpoint newspapers, of course, publish on Wednesday. Dailies publish daily. We concentrate much of our advertizing impact on the weekend.

If we are looking at how to help the tax paying segment of the American economy, not the welfare recipients, and I think sometimes we think we can all stay home on Saturday, not work any more, and get a welfare check in the mail. I don't think that's possible, folks. I think we have to keep the business economy strong. We can do that by promoting, advertizing, by bringing people to these shopping centers and creating tax dollars, and that all goes back to the mail service to keep up whatever we can do.

So, this is my point here today, to just mention to you that the newspaper industry is very strongly opposed to the discontinuatiin, of mail on Saturdays. We like it the way it is and we think Crago Colo., is doing a marvelous job.

Mrs. SCHROEDER. Thank you very much. We are delighted it is snowing there in Craig.

**STATEMENT OF LOIS GOLDSWORTHY, MILE-HIGH AUXILIARY
NO. 444, NATIONAL ASSOCIATION OF LETTER CARRIERS**

Mrs. GOLDSWORTHY. I am Lois Goldsworthy, representing Mile-High Auxiliary 444, for the National Association of Letter Carriers, Denver, Colo.

When you speak of services, business routes at one time had four deliveries a day, then three, then two. Now, millions receive only one. Residential deliveries were reduced from two deliveries to one. We always had delivery on the Sunday before Christmas. This has been entirely eliminated.

When you speak of employment in the United States, thousands were part-time help during Christmas. This was a reduction in the cost factor of labor because wages paid to the part-time help was less than the regular wages to regular employees' overtime.

In addition, more people working is a stimulus to economy. For example, in 1958 the Gorman Station in Baltimore had 63 carrier routes and 125 Christmas assistants were hired to help on these routes. This additional hiring now is completely eliminated.

More and more business is transacted by mail. Millions of retirees living on fixed retirement of various sources are dependent on that check arriving at a certain day. Yes, you say have it sent to the bank, the bank will cover if they arrive late. How many of these people are on fixed income and cannot afford the additional bank charges? They have the privilege of having their own money they have worked for.

The basis of American economy in business today is on your charge and credit. With reduced mail delivery to the patron from the business firms, where you have your late charges, you send your check in. You are already paying 13 cents to get that check in. If your payment arrives late, you are then penalized a late charge. Why should the patron pay this, or who's going to pick up the tab on that?

Therefore, it is necessary for a business to change their economy and their strategy of operation, change their computerization to fluctuate for the days whenever this letter and air mail will be delivered?

What will be gained by the 5-day delivery? The impact of 6 days crammed into 5 days only provides longer working days resulting in millions of dollars again being paid in overtime.

But most important is the x number of days of this delayed mail. We can't say if it is 2, 5, 10, or whatever. Who is going to be responsible for this?

And, remember, the letter carrier is not a programmed machine. He is not a robot with a button that can hop two steps, jump three, go across the street in four. He is only flesh and blood with a heart and feeling, just like you and I. There is a limit to his physical stamina. He faces the elements. He faces the patrons and, all in all, he is the last wedge between you and the post office.

Heart attacks are resulting and increasing in death and disability. There again, who's to take care of these dependents, these widows, these small children, if there are any? Again, recuperation time for sickness and disability is another increasing cost factor.

Postage increases should increase service to the patron; instead, it decreases. Government agencies are service to the people, not profit-making. Your national parks, armed services, whatever, they are services. They are not put on profitmaking. Therefore, why not put the post office back into the hands of Congress and let them operate on an efficient basis and yet they are a service organization?

Isn't communication one of the most important things we have, and where else do we get it on a worldwide basis? Again, from the mails. Regardless of the millions of dollars put into machinery and programs to expedite the mail from within, that mail has to reach the hands of the patron, and who does this? That man in blue with two hands and two feet that hands you a letter or puts that letter in your mail slot.

Five-day delivery results in the loss of employment, which will have an additional compound effect on economy.

Also we disfavor door-hangers. We feel that companies' advertising should go back in the mail. Door-hangers that hang on your door when you are gone all day or overnight if you should go away for the week-end only tell more people that you aren't there and they eliminate your security and only increase your house break-ins.

At this time I would like to ask that we urge and ask for support in the continuation of 6-day deliveries. Thank you.

Mrs. SCHROEDER. Thank you, Lois, and thank you to the auxiliary for presenting that statement.

STATEMENT OF MIRIAM GOLDBERG, EDITOR AND PUBLISHER OF THE INTERMOUNTAIN JEWISH NEWS, DENVER, COLO.

Mrs. GOLDBERG. Chairman Pat and Mr. Heftel and other members, I am Miriam Goldberg, the editor and publisher of the Intermountain Jewish News, which is a weekly newspaper of general interest but with personal news and public services for the Jewish community in the Rocky Mountain area as well as throughout the State. Our substantiated numbers are reaching 84 percent of the Jewish families in this area.

To illustrate how important mail is to our business, we pick up our mail daily at the post office.

I concur with my colleagues in the print media, even though our numbers are smaller, to the vital necessity of 6-day-a-week delivery or

availability to pick up our mail. Ours is a time value publication, especially when delivery in some cases is held up the day that the paper is to be delivered to the homes. In that way we have to mail and do mail from our office so that hopefully people will receive the paper on the following day, Saturday.

Also, having Saturday delivery goes beyond the necessity of business. It is an input-output situation. It enables us to process news. If we have Saturday delivery, we process news and editorial material for the following week, thus saving a substantial time on Mondays and Tuesdays, which are our deadlines for late breaking news and business orders. It enables us to serve our readership better, and I commend the post office individuals that we meet with and complain to in that they are very courteous, but somehow there is no communication to the proper level.

I have this week many an item, which is not unique when we have changes of addresses, which come back to us at 25 cents per unit, which individually does not sound like too much, but it is not unusual when three and four of these mail changes come at one time.

Thank you, and I ask your consideration also for retaining the 6-day-a-week delivery.

Mrs. SCHROEDER. Thank you.

STATEMENT OF REV. WOODRIDGE, EDITOR OF THE DENVER CATHOLIC REGISTER

Reverend WOODRIDGE. I am Father Woodridge, editor of the Denver Catholic Register. The Register has been using the post office for 75 years.

I think at the present time the poor postal service is impeding free flow of information. I think that's really vital.

Our publication goes out to about 70,000 Catholics, and I totally depend upon the mail for dissemination of news, and when you cannot get that, you cannot tell the people what's happening.

And just to reflect on television for a moment—if religious freedom depends on information, it is being impeded because if we have a major story we would get about 300 words in television. Often it is distorted, and the only way people are going to be able to understand is when people are able to read the printed media. I do not have private jets so I can go back and forth across the country and come in with reports like NBC, CBS, or anybody else, and I have a very restricted budget. I cannot use the telephone a lot, so my source of information is hampered. I really depend upon the mails.

The Denver Post Office does an excellent job trying to get our papers delivered.

I am also the chaplain of the St. Gabriel's Guild, and that's postal workers. The morale among postal employees is about at the lowest ebb it could possibly be. They count the days when they are going to get out of the post office if they are going to retire.

You know, you really don't want to go down there and get on their backs. That's not the problem. I think the ball really belongs in Congress, and I don't know what we ought to do. It is a major problem. It is not a minor one, and we have all been saying, you know, the mails are slow and it is 6 days and 8 days, 3 days to get a letter from Colorado Springs.

I cannot afford to put news releases on a Trailways bus in order to get them to Denver and pay \$3.50. That's ridiculous. I think somehow or other we have got to get moving on this thing. We spend billions for defense and we talk about human rights. Why, the human rights on the American citizen on this mail business is absurd, absolutely absurd.

I don't want to get all worked up. I have been, but I just think it is high time. I think it is an infringement against religious freedom. I think it is an infringement against freedom of the press, because we do not have a sufficient mail program to really keep us informed.

And the other thing I am really upset about is this preferential treatment that's given to the mail deliveries of the big boys, and I'm talking about the Wall Street Journal. That is mailed under a second class permit and I am, too, and their paper goes out the same day and mine goes out 2 or 3 days later, and I don't like it.

Okay, I guess I've said enough.

Mrs. SCHROEDER. Wonderful, Father, you were wonderful, and we can tell you have been through the mill. Hopefully that's what the hearings are about, bringing the thing to the Congress and to attention.

Reverend WOODRIDGE. You have the support of the press. Just get the ball rolling.

Mrs. SCHROEDER. Thank you, we are trying.

STATEMENT OF CARYL LENAHAN, CHAIRMAN, POSTAL CUSTOMERS COUNCIL OF METROPOLITAN DENVER, INC.

Mrs. LENAHAN. Congressmen, I am Caryl Lenahan, chairman of the Postal Customers Council of Metropolitan Denver. We are an organization that represents right now some 274 businesses and organizations in Denver. We meet on a monthly basis to try to learn how to do better mailings and mail procedures, and most importantly, save money.

We did our own survey and I think we have all found out how you ask the question is what kind of answer you get. We got everything from,

"I like Saturday delivery when my birthday falls on Saturday," to the type of emotional reaction that people in the mail rooms have in their putting the postal employe or carrier up on a big pedestal, and one person said, "I feel with the amount of pay that postal employees receive, they should carry the mail on Saturday. I realize that the mail is probably heavy, but people working for the government should be satisfied in serving the public. This is dedication.

And for you in Congress to know what causes inflation, the same person said, "The proposed rate increase of 16 cents should be negated because things like this cause inflation."

The real point I want to make today, and people have alluded to some things, but what are we trying to solve, and I think that's what the customers council people are concerned about. They are not so concerned about whether we have Saturday delivery, but how do we keep the spiraling costs of postal rates from just going off the top.

In a meeting we had this week, we began to find out a little bit more about revenue protection, and I think this might be something that you really want to talk about because it seems to get at the heart of the issue of saving money.

There are approximately 600,000 employees in the Postal Service. If each employee allowed just one piece of first class mail that had 11 cents too little postage to pass through the system each day, the Postal Service would lose \$66,000 a day. If you went on and took one employee and let a letter go through 11 cents short each day for every day that the postal person is at work, the loss would be \$20 a year, or \$12 million in lost revenue over the entire postal force.

Recently in Denver one customer mailed over a period of a year mail that was misclassified. Through revenue protection this customer's error was spotted and \$25,850 in back revenue has just been collected.

In the last 3 days, or 3 days last week, three large mailings had been refused at the weigher's office. The net gain in one mailing after correcting the postage was raising the rate from 30 cents a pound to 36. The mailing was 7,000 pounds, so a net gain of revenue came to the Postal Service of \$420.

Now, these mistakes were unintentional, as we are told some 80 percent of revenue violations are, but the Postal Customers Council sees the need for much stronger educational programs aimed at the public, at how cheating the Postal Service really cheats us all.

In summary, if saving money is the main reason behind stopping mail deliveries, let's all be certain every area of saving money is attacked.

Another point you might know or probably be interested in, for accounting period I, 1978, in this SCF district, over a 4-week period better revenue protection measures recovered \$89,756. If this can be done just in 4 weeks in one SCF district, what could be done nationwide?

From our membership most mailers realize the cost savings for deleting Saturday deliveries. Customers are, I think, willing to adjust to changes in delivery versus fighting the higher costs, which in businesses tend to have a much more dramatic impact on daily budget.

Our survey, but the way, did cover mostly middle- and smaller-size mailers, so the large businesses which have cash flow problems, most of which are speaking today, so do we have cash flow problems.

Mrs. SCHROEDER. Thank you.

STATEMENT OF MILLER HUDSON

Mr. HUDSON. I came here today as a private citizen. I'm sort of a nosy political activist from northwest Denver, and I want to say a couple of things about the entire postal situation.

One of the things about the 6-day delivery which I really wasn't going to originally bring up, and as I have listened to some of the comments, this sounds like another idea that comes from management consultants, and in my experience they tend to overestimate the value of savings and underestimate the costs.

My brother-in-law and his wife are both letter carriers, and I have talked to them, and one of the miraculous things with management consultants is they seem to think the mail delivers itself and that somehow the letter carrier only supervises this process like on a magic carpet, and obviously if each carrier is carrying several hundred pieces of mail daily it is going to take longer to sort them and make more stops.

The question I ask: Is this savings really in fact \$450 million and how is this being calculated when in fact it is more likely people are going to be walking longer routes and taking overtime.

I think if we look at all the cost savings that if we had in fact produced the savings they predicted they would be paying us to send mail instead of the other way around.

The reason I really care is one of the things that I'm really concerned with is I'm a supervisor, and I wasn't paying a lot of attention to what was going on and I started getting requests from so many of my employees saying they wanted time off work to go to the post office. I thought, "What is this all about?" And then I had to go mail a package and I can't tell you how much that irritated me.

I think we have done a huge disservice to working men because they have been denied access to their post office, and I think particularly the single parent families, which constitute about 30 percent. How can they do that, taking off work? Not all have as indulgent supervisors. I suspect that some people are having to take time off without pay to handle postal business.

I suspect as more people wake up to what's going on, as you will see during the next month as the Christmas season comes, there are a lot of people out here that still don't know they can't use their post office on Saturday and I suspect they will turn out in the next few weeks and Congress will start hearing about it amply.

I just wanted to call this to the attention of this committee because it strikes me that Government has a responsibility to prevent discrimination and not promote it, and I think that's the situation we are in with the Postal Service.

Mrs. SCHROEDER. Thank you. I think I should tell everyone this is Miller Hudson, but he probably didn't want you to know. He really works for the phone company, which is one of their big competitors. I think that makes your remarks all the more interesting. We are very glad to know you support 6-day service.

STATEMENT OF JOANNE PARLER, STATE PRESIDENT OF COLORADO POSTAL WORKERS

Mrs. PARLER. Thank you, Congresswoman Schroeder. I am Joanne Parler, State president of Colorado Postal Workers, and most assuredly a representative of rural life in America and Colorado.

Thank you for allowing me to address the panel in behalf of the peoples of rural Colorado and its rural post offices, many of these same people being related and/or with other influence to the constituents of Denver.

For these people may I say the desire for monetary gains, et cetera, of the "can kings" and the business barons of America are not shared by those who receive foreign goods, repair parts and material and merchandise and correspondence, their lifeline to America.

Let this whim of the 5 day delivery pass unprotested by your committee and Ben Franklin will, if he hasn't already, turn in his grave. His desire was to provide mail service, the best service possible.

Help us keep the Postal Service. Thank you.

Mrs. SCHROEDER. Thank you, Jo, and I appreciate all the work you have done for the postal employees in Colorado.

Mrs. PARLER. Thank you, I wanted to pass this over to you and give you an idea of what you are going to get, and this is for you.

Mrs. SCHROEDER. Thank you very much.

STATEMENT OF IRVING THATCH, POSTAL EMPLOYEE

Mr. THATCH. My name is Irving Thatch. I was working at the post office before it became a corporation.

One of the main reasons for the post office becoming a corporation was because the Government was subsidizing the postal services of the world. When it went into a corporation, it was supposed to become an independent corporation where it would pay its own way.

During my time at the post office, the main problem always has been about delivering mail and not enough personnel, but Congress never seemed to appropriate enough money to give them the proper amount of money that was needed to operate. If the post office is to continue to operate an independent corporation, it should be allowed to subsidize, then the Government should be able to continue to be allowed to subsidize the post office to pay for the growing needs of the post office as it stands now.

Mrs. SCHROEDER. Thank you very much.

STATEMENT OF JINKO YAMAGUCHI, RETIRED POSTAL EMPLOYEE

Mr. YAMAGUCHI. Mrs. Schroeder and distinguished guests, I am a retired postal employee. I just want to make one observation here, and that pertains to a policy that was made where it was determined that 75 to 80 percent of the people said the 5-day delivery would be satisfactory. I think that was a very, very unfair policy, due to the fact that they gave the public a choice. They said, "Do you like 5-day delivery or do you want an increase in postage?"

That's just like a holdupman, a person that goes to the bank and points a gun at the cashier, "Do you want to get your head blown off or do you want to give me the money?"

Which way would you go, and that's the way that I feel about that policy. I think it was very, very unfair, and that in itself shouldn't have even come out like that, because, you know, the public had no choice. I think that if they put it to them in a different way it would have been a different vote entirely. Thank you.

Mrs. SCHROEDER. Thank you so much for commenting.

STATEMENT OF RICHARD BROWN, PRESIDENT, COLORADO RURAL LETTER CARRIERS ASSOCIATION

Mr. BROWN. Congresswoman Schroeder, I am Richard Brown, president of Colorado Rural Letter Carriers Association, and we serve a little different people than most of those who have been up here so far in that we work out in the country, out in the rural areas, in the small towns. This is the area where the people really depend on the Postal Service.

My route, for instance, is 128 miles. Some of my customers live as much as 28 miles from town. They depend on me to bring them repairs for their machinery, to bring them medicine. It is not unusual for the druggist to come down in the morning with two or three prescriptions, because people called in rather than drive a 50-mile trip to get this in these days of the energy crisis.

We have had people from the news media. Over 50 percent of my customers get their daily paper. If they only get the mail 5 days a week and we have a holiday thrown in, they may be reading their latest news 4 days old.

We have probably the only business in the world or in the United States that has everyone for a customer. We have over 200 million customers. This is a \$2 bill. This is what it would cost each of our customers a year to keep 6-day delivery. Thank you.

Mrs. SCHROEDER. Thank you very much.

Mr. HEFTEL. By the way, when we took a look at the breakdown on mail, instead of coming up with a \$2 bill, I think it was 78 cents a year.

Mrs. SCHROEDER. Right; so you may have been high.

STATEMENT OF JIM EITZEN, PUBLISHER, COLORADO LEADER, DENVER, COLO.

Mr. EITZEN. Pat and members of the committee, my name is Jim Eitzen. I publish the Colorado Leader here in your district, and the Colorado Leader, incidentally, with its forerunners has been published since 1919, with a Saturday dateline publication actually dating back to 1905 when it was established by Frank Mancini, whom you may remember, and I suppose that with the Saturday dateline with approval from a proper judicial authority and the Post Office I could change my date of publication so that wouldn't be a big disaster if I had to mail a day earlier or something like that, but one of the things that has concerned me and really concerns me now are the postal rates. It is becoming very burdensome.

I publish a lot of legal notices, and the rates for legal notices are set by law. We can't get a raise unless we go before the Colorado State Legislature and get approval from them to increase our rates, so every time postal rates go up or other costs go up, of course, then we are in a bind.

Many people have already said some of the things that I could expound on, so I won't elaborate on that. However, it seems to me that with all of the things we are subsidizing, overseas and in this country, that one of the institutions that probably serves more people than any other institution in the United States is the Postal Service, and I really do not see any reason why we couldn't subsidize it a little bit.

Mrs. SCHROEDER. Thank you very much.

STATEMENT OF MR. VAN RISICK, POSTAL EMPLOYEE

Mr. VAN RISICK. Congressman, Pat Schroeder, and members of the panel, and all the rest of you, I am not going to give a big lengthy talk. I just want to represent who I am. I am a mail handler. I am an officer of the local mail handlers local 321. I am a postal employee.

I work out of the Denver BMC and I have 15 years of service with the Post Office and I am very thankful that I have a postal job, even though sometimes it is frustrating with what I have to go through, and I know the situation of the mail, probably as much about the Postal Service as anybody. And I could probably write a book on the Post Office, what I know about the Post Office, and probably most, the majority of the book, wouldn't be very good results.

And I want to thank you for this opportunity and this piece of paper that woman gave you up there awhile ago just has come out of the Denver newspapers and we have this paper posted on our bulletin board down there at the BMC where I work. And I want to urge everybody to write their Congressman on supporting this elimination of the 6-day delivery, and it isn't what you say in your letter. I think the biggest impact is the amount of letters that the people, the Congressmen and people get on their letter that probably will have the results in the end, and I agree with some of these people about the frustration on the job and trying to push and having a heart attack.

All I can say is that I just thank the Lord for my job and for my health and I just pray for Him that He will take care of me in my work and my job, and that this situation will happen, but I can understand why it would happen if it ever came about. Thank you very much.

Mrs. SCHROEDER. Thank you very much. I appreciate your comments.

STATEMENT OF RAYMOND GRIZZARD, POSTAL EMPLOYEE

Mr. GRIZZARD. Mrs. Schroeder, my name is Raymond Grizzard. I am a carrier for the Hilton Hotel and the immediate surroundings.

Mrs. SCHROEDER. Wonderful, just happened to be passing by on the job, right?

Mr. GRIZZARD. And I happen to have just completed my route, which is a business route, one trip business route, which requires me to start work at 4:30 in the morning, and a lot of the businesses have just received their mail.

Now, for 19 years I was a residential carrier and I know the feeling of the public in the residential sector. They look forward to the postman there on Saturday. It is a must as far as they are concerned.

I believe the record will show that when the Post Office was considering a 5-day delivery, they contacted the business community. The residential community was left out of the total picture. Most businesses are closed on Saturday, so they would care less whether or not you deliver their mail.

I think we have a picture here where the Postal Service is catering to the big business. They are closed, so whether they get their mail or not on Saturday is immaterial. However, Monday morning they expect that mail that would have been delivered Saturday, mail that would have been delivered Monday, to be there, and it is utterly impossible the way the system is working today.

We have a very difficult time the day after a holiday to get up all the mail, and if we are limited to a 5-day delivery I think that the business community will be the first people to tell Congress, "We want to go back to 6 days."

Mrs. SCHROEDER. Thank you very much.

STATEMENT OF MAX GROSSMAN, POSTAL EMPLOYEE

Mr. GROSSMAN. Members of the committee, my name is Max Grossman. I am also a carrier out of a little section of Denver called Edgewater.

It seems every topic has just about been covered here, so I don't have too much to say, but I would like to make a comment.

It seems the whole crux of the issue is these finances that the Postal Service is complaining about.

Well, I can recall now a few years back there was a statement made that the letter carriers and clerks were costing the Postal Service tremendous amounts of money and a tremendous salary that we get. However, if 85 percent as they claim of their budget is expended on salaries, as I calculate it this leaves 15 percent for them to put up boondoggles like the bulk mail system, which is a failure, which UPS has all the business and they throw us the surplus.

On top of that, we have central markup, which has been delaying the mail. In my own case, just yesterday I had mail that's been sitting there for 6 days. That has to be forwarded. At one time when carriers did this, we got a card, entered the change. The next day the people were getting their mail. OK, we got central markup. That was a boondoggle.

We have the bulk mail system. That was a boondoggle. We had the Kokomo plan, which was a boondoggle.

Now, they are going to try to go back to 5-day delivery and call it express mail. You answer that for me.

Mrs. SCHROEDER. Thank you.

**STATEMENT OF JULIUS JONES, DENVER REPRESENTATIVE,
NATIONAL ALLIANCE OF POSTAL FEDERAL EMPLOYEES**

Mr. JONES. Congresswoman Schroeder, I am Julius Jones, representing the Denver Representatives of National Alliance of Postal Federal Employees.

I missed most of this morning's session, being able not to get here, and I want you to know that the National Alliance supports 6-day delivery, and also I must go in defense of central markup, because that's where I work.

As you know, the post office is shorthanded in most units and that includes central markup. The reason why it is delayed is because there is not enough employees to work the mail there, and I suppose with the 6-day delivery, if that's eliminated, that means that more jobs that are lost to the Denver delivery in the Denver Post Office. Thank you.

Mrs. SCHROEDER. Thank you for coming.

**STATEMENT OF PAUL MORGAN, PRESIDENT, CARRIERS UNION,
AURORA, COLO.**

Mr. MORGAN. Mrs. Schroeder. I am Paul Morgan, president of the Carriers Union in Aurora and also a carrier out there.

I have only been with the post office 6½ years and our carriers, our

patrons out there, are all looking forward to keeping the 6-day delivery.

I have one little thing in my past that showed on a 7-day delivery. I was the postman in Viet Nam, and believe me, the people there, the GI's, the civilian workers that we had, everybody said 7-day delivery, so, 6-day delivery, yes, we would want to keep it.

Mrs. SCHROEDER. Thank you very much.

FURTHER STATEMENT OF JACK HIRSHFELD, POSTAL EMPLOYEE

Mr. HIRSHFELD. I am Jack Hirshfeld. I can't resist saying something very, very briefly. I have been listening to a lot of comments. I realize most people who have spoken have a special interest. They turn out to be mostly people in the print media and small businesses who depend on the delivery and postal workers.

People might think that postal workers are here to defend their jobs, but presumably if there is a cutback, both management and postal workers will be subject to a loss of jobs, yet there aren't any management people here protecting their jobs, and I think that shows a difference between the management and postal workers concerning this service. Which side is dedicated to providing the service? Thank you.

Mrs. SCHROEDER. Very, very good. I think that's a very nice note to end up, unless there is someone from management who would like to stand up and identify himself. There is one in the corner waving to us. We are glad to know there is one who cares.

Thank you all for coming. I am very chauvenistic here, Cecil. The Denver people amaze me. I think we have some of the best, who are attuned and educated to what is going on, maybe equal to Honolulu. Thank you for coming.

Mr. HEFTEL. My pleasure, and thanks to you. Let's hope we can reflect in the Congress the sentiments that people are reflecting.

Mrs. SCHROEDER. I think you have our committee's feeling. We are going to be back there nipping like sheepdogs at their heels every day, and if you will, follow through with the letters.

Nobody wants to deal with this issue because it is not a popular issue to deal with. They dealt with it once and it kind of blew up. The last reform they dealt with kind of came apart at the seams and they wish it would go away. They want it to be cured but not take the responsibility, but I think they see they have to.

We appreciate all your sensitive comments and help.

The meeting is adjourned.

[Whereupon, at 12:10 p.m., the proceedings were adjourned.]

[The statements which follow were received for inclusion in the record:]

STATEMENT OF CARYL T. LENAHAN, CHAIRMAN, POSTAL CUSTOMERS COUNCIL OF METROPOLITAN DENVER

The Postal Customers Council of Metropolitan Denver, Inc. is a non-profit organization formed for the purpose of informing business mailers—large and small—of proper Postal Service regulations and money-saving mail room procedures.

Its 1977-1978 membership numbers 274 businesses and organizations. Its 1976-1977 membership was approximately the same. A dues structure of \$10 per organization, per year, affords a monthly newsletter and coffee at meetings.

To communicate with members, monthly meetings are held, featuring Postal Service speakers, informational films and equipment displays—all with the purpose of helping customers improve their mail preparation and postal costs.

At the November 16, 1977 meeting, members were asked to complete a brief survey, responding to three questions: 1. Your present feelings on Saturday home delivery; 2. What effect would 5 day delivery have on your company?; and 3. Your comments on the 16 cent rate increase.

Two thirds of the persons attending the meeting completed the survey. 70 percent responded that they would be in favor of stopping Saturday home delivery providing it helped keep postal rates down, and 71 percent felt that Saturday delivery to their business could be stopped, primarily because their particular business is not open that day.

In compiling these figures, we found that mail delivery rates high on people's emotional scale, along with such other institutions as religion, and good old American ideals. Some of the comments were:

1. "I like Saturday delivery when my birthday falls on Saturday."

2. "I appreciate the speed of the mail service. Loss of Saturday delivery would delay about 1/6th of my mail. This would be an inconvenience which I may be willing to pay 16 cents to avoid."

3. "How can you save money when you will have to pay overtime on Monday and possibly Tuesday?"

4. "If the Post Office needs to increase to 16 cents to remain solvent, then the rate should be increased. If it is not increased, the Post Office will have to get money from somewhere. Perhaps from the Government who in turn will have to get the money from somewhere—like taxes. Why not let the ones using the service pay for it—rather than trying to spread the expense to those who do not use the service."

5. "I feel with the amount of pay that Postal employees receive, they should carry the mail on Saturdays. I realize that the mail is probably heavy, but people working for the government should be satisfied in serving the public—this is dedication. The proposed rate increase (16 cents) should be negated because things like this cause inflation."

6. "If that's what the Post Office needs to help it show a profit—so be it." In my opinion, the major question which must be addressed is: "What are we trying to solve?"

While saving money for the Postal Service is the major reason for stopping Saturday deliveries, making money for businesses seems to be the opposition of our customers. We got comments that ran as strongly as "It's impossible to run our company without Saturday mail", to "We still want to be able to pick up mail from the P.O. Box at the Terminal Annex on Saturdays."

If cutting costs IS the top priority, I want to point out an enormous problem that was brought to the attention of Postal Customer Council members at our meeting November 16 . . . revenue protection!

After hearing the problems the USPS is dealing with in its campaign for better revenue protection, our PCC members were concerned with all customers—businesses and individuals—fraudulent mailing practices.

For example, there are some 600,000 employees in the Postal Service. If each employee allowed just one piece of 1st. Class mail that had 11¢ too little postage to pass through the system each day, the Postal Service would lose \$66,000 a day!

If one employee were to let 11¢ short revenue go by each day for every day he's at work, the loss of \$20 a year would result, or 12 million dollars lost revenue over the entire 600,000 postal work force.

Recently in Denver, one customer mailed over a period of a year—mail that was mis-classified. Through revenue protection, this customer's error was spotted and \$25,859 in back revenue has been collected.

In just 3 days last week in Denver, 3 large mailings have been refused at the Weighers Office. The net gain in one mailing after correcting the postage was raising the rate from 30 cents a pound to 36 cents a pound. The mailing was 7,000 pounds, so a net gain of revenue to the Postal Service of \$420.00.

These mistakes were unintentional, as are some 80 percent of the revenue violations, but the Postal Customers Council sees the need for much stronger educational programs aimed at the public on how cheating the Postal Service cheats us all!

In summary, if saving money is the reason behind stopping Saturday mail deliveries, let's be certain ALL areas of saving money are attack.

For Accounting Period I, 1978, in this SCF District, over a four week period, better revenue protection measures recovered \$89,756. If this can be done in just four weeks in one SCF District, what could be done nation-wide?

From our membership, most mailers realize the cost saving for the Postal Service involved in deleting Saturday delivery. Customers are willing to adjust to the changes in delivery VS fighting the higher costs of postage which has an even-more dramatic impact on their yearly budget.

STERLING JOURNAL-ADVOCATE,
Sterling, Colo., November 16, 1977.

We are a small daily newspaper in Northeastern Colorado with a circulation of approximately 8,000 copies.

Of this 8,000 copies, 2,800 copies are delivered for us by the postoffice. Of the 2,800, 2,500 would normally be delivered the next day.

One-third of our Friday circulation would therefore be caused to arrive three days late if Saturday delivery were discontinued.

We can see that when an average work week for many businesses extends only 4 to 5 days, that the service of the postoffice to them would cause no trouble by no delivery on Saturdays. In this area of wide spaces between homes, farms and cities, the service of the postoffice for communications between businesses, families, and individuals is greatly needed. To interrupt this for even one day per week is unfortunate. Any addition to the days of non-delivery (non-communication) is to be looked upon with regret.

We could accept losing mail letter carrier service in cities where it is available without much problem. But please for the sake of our area, keep the lines of communication provided by the postal service open to the rural routes and star routes 6 days per week.

Sincerely,

ROBERT G. HARLEY.
Circulation Manager.

STAR JOURNAL AND CHIEFTAIN,
Pueblo, Colo., November 16, 1977.

As Circulation Manager of The Pueblo Star-Journal and The Pueblo Chieftain Newspapers, I am extremely concerned about the proposed five day per week mail service eliminating Saturday delivery in Rural Communities. Families in Rural areas of the United States have depended on the United States Postal Services since 1917. We have 4,000 families who depend upon the United States Postal Service to deliver their daily newspaper the same day of publication. If Saturday mail service is abolished in Rural areas, our subscribers will not receive their Saturday or Sunday newspapers until Monday in their regular mail delivery. If Monday is a holiday, those subscribers would not receive their Saturday newspaper until the following Tuesday. This would make the subscribers receive four newspapers in one delivery.

Abolishing the Saturday mail delivery would not only create a tremendous expense for the newspaper but would also create an extreme hardship on rural families.

We have experienced a postal increase effective July 6, of this year which has raised the publishers expense by approximately 21% for the mailing of Second Class newspapers. The rate increase will not only cost publishers literally thousands of dollars in the next few years but will also cost the subscriber an increase in rates as the cost must be eventually passed on to the Consumer.

With the elimination of Saturday delivery, newspapers will have to take a long hard look at the whole delivery picture. We will be forced to take steps to regain control of that portion of our business that is in the Postal Services hands and reduce our dependence on it. We will be forced to create Rural Motor Routes for Saturday delivery which would increase costs of distribution by as much as 300%.

Free people must be informed daily of the events affecting their lives. Newspapers have been and still are playing an extremely vital and important role. In this regard, the Federal Government should be assisting and not hindering papers in their effort to carry out this role.

The question to be answered now is, "Should the United States Postal Service be operating strictly as a business or as a public service?" The United States Postal Service took control of the Post Office Department in 1971. No one felt

at that time it would be a profit making organization or do they believe it now.

Military spending, Public School spending and so forth are at an all time high and we do not expect these to pay for themselves. Why should we expect the United States Postal Service to pay its own way?

Another question that comes to mind is, by holding delivery of the United States mail on Saturday it would tend to create a backlog of mail which would have to be delivered on Monday, "Who is going to do this?" Will the expense be greater in overtime accrued in delivering this back log or will there be a savings? We are experiencing delays of not only Second Class mail but of First Class Mail, of up to three to five days within a 100 mile radius of the city. How much more delay would we experience?

If Saturday mail delivery is abolished, I feel it will only compound the problem that now exists. I would urge the House Post Office Committee to consider all these aspects and continue our Saturday mail delivery.

MARY O. HOFFMAN.

SIX-DAY MAIL DELIVERY

TUESDAY, NOVEMBER 22, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Honolulu, Hawaii.

The committee met, pursuant to notice, at 9:45 a.m. at the Kalani Army Reserve Center, Fort DeRussy, Honolulu, Hawaii, Hon. Cecil Heftel presiding.

Members present: Representative Pat Schroeder of Colorado; and Representative Daniel Akaka of Hawaii.

Staff present: Victor Smirollo, executive director and general counsel; and Joseph Fisher, minority staff assistant.

Chairman HEFTEL. I'm delighted to have your participation today in this hearing to determine whether or not the public wants to retain 6-day mail delivery. I have with me a member of our committee, Pat Schroeder from Denver; and my friend and colleague, Danny Akaka.

Sometimes a picture is supposed to be worth a thousand words. I think that if you will excuse me, I'll walk over and point to the returns we've had so far.

We had approximately a 4-to-1 return in favor of retention of 6-day mail, and though we will have at least another week of returns coming in, we have already exceeded the returns on either saccharin and energy.

So there is interest. There is concern. The public wants 6-day delivery and we are here to find out why, if that is the case, and just how the public feels about 6-day delivery.

One of the things we learned in Denver, the returns were not that great. The averages weren't that different. It was running about 3-to-1 in Denver. In some of the rural areas it has run as high as 12-to-1 because in the rural areas there is a feeling of isolation in terms of association with what is happening in the mainstream of the city, the State, whatever is going on in that locale. You're 100 miles away from the shopping areas and population centers.

So in Hawaii, where we have a degree of isolation, it's understandable that the returns would be greater and that the feeling of identification with Saturday mail would have more significance.

We had the young lady who takes down all the testimony behind this table, and when she got covered up, she moved out there.

Victor Smirollo, the executive director and general counsel of the Committee on Post Office and Civil Service, and Joe Fisher, minority staff assistant, are accompanying me this morning.

Pat, would you like to say a few words?

Ms. SCHROEDER. Just a few.

It's truly a delight to be here. You can imagine how difficult it is to talk a Member into coming out to this tough duty station. I'm really very honored to be here.

I also want to say something we rarely get to say, and that's a few kind words about these two wonderful new people you have sent to the Congress from Hawaii.

I'm an old-timer, having gone there in 1972, and I want to say you have sent us absolutely sterling freshmen and I think they are probably the best of the lot. I really do mean that.

I'm very partial to Danny. He goes to the same church I do. I can tell you he goes. I can give you a good rating on that.

And, of course, Cecil has been absolutely marvelous. It's refreshing in the Congress to have a businessman—we don't have a lot of those—and one who has heart. He gives the businessmen a whole new image in the Congress since he is one who has heart, one who listens to the others, one who is truly unbought and unbossed, I guess you would say.

We commend you for having the wisdom of sending us these two fine Congressmen.

Again, there's some tough competition in that freshman class. These two are really, really sterling and do Hawaii proud.

I thank you and am glad for the opportunity of being here. I'm anxious to hear what you all have to say about 6-day delivery.

Chairman HEFTEL. Danny, would you like to speak next?

Mr. AKAKA. Thank you very much, Mr. Chairman, and my colleague, Cec.

I would like to join you from Hawaii in welcoming Pat Schroeder of Colorado, a member of the House Post Office and Civil Service Committee.

I want to thank the committee and particularly my colleague, Cec, as chairman here today for inviting me to participate in this hearing on the proposed elimination of Saturday mail delivery.

The proposal to eliminate this service is an issue which I believe will have its significant impact on the Nation as a whole and on Hawaii in particular.

And I thank you, Cec, and the committee for the opportunity to share my views here today. Thank you.

Chairman HEFTEL. Thank you, Danny.

Our first witness is a delightful gentleman, Dave Peters, who is representing Senator Dan Inouye. Dave?

STATEMENT OF DAVID PETERS, STAFF ASSISTANT FOR SENATOR DANIEL K. INOUE OF HAWAII

Mr. PETERS. Good morning, Mr. Chairman, distinguished Members of the Congress, Congresswoman Schroeder, and Congressman Akaka. Senator Inouye would be here and intended to be here today but is in Washington and could not get away. I have a statement that he has prepared for the record and I would like to briefly summarize his positive feeling that postal service should be continued on Saturday deliveries.

In order to effectively and profitably interact, in order to contact, keep in contact with friends and loved ones, the American people must be afforded swift, efficient and inexpensive means of communication, including the U.S. mail.

Such a communication capability is a particular necessity for the people of Hawaii, residents of an island State situated thousands of miles from continental America. Though I will agree that everything possible must be done to make the Postal Service solvent, to cut costs without increasing rates, Hawaii and the Nation as a whole simply cannot afford to allow the Postal Service to do this by sacrificing service.

The negative impact that the elimination of Saturday delivery would have on the public far outweighs its possible benefits in savings to the Postal Service.

We must demand that this Saturday service be continued.

Thank you for permitting me to enter that into the record.

Chairman HEFTEL. Dave, we are talking about allocating over \$1 billion to create, perhaps, 1 million public service jobs. We are not sure to what extent we will receive full value as we test the program and find out what kind of jobs and how meaningful they can be for the people and for the community.

At the same time that we are spending money to create jobs we are talking about eliminating a service that the people want to save, a very small number of jobs, at most 15,000 part-time people.

We are not sure that we will ever feel or see the saving in the Postal Service because it may get lost in the way they operate at some \$15 billion.

What's your perception of our trying in Congress to create employment on the one hand and spend money to do it and talk about cutting back a service and the costs that are attendant to it in this Postal Service?

Mr. PETERS. Of course that's a great dilemma that's faced in many situations in the Congress. And, in this particular instance, I believe it falls heavily on the side of continuing a service even though it does cost and particularly because we are going to save those jobs and create business by having another productive workday.

I think there's a great point here in that many businesses operate on Saturday. We are going to keep the wheels of commerce going on Saturday in addition to the kind of businesses that normally are taken care of by mail, it's where we would ensure delivery on a Saturday and thereby get some action and response on a Monday.

This factor in our economy today of keeping those people on the job, of providing the services that would promote increased productivity in our economy is, I think, a most important and significant point that ought to be weighed into the decision.

Chairman HEFTEL. One other thing, Dave, what effect do you think we in the Congress would have if these hearings continue to show this overwhelming support for 6-day delivery? The resolution in the House that was almost unanimous supporting 6-day delivery?

How do you think we can best now influence the postal system to reflect this public sentiment?

Mr. PETERS. I think the first thing we have to face is that this is recognition of something the public really wants, by evidence which you have shown. As a matter of fact, it would be something that would show a responsiveness and fulfillment of a need and, therefore, I believe that insuring 6-day mail delivery would be of great significance not only to the public at large but would show the fact that Congress is extremely receptive to the needs of the people.

Chairman HEFTEL. Ms. Schroeder?

Ms. SCHROEDER. Thank you for appearing and I think we are happy to know we have good support in the Senate.

One of the problems, as you know, was the Postal Service told us that they had taken a poll and people weren't interested in 6-day delivery service and, therefore, it was expendable.

So we appreciate having the Senate being aware of this and helping with it and the House doing it and trying to do our direct approach.

We will keep trying to find out what the source of the postal poll really was that they got such different information.

Mr. PETERS. I think it's wonderful that you have come to Hawaii in order to get the reactions that you have gotten from the people.

Chairman HEFTEL. One of the things on the Neilsen's survey to determine public opinion, which they got an 80 to 20 percent endorsement of cancellation of Saturday delivery, was that the questions were not phrased, "Are you for or against?"

It was addressed in this way: "Would you be willing to accept a cutback? Would you in fact make this accommodation?" With an intimation that if you don't, some dire consequences may result. Therefore, I'm not sure people were addressing the question, I do or I don't want Saturday delivery. And I think that's why we got that stunted result.

Danny?

Mr. AKAKA. Mr. Chairman, I want to say thanks to Dave. Please convey our mahalo to the Senator for his support.

The size of the stacks of mail responses indicate the large number of people who want Saturday service. It is something that we need to pass on. We want to pass this message on to the Senator as to how our people here feel about Saturday delivery. I just want to take the opportunity to thank you for your testimony.

Chairman HEFTEL. Thank you, Dave.

Mr. PETERS. Thank you.

Chairman HEFTEL. Mr. Scott Cromwell, vice president, Cardinal Mailing Service is next. Mr. Cromwell, we are delighted to have you with us today.

STATEMENT OF SCOTT CROMWELL, VICE PRESIDENT, CARDINAL MAILING SERVICE

Mr. CROMWELL. Good morning.

I represent the largest independent bulk mail processing, indirect mail processing business in Hawaii. We process millions of pieces of mail annually with the vast majority grouped into two classes: second-class publications and third-class bulk mail.

It's our considered opinion that the proposal to cease Saturday mail delivery and to discontinue normal in post office mail processing would prove harmful to our clients, could very probably damage our business and work to the detriment of the general public.

In the area of second-class controlled circulation publications, we believe that the proposal would add at least 1 day and quite conceivably more than 1 day to already tight delivery schedules. And in second-class publications timeliness is, of course, crucial.

Retailers typically schedule their sales to run, let's say, Wednesday through Sunday. So we proposed their tabloids or their other mailers for delivery to post all service on Friday for weekend handling and hopefully, Monday delivery.

We believe that any disruption of this routine is bound to negatively affect their dollar volume and thereby hurt retailers in general.

And, of course, anyone sending invoices or receiving orders or checks through the mail would undoubtedly be severely inconvenienced.

The paper flow of this country contains a considerable amount of money. And any time that's disrupted, it's going to cost various types of business, particularly financial institutions, considerable amounts of money.

We just don't believe that the Postal Service can maintain their current service standards, which are excellent in Hawaii, by cutting 17 percent of their schedule and people. And we just don't feel that the people of the businesses of this State should be subjected to that type of experiment from an economic standpoint.

Chairman HEFTEL. Thank you very much, Mr. Cromwell.

Ms. Schroeder, do you have any questions of Mr. Cromwell?

Ms. SCHROEDER. We appreciate your testimony, Mr. Cromwell. I think that you're afraid if we stop Saturday delivery that it leads to a potential of stopping all Saturday sorting and everything. In other words, at 5 p.m. Saturday night, that's the end.

Mr. CROMWELL. We see that as a potential problem. But even more than that, carrying the present volume of mail, we just don't possibly believe that the post office could continue to keep the flow going.

We are very concerned that things would back up.

Ms. SCHROEDER. So the fact that that might lead into a sorting problem would be a secondary problem, but you're even more concerned about just the main backup on Monday morning when you have had 2 days of accumulated mail?

Mr. CROMWELL. That's correct. Or on a holiday weekend you would have 3 days of back-up mail.

Ms. SCHROEDER. You mail second- and third-class?

Mr. CROMWELL. That's the bulk of our business.

Ms. SCHROEDER. If there's too much second- and third-class mail for one carrier to carry on Monday morning because of the 3 days off or the holiday or whatever, can they defer some second- and third-class mail until Tuesday or Wednesday and pick it up gradually?

Mr. CROMWELL. The classes of mail themselves, of course, determine how they are handled and that's exactly what would happen. The second- and third-class publications would take a back seat to first class, which is the way it should be, but it would make it even more difficult to plan any timely deliveries.

Ms. SCHROEDER. So it wouldn't just be a 1-or 2-day delivery? It could conceivably be more?

Mr. CROMWELL. We are afraid so.

Ms. SCHROEDER. Thank you very much.

Chairman HEFTEL. Danny?

Mr. AKAKA. Thank you for your testimony, Mr. Cromwell.

Do you handle only second- and third-class mail?

Mr. CROMWELL. No. That's not quite correct. That represents probably between 65 and 70 percent of our business.

We do handle a considerable amount of first-class mail also, both presorted and simply metered mail.

Mr. AKAKA. Do you handle that on contract?

Mr. CROMWELL. Not necessarily on contract. There are a number of ways to do it. Mostly purchase order-type operation.

Mr. AKAKA. Thank you very much.

Chairman HEFTEL. Thank you very much.

Mr. Bob Robinson is next.

STATEMENT OF ROBERT ROBINSON, PRESIDENT OF THE CHAMBER OF COMMERCE OF HAWAII

Mr. ROBINSON. I'm Bob Robinson, president of the Chamber of Commerce of Hawaii. We represent some 1,500 businesses, 3,000 individual members employing about 150,000 of the employees in Hawaii.

I've taken a straw poll among our own directors and members and we find mixed reaction with respect to whether there should be a cut in mail delivery.

On the one hand there's a good deal of enthusiasm for saving the money, but on the other hand, there are some businesses that would be hurt.

I intend to run a poll of members of the entire membership to see, to get a more definitive reaction. But at this time I cannot speak with any authority as to what our members do want. I'd like to reserve, if I could, the opportunity of presenting some information at a later date.

Chairman HEFTEL. Certainly. Were there any other remarks that you had at this time?

Mr. ROBINSON. No, thank you.

Chairman HEFTEL. Well, I'd be interested in how you feel concerning the effect on businesses.

You say that they are agreeable to discontinuing 6-day delivery if there was no adverse affect as a result thereof?

Mr. ROBINSON. Yes.

Chairman HEFTEL. Isn't it logical to assume that the businesses who don't need Saturday delivery would be magnanimous and say, "Let's save money?"

Mr. ROBINSON. Of course.

Chairman HEFTEL. So that could be misleading, in any event.

Mr. ROBINSON. Yes, it could. I talked among my government affairs committee and the committee itself was highly in favor of discontinuing.

I talked among my board and they were highly in favor of continuing.

We don't have any definitive answers at this time. We will try to get something very specific for you.

Chairman HEFTEL. Pat, do you have any questions?

Ms. SCHROEDER. Well, I congratulate you on testifying. In Denver we were unable to get the chamber to testify for the reason you were saying. They couldn't decide which way they wanted to go.

Do you know how many of your members in the chamber of Hawaii are open on Saturday?

Mr. ROBINSON. No, I don't.

Ms. SCHROEDER. Do you keep any data, as you do your survey, that you could maybe crank in as to whether or not they're open on Saturday?

Mr. ROBINSON. That's a very good idea. I will do that.

Ms. SCHROEDER. Then of those that are open on Saturday you might also ask how many are using locked boxes, because if they are using a locked box and sending someone down to pick up the mail and not worrying about door-to-door delivery, that might be different, too.

Those were some of the things we found that made a difference in how you related to it, because the locked box really wouldn't be interfered with.

Mr. ROBINSON. If you have some specific questions that you would be particularly interested in getting answers to, I would be very happy to ask those questions of the entire membership.

Chairman HEFTEL. I think that what we will do is provide your office with some of these specific questions.

"Are you open on Saturday?" "Do you have a locked box?" "Would she 6-day cutback actually affect you?"

Mr. ROBINSON. Right.

Chairman HEFTEL. And, "If so, how?"

Those businesses who aren't affected, I'm sure, are willing to dispense with it.

Mr. ROBINSON. Sure; be happy to do it and cooperate in any way we can.

Chairman HEFTEL. Mr. Akaka?

Mr. AKAKA. No questions. Thank you for your testimony.

Chairman HEFTEL. It is impressive, though, as we think back that no chamber or retail association was willing to send anyone to testify in Denver.

Ms. SCHROEDER. So you're a brave man.

Chairman HEFTEL. They wanted to say no and they were afraid they would get criticized.

Mr. ROBINSON. Well, we hope our business is very close to our Government.

Chairman HEFTEL. Thank you.

Is Al Newman with us?

Mr. ROBINSON. I could say that his answers would be relatively the same.

Chairman HEFTEL. Mr. Eugene Montoya is next.

STATEMENT OF EUGENE MONTOYA, CHAIRMAN OF THE McCULLY-MOILILI NEIGHBORHOOD BOARD

Mr. MONTOKA. Well, Congressman Heftel, I hope my little talk is not going to be too controversial.

My name is Eugene Montoya. I am the chairman of the McCully-Moilili Neighborhood Board and a registered professional engineer in the State of Hawaii.

Our neighborhood board did not discuss or vote prior to this public hearing on the issue of Postal Service. Therefore, I do not speak for the board, but only as a private citizen.

I realize the issue at hand concerns 5-day postal delivery versus 6-day delivery. However, I find it impractical to separate this question from what I considered a fundamental cause of poor efficiency accompanied by high cost in our postal department.

There's no billion-dollar business on earth that costs more to operate, accumulates such great deficits and requires major subsidy by taxpayers money. If we only knew what the 13-cent stamp really cost; because in my humble opinion, it's runaway bureaucracy.

The 5-day postal delivery, despite the many arguments that can be rationalized in its favor, is not a solution for inefficiency.

In this day of microwave data communication, I can see no salvage for medieval Postal Service other than to go the microwave computer way.

The day of the point-to-point delivery of written correspondence is dead as the Egyptian hieroglyphic stone tablets.

As for the delivery of goods, I believe this is out of the realm of the postal department.

Thank you very much.

Chairman HEFTEL. Thank you very much, Mr. Montoya.

Ms. Schroeder, do you have any questions you would like to ask Mr. Montoya?

Ms. SCHROEDER. I think I hear you saying what an awful lot of people are saying. They're frustrated with the service and how to make it more efficient; is that correct?

Mr. MONTOKA. Yes. In my opinion, I also believe that if we were to be able to take it up with our neighborhood board, the opinion would also be the same.

In my opinion, the going to a 5-day delivery service would be of no help whatever without major reorganization of the postal department.

Ms. SCHROEDER. Do you think, though, that you would have people in your neighborhood who would like to maybe see the reorganization and maybe see the Post Office become more efficient but also retain the 6-day delivery service because of the importance of keeping the mail moving?

Mr. MONTOKA. By all means, the 6-day service should be retained.

Ms. SCHROEDER. So you would be strongly in favor of the 6-day service?

Mr. MONTOKA. By all means. As I say, I was going to be controversial by making personal statements that you heard.

As an engineer, I believe that the new methods of communication that some of our commercial people are using must be adopted by the postal department to some extent.

Ms. SCHROEDER. Are you talking about putting electric transfer equipment into people's homes?

Mr. MONTOYA. Yes.

Ms. SCHROEDER. What do you think that will cost for people if we have to go to that?

Mr. MONTOYA. I think eventually it will cost a lot less than what it will to maintain the postal department.

Ms. SCHROEDER. But we have an awkward period where we are going to have to keep postal service going. The cost is astronomical.

Mr. MONTOYA. The effort should be a gradual one but it has to come.

Ms. SCHROEDER. But you're looking really long range?

Mr. MONTOYA. I hope so.

Ms. SCHROEDER. Thank you very much. We appreciate your testimony.

Chairman HEFTEL. Mr. Montoya, how do you feel about the continuation of the written word as a method of communication between people and whether we can afford to jeopardize a viable postal service if we are going to have the public continuing to write to each other, which is still an art and a value to a community and the Nation that we could never want to lose?

Mr. MONTOYA. Oh, there's no doubt that it should be maintained. I'm not advocating that we go into a computer discussion of the system. Really it should be on a gradual basis, with the ultimate idea of complete conversion to microwave-type of communication, the kind which we have already in certain areas.

For example, you can type a letter on your typewriter and it would be received in Los Angeles or New Ycrk; very shortly thereafter typed by another machine. That would be the type of communication I have reference to.

Chairman HEFTEL. Do you really think that the average American home is going to have that kind of equipment, particularly those homes in that 30 to 40 percent minimum economic bracket of American life?

Mr. MONTOYA. I believe Mrs. Schroeder hinted on what I had in mind.

I believe the Postal Service or the U.S. Government should furnish such equipment to every household on that production basis.

Chairman HEFTEL. I don't think we can get into that one today. I can see another 8-hour hearing to discuss that.

Mr. Akaka?

Mr. AKAKA. Mr. Montoya, you mentioned about inefficiency. Did you have in mind a solution for it?

Mr. MONTOYA. No. Only to the extent that it is my personal opinion that their way—uncontrolled bureaucracy—is the fundamental cause of the degree of inefficiency that I believe already exists in the Postal Service.

I'm an old-timer. I'm not a young man and I remember when postal service was much better for a lot less money.

However, I realize also that everything else has gone up and I realize that the amount of communication material that carries back and forth has been highly increased. This is the reason why I believe that we must be thinking of going into a much more efficient system, like microwave communication.

Chairman HEFTEL. Thank you very much, Mr. Montoya.

Mr. MONTOYA. You're welcome.

Chairman HEFTEL. Clifford Yuen, State president, National Association of Retired Federal Employees is next. I know that Clifford is here because I said hello to him earlier.

STATEMENT OF CLIFFORD C. YUEN, PRESIDENT, HAWAIIAN FEDERATION OF CHAPTERS, NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES

Mr. YUEN. Mr. Chairman and members of this distinguished committee, for the record, I would like to state that my name is Clifford C. Yuen, president of the Hawaiian Federation of Chapters, National Association of Retired Federal Employees.

Before getting into my testimony, Mr. Chairman, I want to express my thanks for you holding these hearings and for inviting us to testify before you. We are very directly affected by what happens to the postal service and have been more than a little alarmed by the recent recommendation to institute a 5-day delivery.

The date of April 18 should be marked with black ink on the calendar of everyone who believes in good postal service.

On April 18, 1950, postal administrators, in the interest of economy, struck without warning or consultation with postal patrons or employee organization representatives, ordered the reduction of mail deliveries to one a day in residential areas and to two a day in most business areas.

The order also drastically curtailed street collections, window services and cut in half parcel post deliveries to business firms. Millions of letters everyday are held up by at least 24 hours. Mail arriving at the Post Office from out of town, which might have caught the first delivery or least would have certainly caught the second delivery, must now wait 24 hours in the Post Office before being transmitted to their destinations.

The situation in Hawaii is even more devastating. It takes 5 hours to transport our mail by air to mainland gateway cities. And unless it is placed in the sacks of the letter carrier before he departs for his appointed rounds, the mail will be held up for more than 24 hours.

It used to be that a letter arriving early in the day could be delivered on the second delivery of the same day. The course of the Postal Service has been downhill ever since.

In April 1966, matters were so bad that the then Postmaster General, Lawrence O'Brien, denounced his own service as shoddy and demanded something be done about it.

At O'Brien's urging, Congress created a postal corporation which proceeded to downgrade the quality of the Postal Service even further. Service to the postal patron was further reduced. Delivery to businesses was reduced to one delivery a day in most areas, closing of small post offices was experienced, and consistent increases in postal rates continued.

Now on April 18, 1977, 27 years apart, the Commission on Postal Service recommended cutting delivery to 5 days a week. Should this proposal become a reality it will undoubtedly have a serious adverse effect on employee moral and on the American postal patron.

Postal administrators should be passionately interested in the improvement and the refinement of the Postal Service, rather than cutting financial corners and installing penny-pinching economies that eat away at the efficiency and the usability of this great system of publications on which the prosperity and social progress of the entire nation depend.

Service considerations should be paramount. It would be wonderful if the Post Office can give maximum service and still operate on a profit. But it boils down to the question of which shall be the master? Shall the desire for a balanced budget dominate the postal establishment or should service considerations dominate it?

This is no plea for extravagance or waste. It is a plea for common-sense. The so-called postal deficit is really an investment of the taxpayers in the economy of America.

If the Postal Service costs the taxpayers a small amount of money each year, it is money well spent. Certainly it is money better spent than that which is appropriated through taxes to many other Government projects which provide less demonstrable projects.

The Postal Service not only maintains the communication ties that that make our huge commercial and industrial complex possible, but which also convey the most intimate and personal messages between your humblest citizens, no matter where they live.

This is the essential system of communication that holds the social and the economic life of our country together.

While we have no quarrel with the mechanical and electronic developments on which the Postal Service has developed, we regret that monetary considerations which have been exaggerated out of proportion have prevented the one simple improvement that could speed up the service overnight.

All the mechanical devices in the world are of no avail unless they're resulting in getting your letters into the hands of the letter carrier on his route faster.

I would be remiss if I did not comment on the hard-working, devoted, and dedicated employees who are entrusted with the responsibility of moving the mails. Postal work is skilled work to be done correctly. It requires brains, training, experience, and integrity. It is not work that just anybody can do. Every employee must have deep within him a driving urge to be of service to his fellow man and there are few professions or occupations on earth that can satisfy this compulsion so directly and to the same extent as does the business of moving and delivery of the mail.

Your letter carriers, in particular, are the messengers of sympathy and love, the bond of scattered families, the servants of parted friends, the consolers of the lonely, the carriers of news and knowledge, and the instruments of trade and industry and of peace and goodwill among men and nations.

As far as the Postal Service is concerned, the best politics is good service. The American people want their post office to be a service, not a cold-blooded business concern or a public utility.

They do not want the service to be operated with wild extravagance, but they do want and expect to see it operated with emphasis on service, rather than penny-pinching.

We strongly urge rejection of the proposal for 5-day delivery and give the American public the kind of postal service they have a right to expect and to restore public service emphasis to the U.S. Postal Service.

Chairman HEFTEL. Thank you very much, Clifford.

It's interesting to note in support of what you're suggesting that, at best, we might be saving one-fourth the cost of the Postal Service but we would be cutting back to the American people by one-sixth of the service that's rendered. So the relationship between cost savings and service to the people doesn't make any sense if you're thinking in terms of how you best serve the people.

And so I think that this is a message to perhaps carry back to the Postal Service on our part, because if you're going to save money, it ought to be consistent with the amount of service that's being rendered. In this instance, it's not.

Mr. YUEN. Well, all of the changes in the Postal Service dating back to 1950 when they reduced service to one delivery a day in residential areas and then to the day when they created a postal corporation, the record will show that they did not come up with any kind of savings at all. In fact, the deficits continued to grow in succeeding years.

Chairman HEFTEL. Of course, as the service is less appealing as a method of communication, the volume of business will also fall off.

Mr. YUEN. That is correct. Further, if the postal rates continue to increase, I'm sure the volume of business will also go down.

Chairman HEFTEL. It's ironic the cost goes up and the service goes down.

Mr. YUEN. And we would be depriving the people who need the postal service the most, the privilege of using the Postal Service.

Chairman HEFTEL. Ms. Schroeder, would you like to make any observations?

Ms. SCHROEDER. I thank you. I'm glad you pointed out the 1950 cut where we literally cut service in half—instead of twice a day, it was once a day. At that time the Postmaster General told us that that would save \$80 billion. That was the whole reason. The only problem was, the very next year, the cost of the Postal Service rose \$100 million even though they cut it in half by doing that. That's an excellent example as to where we are going yet they keep selling us these things in the name of saving money. We have yet to see the first savings because of the volume going down and people turning to other sources of service to make sure it gets there.

Mr. YUEN. There's really no assurance that the saving that has been mentioned will be effected if we went into a 5-day delivery.

Chairman HEFTEL. By the way, I was discussing the amount of cutback in service which would be a cutback of approximately 16 percent or one-sixth. It would be a cutback of 16 percent or one-sixth.

Danny?

Mr. AKAKA. Thank you, Mr. Yuen for your eloquent presentation.

I was just toying around with this since you're so familiar with the system. What do you think the effect might be if they increased the delivery day, maybe back to 2 deliveries a day?

Mr. YUEN. Well, I certainly think if the service is restored to 2 deliveries a day, it will, first, increase the efficiency of the Postal

Service, and secondly, I really think it will help the Postal Service economically because the piling of mail in the Postal Service really doesn't help as far as postal deficit is concerned.

Mr. AKAKA. Thank you.

Chairman HEFTTEL. Thank you very much, Clifford.

Miss MacBride, representing the Kokua Counsel for Senior Citizens and speaking on behalf of Mr. Bob Gibson, President, is next.

**STATEMENT OF ALISON MacBRIDE, CORRESPONDING SECRETARY
FOR THE KOKUA COUNSEL FOR SENIOR CITIZENS**

Ms. MacBRIDE. Congressman Heftel, and members of the committee, it's a pleasure to be here and give you the point of view of some of the older segment of the community.

I am Alison MacBride and I'm corresponding secretary for the Kokua Counsel for Senior Citizens, which is spokesman for some 90,000 people over 60 in the State Hawaii.

As you realize, mail service is a very significant part of our daily lives and it is a principal means of keeping alive our relations with distant relatives and friends on the mainland and elsewhere. Crises and the unexpected are more often the lot of our seniors than of other times of life, so that any delay in mail service will cause irreparable inconvenience and harm.

I think we have another problem here in Hawaii that our State holidays are often linked with the weekend and if this discontinuance is considered for Saturday, it will give us a 3-day delay which is, perhaps, greater than other States might experience.

The senior citizens, therefore, are very much against the discontinuance of the 6-day mail service.

Chairman HEFTTEL. Thank you very much.

By the way, one of the things that has never been clearly explained if this cutback occurred is what happens to Monday through Friday if you have basically condensed 6 days of work into 5? Do you create overtime? And if so, what does it cost? And this is where the fallacy always occurs in so-called cost savings that are presented to anyone in any business at any time, particularly when it's Government, where you can't really control what may be the total cost, because when you think about the pile-up that you would have going through a 3-day period and you're delivering 6 days of mail in 4 days.

Ms. MacBRIDE. It might be more expensive in the long run to deal with a pileup like that.

Chairman HEFTTEL. Ms. Schroeder?

Ms. SCHROEDER. Thank you very much.

I read somewhere that in Hawaii there are more working wives than almost any other State in the Union because of the cost of living here?

Ms MacBRIDE. I believe that is correct.

Ms. SCHROEDER. One of the things that we found in Colorado with our senior citizens is that they were pointing out that many of them relied on younger family members to take them to the store or to run errands or to go to the doctor or the dentist on weekends. And, if they didn't get the check that they were waiting on Saturday, if they had to wait until Monday or Tuesday, or whenever it got there, they really were delayed an entire week because of the large number of

people who work and just couldn't stop in the middle of the week to take their mother. Would you say that would be a problem here, too?

Ms. MACBRIDE. I think that is a very good point. Many of our folks would depend on this kind of help on the weekends. If the check was delayed until Monday or Tuesday or whatever, it does hold us back several days on the essential shopping involved. We don't have any other kinds of service here on a statewide basis that could supplement the help of young people when it comes to helping us with shopping and meeting other needs over the weekend.

Ms. SCHROEDER. In other words, you don't have any more advanced mass transportation system than we have in Colorado. We have some buses but it's not very adequate.

Ms. MACBRIDE. We have some buses, including shopping and transportation, from Nuuanu to Ewa and that's as far as we go. From the rest of the State I'm afraid they would be really inconvenienced.

Ms. SCHROEDER. Maintaining a car here is costly enough that most senior citizens, if they can avoid it, would avoid it?

Ms. MACBRIDE. Yes. We have very good free bus transportation right now in the city of Honolulu.

Ms. SCHROEDER. But it's hard to shop by bus for groceries.

Ms. MACBRIDE. It's hard to shop by bus. You really need help.

Chairman HEFTEL. Ms. MacBride, to what extent do you feel our senior citizens rely on the mails as a method of communicating over and above, let us say, telephone, particularly from Hawaii, because of cost factors?

Ms. MACBRIDE. I think that's the point I tried to make. If you would visit some of our retirement homes I think you will appreciate immediately how important the mail service is.

They will be down there waiting for the mailman an hour ahead of time. In fact, they will get in his way. Some places have to rope off the lobby to give him a chance to sort.

Chairman HEFTEL. It reminds me of a bunch of GI's about 30 or 40 years ago.

Ms. MACBRIDE. When you all retire, you will realize what the mail really means.

Chairman HEFTEL. Somebody was commenting in our hearing in Denver that maybe we ought to go back to the military practice and have 7-day delivery; but, certainly don't cut it back.

Danny?

Mr. AKAKA. Thank you for your testimony.

Ms. MACBRIDE. We see the mail service as a human service, I might say.

Chairman HEFTEL. We have to get that message to the Postal Service. Thank you.

Ms. Nilda Chock, president of the State of Hawaii Postal Workers' Union, is next.

Ms. CHOCK. Thank you.

Chairman HEFTEL. Excuse me, Nilda. Did we want to do this as a panel with Tony?

Ms. CHOCK. Yes.

Chairman HEFTEL: Also, Mr. Tony Sansone, president, Hawaii State Association of Letter Carriers and Mr. Van Horn Diamond,

executive secretary/treasurer, Hawaii State Federation of Labor, AFL-CIO.

Well, that's a pretty good array of representation of Hawaii State Federation of Labor, Hawaii State Association of Letter Carriers and Hawaii State Association of Postal Workers' Union.

We will have the lady start first.

STATEMENT OF NILDA CHOCK, PRESIDENT, LOCAL UNION AND REGIONAL REPRESENTATIVE, POSTAL WORKERS' UNION, AFL-CIO

Ms. Chock. Thank you.

Honorable Chairman Heftel and members of the committee, for the record, I'm Nilda Chock, president of the union and regional representative, Postal Workers' Union, AFL-CIO. I represent over 1,000 American Postal Workers' Union members in the State of Hawaii as the exclusive State and regional representative for labor/management relations and collective bargaining with the U.S. Postal Service.

I commend you, Mr. Chairman and members of the committee for conducting this hearing. On behalf of my members, I would like to express my views and the views of the American Postal Workers' Union.

We are greatly concerned about the threshold issue, the proposed elimination of the 6-day delivery of mail service and the restoration of previous curtailment of services to the general public.

Mr. Chairman, I would like to emphasize on the policies and the services enacted under the Postal Reorganization Act of 1970, which you are familiar with.

With due respect to all interested parties here today, I would be remiss not to mention how the U.S. Postal Service was created.

Congress enacted the Postal Reorganization Act in 1970, thereby abolishing the Post Office Department as a Cabinet level, as an independent establishment of the executive branch.

Operations commenced on July 1, 1971, as a basic and fundamental service provided to the people. Its primary function was and remains to provide postal services to unite nations together by means of personal education and business correspondence of the people.

The Postal Service is required to provide prompt, reliable, and expert service to patrons in all areas and to render postal services to all communities, provide a maximum degree of efficiency and regular postal service to rural areas, communities, small towns where post offices are not self-sustaining, give highest consideration to the most expeditious collection, transportation, and delivery of important letter mail and to the prompt and economical delivery of all mail and emphasize needs of equipment and facility design to meet the needs of the public in the Nation's social and economic development.

At present, the Postal Service is the largest nonmilitary agency of our Federal Government. Its contribution to our social and economic development has been basic and far-reaching.

The worth of having post offices across the Nation and on every armed forces station overseas is beyond economic appraisal. Intangible values of the Postal Service to individual centers and receivers of mail are immeasurable.

The Postal Act of 1950 states in part: "The postal establishment came into being to unite more closely the American people, to promote general welfare and to advance the nation's economy."

The postal institution has been extended and enlarged throughout the years into a nationwide network of services and facilities for the communication of intelligence, the dissemination of information, the advancement of education and culture and the distribution of articles of commerce and industry.

The reliability of delivery is the most important factor the Postal Service must achieve. This goal necessitates reliability throughout transportation, sorting, collection, and its final delivery.

The Postal Service should establish within reason, standards of reliability, impose those standards and make them understood and publicly known and then meet those standards.

If a postal patron knows that postal service will meet their standards, the system will be most valuable in the eyes of the public.

Dependability of timely delivery, all of us realize, is a major factor.

A postal service is a public service. It is not a profitmaking institution. Consider the subsidies given the system. It is there merely to keep the system afloat. Rates charged for postal service in comparison to the postal rates of other countries are low. The postal service is the cheapest in the world. Again, it's a service to the public and not a corporation in terms of making money.

In a recent local survey throughout the news media, indications from the general public were that they were opposed to the elimination or curtailment of delivery services on Saturday. It is apparent that the general public wants and needs the continuation of this high level of service.

What would become of the people who have relied on the postal service to deliver their parcels, checks or letters on a day that they are home to receive them Saturdays?

What becomes of the thousands of local newspapers, magazines or even church bulletins which are delivered to their readers, the postal patrons, Saturday mornings or afternoons?

As postal workers, we are concerned workers serving the public. We come in contact with the general public everyday at the office, on the streets and basically in all areas of our communities.

The primary purpose of the U.S. Postal Service is to serve the people. And in America it is imperative that the general public have a voice in some of these policymaking decisions. It is their inherent right and part of their American heritage. Moreover, it is the general public who makes the Postal Service and as postal workers we are also part of that general public.

In conclusion, the Hawaii American Postal Workers' Union respectfully requests that this committee fully support new legislation or any pending legislation with regard to the attention of Saturday mail deliveries and curtailment of services.

We also recommend to this committee that further studies be made to maintain and restore the following postal services: The delivery to remote and sparsely populated areas; universal 6-day deliveries; col-

lection of mail to meet service standards for letter mail; door deliveries; and maintaining 40,000 rural retail and community postal facilities.

I want to express to you, Mr. Chairman and members of this committee present today, the deep appreciation of our membership for allowing me on their behalf to present testimony. It is our hope that this committee will give favorable consideration to all recommendations submitted by this panel. Thank you.

Chairman HEFFEL. Thank you very much, Nilda.

We will continue with each of your presentations and then have our questions after you have finished.

STATEMENT OF TONY SANSONE, PRESIDENT, STATE OF HAWAII ASSOCIATION OF LETTER CARRIERS

Mr. SANSONE. Mr. Chairman, members of the committee, my name is Tony Sansone. I am president of the Hawaii Association of Letter Carriers, representing around 700 members who deliver the mail to every resident in this beautiful State of Hawaii.

We, the letter carriers, meet the public in their homes and businesses on a daily basis. Our patrons, most often, are our friends as well. They share their views frankly and intimately on the service we render them.

Frankly, they are unhappy with the Postal Service. It does not seem right that the Postmaster General, the chief of an organization whose very title emphasizes service—U.S. Postal Service—would seriously consider a massive reduction in patron service as a key recommendation.

It stands to reason that if Saturday delivery is eliminated, the mail will be delayed 24 to 48 hours later. Mr. Chairman, I would like to correct that at this time to 48 to 96 hours later.

Chairman HEFFEL. Because you had those 2-day lapses?

Mr. SANSONE. Yes, sir. Also it cannot be charging more for its service and be giving less or it will be pricing itself out of the service it is giving.

I have also read that some Government services have stopped using the Postal Service and have gone to other businesses because of our poor service. My own personal feeling is that this is a step backward. What we must be doing is improving the service that we are now giving the public. The people of the State of Hawaii have indicated in polls recently that they are in favor of a 6-day delivery. The poll taken by radio station KGMB showed 84 percent in favor of 6-day mail delivery and 16 percent, opposed.

This support of a 6-day mail delivery service has been voiced throughout the United States. I feel Congress had indicated they oppose this reduction. Why does the Postmaster General ignore both the postal patrons and the members of Congress?

In conclusion, Mr. Chairman, the citizens of the State of Hawaii are against any further cuts in an already deteriorating Postal Service. What Hawaii really wants is better, less costly postal service, not worse, more expensive service, Thank you.

Chairman HEFFEL. Thank you.

Mr. Van Horn Diamond is next.

**STATEMENT OF VAN HORN DIAMOND, SECRETARY-TREASURER,
HAWAII STATE FEDERATION OF LABOR, AFL-CIO**

Mr. DIAMOND. Mr. Chairman and members of this honorable body, my name is A. Van Horn Diamond, executive secretary-treasurer of the Hawaii State Federation of Labor, AFL-CIO. As such, we represent approximately 50,000 members whose local organizations are directly affiliated as well as an additional 20,000 members of local unions whose parent body are affiliated with the national AFL-CIO organization.

Thank you sincerely for this opportunity to speak with you on the subject you are considering.

First, the State AFL-CIO supports the position of our affiliates directly affected by the proposed reduction in postal service. That is, we support the continuation of the current 6-day postal service schedule.

Our reasons are simple ones. However, we respectfully suggest they may underscore some practical reasons for our position in this regard.

The State of Hawaii is regarded by many to be the most isolated archipelago in the world. Accordingly, this means Hawaii is, geographically speaking, the most isolated of the 50 States.

Although there is some value in being somewhat solitary, it is equally important for us to note our desire to Hawaii assume its proper and responsible place, for our Nation, within the Pacific Basin and as part of these United States. In turn, the Postal Service plays an important part in helping Hawaii fulfill its mission.

Considering our time zone differential and our distance from the continental United States, Hawaii's currency depends on receiving 6 days of postal service.

We try to operate on a 5-day work calendar. However, the nature of our work requires us, more often than not, to function on Saturday.

For example, we received on Monday, November 21, 1977, two letters dated November 16, 1977. One was sent from Washington, D.C. The second letter from San Francisco.

The second letter indicated support for us to participate in the Panama Canal Treaty Briefings at the International Inn, Washington, D.C. on Friday, November 18, 1977.

Had we a less understanding executive board, we would not have been able to go to Washington, D.C. Fortunately, our executive board is understanding.

The point here is that the absence of a 6-day postal delivery service might have resulted in our D.C. letter arriving on Wednesday, November 23, 1977, or Thursday, November 24, 1977, and our San Francisco letter might have been received on Tuesday, November 22, 1977, or Wednesday, November 23, 1977.

In terms of some of our affiliates in the construction industry, we know their offices are open for membership service on Saturdays. After all, there are jobs or projects operative on Saturdays. They, too, are beneficiaries of the 6-day services.

We wish to also cite that many consumers use the mail service to pay insurance premiums, to apply for insurance coverage, and to

receive notices as to insurance premiums owed. For example, there are consumers who patronize insurance policies provided by companies such as GEICO (Government Employees Insurance Co.).

These companies and policyholders do business via the Postal Service. Only when there is an insurance claim to be processed are local insurance adjustor firms available. Otherwise, in the main, the Postal Service furnishes the means for (1) enrollment, (2) policy rating, (3) insurance premium owed, (4) insurance premium paid—each presumably requiring timeliness.

Finally, to reemphasize a point made previously, the Postal Service does provide to many retirees the means of receiving, in a timely manner, the pension moneys and/or social security incomes. For them, a reduction in service can have, as you know, very serious implications as to their personal needs.

We thank you most sincerely and truly hope the comments shared will help your decisionmaking to the subject at hand.

With that, I thank you very much for your attention.

Chairman HEFTEL. Thank you very much, Mr. Diamond. --

To what extent do you think that the Postal Service has failed to take into account what happens to their gross revenues with continuing cutback of services? How real is the threat to the volume of dollars being received by the Postal Service? They have acted as though the revenues will remain as they are as they cut back services.

Do you think that will turn out to be accurate on their part?

Mr. SANSONE. Mr. Chairman, I don't believe that, per se, the discontinuance for 1 day of service is going to produce the saving that has been stated. I don't believe the figure that was given out is correct.

Mr. Chairman, I would like to reemphasize that the Saturday delivery is a date that I believe the Postmaster General has never used. I don't believe Mr. Baylor has ever said Saturday as such.

Chairman HEFTEL. He has not.

Mr. SANSONE. Business that is closed on a Saturday and closed on a Wednesday would be getting 4-day delivery. If there is a holiday, they could be getting 3-day delivery on that specific week.

Chairman HEFTEL. Since you're a letter carrier, and are probably the most constant communication between a representative of our Federal Government and the people, did the Postal Service get input from the carriers' representatives in the process of making this decision?

Mr. SANSONE. Sir, I do not believe that the Postal Service or Mr. Baylor or any of his people ever conferred with our people in Washington. I think this thing came out of a coffee break or something.

Chairman HEFTEL. You never had, for instance, Hawaii as one of the 50 States, any input requests about this possibility?

Mr. SANSONE. No, sir. Not to my knowledge.

Chairman HEFTEL. Ms. Schroeder?

Ms. SCHROEDER. Thank you. I was very delighted to have you, Nilda. I was delighted to have you talk about the 1970 act because I think that's been one of our frustrations. Luckily, none of us sitting at this table were there when that went through. So we can all say we were innocent and didn't vote for that.

But the problem is that we have been taken out of the decision-making process. All they do is come ask us for more money and cut back service.

Chairman HEFTEL. Would you agree, one of the things that, perhaps, hasn't been made clear, we really were not consulted on the 6-day cutback and don't have any legal authority with which to prevent that.

Ms. SCHROEDER. In fact, what has happened, I'm just doing this as a background so you will know, it was presented as a fait accompli. They say: "We are doing this. We are going to do this to save money. The operation must be cost conscious. By the way, we have a poll showing everybody's for it; 80 percent are for it."

The question was: "Could you live with the 5-day delivery service if we cut back 1 day?" Of course that's a whole lot different than saying, "Do you want to cut back?" But what then happened? The Congress attempted to get into it. We started to set up hearings around the country. Denver and Hawaii were the only two that didn't have to be canceled because of rescheduling. You have a Congressman that's clever.

One of the things we hope that happens here is that you will contact groups in other States and insist those hearings go on because it's going to take a lot of momentum in the Congress to overturn the Postal Service dictating there's going to be a cutback in service.

I'm delighted to see this united front in Hawaii. We had the same thing in Denver and the people were a little surprised, since there was such a landslide of people, that it wasn't going to be really easy to turn this around. I don't think they have any idea how it's the reverse.

The Postal Service has been a bane of many Congressmen's existence. They are not sure they want to take it back or vote for anything on it because many of them got burned by the 1970 act.

We had a gentleman, who ran marvelous little 30-second spots of just slapping one stamp on top of another and saying these increases came under his reign alone.

Chairman HEFTEL. Gail McGee.

Ms. SCHROEDER. So the other Congressmen are not done and they really want to duck and run. So it's going to take a lot to get the other hearings going and scheduled and get everyone involved.

Now that I have done my commercial for "thank you for being here," the battle is not won yet. I wanted to ask the postal unions in particular about something, and I don't know if it happens here or if it's on the mainland.

Do you get Time or the Wall Street Journal on Monday?

Mr. SANSONE. If I may answer your question, the Time and Newsweek and that type of magazine are flown in commercially and that is put into the stream. We do get it, but it's not delivered on a Monday. Some of them are delivered Wednesday or Thursday.

Ms. SCHROEDER. I see. In some places they will sort the second-class mail on Monday before the first-class mail, though they are not supposed to.

Mr. SANSONE. If I remember correctly, when I first started with the postal organization which was approximately 10 years ago, we were delivering Time and Newsweek on Monday. Since we have progressed

into a better Postal Service, we are now giving it to them on Wednesday and Thursday.

Ms. SCHROEDER. Well at least it's the same week.

Chairman HEFTEL. Did you pick up a note of sarcasm?

Ms. SCHROEDER. Yes. I picked up some marvelous notes of sarcasm. Which day is your heaviest day of mail for the carrier?

Mr. SANSONE. Well, as you know, there are four different types of mail. Lately, our Saturday has been a heavy day. This is not by design. This is actual. We seem to be getting a lot of our parcels and our magazines on Saturday, at least in the Kailua Branch where I work.

Chairman HEFTEL. Tony, I couldn't resist including this. Of our almost 16,000 responses that we have had since the middle of last week, almost half of all the responses, over 7,500 arrived on Saturday.

Mr. SANSONE. Mr. Heftel, I would like to add one thing: In some of your "no" votes that you received, some of the people voted "no" because they thought they were giving us a day off.

Chairman HEFTEL. To verify that, at the hearing yesterday, a couple that I know came up to me and said, "We really don't like to vote against the cutback to 5 days because we realize letter carriers would like Saturday off." They thought that the reason for the cutback was because the carriers want Saturday off. There are members of the public who may well be voting that they want the cutback who think that in so doing they are satisfying a request from the carriers, which is ironic, of course. It's good that you're making it clear the letter carriers don't have that day off because of rotation, and that is not the reason for the cutback.

Danny?

Mr. AKAKA. Thank you very much Mr. Chairman.

You're now delivering 6 days a week. With the complement of personnel that you have now, do you find that there's need for overtime to deliver the mail?

Mr. SANSONE. At our office at the present time, I don't know what the percentage of overtime is, but we are using overtime. Some of it is due to illness and some of it is due to the volume of mail, but I cannot give you the ratio.

Mr. AKAKA. Can I ask Miss Chock that question?

Ms. CHOCK. Yes, sir. I hail from the same office as Tony, here in Kailua, and due to illness and accidents, we are presently understaffed. With the growth of mail that has been coming in recently, there has been overtime given out to our employees.

Mr. AKAKA. Can you give me an idea of what the rate of overtime may be, an average or figure per week?

Ms. CHOCK. Well, I can just say that I have been offered something like 10 hours a week, 2 hours everyday.

Mr. AKAKA. You're saying you're having overtime on 6-day delivery and when the 5—

Ms. CHOCK. It's just going to compound it.

Mr. AKAKA. If there were a cutback, what would happen to the carriers? Would there be a reduction in force?

Ms. CHOCK. I would think so if they would go on a 5-day workweek, because like Tony just mentioned, they work on a 5-day workweek like I do. They have that one particular body that picks up the slack of the days off and he maintains a 5-day workweek also.

Now that would have a significant cutback to release our carriers, technicians as they call it. They would probably be excessed to another craft, probably the clerk craft.

Mr. SANSONE. I don't know exactly what would happen if we went into the 5-day week—whether this would mean an evaluation of our routes as we have them today, considering the load or the value that we have today, whether it would be a drastic change in our volume per day, whether this would mean that we would have to have a recount on our route, not carry as many houses or what have you. I don't know what would be the mechanics thereof. But, if we were not to curtail the mail and we were to deliver today's mail today, it would probably mean a recounting of our routes and covering less homes with more volume.

Mr. AKAKA. What you're saying is that by going to 5 days it would cause more than 96 hours' delay?

Mr. SANSONE. In some types of mail, yes, sir. From my estimation, that would probably be the situation.

Mr. AKAKA. Thank you, Has there been any suggestion that once the cutback to 5 days had occurred, there might then be a cutback in the processing of mail on Saturday and Sunday?

Mr. SANSONE. As I understand it, Mr. Chairman, the only thing that would be operational on this 1-day cut—I don't like to say Saturday because I think it's a misleading date, everybody would like to think of it as a Saturday, it could be Wednesday or Tuesday or Monday—is your financial window, and I guess people meet in the airplanes.

Chairman HEFTEL. What about the process of sorting mail?

Mr. SANSONE. This is a clerical craft. I don't have any input.

Chairman HEFTEL. There would just be an internal decision made to no longer process mail on the weekend, if you cut out Saturday and process Monday through Friday. Is that a possibility? What would the consequences be?

Ms. CHOCK. Yes. I don't know what the statistics are or the intent was when you said elimination of the 6-day delivery service. It would have some impact on us, on the clerks or the motor vehicle drivers or the custodians and the special delivery section.

I do not know the intent of it or the craft affected when the carriers will be affected. If it's going to be a totally shutdown thing, just working on a 5-day work week, or what, I really couldn't tell you.

Mr. SANSONE. Mr. Chairman, it really wouldn't matter too much whether or not the clerks came in and got the mail to us or not. If the volume is such that we don't have the time to bring it out, you have a log jam.

Chairman HEFTEL. The reason I brought it up was the possibility that the delay in delivery of mail could be greater than what we are anticipating, because the function of the internal process of handling mail shuts down and we do have the Saturday, Sunday cutback. Let's assume it's Saturday. You could be going forward more days than what you think what the ultimate delay would be. That has not been brought up at all.

—There's been no relay with the Postal Service. I don't know who they report to. They don't report to the Congress.

Mr. AKARA. If we were going to a 5-day delivery week, what would be your opinion if the post office were to stay open more hours than it does now? What effect do you think that might have?

Mr. SANSONE. The effect it would have was definitely the savings would not be there. When everybody is working over their regular hours, you have more hours for accidents, mistakes, and that type of problem.

It doesn't seem to me that the end would justify the means. Working later wouldn't be the answer, as I see it.

Ms. CHOCK. I would have to agree with Tony that that would not be the answer. You still would have a stockpile of mail generating over the weekend.

Chairman HEFTEL. Well, we thank you very much.

Why don't we first have the three ladies, who had to go to a meeting at lunchtime, speak first.

STATEMENT OF EVELYN SMART

Ms. SMART. I have a suggestion for whatever good it might be. I will give it and it will take me about a minute.

Before considering dropping the Saturday mail delivery as an economy move, I believe the U.S. Post Office should first raise the rates on the junk bulk mail. This forces sources using bulk mail rates to more carefully revise their mailing lists and forces them to demand more efficiency from their mail workers. In fact, a postal rate raise could do these a favor, in fact, possibly reducing the load that this bulk has to the post office to deliver by about 20 percent.

Probably everyone present has often received all sorts of duplicate mail from many sources. These actually are errors and must overload the postal department and add to their chaos.

For instance, in our family we get regular mail from our daughter's Rhode Island college alumni association inviting us to teas and other such little get-togethers in Rhode Island. This really burns me up, because it takes me a 13 cent stamp to write a letter to Cecil or to some of my dear friends. Since 1967 I have sent requests to these various sources to stop sending us such mail.

Now, if you multiply this futile, ridiculous use of bulk rate to include mail order catalogs, advertising, and other sorts of mail, it isn't hard to see the great burden placed on the postal department.

Discontinuing Saturday deliveries would delay working peoples' mail until they return home Monday night. It isn't hard to imagine the various embarrassments, inconveniences, and even tragedy that can result in such tardy service.

So I urge members of this committee to remember Harry Truman and adopt a "show me" attitude, and request that before the postal department drop our 6-day week that they raise the bulk rate and see if they will be doing themselves a favor.

Chairman HEFTEL. Thank you very much.

Would you give us your name as you come to the microphone?

STATEMENT OF MARY RUDIO

Ms. RUDIO. I'm Mary E. Rudio. I think you may have remembered getting a lot of letters from me. I represent the American Legion Auxiliary in that there are so many veterans in that organization.

For one thing, did any of you remember to look at this page that showed you how many days out of the month we will not be getting mail if the 5-day goes into operation?

There are thousands and thousands of veterans that receive their entire livelihood in their pension checks and various subsidies that they get from the Government. Having been on the end of the Disabled American Veterans, I speak from experience. It is extremely hard in this day and age to get along on what we have and the supplement we get from the Government. If this were to go into effect it would not only affect the senior citizens, of which I'm one, but it would also affect thousands of younger veterans that depend on this mail to get their livelihood.

There are 8 months, up to 12, that there would be a 3-day and sometimes a 4-day delay in getting mail, which means the check to these people. And, here in Hawaii, we have more holidays than many of the other States. There's our King Kamehameha and our Admittance Day, and so on and so on. We have to continue it. This is to the detriment of the Hawaiian mail.

And, also, what about the men, if they are going to work 5 days? They cannot live sometimes on the money that they would be making, and their salaries would be cut down from having missed 1 day eliminated from their salaries. Therefore, there would be more unemployment and more moonlighting, if that's the word to use, because they would have to search out income from some other source. Therefore, there would be more of the people that depend on just part-time work that would not have any work at all because, naturally, these services are going to take their employees and give them extra work.

So I am definitely one of those that voted please continue the 6 days, and I hope that all the rest of you do, too.

Thank you very much for your time in listening.

Chairman HETTEL. Thank you very much.

Yes, sir. Give us your name, please.

STATEMENT OF GEORGE W. CLARKE

Mr. CLARKE. I'm George W. Clarke. I'm here speaking as a private citizen. I'm from the outskirts of Honolulu, from a place called Kahaluu. I want to thank you, Mr. Chairman, and members of the panel, for giving up part of your Thanksgiving holiday for listening to the people.

As I said, I'm speaking as a member of that forgotten sector which is called Mr. and Mrs. Concerned Taxpayer. We are concerned and disturbed by the erosion of services which seems to have become a part of Government policy. One of our major chain stores has as its slogan "Pay less, get more." The Government has reversed this to "Pay more, get less." We asked to support a policy whereby we will pay more money for postage and have the service to the people reduced. Does this make sense? No.

We are told that no one will be fired, that our reduction in manpower would be by attrition. Attrition is a beautiful word that has come to be synonymous with unemployment. Pray tell, how can we employ young people coming out of school when we are eliminating the source of jobs? It's impossible.

The Postmaster General says we will save millions of dollars by eliminating Saturday mail service. Last night's paper said there would be a hearing on eliminating Saturday mail service. That's why most of the people think it's Saturday.

Chairman HEFTEL. I think we assume that the postal department intends to make it Saturday.

Mr. CLARKE. So if you don't mind, I will use that.

Chairman HEFTEL. But it is true, the way it was handled officially they could, theoretically, use a day other than Saturday.

Mr. CLARKE. So the Postmaster General says do away with Saturday mail service, and then he has the audacity to charge us 3 cents to do it.

We cannot possibly eliminate Saturday mail service at a time when the savings and loans, banks, people-type businesses are starting to open on Saturdays to service the people, and, incidentally, creating more jobs and making more money.

We are being told that if we eliminate Saturday postal service, we can achieve the same results. Who's kidding who?

While the private sector is doing its best to provide service and employment, the Government is doing its best to eliminate service and employment. The only one not being serviced is the one paying for it all, Mr. and Mrs. Taxpayer.

Ladies and gentlemen, eliminate the Saturday mail service and you eliminate an American institution. The mailman is expected every Saturday with a letter from a loved one, a check for a hungry family, a business or a job offer, things that cannot wait and should not be waiting until Monday or Tuesday. Service is what the taxes are paying for, and service is what we expect. However, we are constantly told by our Government we don't need services. We should be happy that services are being curtailed because they cost money.

Then where in heck are our tax dollars going? That's a good question. The middle-class taxpayer who bears the brunt of the tax is tired of being hoodwinked out of services he already paid for.

If you would increase confidence in Government at a time when polls indicate it's at its lowest level, then don't eliminate Saturday mail service or any other service which benefits or services the people. Instead, increase the services to the people. The Government is supposed to be in the business of servicing people, not vice versa.

Let us take a step in the right direction by keeping our Saturday mail service.

Chairman HEFTEL. Thank you very much, Mr. Clarke.

STATEMENT OF JOSEPH MOROCCO

Mr. Morocco. Thank you, Mr. Chairman. My name is Joseph Morocco. I'm a Federal retiree.

In the old system of the mail I used to get my magazine the third week of the month. With the new system, I get it the second week of the following month.

I was in your office yesterday and I left a copy of this article. It was published in 1974 by Jack Anderson, and he claims mail service is getting poorer and poorer every day. About 3 years ago I received a letter from my sister that the mail was dropped in Philadelphia at two different sections and a couple of jokers said, "I think we can beat

the mail to Washington." So they got on horseback and the mail was received in Washington quicker than the mail service. That was a big article. A few days later we had an article here in our evening paper.

I'd like to see the mail continue. The show must go on; the mail must go forward.

Chairman HEFTEL. I do believe there is one thing we will never have—that is, interstate mail delivered to Hawaii on horseback.

STATEMENT OF PERCY RUSSELL

Mr. RUSSELL. My name is Percy Russell. I'm from Kailua. I'm not here to say anything about the Saturday delivery. Apparently, this has all been decided, but I would like to make one suggestion. Is the Post Office Department open to suggestion to improve their service to the public?

Chairman HEFTEL. We are going to try to find out in the process of these hearings.

Mr. RUSSELL. I have this clipping from the London Evening News showing \$1,750,000 per day last year, and they do it on a cheaper postal rate than we have here.

Also, they have a system which I'm very enthusiastic about, that the mail carriers carry passengers. In other words, they give these people who live on rural routes a bus service along with their mail, which makes the people so much more mobile, and it pays off a little bit. It's a very cheap rate, but it does happen because he goes around anyhow. They have special services. They have a very modern postal system there.

They have the telephone service also, but again, they are called 2 pence, about 3½ cents a call, and they put their wires underground, too.

I brought all this Scots Post Bus material from Edinburgh—my wife and I rode the buses ourselves—and I would like to give some of the benefit of my information, but not at this committee.

Chairman HEFTEL. Our staff will spend some time with you later, if you're available.

Mr. RUSSELL. Rather than take up your time now I will be happy to discuss it later.

Chairman HEFTEL. Thank you very much.

STATEMENT OF GUS TIEDEMANN

Mr. TIEDEMANN. I'm Gus Tiedemann. I'm a letter carrier from the Ewa Beach Post Office. I wanted to correct the young lady from the American Legion. We don't have more days off than the mailmen in the United States. We have the same numbers of days off as they do and as far as the ad in the paper, I did count it. It was 115 days where there would be no mail delivery out of 365 days of the year, which is approximately one-third of the year you wouldn't be having mail service.

I also deliver, since 1961, the military housing out at Barbers Point Naval Station. I know the importance of the mail to the military wives. I've talked to several of them. Unfortunately there's nobody here today. Maybe I can speak on their behalf.

I've seen a lot of families break up in the 17 years that I have been in the Postal Service in Ewa Beach, and I realize the importance of the mail to them. In fact, I've told little white lies now and then. If one wife asks, I say, "there's no squadron mail today," and I hope she doesn't find out from the other lady that there was.

I think the 6-day delivery is a must, and it must continue. Thank you very much.

STATEMENT OF EVELYN CLARKE

Ms. CLARKE. I am Evelyn Clarke, a clerk from the main post office.

This is in answer to your question that was asked earlier of the unions that represent the post office. In regards to processing, I cannot see how it would be cut back to 6 days or 5 days, because while we are processing on a 24-hour basis the carriers are sleeping at home. And another thing, we are also processing the foreign mail, which would be all of Europe. This has never been brought up.

Another thing, too, if we decided to go strictly on a 5-day basis, even processing it won't be 96 hours. You're talking about 1 or 2 weeks.

Chairman HEFTEL. If ever they tried to do that, it would be weeks of delay?

Ms. CLARKE. Right; and I personally cannot conceive that we can handle this. It would create such a pressure on the public that it would create, not double time, it would create triple time as far as the clerks are involved.

Another thing, too, is you people are not regarding the bulk mailing process. They are mailing at this lower rate and are on the bottom of the list as far as priorities are concerned. Instead of these people receiving it within a reasonable length of time, they would probably never get it because we would be so busy processing the first-class mail that we would never have time for the bulk mail. And, again, this would create another overtime process which would be another layer of expenses on the part of the post office.

I think the committee should be apprised of the fact that it could not be cut back as far as processing to a 5-day period. The work force is doubled and the overtime is tripled. Thank you.

Chairman HEFTEL: Thank you very much.

STATEMENT OF JACK SLATTERY

Mr. SLATTERY. I am Jack Slattery. I've 37 years of experience with the post office and around the postal system. I have yet to see anything in print as to just how they are going to save all this money.

Chairman HEFTEL. That's what we are looking for, so we are even.

Ms. SCHROEDER. It's a shill game.

Mr. SLATTERY. One thing I can't understand, all this mail that's generated on Friday and Saturday, they can't possibly lay off the clerks on Saturday and Sunday, that mail has got to be worked. If it's left until Monday morning to be worked, it's certainly not going to get to the carriers before Wednesday—a good share of it.

And then when you say a 3-day holiday, it will probably be Thursday and Friday before you get your second-class mail, let alone magazines.

In the last few years I've subscribed, from my home in Syracuse, N. Y., to a paper, and I would get 8 and 10 copies 20 and 30 days later. And they would all come in a bunch when I used to live in Syracuse. One thing, being so many miles away from home, a letter is always welcome. I have friends and relatives at home and I have no idea whether there would be any saving whatsoever in cutting out the 6-day delivery.

And then one thing that hasn't been brought out, is that it would mean the laying off of one out of every six carriers, which would throw an awful lot of people out of work—as the utility man that carries your regular routes on different days. There would be a carrier laid off.

And what are they going to do with that total excess? I don't know just how many thousands of carriers we have in the United States.

Mr. SANSONE. As far as the carrier force, if they would be laid off, between 30,000 to 50,000 people, just the carriers.

STATEMENT OF ERNEST KUROSAWA

Mr. KUROSAWA. My name is Ernest Kurosawa. I'm from the Aiea Post Office. I'm a carrier and I have 24 years of service with the post office.

If they're putting in the 5-day work week, like Mr. Sansone says, we will be losing 30,000 to 50,000 carriers. In our office we and the management are out together and we give our people on our own the best service we can give them. Especially third-class mail and Liberty House, when it comes out on that day, it has to be delivered and we go out and put it out. If the card service company could put in it according to the routes in unison, we don't have to sort that mail. It can be taken out. It will save time and just take out and deliver. We try our best. We try to help the people out, to try to give them the best service possible.

Chairman HEFTEL. Thank you very much.

Mr. RUSSELL. I want to say, the mail service is excellent. They follow you around or track you down if you have moved, which they don't do on the mainland.

To bring up the subject of getting 5 or 6 papers at one time, why that happens is that mail comes in, not like the mainland, but a steady flow day-by-day. It comes in by ship. There may be 50,000 sacks one day and they pile it on the dock, and the next day another 50,000. Well, they only work the first-class mail first, so the second-class mail is buried and buried and buried. The Post Office does not hire extra people. They only use their own employees and pay them overtime. Instead of having gangs like longshoremen, I think they should get university students to come down and work this mail when it comes to a big influx that way. That's why the second-class mail gets piled up that way.

Chairman HEFTEL. Thank you very much. There are 14,000 technicians called T6's who deliver the mail on five different routes. There are 7,000 utility carriers who are paid on a level 5, but they do the same work as a level 6. So there are actually 21,000 regular rotating carriers independent of the 30,000 part-time. So there are 21,000 regular carrier jobs plus the 30,000 part-time.

However, I'm not sure that the 30,000 part-time would ever be eliminated going to the 5-day delivery. We really don't know what they are cutting back. We don't know what the real savings would be. That's the irony of it all. Will we ever see a savings if they did this?

Ms. SCHROEDER. No; how many believe they would?

Chairman HEFTEL. Past history tells us that they won't because they will take those funds and use them in some other way and we will never see a savings as far as the taxpayers are concerned.

Ms. SCHROEDER. And the rates won't go down, either.

Chairman HEFTEL. No; they will go up.

I thank you all so very much for having joined with us this morning. It's a good example of hearing some pretty good common sense from the community and the taxpayers that somehow we have a problem communicating to many in government, the Postal Service in this instance.

We in the Congress have a problem not unlike yourself, because we cannot, anymore than you can, tell the Postal Service what to do. We do not have the authority. That's one point that I think has to be made clear to the public. We no longer can tell the Postal Service, "You will provide 6-day delivery."

Before we do close, I noticed two members of the public who had spoken before who had raised their hands. Would you like to go the microphone with additional comments?

Mr. KUROSAWA. In our delivery in our town, the service is excellent. We try to do our best.

I have a son going to Colorado State University. I sent him a package by parcel post. It won't get there for 4 weeks.

Chairman HEFTEL. For 4 weeks.

Mr. KUROSAWA. Three to 4 weeks.

Chairman HEFTEL. Then you wonder why the Postal Service lost its business to United Parcel.

Mr. KUROSAWA. That's why I have to send the parcel first-class or airmail.

Chairman HEFTEL. That's how the Postal Service lost its package business to United Parcel. They forced a bid into existence and don't seem to realize they just keep losing revenues when they do these things.

Ms. SCHROEDER. We have a giant bulk-mail center that was supposed to expedite service in Colorado. The only thing is, they either eat the packages or damage them—they disappear.

Mr. TIEDEMANN. I would like to point out to the gentleman here that I remember when I first started with the Postal Service, we did hire additional help during Christmas, but like Brother Clifford Yuen said, "You have to know your job."

It takes almost 2 weeks to teach. We cannot afford to spend the time. The mail is already heavy. So by having us do the work, since we are trained, we feel that we came out ahead rather than training somebody. Just about when the person who was hired for the Christmas rush knows what he's doing and is able to go out on his own, it's over. I think that's the reason.

Mr. RUSSELL. This would be steady gangs that they can call in when they need them, not just Christmas rush.

Chairman HEFTEL. I would like to thank the gentlemen who are unnamed for the reserve military unit operating our sound system. My thanks to you.

Ms. CLARKE. The officials in Washington are going to make the recommendation and do whatever they want to do. It's just like the supersonic. You start the service today in New York. The general public knows it's going to be much more noisier, but they said, no, we are going to have the supersonic come in. Now we are going to have it come in here. And at the present time, if a doctor's testing someone's heart in the hospital, they cannot continue their study while a plane goes by. But the supersonic is going to be that much worse.

Chairman HEFTEL. Yes, ma'am.

Ms. RUDIO. What is your suggestion on returning the Postmaster position to its original status. At one time was he not elected by the public?

Chairman HEFTEL. He was appointed by the President.

Ms. RUDIO. What do we have now?

Chairman HEFTEL. Now you have an operation which is supposed to be quasi-independent, quasi-business and independent of the Congress.

Ms. RUDIO. What do we have to do to change that?

Chairman HEFTEL. Well, we have a bill to restore the appointed Postmaster General that we had prior to 1971. But that alone will not make the difference. We have got to have more input from the Congress into the control of the Postal Service.

From my observations so far, we have a long way to go.

Ms. SCHROEDER. The bill is H.R. 7700, and our committee has reported it out. It will be going to the floor of the House sometime. So you might talk to other people who aren't on our committee to try and get their support.

Ms. RUDIO. As you know, the American Legion Auxiliary are very prolific letter writers.

Chairman HEFTEL. About 10,000 letters to President Carter wouldn't be a bad idea.

Ms. RUDIO. If we could get a gist of what's going on plus the number and everything, I would be glad to submit it to the VA. I was the legislative chairman for the veterans last year and I would be very happy to present it to our members again.

Chairman HEFTEL. It's House bill 7700.

Mr. YUEN. I honestly think that the Postal Service should be returned to the authority of the Congress of the United States, not only the appointment of the Postmaster General, but also others who are responsible for running the Postal Service.

We should get people who are knowledgeable and who know how to run the post office. At the present time we have people in Washington who are on the drawing boards all the time who have not worked one day in the Postal Service and they are directing the operations.

I really think the Postal Service should be returned to the authority of the United States Congress.

Chairman HEFTEL. Thank you.

Ms. CLARKE. Don't you think the Post Office is being run by American Can?

Chairman HEFTEL. Well, that's a pretty good inference in view of the fact that American Can provided the leadership for the present Postal Service.

Mr. KUROSAWA. I'm in complete agreement with Mr. Yuen that we should go back to the Congress. If you're going to spend my money, I want to be able to tell you how to spend it.

Chairman HEFTEL. The Congress should be accountable for the operation of the Postal Service. I'll give you a footnote as we adjourn today.

Before I invite Mrs. Schroeder to give us her closing comments, a lot of people told me to stay off of the committee. It would hurt me politically. My response was, "That's all the more reason to be on the committee," because we need people on the committee who will try to do something and aren't afraid of the fact that there may be problems in the Postal Service. I think we need people who aren't afraid of the problems and who will discuss them forthrightly with you.

You will find a lot of bright people like my colleague to the left from the last two Congresses who have gone on that committee convinced they can do something. We find it slow, by the way.

Ms. CLARKE. Have you had any vibes from the Senate?

Chairman HEFTEL. The Senate is another institution, and we won't get into that today.

Ms. SCHROEDER. Let me put some historical perspective on it, too. I was told exactly the same thing when I went to Congress. "Don't get on it. It's political suicide."

What politicians want to do is find something that no one can get mad at them for: Sponsor National Pineapple Day or Kite Flying Day, something that everyone's going to be happy with. But, you're not addressing yourself to the real nitty-gritty problems. If you get in and you can't make it all better by tomorrow, everyone attacks you.

While we are all here sitting in this room, it makes such common sense, and from the taxpayer's standpoint and everybody else, the Congress should get back into the ballgame. I assure you that is not the common sense of the Congress because they are looking for survival and they don't think they can survive taking the flack if they have to go back into running the Postal Service. It's easy to say, "Yes, I know, it's a terrible problem," and say, "I can't do anything about it." So it is hard to get the Congress back in, even though I can understand why people don't understand that it's hard. They really don't want to touch it with a 10-foot pole. They look at the political careers of some of the Congressmen and Senators who tried and what happened to them. That just reinforces their fears. So, we have a great job to do to get the Congress and the Senate to become responsible once again.

Ms. CLARKE. Mrs. Schroeder, we can get this job done and I'm sure you can be the first woman President.

Ms. SCHROEDER. You're very nice but I would have too big a house to clean.

Chairman HEFTEL. There's another bill, H.R. 1946, which would require the Postmaster General to report to the Congress before any

significant or major changes in postal service in the United States. That also may move the earlier part of next year, which would make a drastic difference in what Congress could do.

We will place Mr. Newman's remarks in the record.

I thank you, and from all of us, my sincere mahalo. Let's hope that we see something happen from all of these efforts.

It's interesting to note that those of us in Congress, not unlike you in the general public, sit and wonder if we will see something happen from our efforts. We will kind of find out together.

[Whereupon, the hearing was concluded at 11:45 a.m.]

[The following statement was submitted for the record.]

RETAIL MERCHANTS OF HAWAII,
Honolulu, Hawaii, November 21, 1977.

Representative CEC HEFTEL,
House Post Office and Civil Service Committee.

DEAR REPRESENTATIVE HEFTEL: Thank you for the opportunity for us to comment on the proposed abolishment of Saturday mail facilities by the U.S. Postal Service.

Unfortunately there was not enough time for us to do a meaningful survey of the Retail Merchants membership—a survey which would have lent statistical support to the opinion of some of our members that Saturday service should not be curtailed or abolished. The majority opinion was not to abolish Saturday service but rather to bring about economies in other areas of the U.S. Postal Service.

We respectfully ask that our consensus be brought to the attention of the Committee.

Sincerely,

ALBERT M. NEWMAN,
Executive Vice President.

SIX-DAY MAIL DELIVERY

TUESDAY, DECEMBER 13, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Bear Mountain, N.Y.

The committee met in the Palisades Park Commission quarters, Bear Mountain, N.Y., Hon. Benjamin Gilman presiding.

Staff present: Victor Smirollo, executive director and general counsel; and John Breitenberg, staff assistant.

Mr. GILMAN. I call this hearing to order.

I am Ben Gilman. I represent the 26th District, including all of Orange County, Rockland County, and southern Ulster County.

I am chairing this hearing for the House of Representatives Committee on Post Office and Civil Service.

With me this morning are two of the staff members of the Committee on Post Office and Civil Service. To my right is Victor Smirollo, our executive director and general counsel. On my left is John Breitenberg, who is one of the staff assistants on the committee.

I extend to all of you a warm welcome, and I hope that our hearing can be as informal and as productive as possible.

I wish to thank our good host, Nash Castro, the executive director of the Palisades Park Commission who is with us this morning, for permitting us to make use of these quarters, and I know we will find them as warm and pleasant as we have found them in the past.

We are here this morning to try to ascertain public opinion on the U.S. Postal Service's proposal that is now under consideration to eliminate Saturday mail delivery.

Of course, all of us like to receive our mail every day, and I guess Saturday is no different. I need not remind you that we have become accustomed to it. It is a convenience, and it really has become part of our American way of life to have mail delivered to us every day, including Saturdays.

Earlier this year the Commission on Postal Service, which was a special study group which Congress established last year to report to us on postal problems and to make the recommendations, they issued a report in which it recommended, among other things, that Saturday mail be discontinued. The Commission estimated that more than \$400 million in postal costs could be avoided if this change were made.

The Commission supported its proposal on the basis of a poll conducted for the Commission by the A. C. Neilsen Co., which showed that 80 percent of the people polled were willing to give up Saturday delivery if postal costs could be controlled, and if postal rates were kept down. However, the accuracy of that poll has been questioned in many quarters.

The Postal Service leaped at this proposal to cut out Saturday delivery, and because of their willingness to cut out this service, Congress acted quickly to insure that the change would not be made before Congress had an opportunity to fully study the proposal.

So, that is why we are really here today. Now, we need to know if the public wants to give up Saturday mail delivery, and the Congress must face some hard choices in the next few years, including this question.

As your Representative in Congress, it is necessary that the committee has the views of the people before we act on any of these choices. Why don't you think about the future of the Postal Service while you are with us today, how willing you are as mail users and taxpayers, and as consumers, to pay the cost for the services we demand, because in the long run each and every one of us pays a bill in one way or another for the cost of governmental services. We realize that all too well when it comes time to submit our tax check to the Federal Government and to State government.

Our meeting this morning will be a combination hearing and public forum. We will hear first from the few scheduled witnesses, and then we will open up the meeting to anyone who is here who wishes to discuss any aspect of the Postal Service.

I would like to note for you that we have been conducting our own poll, and some of you have probably been receiving some of our questionnaires in the mail. This is the result so far. [Indicating.] It is just beginning to come in. Yes, 2,873 in favor of Saturday mail and 679 in opposition to the continuation of Saturday mail. A little better than a 4-to-1 ratio, as compared to the Neilsen survey of 80 percent in opposition, or in favor of no Saturday mail.

So, apparently, the Neilsen report leaves something to be desired, and this is typical of what has been revealed in the two or three other areas where the Postal Committee has already conducted its hearing on this issue. Poles have been running anywhere from 10 to 1, to 4 or 5 to 1 in favor of retaining this Saturday mail delivery.

Before the committee is finished, they hope to conduct additional hearings in seven or eight other sections of the country in order to more fully sample public opinion and to review other opinions by way of testimony.

So, without further ado, we will proceed to our first witness this morning, who is Melvin Schwartz, representing ADS Advertising and Mail Service, Postal Customers Council, Mid-Hudson Region.

Mr. Schwartz, if you would take the witness stand.

STATEMENT OF MELVIN SCHWARTZ, REPRESENTING ADS ADVERTISING AND MAIL SERVICE

Mr. SCHWARTZ. My statement this morning will be informal. I just want to air, basically, how I feel.

I was called on last Friday and asked to come, and up until that point I did not know about the meeting or that I was coming, so I have not prepared anything, but I will, and I will mail it to you.

Mr. GILMAN. If you would, identify yourself for the record.

Mr. SCHWARTZ. My name is Melvin Schwartz, and I represent ADS Advertising and Mail Service, which is a commercial mailer in Newburgh, N.Y.

We are responsible for—I cannot pin this down for sure, but I was thinking about it in the car—maybe 10 to 15 million pieces of mail originating from our commercial operation in Newburgh.

Aside from that, I am the chairman of the Postal Customers Council for the Mid-Hudson Region, which includes Orange County and Dutchess County, and there are a few overlapping areas.

I think it would be a great disservice to cut out the Saturday mail delivery to the people that I work for, the people that I actually mail for. They depend on, in many cases, consumers who have the weekend to leave their work behind and pay attention to the advertising that they receive in the mail.

A big part of my business is advertising. The mail is the main medium that I use to do the advertising.

I have spoken to the people I actually do work for, and they all think that it would be close to disaster to eliminate the Saturday delivery. They feel they would get the short shaft all the way around. The mail that they depend on to sell their products and their services would be delayed, and in many cases the effect would be diminished considerably. So, for them, that is basically the way I find they feel. That is the way they have spoken to me.

As far as myself, my business is open on Saturday and we do a lot of work on Saturday. We try to catch up on Saturday. We use Saturday as a day to sort of squeeze in a lot of things that cannot be done during the week because we are busy.

Every Saturday we go to the post office, and we are always looking for certain checks that people have mailed at the end of the week so that we know whether we can put their mail in the mail or whether we can, you know, do certain things of our own.

As in every business, they have to be very conscious of when they get paid, and we are very conscious of that, and Saturday is an important day for us for that purpose.

As far as the people that I represent at the Postal Customers Council, I cannot give a full statement on the way they feel because I have not canvassed enough of them to do so. As I say, I knew about this on Friday, and we are right in the middle of the Christmas season right now, and everyone is pushing me like crazy to get their mail out. So I haven't been able to do a full job on that, and I don't want to report on partial findings.

So what I would like to do is stand at what I have said so far and do a full-scale investigation of the people I represent from the council, because they are many or probably most of the major mailers in our area, including the banks and the large printers and the publishers.

I do not want to mislead you as to how they feel. But I do intend to do that, and I hope to complete it by the end of this week and send you my findings.

Mr. GILMAN. Thank you for your testimony, Mr. Schwartz, and for your thoughts on behalf of the Postal Customers Council.

You state that checks are important to your business. If there were a delay in receiving them, would that materially affect the operation of your own business?

Mr. SCHWARTZ. Sometimes it would. For instance, in my business the service of a mailer is insignificant compared with the amount of postage that has to be paid to the post office, and I often am not able to put mail into the stream, in other words, bring it to the post office,

unless I have a check in my hand for the postage itself. So if there is no postage check, the mail does not go. In many cases, my service may be \$800 or \$900, and the postage may be \$2,000 or \$3,000.

Mr. GILMAN. Are you talking about maintaining a cash flow which I realize is very important to your operation?

Mr. SCHWARTZ. It is more than that, the way things are today and the postage being such a high percentage of each of the jobs that I do. I don't make any money on the postage. It is a complete wash. You know, if it is 7½ cents, my customer gives me 7½ cents, and I give the post office 7½ cents. If it is 13 cents, it is exactly the same thing. I can't afford to advance postage for many customers.

For instance, a first-class customer of mine is the IBM Credit Union in Poughkeepsie, and they do mailings. Their postage is in the neighborhood of \$3,000 to \$5,000. Now, the service cost to me is maybe \$400 to \$600, depending on the work that I do. So I can't possibly advance \$6,000 in postage for \$600 in services, and that is the way my business operates.

Mr. GILMAN. Are there many occasions then, when upon receipt of a check on Saturday, you then do your mailing on Saturday?

Mr. SCHWARTZ. Only for first class that would happen. In most cases I might receive the mail on Saturday, process it on Saturday, and then bring it to the post office Monday morning.

Mr. GILMAN. I see.

How many members of the Postal Customers Council are open on weekends and depend on Saturday delivery?

Mr. SCHWARTZ. This is a question that I cannot answer. I would like to take that question down and give you a full answer to it, but as I say, I did not know about this hearing until Friday.

Mr. GILMAN. That's fine. We will keep the record open for several weeks. We certainly will welcome your testimony.

To anyone here who may not have a prepared statement, you certainly are welcome to present your oral testimony today and then submit written testimony at a later date, and we will certainly keep the record open for 1 month, at least until the end of January.

Can you tell us how many family members are engaged in your business?

Mr. SCHWARTZ. Well, my mom and dad are involved in the business, as well as myself.

Mr. GILMAN. Do they have lock boxes at the local post office for the business?

Mr. SCHWARTZ. Our business has a post office box at the post office, yes, and personally, we all get our mail at home.

Mr. GILMAN. Would it be any problem for you if the post office were closed and you had access to the lock boxes?

Mr. SCHWARTZ. It would be no problem to ADS, my business. I think that is rather insignificant compared with the 10-15 million pieces of mail that I put out, which is advertising material. I mean, let's face it, if the post office does not perform the service that my advertisers want, there are plenty of other people that are willing to.

I mean at this point a newspaper can get an insert into the home on a Saturday or on a Sunday. They can pinpoint the day of the circular very easily; and with the mail, I can't do that. I can't make any promises for the Postal Service. The best I can do is predict, and a lot

of my people are asking me to predict when we have to get it to the post office so that it is in the home on Saturday.

For instance, I have a travel wholesaler who promotes these travel packages. Now, over a 3-month period of time during his season, I put out 1.7 million pieces of mail to all over the country. Now, it is very important to him that as much of that be received at the end of the week or on Saturday as possible, because it is on the weekend that people make decisions like, where are we going to go and how much are they going to spend? It is not done on Wednesday or Thursday. It is done on the weekend.

The people who are sending out first-class mail are trying to get their checks out to people so they can be received on Friday, they are trying to get their payroll checks out to be received on Friday, because people want to get paid before the weekend. So there would be a large rush of first-class mail which would enter the stream in the middle of the week to arrive at the end of the week, which means the majority of my mail, which is third-class mail, would just be put off, maybe until Monday, maybe even until Tuesday.

Now, if mail like that gets received on a Monday or on a Tuesday, by the time the next weekend comes along the chances are the mail is not there, you know.

Mr. GILMAN. Mr. Schwartz, if the Postal Service decided to reduce the delivery of mail from 6 to 5 days per week, but continued Saturday deliveries, eliminating either Wednesday or Thursday, do you think you would change your view on this question?

Mr. SCHWARTZ. It would depend on how efficiently they would be able to do that.

Although I am not a member of the postal system, I work very closely with it, and sometimes I am at odds with it. I have to, whether I like it or not, represent it to my customers. My customers will not go to the post office with their complaints. They come to me.

The image of the post office—as I don't have to tell anybody, though it seems to be improving, without a doubt—is not where I would like it to be. I mean it is not where my image is, for instance. I know what my service is, and my service standards, and many of my customers are not sure of the postal standards.

Now, if your proposal would affect the standards of the post office and just make it more difficult for people to depend on it, then I would be opposed to that as well. It is very difficult for me to represent the post office to my clients.

Mr. GILMAN. Mr. Smirollo, do you have any questions?

Mr. SMIROLLO. No.

Mr. GILMAN. Mr. Breitenberg?

Mr. BREITENBERG. No.

Mr. GILMAN. Mr. Schwartz, thank you for taking the time to come here and express your views.

Do you have any other points that you may wish to raise about the Postal Service in general?

Mr. SCHWARTZ. Not right now.

I would like to say, though, like a lot of people, I find that postal service is improving, and I think my customers feel the same way.

I know that the Postal Service is really working hard to improve, and I think they are giving that image to the public right now, and I think that is extremely helpful.

Mr. GILMAN. Again, I appreciate your coming, and I am sure those representing the Postal Service here today welcome hearing those kinds of words. They do not hear too much of that today.

Mr. SCHWARTZ. I apologize for the informality.

Mr. GILMAN. I hope you will submit further testimony for the committee.

Mr. SCHWARTZ. Thank you.

Mr. GILMAN. Before we proceed to the next witness, I would like to place into the record several pieces of correspondence that I received which may be of interest to those of you who are here in attendance.

The first letter is from the National Newspaper Association, James R. Cregan, General Counsel, dated December 12, 1977.

DEAR REPRESENTATIVE GILMAN. Thank you for inviting the National Newspaper Association to participate in the House Post Office and Civil Service Committee's hearing on 6-day delivery on December-13, at Bear Mountain Inn, New York.

Because NNA's clear opposition to the elimination of 6-day delivery is already on the record in hearings before the House Subcommittee on Postal Operations and Services, and the Senate Subcommittee on Energy, Nuclear Proliferation, and Federal Services, we will not consume your valuable time by formally participating in the hearing.

However, it is our understanding that representatives of the New York Press Association, a State newspaper organization affiliated with NNA, plans to submit a written statement and would appreciate an opportunity to make oral comments.

The New York publishers are in a unique position to offer you a local perspective on how the Postal Service's proposal to end Saturday delivery would affect communities served by that State's newspapers.

If I can be of any assistance to you regarding the effect of Saturday mail delivery on newspaper publishers, please do not hesitate to contact me.

I have another letter dated December 12, 1977, from R. John Van Kleeck, president and publisher of the Times Herald Record.

DEAR CONGRESSMAN GILMAN. I am most happy for an opportunity to comment on the U.S. Postal Service's proposal to reduce mail delivery from 6 to 5 days a week.

It seems like this is the last straw in the long deterioration of our postal service, and it is certainly one that affects the Times Herald Record as a business, as a dispenser of vital information, and certainly to the thousands of readers who get their newspapers by mail.

On the daily basis, we serve approximately 6,000 of our readers through mail deliveries. We are deeply concerned that those 6,000 readers will not get their Saturday newspaper on Saturday any longer. Rather, on Monday they will get both Saturday and Monday papers. It is my belief that this puts a sincere hardship on some of those people living in rural areas who depend on the delivery of their newspaper by mail for information about what is going on in the world and in their area.

Therefore, I am opposed to a cutback in mail delivery to 5 days a week, both from the standpoint of the newspaper, which is certain to suffer some severe economic hardships as a result, and in behalf of our readers, who will doubtless find the lack of newspaper delivery a hardship in many cases. R. John Van Kleeck, president and publisher.

I also received a letter dated December 12, 1977, from Virginia M. Weil, director of the Rockland County Office for the Aging.

DEAR CONGRESSMAN GILMAN. Thank you for this opportunity to comment on the suggestion to eliminate Saturday delivery of mail.

Elimination of mail delivery on Saturday will have a most deleterious effect on the elderly population. Receipt of social security checks would be delayed until the succeeding Monday, as well as other pension checks, prompt receipt of which could be vital.

Other kinds of mail, from family and friends, would also be delayed. The effect on the mental health of lonely people is one other example of ways older people are constantly forced to adjust to deprivation.

Under present conditions, business mail on Mondays is usually heavy, arriving later than on other days. Eliminating Saturdays will compound that situation.

In short, we believe Saturday delivery should continue. If this is meant to be taken seriously, literally thousands of senior citizens will flood the U.S. Postal Service with protests, demanding that a barely adequate service not be reduced further.

In addition, I submit for the record a letter dated December 8, 1977, from the Florida Chamber of Commerce, by David Mance, president, who is writing in support of continuing Saturday mail delivery; another letter from Sol J. Oberman, C.P.C.U., an insurance representative, who is writing on behalf of the insurance industry asking that Saturday mail be continued, that is dated December 9, 1977; and a letter from the Walden Printing Co., Raymond J. Dulye, editor and publisher, dated December 9, 1977, enclosing an editorial which opposes abandonment of Saturday delivery, a move which he states "would be injurious and costly to our business and to virtually every other newspaper that I know about."

I submit those letters for the record at this time.

[The materials referred to follow:]

FLORIDA CHAMBER OF COMMERCE,
Florida, N.Y., December 8, 1977.

BENJAMIN A. GILMAN,
Member of Congress,
Middletown, N.Y.

DEAR CONGRESSMAN GILMAN: At our meeting on December 7, 1977, it was the feeling of our Chamber, that an effort to save money by limiting delivery of mail to five days a week is a commendable step on the part of the government.

We would like, however, to continue to have access to mail on Saturday morning, through the continued operation of the services usual to a post office such as, but not limited to the sale of stamps, money orders, sorting of mail, and to Post Office Boxes, and such other services usual to the post office.

Would you please accept this as our written statement for the record, as discussed and determined by our Chamber of Commerce in Florida, N.Y.

Sincerely,

DAVID MANCE, *President.*

SOL J. OBERMAN, C.P.C.U.,
Hastings-on-Hudson, N.Y., December 9, 1977.

Re: Hearing at Bear Mountain Inn on December 13, 1977 at 8:30 a.m.
Congressman BENJAMIN A. GILMAN,
Monsey, N.Y.

DEAR SIR: Unfortunately I find that I will be unable to attend the above captioned hearing. Therefore I am writing to protest most vehemently the curtailing of mail deliveries on Saturday.

My first reason for being opposed to this is because for one thing we will wait until Monday at the earliest for delivery of mail that was mailed out on Friday. For that matter the majority of the mail will probably not be delivered until the following Tuesday. This will shorten the work week to four days of heavy mail.

Another reason is that our very devout Jewish brethren who work on Sunday because they observe their Holy services on Saturday will not have the opportunity to do so. They usually send non-Jewish people to pick up their mail to hold until Sunday. In my particular line of work the mail service is the life's blood of my business.

Again let me reiterate by saying that if Saturday's service is curtailed my business will be curtailed until Tuesday. I am sure that I speak for many in stating this.

Sincerely,

SOL J. OBERMAN, CPCU.

P.S. On the other hand I don't want the rates to increase either.

THE WALDEN PRINTING CO., INC.,
Walden, N.Y., December 9, 1977.

HON. BENJAMIN A. GILMAN,
Washington, D.C.

DEAR BEN: I wish to enter the enclosed editorial which appeared in the December 7 issue of the Citizen Herald, Walden, N.Y. and the Stewart Citizen, Towns of Newburgh and New Windsor, N.Y., in the record of the public hearing to be held by the House Post Office and Civil Service Committee at Bear Mountain Inn on Tuesday, Dec. 13.

The editorial opposes abandonment of Saturday mail delivery, a move that would be injurious and costly to our business and to virtually every other newspaper that I know.

Sincerely,

RAYMOND J. DULYE,
Editor and Publisher.

EDITORIAL—SPEAK UP ON THE MAILS!

A proposal to eliminate Saturday mail delivery would wreak havoc with many businesses that are dependent to a large degree on the mails.

This would be particularly so when a national holiday falls on a Friday or Monday. Assuming there is no Saturday mail delivery, a holiday falling on a Friday would leave patrons without mail delivery from Thursday until Monday, almost half a week. When a holiday falls on Monday, customers would be without mail from Friday till Tuesday. That's too much of a gap.

Next Tuesday the House Post Office and Civil Service Committee will hold a public hearing, chaired by Congressman Ben Gilman of Middletown, on proposed elimination of Saturday mail, at Bear Mountain Inn beginning at 8:30 a.m.

All persons and businesses who would be affected adversely by the reduction in postal service should voice an opinion at the hearing, or send a memo stating their views to Congressman Gilman's district office at twenty-four Roberts street, Middletown, N.Y. 10940.

Our next witness is Kenneth M. Carter, publisher of the Evening Star in Peekskill, N. Y., and vice chairman of ANPA Postal Committee.

STATEMENT OF KENNETH M. CARTER, PUBLISHER OF EVENING STAR, PEEKSKILL, N.Y., AND VICE CHAIRMAN OF ANPA POSTAL COMMITTEE

Mr. CARTER. Thank you, Mr. Congressman.

I have a prepared statement today I would like to read, with your permission.

Mr. GILMAN. You may do that.

Mr. CARTER. My name is Kenneth M. Carter, and I am publisher of the Evening Star, a daily and Sunday newspaper published in Peekskill, N. Y., and vice chairman of the ANPA Postal Committee.

I would speak today against the proposed elimination of Saturday mail delivery and for the passage of H.R. 7700.

The American Newspaper Publishers Association, of which our newspaper is a member, is an association of more than 1,200 newspapers having more than 90 percent of the total U.S. daily and the Sunday newspaper circulation, and includes several nondaily publications as well.

Many of the members depend on the mail to reach their readers. More than half of all newspapers in second class mail go to readers on rural routes. Newspapers under 5,000 daily circulation still depend on the mail for more than 30 percent of their circulation, and newspapers of 5,000 to 10,000 daily circulation depend on the mail for

more than 20 percent of their circulation. The smaller daily newspapers and their readers have no feasible alternative to the Postal Service.

In April of 1977 ANPA made a survey of all daily newspapers in the United States—about 1,800 altogether—to learn how many newspapers were dependent on the mail for Saturday delivery. Seven hundred eighty of the eight hundred forty-seven newspapers who replied said they used the mails for Saturday delivery, and the 780 newspapers account for 1.9 million copies in the mail for Saturday delivery.

From this you can readily deduce that the elimination of Saturday mail delivery would affect great numbers of newspaper readers.

Many of the smaller circulation newspapers are located in rural areas where Saturday delivery is vital. If Saturday deliveries were eliminated, farmers may not receive adequate marketing information, weather forecasts and other news necessary for successful farming.

In general, Saturday's newspapers would be delivered on Monday. When Monday is a holiday, it wouldn't be delivered until Tuesday. In many cases, it would mean Friday afternoon's newspaper and a Saturday paper would be delivered together on Monday or Tuesday morning.

Six-day mail delivery is vital to many citizens throughout the country. The real victim in any cutback in service would be the reader, the small town resident and the farmer, who depend on the Postal Service for their daily informational needs.

We respectfully submit savings in this case would not offset the results sure to follow, drastically reduced use of the mail by all newspapers. In fact, even without this reduced use by newspapers, the cost factor in rural elimination of Saturday service is questionable, as the backlog of mail would certainly require extra manpower.

Therefore, I would urge the passage of postal reform bill 7700, which would increase public service appropriations, maintenance of 6-day a week deliveries, a 60-percent ceiling on attributable costs, congressional veto power over postal rates and clarification decisions of the Postal Rate Commission, among other reforms.

Thank you, Congressman.

Mr. GILMAN. Mr. Carter, e thank you for your well thought out statement.

I am interested in the number of newspapers that are dependent upon the mail. What was the number in circulation?

Mr. CARTER. 1.9 million copies were in the mail for Saturday delivery of those 780 newspapers.

Incidentally, only 67 newspapers reported that they did not use Saturday mail delivery.

Mr. GILMAN. And, of course, you mentioned that it could be delivered on Monday, but with the heavy mail on Mondays, it could even go over to Tuesdays, which would mean a Friday newspaper not arriving until midweek in the following week.

Mr. CARTER. And also with Mondays being holidays, as well be the case, for example on Christmas and New Year's on this year, the newspapers would not be delivered until Tuesday.

Mr. GILMAN. Would you know how many papers there are in my own congressional district. Orange and Rockland and southern Ulster Counties that depend on Saturday delivery?

Mr. CARTER. That I am not sure, but it would seem to me that it would be almost all of them.

Mr. GILMAN. You have no idea of the number of readers involved?

Mr. CARTER. I have not; no.

Mr. GILMAN. I take it your own newspaper is highly dependent on the mail?

Mr. CARTER. No; our newspaper is not. Being in the metropolitan area, we use carrier-boy delivery for most of our newspapers. We do have a certain amount of mail order copies, not only our own area but to those who travel, spend time in Florida, and so forth.

Mr. GILMAN. Could you tell us, with relation to your own business, how much of the paperwork connected with your business, such as payments and receipts and invoices and orders, advertising, is conducted by mail?

Mr. CARTER. Well, I would say a great amount, because we receive orders in the mail and we receive payments, of course, in the mail, and I would say a considerable amount.

Mr. GILMAN. I would assume that with regard to advertising copy with deadlines, it is extremely important to get that out in a timely manner.

Mr. CARTER. That it is.

Mr. GILMAN. Do you operate a weekly paper?

Mr. CARTER. We are a daily and Sunday. We publish 7 days a week.

Mr. GILMAN. Mr. Carter, thank you for taking the time to come here.

Mr. CARTER. Thank you for your time.

Mr. GILMAN. Our next witness is a representative of the New York Press Association, Stuart Dorman. Mr. Dorman, it is a pleasure having you with us.

STATEMENT OF STUART DORMAN, PRESIDENT, NEW YORK PRESS ASSOCIATION

Mr. DORMAN. Thank you, sir. My name is Stuart Dorman, and I am publisher of the Suffolk Times, Greenport, N. Y., in Suffolk County; and the News-Review, Riverhead, N. Y., also in Suffolk; and president of the New York Press Association. I am also a member of the Mailers' Technical Advisory Committee, called MTAC, a group which meets with postal management to discuss mail users' needs. I am president of a printing company which prints 24 community newspapers. I am also a private citizen interested in the survival of a viable postal delivery system.

Today I speak on behalf of the membership of the New York Press Association. More than 200 newspapers, representing nearly every community in the State, belong to the New York Press Association.

The New York Press Association believes that a viable postal system must fundamentally be a public service designed to serve the needs of citizens in communities across the Nation.

It is the New York Press Association's position that maintenance of Saturday mail delivery is an essential part of what should be the U.S. Postal Service's public service orientation.

Sacrificing the tangible and intangible benefits of uniform 6-day delivery, especially in small towns and rural counties, to the unrealistic and unwise goal of a self-supporting Postal Service, would be a

serious blow to the communities served by many New York State publishers.

Subscribers in these communities depend on timely delivery of their newspapers for news, weather reports, agricultural and livestock data, and shopping information. Local advertisers depend on Saturday editions carrying their advertisements to draw shoppers to their places of business. The newspaper publisher and the newspaper employees depend on Saturday delivery to receive news and advertising copy, press releases, and other information for inclusion in the paper.

Obviously, the value of the Saturday newspaper would be effectively reduced, if not eliminated, if it would not arrive until Monday. The number of official Monday national holidays means that at least on several occasions the Saturday newspaper would not be delivered until Tuesday.

Publishers of newspapers which come out weekly, or twice or three times weekly, as well as daily publishers, are seriously concerned about the impact this proposal would have on their communities.

Merely suggesting that these newspapers alter their publication days, and that printing plants change their production schedules to accommodate mail service cutbacks, is not an answer to the question of how to make the U.S. Postal Service a viable and accountable system.

These newspapers are modern town criers which can most effectively bind their communities together if the Postal Service fulfills its traditional role of binding the Nation together.

It is our opinion that when coupled with increasing rates and service cutbacks already underway, elimination of 6-day delivery would prove irrefutably that the U.S. Postal Service is not a public service, but an accountable bureaucracy.

We hope you recognize that many citizens outside the major metropolitan areas depend on uniform 6-day delivery. For them, timely delivery of their local newspaper is essential because it brings them information that television and radio cannot supply.

Consequently, we urge that 6-day delivery be retained as an essential public service supported by adequate public service appropriations.

Thank you for allowing the New York Press Association to present these views on the proposed elimination of the Saturday delivery.

Mr. GILMAN. Mr. Dorman, we appreciate your taking the time to testify before this subcommittee.

Can you tell us how many members there are in the New York Press Association?

Mr. DORMAN. There are 200 papers that belong. There are probably an additional 100 papers that are eligible to belong but do not belong. One of the requirements for membership, in fact the basic requirement, is holding a second-class postal permit. In other words, papers that are free distribution, shoppers and so on, are not eligible to belong.

So we are very directly concerned with the Postal Service, as I am personally.

Mr. GILMAN. Mr. Dorman, what is the circulation amongst those papers?

Mr. DORMAN. I would have to give you an estimate on that. I would say probably 3,500 to 4,000 average. Some of them are well over 10,000. One of mine is 8,000 and another is 4,000, but in rural communities upstate there are quite a few of them that run at the 2,500, 3,000 level. That is just an estimate.

Mr. GILMAN. How many members are on your Mailers Technical Advisory Committee?

Mr. DORMAN. I am the only one representing the New York Press Association.

I believe there are about 46 members, and they represent approximately, I believe, 85 percent of the people who use the mail service. That would be book publishers, greeting card publishers, third-class bulk mailers.

The very large committee meets four times a year with the top officials of the Postal Service, and they have a regular agenda they go through. It is an effort on the part of the industry to work with the Postal Service.

We do not deal in any way with problems that come up about pricing or policies of that sort, but more methods of better delivery, how you can identify parcels, making industry figures available to the Postal Service to assist them in their research and development, that type of thing.

Mr. GILMAN. Has the Mailers Technical Advisory Committee discussed the proposal of eliminating Saturday mail service?

Mr. DORMAN. No, not as a public thing. I know that there were a number of the individual associations, each person on that committee represents an association, and within the say magazine publishers group, and others, there is general feeling that they want to see a continuation. But there has not been any policy established within the committee.

I have objected strongly when the matter was raised, but that was from an individual point of view.

Mr. GILMAN. Have you testified before the Postal Service Commission in regard to this issue?

Mr. DORMAN. No. The National Newspaper Association has. I have not, personally.

Mr. GILMAN. Has your group testified, the New York Press Association?

Mr. DORMAN. I believe that they did last spring. I think they appeared before the Commission that you referred to.

Mr. GILMAN. The Postal Study Commission?

Mr. DORMAN. Yes.

Mr. GILMAN. When will the next meeting of your Mailers Technical Advisory Committee be held?

Mr. DORMAN. In February; we had a meeting just last week. I was in Washington at that time.

Mr. GILMAN. Do you take formal positions in your committee that you make public?

Mr. DORMAN. No; this is purely an advisory group and they show us what steps they are taking, or they will take us on a tour of the new bulk centers. They show us movies of new techniques or advertising, or what they are trying to do. They ask our help in providing information on a delivery basis.

It is a cooperative effort to try and assist the Postal Service, and nobody is talking for his own agency there.

Mr. GILMAN. I would hope that you would find time at your next meeting to discuss this issue and consider a resolution on the continuation of Saturday delivery.

Could you tell me if anyone in the New York Press Association has been polled by Neilson with regard to this issue of Saturday delivery?

Mr. DORMAN. I have not heard of it, but I am sure of the answer that they would get from anyone in our association. I must say most of our papers are published on Thursdays, and if they go into the mail on Thursday, they would normally get a Friday delivery. So, it is not a major thing as it is on a daily paper, but quite a number of our papers, and certainly those that go out of county, do get Saturday delivery, and they are important.

We hear immediately if our papers are late in delivery. On one occasion we had one sack of mail misdirected to New York City. That is 100 miles away, and a lot of our subscribers are there. We had 18 phone calls on Tuesday morning asking where our paper was. So, there is a very keen interest in what is happening in the community.

Mr. GILMAN. Mr. Dorman, if the Postal Service decided to reduce its mail deliveries from 6 to 5 days a week, but continued on with Saturday delivery, eliminating some other day of the week, how would that affect your business?

Mr. DORMAN. It would be very much worse.

Mr. GILMAN. You would be opposed then?

Mr. DORMAN. Yes.

We print the newspapers on Monday, Tuesday, Wednesday, and Thursday, and there is a regular flow of papers. People expect to see their newspaper either Thursday or Friday.

People who have tried to put out a special edition of the paper on Tuesday find that people don't buy it. They are accustomed to having it at this time.

Advertising for stores and so on is built into that general formula. So, stopping a delivery during the middle of the week would be very bad.

I would like to add that the smaller papers are completely dependent on the Postal Service in the rural areas. We just cannot afford to have newsboys where the houses are a quarter of a mile, or a half a mile apart.

In our case, and I think we would be fairly typical of the New York Press Association, about 65 percent of the papers go out by mail. The rest are in the local stores.

Mr. GILMAN. Many of the weeklies, I note, go to bed on Monday. They do their printing on Mondays for delivery on Tuesday or Wednesday.

Mr. DORMAN. Not in my experience, sir.

Mr. GILMAN. Well, some of the papers in my area do. I am just wondering how much of your mail, incoming mail, affects your advertising copy. Mr. Carter touched on that. Is this a tradition that some of the copy comes in by mail?

Mr. DORMAN. Oh, yes, quite a bit of our advertising from agencies is delivered by mail, and a great deal of it is delivered on Saturday.

We don't operate our office on Saturday, but I always go in and get the mail, because we pick it up at the post office and open it and file it, because the Monday mail is so heavy. If I let the 2 days go through, there is a big delay in getting things underway, and if we always did this or if we lost the Saturday delivery, it would make Monday a big overload day and start without work for people to do when we come in. I am speaking of piles like this that have to be sorted out. [Indicating.]

Mr. GILMAN. Mr. Dorman, I again want to thank you for coming before our subcommittee to present your views. If there are any further suggestions you care to make in regards to improving the Postal Service, our committee would welcome them, and I am pleased you are taking such an active roll in your advisory committee.

Mr. DORMAN. It is a very rewarding thing, and I would also like to say that my personal relationship with the Postal Service in our community and all up and down is good. There are about eight post offices where we deliver the papers, instead of leaving it one place for the Postal Service to sort it, to speed up the delivery by a few hours in getting them on the RFD route early in the morning. I have found that the postmasters and people working there are very, very friendly, helpful, and many of them overworked.

So, I hold no grudge against them, and I find myself a little embarrassed sometimes when I am sitting at this MTAC committee with people who put 5 million pieces of mail a day in the post office and they say how do you get on with your postal group; I say, well, it isn't exactly New York City, it is rural, small, very fine group of men.

Mr. GILMAN. Mr. Dorman, let me just add if your advisory committee has any suggestions that you find are not receiving the attention of the U.S. Postal Service, do not hesitate to call on the House Post Office and Civil Service Committee.

Mr. DORMAN. I will be delighted, sir.

Mr. GILMAN. Our next witness will be Rita Ventola, from the Lederle Laboratories. We appreciate you coming up in such bad weather.

STATEMENT OF RITA VENTOLA, SUPERVISOR OF MAIL SERVICES, LEDERLE LABORATORIES

Ms. VENTOLA. Well, to be honest with you, it is new. I was not informed of this until yesterday, so I am not really prepared. I could give you a little information. Right now, at Lederle Laboratories, we do not have Saturday delivery. At this time we do not have any mail deliveries on Saturdays, pickups or drop off, and I know what it is to have that discontinued, because on Monday morning that mail is heavy. And, as the gentleman said before me, in the newspaper third-class mail, first-class mail is being held up.

Mr. GILMAN. Ms. Ventola, just to give the committee an idea of the scope of your business, could you tell us how many employees there are at Lederle Laboratories?

Ms. VENTOLA. We have around 2,500 employees.

Mr. GILMAN. Roughly how many pieces of mail do you receive in a day?

Ms. VENTOLA. Well, we take in at least 8,000.

Mr. GILMAN. And is a significant portion of your business dependent upon the mail?

Ms. VENTOLA. Yes.

Mr. GILMAN. Could you tell us what type of mail you receive that you are dependent upon?

Ms. VENTOLA. Basically what we depend upon in my section is first-class packages. They go throughout the country. Samples will be sent out to salesmen, doctors, and in that light—

Mr. GILMAN. What type of materials are in those packages, so that our record will be complete?

Ms. VENTOLA. Well, I would say samples going to salesmen and literature advertising our products.

Mr. GILMAN. Are the samples mostly pharmaceuticals?

Ms. VENTOLA. Yes.

Mr. GILMAN. I am sorry for the interruption.

Ms. VENTOLA. That is all right.

But, basically, for my own personal reasons, I am jumping the key, I think Saturday delivery should be basically in there because of the mail being held up.

As I said, I didn't come prepared. I can give you information or send a report in later, but I would just like to mention at this time that we do not have Saturday mail delivery and I know what it is.

Mr. GILMAN. Are you picking up the mail now?

Ms. VENTOLA. On Saturday?

Mr. GILMAN. Yes.

Ms. VENTOLA. No; we are not. The mail is being delivered to us on Monday, so, Monday and Tuesday it is very heavy.

Mr. GILMAN. Can you tell us why you are not receiving Saturday deliveries?

Ms. VENTOLA. At this time I cannot give you the reason. I can find out and get back to you.

Mr. GILMAN. How long have you been without Saturday delivery?

Ms. VENTOLA. A few years.

Mr. GILMAN. Which post office do you receive your mail through?

Ms. VENTOLA. Pearl River Post Office.

Mr. GILMAN. Does a substantial volume of your income arrive by way of mailed checks?

Ms. VENTOLA. Yes.

Mr. GILMAN. And, can you tell us about what portion of your income you would normally receive on Saturday?

Ms. VENTOLA. Well, I would say 20 percent of what we receive on Monday, actually.

I mean, it is hard right now to tell you the exact amount. I can give you all those figures which I have in the office, but I didn't bring them with me.

Mr. GILMAN. As a matter of fact, most of the payments to your company are made by mail, are they not?

Ms. VENTOLA. Yes.

Mr. GILMAN. Does your company bank on Saturdays?

Ms. VENTOLA. No.

Mr. GILMAN. Have you had to put on additional personnel because of the extra mail on Mondays?

Ms. VENTOLA. No. The mail is being held up. It goes out more on Tuesday, and it should go out on Monday.

Mr. GILMAN. Has there been any detriment to your company as a result of that delay?

Ms. VENTOLA. No.

Mr. GILMAN. Are there any time limitations that you have to meet that are not being met?

Ms. VENTOLA. No; they are being met.

Mr. GILMAN. Mr. Smirolodo, do you have any questions?

Mr. SMIROLODO. Yes.

One question. I am kind of surprised that you do not receive or do not have mail delivery on Saturday. I do not know of anywhere in the country that does not really have Saturday delivery. I take it you are from the Pearl River Post Office?

Ms. VENTOLA. Yes; mail is being delivered to the Pearl River Post Office.

Mr. SMIROLODO. Have you talked with the postmaster and discussed it with the postmaster?

Ms. VENTOLA. I have not. This is something they decided with the manager of mail service.

Mr. SMIROLODO. Is your facility somewhat isolated or is it generally in an area where there are other facilities or other buildings, homes, whatever?

Ms. VENTOLA. There are other buildings and other homes; yes.

Mr. SMIROLODO. They do not receive mail delivery on Saturday, either?

Ms. VENTOLA. I think they do. Yes, I would say so. We do not. We do not operate on Saturdays.

Mr. SMIROLODO. How far are you from the post office?

Ms. VENTOLA. Oh, maybe a half a mile.

Mr. SMIROLODO. It really surprises me, because you are the only facility I have ever heard of or the only company I ever heard of that did not get mail delivery on Saturday. Mr. Gilman, we will take a look at the situation.

Mr. GILMAN. How much mail does Lederles send out a day?

Ms. VENTOLA. We have a shipping department that sends out also, but I am speaking strictly about first-class mail. I would say about 6,000 to 7,000 daily.

Mr. GILMAN. When the mail is delivered, does the USPS pick up the mail?

Ms. VENTOLA. Yes, that's right. We have a mail delivery. One of our own men will take it to the Pearl River Post Office in Pearl River. They will come in and pick up.

Mr. GILMAN. I would assume if they delivered mail on Saturday, you would have a substantial amount of mail that goes out on Saturday as well?

Ms. VENTOLA. No, because no one is working on Saturdays.

The mail would go out first thing Monday morning.

Mr. GILMAN. But, would that mail normally be sent out on a Saturday if there were delivery and pickup service?

Ms. VENTOLA. I would say yes; definitely.

Mr. GILMAN. Is that a substantial number of pieces?

Ms. VENTOLA. No, not really.

Mr. GILMAN. Any further questions?

Mr. SMIROLO. You indicated you are closed on Saturday. Is it possible that your plant manager, or whatever, has talked to the postmaster and indicated to him that he does not want mail delivery on Saturday?

Ms. VENTOLA. I am sure that they have sat down and discussed this. This is why I said I really can't answer at this time. It must have been an agreement or something.

Mr. GILMAN. Is the plant closed on Saturday, or is part of it in operation?

Ms. VENTOLA. It is officially closed, but there are people there that could accept mail or get mail.

Mr. GILMAN. Some of the office personnel are on hand?

Ms. VENTOLA. Yes.

Mr. GILMAN. I want to thank you again, Mrs. Ventola, and we certainly would welcome any written statement you wish to submit. Our record will be kept open until early January, and if you would mail it to my district office, any of my district offices, we would welcome receiving your statement. Thank you for attending today.

Is Ann Cortese of the Orange County Office of Aging present?

[No comment.]

Mr. GILMAN. Miss Cortese is not present. She might have had difficulty traveling up from Goshen this morning. She has submitted her testimony, which we will place into the record.

Miss Cortese submits testimony urging retention of 6-day mail delivery service for the senior citizens who are on fixed income and who depend upon the arrival of their social security checks for daily sustenance.

COUNTY OF ORANGE,
Montgomery, N.Y., December 13, 1977.

CONGRESSMAN BENJAMIN GILMAN: As Director of the Orange County Office of the Aging and on behalf of the senior citizens of Orange County (36,000), I wish to make it known that I strongly oppose curtailing postal delivery service to five days a week from the present six days a week delivery.

Such a cutback in service would have a definite adverse impact on our elderly citizens, many of whom depend upon a Saturday mail delivery to receive their Social Security checks.

Social Security checks arrive on the third day of the month. If that particular day falls on a Friday, the senior citizen, depending on delivery time, has the opportunity to go to a bank and cash his check on that Friday or, if not on Friday, then early Saturday morning. Even if the check arrives in Saturday's mail, the senior citizen still has the opportunity to cash his check on Saturday since many area banks are open half a day on Saturday.

If Saturday mail delivery were eliminated the backlog of mail that would have normally been delivered on Saturday could, in effect, delay Monday's mail until Tuesday, thereby, causing an additional hardship to those older persons who depend on the arrival of their Social Security check to sustain their daily living.

This not only holds true for Social Security checks but for other pension and retirement benefits as well, to all persons who are dependent upon those monies to sustain their daily living.

I ask that due consideration be given to retaining six day mail delivery service for the senior citizens on fixed income who depend upon the arrival of their Social Security checks for daily sustenance.

Respectfully submitted:

ANN CORTESE,
Director, Orange County Office for the Aging.

Mr. GILMAN. Now, we call a panel of witnesses. This panel consists mostly of postal employees: John Lugo, president of Branch 315 of the

National Association of Letter Carriers; Sam Palmer, president of Orange-Rockland County Local American Postal Workers Union; Mrs. Shirley Davis, National Alliance of Postal and Federal Employees; Irwin Ray, president of New York Rural Carriers Association.

If you folks would be kind enough to come forward, we will hear your testimony as a panel. I believe there are enough chairs. I want to thank you for joining us this morning. If you would be kind enough to identify yourself when you give your testimony, for our reporter, we would appreciate it.

We will start with the lady first, Mrs. Davis.

**STATEMENT OF SHIRLEY DAVIS, PRESIDENT, DISTRICT 8,
NATIONAL ALLIANCE OF POSTAL & FEDERAL EMPLOYEES**

Mrs. DAVIS. My name is Mrs. Shirley Davis. I am president of District 8 of the National Alliance of Postal and Federal Employees with membership throughout New York City, New York State, and the six New England States.

Congressman Gilman, on behalf of the National Alliance of Postal and Federal Employees in District 8, comprising New York City, New York State and New England, I wish to thank you for giving me this opportunity to express this union's views on postal reduction of mail delivery service.

We in the National Alliance firmly believe in the mission of the Postal Service to provide a service for the American people. We further believe that that service to the people must prevail above the dollar profit or breakeven cost.

Not inconsistent with our National's position at previous hearings around the country, we are greatly concerned that any reduction of the mail service at this time or in the future will substantially, one, create a burden and a hardship on the American consumer public; and, two, without a doubt, would definitely have an adverse effect on the economics of the community in which many postal workers live and spend the salaries that they earn.

In the area of service to the people, presently mail received in the postal facilities on a Friday is deliverable on a Saturday. Under a 5-day service the same mail received on a Friday would be held until Monday and possibly later, thereby effecting a delay of 2 days or more of pertinent mail that is to be delivered to your constituents and mine.

JOB RETENTION

When you cut back that extra day, you are taking carriers out of the street and putting them into the inner facility. I am sure the carrier representatives here will better represent to you how they feel in this strong loss of jobs.

But I will say this, that any carrier that loses a job on the street, the only obligation the Postal Service has is to find a like or comparable job on the inside for him. In many of your urban centers that job would be a clerk. It would require him to learn a new skill, known as a letter sorting machine.

Your average carrier, aged 40 or better, would find it quite difficult to master this machine, and unless he is able to master this machine,

there are and will be few manual sorting jobs for him to retain. Hence, he may have to leave this county and go elsewhere to work, or he may have to put in his resignation for early retirement.

So this affects the economics in the community, and that the number of letter carriers would severely handicap the stability of any economics, of Orange County, or for that matter New York City or the New England States.

There are many other things I could say, but in fairness of my other colleagues here and members you wish to hear from, I will reserve any other comments and possibly write them on paper for you.

Mr. GILMAN. Thank you. We will hear from our next witness.

STATEMENT OF IRWIN RAY, STATE PRESIDENT, NEW YORK STATE RURAL LETTER CARRIERS ASSOCIATION

Mr. RAY. My name is Irwin Ray. I am State president of the New York State Rural Letter Carriers Association.

I have appeared before you to represent Mr. Clifford E. Edwards, president of the National Rural Letter Carriers Association, an organization representing nearly 70,000 regulars, substitute, auxiliary, and retired rural letter carriers. The rural letter carriers we represent serve over 12 million families, or over 40 million persons in the rural and suburban areas, and travel over 2 million miles each day.

We appreciate the opportunity to submit our testimony before this committee to express our views on the reduction of mail service from 6 to 5 days. We commend you for scheduling hearings on the reduction in mail deliveries in the several congressional districts throughout the United States in order to come to a conclusion as to whether the postal service customers would like their mail deliveries to be cut from 6 to 5 days per week.

The Postal Service Commission Report, which was given to the Congress last April, stated that, through the Neilson report, approximately 80 percent of the people contacted in the United States favored 5-day delivery over a substantial increase in postal rates. We believe that the question posed to the people interviewed was a loaded question and did not truly represent the feelings of the postal customers throughout the United States.

Several polls have been taken since and show that a majority of the customers polled favored 6-day delivery and do not believe that the savings stated by the Postal Service would hold up if the service was actually cut to 5 days. Recent polls held in congressional districts in Hawaii and Colorado proved conclusively that the postal customers favored 6-day delivery.

Mr. GILMAN. Mr. Ray, if I might interrupt you, you also notice the results of our poll here that show a substantial number in favor of retaining 6-day delivery.

Mr. RAY. That is very favorable, and also, if I may just put this in the middle here, our national office gave us a list of the Congressmen that were favoring H.R. 7700. I would like to congratulate you for being on that list.

Mr. GILMAN. Thank you for your kind remarks.

Mr. RAY. As rural letter carriers, we believe that a reduction from 6- to 5-day delivery would probably affect the rural people we serve

more than any other group. Unlike urban dwellers, the vast majority of rural postal customers must rely on the rural service for the delivery of daily newspapers, and market reports.

The rural carrier's arrival is awaited with anticipation each day by millions of rural customers. Any reduction in current service levels would prove very unpopular and meet with much opposition from rural people. Farmers take their rural delivery service very seriously. Rural customers would also miss their weather reports, stock reports, grain reports, weekend catastrophes, local and area sales, machinery parts, and the like.

Mr. GILMAN. Mr. Ray, if I might interrupt again, do you happen to know how many rural patrons we have in the 26th Congressional District—Orange, Rockland, and southern Ulster Counties.

Mr. RAY. I do not know. I could not give you that figure. I could find out and get that to you. I am from Mr. Hanley's district.

Mr. GILMAN. Would you have any idea of the percentage, roughly, of what we would be running?

Mr. RAY. This is a high-volume area. I will say that.

The majority of rural routes in this area are what we call heavy-duty routes. These are routes that evaluate on a yearly evaluation over the 40-hour-a-week route.

My route in particular evaluates 53-hours a week, and I work 5 days. My sub works the sixth day, which, if he did not work that sixth day, when I go in on Monday, it would be a catastrophe, really.

Mr. GILMAN. I am sorry for the interruption in your testimony.

Mr. RAY. That is OK.

Implementation of the 5-day week would eventually deprive regular and substitute rural letter carriers of a substantial amount of their present employment. Such a plan would eventually result in less delivery routes, and less employment for rural carriers, and other delivery employees.

At a time when unemployment is a national problem, it seems inconsistent that the Government be considering the reduction of an essential Government service, which would create more unemployment to add to the present problem.

The savings of 6- to 5-day delivery would be far less than has been estimated. The volume of mail to be handled would be virtually the same and only the delivery trip would be eliminated if a 5-day schedule would be adopted. It would place a double volume of mail for the carrier to be cased and delivered on Monday or any day that would be picked for nondelivery of mail. This would cause a disruption to the rural carrier's schedule for several days of the following week.

If the nonwork day was on a Saturday and a holiday fell on Monday, as it does eight times during 1977, it would create an almost impossible situation to handle 3 days' mail in one delivery trip. During those weeks mail would be curtailed most of the week until the backlog was finally delivered.

The only logical solution would be to provide auxiliary assistants to the regular carrier on the day following the Monday holiday. In fact, it may be necessary to provide auxiliary assistants each Monday to cope with the double burden of 2 days' mail. This would certainly reduce the estimated savings of time and money on rural delivery routes.

The other alternative would be to curtail mail for several days each week. The reduction of mail service from 6 days to 5 days certainly seems inconsistent with the recommendations that the Postal Service should make dependability of timely delivery its primary service objective. Elimination of 1 day of delivery and curtailment of mail on many of the remaining days certainly does not lend itself to dependability of timely delivery.

In spite of the so-called Postal Service Commission Neilsen Survey, we do not believe that the American people will be pleased with the reduction in service at the same time that postage rates are being increased, and additional appropriations are being made. The Congress of the United States would be placing itself in an untenable position if it allowed such a situation to occur.

We believe the Congress should establish minimum delivery standards for the U.S. Postal Service below which service levels could not be reduced. A decision as important as that of frequency of delivery, 5 or 6 days, should not be made by anyone other than the elected representatives of the people themselves, the Congress.

We recommend that the provisions of H.R. 7700 be adopted, whereby 15 percent of the previous year's operating expenses may be appropriated for public service funds to operate the Postal Service. This would allow for the continued operation of rural delivery, small post offices, and research and development on a 6-day week.

We have supported additional appropriations for the Postal Service from the time it became evident that it could not become self-sufficient and still fulfill its public service obligations. We believe the American people consider the public service rendered by the Postal Service as important, if not more important, as other Government services and are willing to pay for that service. The U.S. Postal Service is the only Government agency which provides a complete mail service or any service for every American.

The fixed amount of \$920 million annual subsidy provided by the Postal Reorganization Act to compensate for public service costs has proven inadequate. Inflation has decreased its actual value, and the amount was probably too low in the first place. The proposed 15 percent, as in H.R. 7700, is far more realistic.

We suspect that there is a greater degree of public service rendered by the U.S. Postal Service than is currently believed. The rural delivery service is a part of that public service cost. It could never become self-supporting if it was dependent upon the revenues generated on the rural routes and in the small post offices. Rural customers are basically recipients of mail rather than senders of mail. We contend, however, that the recipient of mail is just as important as the mailer, even though it is the mailer who generates the revenue. There could be no complete mail service without delivery service to every patron in this land.

Obviously, such deliveries are more costly due to the distances involved and the many miles of travel, but the rapid expansion of rural delivery, after its inception in 1896, played a major role in the history and development of rural America. No one is more appreciative of mail delivery service than those who reside in the rural areas.

Another recommendation which has been offered by a small minority of the Congress and elsewhere is the repeal of the Private Express

Statute on time value letter mail and this proposal, along with the 5-day delivery recommendations, would certainly cripple and destroy U.S. Postal Service.

Loss of the first-class monopoly would mark the beginning of the end of universal postal service that we have come to take for granted. Rural America, whom we serve, would have much to lose if the private express statutes were weakened or repealed. Rates for transcontinental delivery and rural delivery would become prohibitive. Implementation of 5-day delivery would leave the door wide open for private firms to provide delivery service under the conditions set forth in the Postal Commission recommendations to lower the bars on the private express statutes.

The Postal Service has the capability of providing any level of service desired. It should be encouraged—yes, even required—by the Congress to provide a class of service which would make it unnecessary or undesirable for private carriage of time value letter mail.

We agree with those who believe there should be more accountability to the Congress and the President. As an example, we do not believe the Board of Governors should have the authority to effect such a drastic reduction in the level of service as 5-day delivery, which it is now considering as a possibility in the future. We feel very strongly that only the Congress should make that determination. After all, it will be the Congress that would share the burden of the complaints of poor service if this drastic proposal is allowed to become a reality. We believe that the Congress of the United States should make the decision as to whether 6-day delivery will be retained. Resolutions have been voted in both the House and the Senate with overwhelming majorities to retain 6-day delivery.

Many polls have been taken and more will be taken to consider whether the American people prefer 6- or 5-day delivery. We believe that when the proper and honest question is posed to the American people, that they will choose 6-day delivery. The additional cost of 6-day delivery should be only the increase of one-half cent on a first-class stamp.

We shall trust the judgment of the Congress in making the decision on this important issue, but we would hope the concerns which we have expressed here today will be taken into consideration in making that final decision.

Mr. Chairman, our greatest concern today is to save 6-day delivery. I thank you.

Mr. GILMAN. Thank you, Mr. Ray, and we appreciate your having taken the time to come before our committee.

Mr. Lugo, it is a pleasure having you here before us.

STATEMENT OF JOHN LUGO, LEGISLATIVE LIAISON TO THE 26TH CONGRESSIONAL DISTRICT FOR THE NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. Lugo. I am John Lugo, the legislative liaison to the 26th Congressional District for the National Association of Letter Carriers, a district which you so ably represent.

Mr. GILMAN. You are very kind, John, it is a pleasure to have you here today, and we would welcome hearing your thoughts.

Mr. LUGO. Thank you, sir.

Mr. Chairman and members of the committee, our members are well aware of the excellent support given letter carriers and other Postal Service employees by Congressman Gilman. Our national officers in Washington—President J. Joseph Vacca, Executive Vice President Tony R. Huerta, and our former State association president and now, national director of retirees, Ralph Merigliano—have each reported to us the generous assistance you have given in helping us improve the Nation's Postal Service. We are grateful.

Please also accept my personal commendation for your convening this committee in Bear Mountain and for your strong interest in the opinions of Americans as to further attempts to cut back an already severely deteriorated Postal Service.

As a letter carrier, I and my fellow carriers are constantly in close personal contact with our postal patrons. After a few years on a particular route, the letter carrier not only becomes acquainted with those whom he serves, but in many instances, becomes close friends with his patrons.

As a result, we learn earlier than most the views of our patrons as to mail service.

Mr. GILMAN. In many instances it is the only contact many of our constituents have with a U.S. Government representative.

Mr. LUGO. That is correct.

Certainly, we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington or any polling firm which he or the Commission on Postal Service hires.

Therefore, I can tell you with confidence that the postal patrons of this area are angry with the present levels of service they receive and with the constantly increasing costs they must pay for this very poor service.

A proposal then, conceived in far off Washington, that upstate New York postal patrons must pay 3 cents more on an already overpriced first-class stamp, and in addition, will receive 1 day a week less of mail delivery, simply makes no sense to them or to me.

As I have said, I am pleased you are here to learn of our views. But, as often is the case, the person who really should be here for that purpose, the Postmaster General, is back in Washington.

Mr. GILMAN. I hope to be able to communicate your thoughts to the Postmaster General.

Mr. LUGO. Thank you, very much. We really appreciate it.

After all, the Congress and you particularly, Congressman Gilman, have indicated quite clearly they understand the fallacy in this proposed reduction in service. The overwhelming votes in the House and on the Dole-Clark amendment in the Senate in favor of the continuation of 6-day delivery demonstrate that the Members of Congress are aware of public sentiment outside of Washington. That support of high standards of delivery service shows that Congress is listening to the postal patrons in upstate New York and other cities and rural areas throughout this Nation.

That the members of Congress who supported our efforts to retain 6-day delivery were accurately reflecting the views of their constituents was dramatically demonstrated by your committee in both Honolulu and Denver. It is my understanding that your survey of

postal patron sentiment in those two cities earlier last month demonstrated support for Saturday delivery by margins of better than 3 to 1. I believe the patrons in upstate New York will respond in a similar manner to your local survey.

Mr. GILMAN. So far, John, as you know, it has been running 4 to 1 in support of Saturday delivery, and I think we have a total of some 4,000 responses that have been received with more still coming in.

Mr. LUGO. But the Postmaster General is apparently deaf to both the postal patron and to the members of Congress.

The proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more and more, year after year. That is an obvious result of that policy.

Less obvious, but equally compelling, is the impact of this cutback in mail service to the economy of this area.

The loss of postal jobs will be significant. In Newburgh alone, a small office, we have approximately 13 part-time flexibles now fully employed. The no-lay-off clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period. Obviously, no man or woman can earn a living subject to 4 hours every 2 weeks.

These employees, then, would no longer have income as a result of working. The loss to the already hard-pressed economy of this monthly payroll would be severe in a period of decreasing employment particularly.

The cost to our area in providing income to these displaced workers in the way of welfare and unemployment benefits will similarly be unavoidable.

In conclusion, Mr. Chairman, please take back to Washington the opinion from upstate New York, which your previous vote on this issue demonstrates that you share, namely, we are against any further cuts in an already deteriorated Postal Service.

What our area really wants, and what the United States is entitled to, is better, less costly postal service, not worse, more expensive service.

Thank you.

Mr. GILMAN. Thank you, John, and I want to thank each one of you, Mrs. Davis, Mr. Ray, John Lugo, for having taken this time and for so cogently presenting your views.

You are out on the line taking the heat. You are representing the people who are delivering the mail and your views are extremely important to the committee.

I want to commend your organizations for the manner in which they are represented before our committee today and for their advice and suggestions and ideas of how better to perfect the Postal Service for the entire Nation.

I would like to address some questions to the entire panel, and if you could help us with obtaining some information, we would welcome it.

Mrs. Davis, could you tell us whether there are regular letter carriers and T-6's and utility letter carriers or part-time flexibles in your organization?

Mrs. DAVIS. Yes, there are.

Mr. GILMAN. Can you tell us roughly what the breakdown is?

Mrs. DAVIS. No, I can't, but I could have our national legislative director give that information to you in Washington.

Mr. GILMAN. I would welcome it.

Mr. RAY. I assume all of the members of your organization are rural letter carriers, is that correct?

Mr. RAY. Right.

Mr. GILMAN. Are there any utility letter carriers, or T-6's, or part-time flexibles in your organization?

Mr. RAY. We have what we call rural carrier substitutes.

Mr. GILMAN. What percentage of your people are substitutes?

Mr. RAY. We have approximately 50,000 rural routes in the United States, and about 90 percent of those routes have a substitute of their own, each route, one for each route.

Mr. GILMAN. John Lugo, what is your breakdown, any idea?

Mr. LUGO. Well, in the Hudson Valley District, which I represent—

Mr. GILMAN. What does that include, incidentally, John?

Mr. LUGO. Hudson Valley includes New York City on up to Dutchess County, Ulster, and part of Sullivan.

Mr. GILMAN. And all the way back down on this side of the river, down to Nyack?

Mr. LUGO. Rockland, right.

There are approximately some 40-odd offices represented by the Hudson Valley district. There are approximately over 10,000 letter carriers represented. So, it is hard for me to figure how many p.t.f.'s, but I could get you the information.

Mr. GILMAN. If you could just break it down, we would welcome it. Could you tell us the differences between the classes of carriers, John?

Mr. LUGO. We have in our office, now I am talking about the Newburgh office some 60 some-odd carriers.

Yes. We have the regular carrier. You have the part-time flexible, and right now we have what they call casuals. We have the motor vehicle service.

Mr. GILMAN. Can you tell us what the difference is between those categories?

Mr. LUGO. The regular carriers are route carriers and have a fixed assignment. He has his own route which he works 5 days a week, 40 hours a week. Then you have your part-time flexibles. They have no guarantee other than 2 hours a day. And you have your interstation run in our office, and the casuals are doing that now.

Then you have your T-6's, which I mentioned before. These gentlemen know five routes, five different routes, and they work them on scheduled days.

Mr. GILMAN. What is the seniority difference amongst these categories in relationship to other carriers in the facility?

Mr. LUGO. There is no difference. It is on an employment basis where your difference is determined for fixed assignments and such.

Mr. GILMAN. What are the usual work days for the carriers?

Mr. LUGO. We have what we call a compensatory system, which means I get a day off during the week in lieu of working Saturday.

Mr. GILMAN. So it is a 5-day week, is that it?

Mr. LUGO. Right, it is a 5-day week. This week my day off was yesterday, a Monday.

Mr. GILMAN. That varies each week?

Mr. LUGO. It varies every week. Next week it will be Tuesday.

Mr. GILMAN. Is that the same for the rural carriers?

Mr. RAY. The rural carriers are in three classifications beginning with one which carries 6 days a week; and a heavy-duty route, which carries 6 days a week; and then what we call a K route, routes over 46 hours. They have 1 day off every other week. and the substitute carries that week, which is usually, a Saturday.

Mr. GILMAN. Do they vary the days off?

Mr. RAY. It is usually a Saturday.

Now, I have what they call a K route, which evaluates 53 hours, which is 5 days. The regular carrier works 5 days. The substitute works every Saturday.

So, if they cut out Saturday delivery, my substitute, for one, would lose 1 day's work every week.

Mr. GILMAN. Now, if there were part-time flexible carriers, would you be in favor of 5-day delivery?

Mr. LUGO. No, no way. They would be out of a job.

And, as you know, if I may interject here, that over 60 percent of the Orange County welfare rolls are in Newburgh. We don't want any more.

Mr. GILMAN. Mr. Ray?

Mr. RAY. Well, a lot of our substitutes have taken routes because they do get either one Saturday every other week or one Saturday every week. Otherwise, the only time they get any work is when the carrier is on vacation, which is usually 2 or 3 weeks during the summer, and maybe 2 weeks at Christmas. It is very hard to retain a substitute on a rural route if he only gets approximately 5 weeks work a year. You may wake up in the morning and something happens, you just can't make it, you have to have somebody.

In the rural community it is a little different, because there are no streets and addresses, you just have to know the people, and it is very difficult to bring a person in on a rural route who is not trained for that particular route, and have him carry the route.

Mr. GILMAN. Mrs. Davis?

Mrs. DAVIS. We are still opposed to the cut, no matter what you do with the substitutes. The required 6 days, we believe we should have it.

Mr. RAY. I have a gentleman who just moved up to my route from Congers, New York, and I talked with him to get some information about this area before I came down here.

I have several business places on my route, several farmers' places who get machinery parts and this type of thing on Saturdays, and they are very much, very much opposed to this, any cut at all of Saturday delivery.

Mr. GILMAN. If there was very little seniority with a strong possibility of being excessed, how would you then feel about 5 day delivery?

Mr. RAY. Actually, I think the public deserves better than that, frankly.

Mr. GILMAN. Mrs. Davis?

Mrs. DAVIS. I did not understand your question, Congressman.

Mr. GILMAN. If there is little seniority amongst your ranks, with a strong possibility of being excessed, would you still favor a 5-day delivery?

Mrs. DAVIS. No.

I would like to qualify that. I have seen that excessing work, and it is just part of what I was saying earlier to you, what happens to the carrier employee.

When you speak of excess, Congressman, you are talking about sending someone within a radius of 150 miles of their present installation. Now, that could mean travel every day to and from that place. It could mean relocating. It could mean a lot of things to a stable family, and the ultimate result of it is that the employee that is being excessed, no matter what the outcome is, will give up his job because he cannot afford that distance.

So, the excessing would not in any way save the economics or the job stability of the community.

Mr. GILMAN. Mr. Lugo?

Mr. LUGO. I think all you would be doing in that case would be delaying the inevitable layoff. The person would be out of job, because if there is no mail delivery, what is to say there is mail delivery somewhere else on Saturday.

Mr. GILMAN. Can you tell me whether in your respective areas of service, if there was no Saturday delivery, how would the accumulation of mail affect deliveries on Monday? Would it require additional personnel, would it create hardships in the post office, would they be able to handle the additional workload?

Mr. LUGO. Yes, it would be utter chaos. We have delays now. There would be no improvement whatsoever. It would be actually utter chaos.

Mr. RAY. Especially around the first of the month, it is a madhouse.

Mr. LUGO. You know, that mail in transit doesn't stop. It just keeps moving and moving. You are going to get it eventually. Where are you going to put it if you are not there?

Mr. GILMAN. It is going to back up there?

Mr. LUGO. Certainly.

Mr. RAY. Also, they recommended there would be no delivery, and there would be window service. The only way to have window service is to have a crew come in there and sort all of that mail on a Saturday. That is the only way you can get window service.

Mr. GILMAN. In essence, what you are saying is that as long as you are sorting the mail, you might as well deliver it?

Mr. RAY. Well, it has to be sorted to every route. When a man comes in there on Monday, the mail is sorted to his route, because it has to be sorted to his route. The entire amount of mail has to be sorted in order to get that mail into the window.

Mr. GILMAN. And the carriers do the sorting?

Mr. LUGO. No; the clerks do the sorting. The clerks do the sorting.

Mr. GILMAN. Will that create some hardship then, if the mail is sorted and not delivered? How does that create a problem? Does that create a problem in the storage of mail?

Mrs. DAVIS. I am not a carrier, as these two gentlemen are. I do work inside an installation, and precisely this would happen.

You have a scheduled timing for receipt of mail in order to get it on the street the next day. Now, you take mail that is received in an installation on Friday morning at roughly 6 a.m., it has a chance of being out on that route by 9 o'clock when the carrier takes it out.

If you go to a 5-day week, mail received in that office on Friday morning by 6 a.m. would still make that 8 and 9 o'clock delivery, but mail arriving in that office at 8 would lay in that office from Friday until Monday.

Now you have the same schedule of mail being received in an installation on Saturday and on Sunday, and unless the post office is prepared to say, hey, we are going to isolate Friday's mail to make certain it gets out Monday, I would almost assure you that mail that arrived here on Friday would still be waiting to be distributed to a carrier on a Tuesday, and that is not to say what would happen to the other generalities later on.

Let me ask the panel, do you have any other thoughts with regard to the Postal Service, aside from the 6-day delivery issue, that you might want to put on the record?

Mrs. DAVIS. Yes, Congressman.

I have always been puzzled that in the many hearings held on Capitol Hill about the postal budget and postal deficit, the complaint is that 85 percent of that budget goes to salaries for us employees.

However, I never hear any talk of that capital budget which they also have which allows them to build these mail factories around the country, to staff it, and equip it with machinery that, as you know from some of Congressman Wilson's investigations, has not worked or done the service that has been required.

I would like to believe that under H.R. 7700, with Congress having direct responsibility and input into the expenditures of the Postal Service, that there would be a way that we would take an overall look at the total budget and stop putting the blame on expenses of the salaries of postal employees. I do not believe we deserve that injustice.

Mr. GILMAN. I certainly endorse that proposition. You are probably aware that in H.R. 7700 there is a provision that for any capital construction of \$9 million or more, Congress would have a direct voice in approving such an expenditure. I think that is a step in the right direction, and perhaps we should be going even further.

Mrs. DAVIS. It certainly is, and hopefully you will find that the money expended does not necessarily include our salaries, but other areas found in the fat pared off the bone.

Mr. GILMAN. Thank you, Mrs. Davis.

Mr. RAY. There seems to be quite a lot of controversy about the fact they have to subsidize the Postal Service. A lot of people have lost, I think, the overall picture of what the Postal Service is, and they have taken the word service out of the Postal Service.

The Postal Service was never intended to be a profit-making organization. It was intended strictly as a service.

Now, the Federal Government, as you know, subsidizes railroads, airlines, tobacco growers, farmers that don't grow corn, and they seem to me to just get up tight when they have to subsidize the Postal Service, and really, it is a service.

Like I said in my report, it is the only Government service that gives service to every person in the United States.

Mr. GILMAN. Mr. Lugo.

Mr. LUGO. Yes; I believe that the only thing that we have to sell is the service. Let's give the American people the best and least expensive services possible.

Mr. GILMAN. Again, I wish to thank the panel for taking the time to come here today, particularly in this bad weather and with the long distances that you had to travel.

You have always been helpful with my work on the Post Office Committee. Letter carriers come down to Washington quite regularly, and we hear from the Rural Letter Carriers Association and the National Alliance. We certainly welcome having you with us today. [The following statement was presented for inclusion in the record:]

PREPARED STATEMENT OF SAM PALMER, PRESIDENT OF ROCKLAND AND ORANGE AREA LOCAL, AMERICAN POSTAL WORKERS' UNION

Everybody in these United States has something to lose if the Postmaster General is allowed to get away with his 5 Day Delivery Scheme. We need to enlighten the public on this score. It won't just be postal workers who'll be sold short.

If Saturday delivery is done away with, for example the public will face three consecutive days without mail each time we have a Monday holiday, which is almost every holiday as it is observed today.

For working people a five day delivery week diminishes their one-in-six chance of being home the day a registered letter or package too big for the mail box arrives.

Daily and weekly newspapers will be among those stepped on by the proposal curtailment. For example the DeMoines Register sends over 54,000 papers a day through the mail. A small paper like the Bloomington Illinois [Pantagraph] sends 12,500 daily through the mail. Fargo H. D. Forum distributes circulation of 58,000—24,700 daily via the mails. Wall Street Journal—Times, the subscribers to these and literally hundreds of other newspapers generally get their thursday paper on friday—doing away with the saturday delivery, however, their friday and saturday paper won't arrive until monday—and possibly their thursday paper too: Will subscribers want—and read—two or three papers on the same day—will they pay for two? or three?

The New Haven, Conn. [Register] is concerned editorially about interruptions. A five-day delivery schedule will create in the scheduled flow of literature, comics, columns, news releases and numbers of other elements of the newspaper that now move from the primary sources via the post office. The [Register] states that there is no other satisfactory and economical way—at least for now—to get such materials into the hands of the newspapers “concludes the Register”.

In fact the news in itself will be “hurt”.

In this age of the automobile, agricultural “neighborhoods” may consist of families living 30 miles apart. For those families an acquaintance who died on a Thursday say, would be buried before the newspaper listing his death is delivered, and obituaries are a news element unique to newspapers.

There is no exact count on businesses that count on Saturday deliveries. But there are big mail order concerns whose employees come to work Saturdays, to process newly delivered mail: a cut back in their work force would seem to be inevitable. Maybe some would welcome the day off; others would surely miss the extra pay.

The examples seem endless and we haven't mentioned about the impact on our own ranks.

Excess carriers into the A.P.W.U. crafts would be only the start, the harm would be wide spread, especially among younger workers and those with the least seniority among the part time flexies.

The ending of six day delivery would make about as much sense as turning off electric power one day a week or shutting down the telephone service a part of the day.

Lets have the priority put on public service and not meaningless profits and savings.

Mr. GILMAN. Our next witnesses will be another panel consisting of postal supervisory personnel and postmasters.

Richard Genovese, National Association of Postal Supervisors. It is good having you with us, Mr. Genovese.

Bill Dietz, president, New York State Chapter, National Association of Postmasters. Mr. Dietz, it is a pleasure having you here.

Francis Brophy, postmaster of Stony Point; Archie Davidson, postmaster of New City; Anthony Maiorano, postmaster of West Haverstraw; Mr. Pavone, postmaster of Bear Mountain; Aloys Smith, postmaster of Garnerville.

Mr. DIETZ. Mr. Smith and Mr. Maiorano are not here.

Mr. GILMAN. Gentlemen, when you do testify, if you would, be kind enough to identify yourself for the record, and I thank you for appearing here today. I hope that the postal service in the district is not affected by having all of you good supervisors and postmasters out here with us today. But, your thoughts, in turn, will certainly be of benefit to my committee.

I will start at the end of the table, and if you would identify yourself, we will welcome receiving your views.

STATEMENT OF ARCHIE DAVIDSON, POSTMASTER OF NEW CITY, N.Y.

Mr. DAVIDSON. My name is Archie Davidson, postmaster of New City. I would like to refer to Mr. Dietz to lead off this since he is our State president.

Mr. GILMAN. All right, Mr. Dietz will lead off.

STATEMENT OF BILL DIETZ, PRESIDENT, NEW YORK STATE CHAPTER, NATIONAL ASSOCIATION OF POSTMASTERS

Mr. DIETZ. I am Bill Dietz, and I am the president of the New York State Chapter of the National Association of Postmasters of the United States.

Congressman Gilman, I would like to thank you for this opportunity to testify on the question of curtailing Saturday mail delivery.

The postmasters of the United States are dedicated to give the American people the best possible mail service. Therefore, I feel it is my duty as president of the New York State chapter of the National Association of Postmasters to speak on behalf of the retention of 6-day delivery of mail.

First, I would like to state that we are talking about an industry that serves 216 million to 217 million persons, without which commerce and industry in this country of ours would not exist.

The curtailing of Saturday delivery would only help to further deteriorate the Postal Service, the thing postmasters have been fighting against day in and day out.

Now, in addition to the 60,000 jobs that have been eliminated since reorganization, plus the 42,000 jobs they want to cut, the delivery reduction to 5 days a week, in addition to depriving the American people of the service they are entitled to, you will throw an additional 20,000 postal employees out of work. How many of these families will end up on the public assistance rolls?

Now that our national holidays fall on a Monday, the curtailment of Saturday delivery would cause additional problems. The amount,

of mail that flows into our office now on a Tuesday after a Monday holiday is tremendous. If the Saturday delivery of mail is eliminated, the amount of mail that could be delivered on Tuesday will be insurmountable.

I believe we should be all working toward a better postal service in order to make it the best postal service in the history of our country.

Mr. GILMAN. Thank you, Mr. Dietz, and I hope that you would be kind enough to submit a written statement for the record. We would appreciate having it.

Now, I will call upon any of the other panel members who would like to make a statement. Mr. Genovese?

**STATEMENT OF RICHARD GENOVESE, PRESIDENT, TRI-COUNTY
BRANCH 437, NATIONAL ASSOCIATION OF SUPERVISORS**

Mr. GENOVESE. My name is Mr. Genovese. I am president of the Tri-County Branch 437, National Association of Postal Supervisors, and the 10th District New York State vice president, also.

Mr. Chairman and members of the committee, I would like to thank you for inviting me to participate in this hearing on behalf of the members of Tri-County Branch 437, National Association of Postal Supervisors.

My particular branch covers a large geographical area, which includes all of Rockland, Sullivan, and parts of Ulster County. These counties cover both city and rural type delivery of mail.

I would first of all like to state that we firmly believe the Postal Service is a service and should be a service run for and in the best interests of all persons.

If the Postal Service is to remain in the role of providing service, it cannot be done under the continued concept of break even.

Rural areas where providing service to customers tends to increase costs of that service versus metropolitan areas certainly should not be treated as second-class citizens when it comes to receiving mail.

Any reduction of service, especially delivery days, can only extend the period of time that residents of both rural and metropolitan areas can expect to communicate with the rest of the world. This, to me, is going backward in time.

The United States has graduated over the years to modernization of transportation, more effective communication, higher level of living with resultant levels of luxury. The thought of going backward in time to reduce service provided by the U.S. Postal Service is to say that only certain areas of this great country can go forward.

This is contrary to the American way of thinking. Instead of looking to reduce the number of delivery days, the Postal Service should be looking for the concept of providing more service nationwide.

Any reduction of services, whether it be less days of delivery, less window hours, less post offices to serve all areas, et cetera, can only mean in the end that one of the basic principles that has enabled this country to become a world leader, a good communications service for everyone, would result ultimately in no postal service or one of a limited nature at best, and will reduce the greatness of this land.

Thank you, Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Genovese.

Do any of the other postmasters wish to make some comment at this time?

STATEMENT OF FRANCIS BROPHY, POSTMASTER, STONY POINT, N.Y.

Mr. BROPHY. My name is Francis Brophy, I am the postmaster of Stony Point.

I am not prepared to make a statement, but I would wish to state that I concur with what Mr. Dietz and what Mr. Genovese stated.

Mr. GILMAN. Thank you, Mr. Brophy. Do not hesitate, if any of you wish to comment on any other issue besides the question of 6-day delivery.

**STATEMENT OF GAETANO PAVONE, POSTMASTER OF
BEAR MOUNTAIN, N.Y.**

Mr. PAVONE. I am Gaetano Pavone, the postmaster of Bear Mountain.

I am concerned about Saturday delivery because of the children in the camps at Bear Mountain, and whose only contact with their families during the summer months is through the U.S. mail.

Now, this concerns 41 organizational camps, such as fraternal camps, service camps, and charitable organizations. There are approximately 6,300 children there each day for a 2-week period, and it makes for about 31,000 people using the camps for the entire summer. I am concerned that these people, in being out of communication with their parents, could create a serious hardship on the families and on the children.

Mr. GILMAN. Your population increases to over 30,000 in the summertime?

Mr. PAVONE. That is right, sir. Those are campers.

Mr. GILMAN. What is the normal population that you serve?

Mr. PAVONE. Well it varies with the season. During the summer it could be 31,000. If you consider the visitors, it runs into the millions, but actually 9 months of the year it is between 500 and 1,000 people.

Mr. GILMAN. I assume that the Palisades Park Commission, which has its main office here, also has a substantial amount of mail.

Mr. PAVONE. Yes, it is considerable.

Mr. GILMAN. Do you have any idea of what that volume is?

Mr. PAVONE. I would say they use about \$12,000 worth of postage each year, and most of it is first-class mail.

Mr. GILMAN. Mr. Dietz and Mr. Genovese, could you tell me whether either one of your organizations have been contacted by either the Neilson survey or the Postal Commission with regard to this issue of 6-day delivery?

Mr. DIETZ. No, I have not been contacted, no.

Mr. GENOVESE. Not to my knowledge, no.

Mr. GILMAN. Do you know if any of your members had any contact at all?

Mr. DIETZ. I do not know.

Mr. GENOVESE. No.

Mr. GILMAN. Were you surprised by the results of the Neilson survey, which indicated that 80 percent of those surveyed were in favor of reduction of service from 6 to 5 days?

Mr. GENOVESE. Yes.

Mr. DIETZ. Absolutely.

Mr. GILMAN. Of course, you are aware of the results of our poll so far, which is running about 4 to 1 in favor of retaining the 6-day delivery.

For that, incidentally, I wish to thank our postmasters in our area for delivering the results to me in such a rapid manner. It was a questionnaire that went out about 1 week ago, and I have received a quick response, and I do appreciate how quickly you have responded in turning the responses over to my office. We will continue to compile the statistics for the committee.

Mr. GENOVESE. Congressman Gilman, we did not get the survey cards in our area.

Mr. GILMAN. We only sent the questionnaires to the smaller communities and to the rural areas. We did not have sufficient budgeting to mail them into the city areas.

Mr. GENOVESE. I see.

Mr. GILMAN. We counted on the news services to encourage people to respond in those areas.

We have gone mostly to the smaller communities throughout our district. We mailed out 50,000 inquiries throughout our congressional district.

Mr. DAVIDSON. Bill Dietz, in his report, stated that getting mail on Tuesdays with Saturday closing and a Monday holiday would be insurmountable. I do not think that word is strong enough. It is almost impossible now for most offices to get the mail out.

We do get it out on a Tuesday when we have a Monday holiday, but I for one hate to see a Monday holiday in the Postal Service, because the carriers have a terrific load on Tuesday. The clerks have a terrific job getting the mail to the carriers. It is almost a physical impossibility.

If Saturday was taken away from us, then the public would suffer tremendously.

Mr. GILMAN. What would Monday be like in your post office if Saturday mail were curtailed?

Mr. DAVIDSON. Well, Monday would be very similar to the way a Tuesday is now on a Monday holiday, but more so, I believe.

Mr. GILMAN. Would that require additional personnel?

Mr. DAVIDSON. On occasions it does, yes.

Mr. GILMAN. Is that backlog serviced throughout the week?

Mr. DAVIDSON. Not really, we are able to get it out, but it is the tremendous volume that builds up.

Mr. GILMAN. If the Saturday mail were delayed, would this mean a loss of employment in your post offices?

Mr. GENOVESE. Definitely.

Mr. DIETZ. Definitely.

Mr. GILMAN. What percentage of total employees would be eliminated, any idea?

Mr. DIETZ. In our area, I figure roughly between 100 and 110 people.

Mr. GILMAN. When you say area, Mr. Dietz—

Mr. DIETZ. Your area, I should say.

Mr. GILMAN. My congressional district?

Mr. DIETZ. Your congressional district.

Mr. GILMAN. Mostly letter carriers?

Mr. DIETZ. No; not the letter carriers. Some of the regular letter carriers would be pushed back into the post office, and then the temporary people in the post office would be the ones to lose the jobs. We can't fire the regular employees. They have the job.

Mr. GILMAN. Any other comments, gentlemen, that you would care to make?

Mr. DAVIDSON. There is one other point I would like to bring out, Mr. Gilman. The senior citizens and those people who receive social security checks on the third of the month, normally, I don't want to be misunderstood when I say this, but I checked, and in 1977 there were only two Saturdays that fell on a third and there was only one Saturday which is in June, that is going to fall in 1978. They don't have to worry about not getting their checks on the third.

Mr. GILMAN. What about the other pension systems, the veterans and railroad retirement?

Mr. Davidson. Most of those come through on the first of the month.

Mr. GENOVESE. The first of the month.

Mr. GILMAN. Of course, that can fall on a Saturday.

Mr. DIETZ. Yes.

Mr. GILMAN. Gentlemen, I wish to thank you for appearing and showing the interest and concern that you have for the Postal Service. We do hear from you periodically, and for that we are appreciative; and through your association we hear from you, and we hope you will continue that flow of information, ideas, and suggestions.

Thank you for appearing before us.

Mr. GILMAN. Our next witness is Charles E. Wille, representing the New York State Farm Bureau.

Mr. Wille, it is a pleasure having you with us.

STATEMENT OF CHARLES E. WILLE, MEMBER OF BOARD OF DIRECTORS, NEW YORK STATE FARM BUREAU

Mr. WILLE. Thank you.

My name is Charles E. Wille. I own and operate a commercial dairy farm in Montgomery, N.Y. I am a member of the board of directors of the New York Farm Bureau, and the views I express today are those which the organization adopted at their annual meeting on December 8. This policy is in general agreement with the present American Farm Bureau policy.

In their policy statement, the 19,000 New York members requested an immediate and indepth study of the entire Postal Service. Our members support programs to provide efficient, essential mail service to rural America. The elimination of Saturday mail delivery is contrary to that policy.

Daily receipt of mail in our rural areas is such an institution that any change in this regard will require a major social adjustment by the rural community. Rural residents look to the mail service to provide them with a steady, continual flow of news and business information.

Farmers, right or wrong, do not operate on a 5-day week. Receipt of crop and market information on Saturday is as important as on any other day of the week. Receipt of business correspondence on Saturday permits weekend analysis by the small businessman and enables him to make timely replies.

We have watched the banking industry expand the concept of Saturday banking. We have watched expanded weekend shopping moving rapidly ahead. Yet, we find the Postal Service recommending curtailment of Saturday service. To me it sounds contrary to modern thinking.

The Postal Service claims large savings through a reduced work force, if Saturday deliveries were eliminated. However, it seems logical that additional help would probably be used on Monday to clear the backlog of mail. If not, logic would indicate lengthy delivery delays would result. We all know how undependable postal deliveries are. For goodness sakes, let's not do anything which will add to these delays.

In some areas mail is received well into the afternoon. For some, receipt of checks on Monday, rather than Saturday would delay bank deposits a full day. Those who depend on mail orders and written advance reservations would be greatly inconvenienced and could well suffer economic losses. Mail deposited Friday in the so-called overnight delivery zones, would be delayed until Monday, an unacceptable delay.

It is my opinion that large businesses with sophisticated communication equipment would not be affected as much as a farmer or home resident.

The Farm Bureau believes major savings are possible, not by curtailing service, but by encouraging efficiency throughout the systems. During our recent meeting members expressed concern that inefficient offices of all classes were permitted to operate. Inefficient offices relatively near one another could well be combined. Job losses could then be handled through attrition and transfers without causing undue hardship on employees. Farmers have learned to survive by practicing efficiency in their entire operation. This is why we believe the entire system should be reviewed, rather than one segment at a time.

Mail arrival provides a certain air of excitement in every household, particularly for the elderly. Just watch the sparkle in the eyes of a senior citizen when they see the mailman arriving. Why destroy part of their life when there are alternatives?

Congressman Gilman, we commend you and your committee for holding these hearings, thereby giving us an opportunity to express our views.

I would like to make a couple of additional comments. One, that this has been rather short notice and my statement was prepared without the usual assistance that we do look for from our staff people, and in all probability there will be additional comments from staff and also from the American Farm Bureau. I am certain they will respond in due time. So, at this point we would like to leave the door open for additional comments.

Mr. GILMAN. We certainly would welcome any additional comments, and as we indicated before, the record will be kept open through

January to give you the opportunity to submit any additional statements.

We also welcome receiving the views of the Farm Bureau at these hearings, and it is particularly timely since you have just adopted your statewide policy on Saturday mail.

Some of the agricultural community, particularly our dairy farmers, have called upon me with regard to the proposed curtailment of postal services. They indicated that they received their milk checks twice a month, and that these checks are substantial. Many of them are working pretty close to the margin, and if there was any delay in receiving the checks, it could seriously affect their business operation.

Could you comment on that, Mr. Wille, for us?

Mr. WILLE. Surely.

Our particular market sends a check once a month. I do know that a great many do send checks twice a month, but in our own particular case, which is Dairylea, they go to great lengths to see that you do have the check on the 25th. At times they have even sent carriers out through the countryside to drop the checks in the appropriate areas to be certain that delivery would be made on the 25th.

Most of us gear our entire operation to the receipt of that check and making a very timely deposit. As a matter of fact, most of the times the checks have already been made out and we are just covering them. So, this is rather crucial.

I am sure we could adjust to some changes, but that would be a little hard to do.

Mr. GILMAN. Could you give us an idea what the average milk check totals for a dairy farm in our region?

Mr. WILLE. Oh, if you have a \$3,000 milk check, you are on the low end, and I would say you could go up to \$20,000.

This is a monthly check. So, I would say the average would be \$5,000 to \$6,000 a month.

Mr. GILMAN. And, if there happened to be a 3- or 4-day delay, that could materially affect the business operation?

Mr. WILLE. It certainly would.

Mr. GILMAN. Do you have any other comments with regard to the U.S. Postal Service, Mr. Wille?

Mr. WILLE. Only to the extent that I was chairing the portion of the meeting when this discussion came up in Rochester, and it is a subject that was dear to a lot of hearts. We got into a lot of conversation on the inefficiencies in the Postal Service, and particularly in this area, of closing of possibly some offices.

The general consensus of those folks is that they are not opposed to closing certain offices, but we cannot make a statement covering this in blanket form, because in some areas there is only one post office in a 40- or 50-mile area.

We wouldn't want to say you should close every office, but we do think there are some economies in this direction, and we would like to pursue this further.

Mr. GILMAN. I appreciate your coming, and as you probably know, the Congress, in its last session, passed legislation requiring a local hearing before any post offices in that area are closed, in order to give the people an opportunity to be heard with regard to such closings.

Mr. WILLE. We are aware of this, and we appreciate that.

Mr. GILMAN. Again, Mr. Wille, I want to thank you for attending on such short notice, and for the submission of your views.

If you have any additional comments, I would certainly welcome them.

Mr. WILLE. Thank you.

Mr. GILMAN. Our next witness is Louis Rodarte, Orange County Taxpayers Association.

It is a pleasure having you with us, Mr. Rodarte, and it is good to have the Orange County taxpayers represented here at this hearing.

LOUIS RODARTE, REPRESENTING THE ORANGE COUNTY TAXPAYERS ASSOCIATION

Mr. RODARTE. First of all, I would like to qualify myself as a former post office employee with 7 years of service.

I can truthfully say that the curtailment of the present 6-day to 5-day postal service would seriously hurt the country's economy. Billions of dollars are at stake because industry and business will always be a day behind every week on their correspondence, business orders and transactions normally carried out on Monday.

It is bad enough that the handling of mail today takes longer to deliver than it did 10 or more years ago when older methods and equipment were used. So why should the hard-working taxpayer suffer a setback on mail deliveries because of the incompetent post office bureaucracy to save a mere \$400 million a year is a laugh in comparison to the Federal Government that wastes and throws away billions of dollars every year without even batting an eyelash.

Further, if the present postal management system were to be sanitized and stop excessive waste, unnecessary waste, it could save over \$1 billion every year without curtailing the present 6-day postal service.

With the many years of experience in management, I can show and prove to the Post Office Department how it can be done.

I say let's keep a 6-day service on. Thank you.

Mr. GILMAN. I appreciate having your comments, and I certainly welcome any suggestions on ways to save money that you have in mind. The Post Office Committee is continually exploring those avenues. So, if you do have some thoughts about it, Mr. Rodarte, I hope you would put that in writing to us.

Is there any other comment you would like to make with regard to the Postal Service besides the 6-day delivery issue?

Mr. RODARTE. The only thing I can say is years back we had a wonderful postal service. Today I cannot say that any more.

Mr. GILMAN. Are you a small businessman as well, Mr. Rodarte?

Mr. RODARTE. I was. I am not in business at this time.

Mr. GILMAN. Do you feel that the elimination of the extra day of service on Saturday would affect our small businesses? We have heard from some of the larger industries in our area, and their concerns. Would it also affect the smaller businesses in our area?

Mr. RODARTE. Yes, it would, because small business depends on the mail.

Mr. GILMAN. They also receive a portion of their income and revenue by mail.

Mr. RODARTE. That is true.

Mr. GILMAN. And, of course, the payment of bills goes out in the mail.

Mr. RODARTE. Right.

Mr. GILMAN. Are you speaking on behalf of the Taxpayers Association?

Mr. RODARTE. Not per se, because I haven't consulted with the membership. I did not have enough time to consult with the membership, but I speak for myself.

Mr. GILMAN. Will you be consulting with your membership with regard to this issue?

Mr. RODARTE. Yes.

Mr. GILMAN. And, will we hear whether the membership endorses the continuation of Saturday mail?

Mr. RODARTE. Right.

Mr. GILMAN. How large a group is the Orange County Taxpayers Association?

Mr. RODARTE. Offhand, I cannot tell you, because I haven't had the last count on it; but it is quite large.

Mr. GILMAN. We will be keeping the record open on into January. So, if you do have any further comments, and if you would care to send us any resolution adopted by your organization, we would welcome receiving it.

Thank you very much for taking the time to appear today.

We will now call upon officials of the town of Newburgh. Mr. Donald R. Becker, town attorney of Newburgh; and Robert J. Kirkpatrick, councilman, town board of the town of Newburgh.

STATEMENT OF ROBERT J. KIRKPATRICK, COUNCILMAN, TOWN BOARD OF THE TOWN OF NEWBURGH

Mr. KIRKPATRICK. Congressman Gilman, as a councilman representing the town board of the town of Newburgh, I wish to thank you and your committee for affording the members of the public of this area the opportunity to make their thoughts known to the U.S. Congress regarding the workings of the Post Office Department.

I realize that the prime subject of today's hearing is the proposal to eliminate Saturday mail delivery. However, I do not wish to limit my remarks solely to that subject since our town board believes that there are additional matters related to the Postal Service which must also be addressed.

The elimination of Saturday deliveries would just erode away another service to the public. Everyone will be inconvenienced by such a move, especially the millions of businessmen who work a 6-day week and who will be forced to wait 3 days between deliveries.

The Postal Service maintains that many millions of dollars a year will be saved mainly due to a reduction in work force which it claims will result. I have observed too many occasions where schemes such as this were espoused in the interests of economy, only to find later that the costs not only failed to decrease, but actually multiplied. If there were no Saturday delivery, the volume of mail delivered during the week would have to rise, postal carriers would complain that they were being overburdened and sooner or later the work

force would be increased rather than lessened. There is no justification for the elimination of Saturday delivery.

The town board of the town of Newburgh believes that the Postal Service must be reorganized so that it will be responsive to the true needs of the people rather than to the whims and fancies of faceless bureaucrats who appear to have as their prime objective the enhancement of their own position rather than the fulfillment of the requirements of the American public.

We in the town of Newburgh, as you know, Congressman Gilman, have and are experiencing problems with the so-called Service. We have been attempting for many years to get a full service branch post office in our community of 24,000 people.

The CHAIRMAN. And we hope we are going to be eventually successful in that request.

Mr. KIRKPATRICK. Wonderful, and I sure hope so, and so do 24,000 people.

At this time we have none, despite the fact that communities a tiny fraction of our size have one or more post offices.

The Service has reneged on promises made to us as late as 1975 that we would have a post office branch. Now, we are met with what has so far been an unyielding denial to all of our entreaties for a true post office, full service branch.

The town board of the town of Newburgh feels strongly that something must be done to insure that the Postal Service is a service in more than just name alone. If this requires legislation such as you, Congressman Gilman, have introduced, which would give the President and Congress more control over Post Office operations, then so be it.

The above remarks were given on behalf of the town board of the town of Newburgh.

Mr. GILMAN. I appreciate your comments, Mr. Kirkpatrick.

With regard to the status of the Postal Service in the town of Newburgh, as you know, I have now gone beyond the local and regional postal authorities, and have appealed directly to the officials in Washington to conduct an in-depth study of the town of Newburgh's needs, and I presented your arguments to them and I am hoping that as a result of that additional review, eventually we will be able to obtain the kind of service that the local community and the local officials of the town of Newburgh are seeking. -

With regard to your legislative suggestion regarding more control by the Congress over the Postal Authority, that is essentially what H.R. 7700 is all about, which is presently before the Congress. I am hopeful that a major portion of that bill will be adopted by the Congress eventually, and that there will actually be some type of reform adopted in this session of the Congress.

Many on the Post Office and Civil Service Committee feel very strongly about H.R. 7700.

I would like to ask of you with regard to the extra day of delivery, as community officials, as officials of the town of Newburgh, do you feel that there would be any deterioration in town services as a result of the elimination of Saturday delivery?

Would there be any hardship on the town itself, the municipality?

Mr. KIRKPATRICK. Well, of course, in town government we are actually closed, as far as our administrative portion of our business, from Friday through Monday morning, but may I answer in this way, Congressman. I can give you a very descriptive application of how the elimination of Saturday mail could affect the private businessman.

My profession is real estate appraiser, and I have been so for many years. One of my accounts is the Veterans' Administration.

The Veterans' Administration has a very hard and fast rule that from the day of receipt of the appraisal request by the appraiser, that he must complete his appraisal and send it back within 5 days, disregarding weekends as an excuse not to comply with the 5-day rule.

Now, many times I receive appraisal requests on a Saturday delivery at 1 o'clock in the afternoon, and I call the realtors because the realtors work on Saturday, and I pave the way so that first thing Monday morning I can get out into the field and do my work.

Now, if I do not have this Saturday delivery, it is just going to possibly cost me 1 more day's time, and in the whole spectrum of things, there will be 1 day lost right along the way, reaching up to the veteran who is purchasing his home.

So I think that is a very practical effect of not having a Saturday delivery.

Mr. GILMAN. I appreciate your comment.

Mr. Becker, would you care to comment on the issues?

STATEMENT OF DONALD R. BECKER, TOWN ATTORNEY OF NEWBURGH

Mr. BECKER. The point Mr. Kirkpatrick has stated is really the position of the town board. And, as you know, on the Post Office Department having a branch in the town, you know our feelings on that and you know that we are preparing information which we believe will prove, or should prove to anyone who does not already have their mind made up, that the town of Newburgh is deserving of a post office.

But, as far as the subject of today's meeting, I believe that Councilman Kirkpatrick has stated the views of the town board of the town of Newburgh and that is who I am representing here today, also.

Mr. GILMAN. I thank you for preparing the document I look forward to receiving from the town.

Incidentally, Mr. Kirkpatrick, you testified that the Postal Service maintain that a considerable amount of savings would result from a reduction in services, and then you raise the valid point that on too many similar occasions such schemes do not actually result in those kinds of anticipated savings.

I might mention to you that mail was delivered twice daily by the Postal Service until 1950 when Postmaster General Donaldson then eliminated afternoon residential delivery. At that time, he claimed to have saved some \$50 million a year, and despite the changes which coincided, incidentally, with fiscal constraints of the Korean war, postal costs continued to increase. Costs rose as much as \$100 million in fiscal year 1952, the first full year after Donaldson cut out afternoon delivery. So, I thought your comment was quite pertinent.

Mr. KIRKPATRICK. Very good. Again, thank you very much, Congressman, and I think you are doing a great service to our com-

munity by having such a hearing today, and hopefully, the right results will come from this meeting.

Mr. GILMAN. I appreciate your kind remarks, and thank you gentlemen, for taking time out from your busy schedules to appear with us today.

I call on Alfred Friedle who is representing the town of Highland's Businessmen's Association.

Mr. Friedle, it is a pleasure having you with us.

STATEMENT OF ALFRED FRIEDLE, CHAIRMAN, LEGISLATIVE ACTION COMMITTEE, TOWN OF HIGHLAND'S BUSINESS ASSOCIATION

Mr. FRIEDLE. I am chairman of the legislative action committee, Town of Highland's Businessmen's Association. I am a member of your economic advisory committee. I am an action council member of the National Federation of Independent Business.

I am not going to testify for the National Federation of Independent Business, because I have no contact with them. They did not contact me.

Now, you can notice that my interests are those of the businessmen who will be most affected by the reduction of mail service. However, I have taken a special survey of most of the businesses in Highland Falls, Fort Montgomery, and West Point.

Surprisingly, the survey indicated that approximately 80 percent of those contacted favored a cutback to 5-days a week delivery.

Some of the comments received were: "Anything to keep the postal rates from rising." "Rates will probably rise regardless." "Service should be compatible with rates now being charged." "If rates go any higher, I will have to curtail my use of the mails by sending statements every other month." "Undeliverable mail, because addressee has moved, is not returned to sender for 2 weeks or more, and sometimes not at all, making it that much more difficult to trace a delinquent account." Another comment is, "Why should we pay more for services we are not receiving now."

The last comment here is, "businesses are by far the largest users of the Postal Service and the lack of Saturday service would not seriously inconvenience us, as mail received on Saturday would probably not be processed till the following Monday anyhow."

Thank you.

Mr. GILMAN. Mr. Friedle, we appreciate your taking the time to come up here and give us the views of your community.

Can you tell us roughly what type of businessmen you talked to; small, large?

Mr. FRIEDLE. I am talking for the small businessman.

Mr. GILMAN. I assume most of them are open on Saturdays.

Mr. FRIEDLE. Most of them are open on Saturdays.

Mr. GILMAN. And, are they open for business on Sundays as well?

Mr. FRIEDLE. Very few are open on Sunday.

Mr. GILMAN. What are their hours of operation on a Saturday; what is the average?

Mr. FRIEDLE. Normally, from 8 to 5.

Mr. GILMAN. How many employees do most of them have?

Mr. FRIEDLE. I would average out about five.

Mr. GILMAN. Would you think that most of them have lock boxes at the post offices? Would you know that?

Mr. FRIEDLE. No; they would have deliveries, because they are mostly on Main Street and the post offices are on that street.

Mr. GILMAN. What type of mail would they be dependent upon on Saturday?

Mr. FRIEDLE. I do not think they would be dependent on any mail on Saturday, because they don't process the mail anyhow until Monday.

Mr. GILMAN. Is there any type of mail that would be important to them to receive on a Saturday?

Mr. FRIEDLE. I would say no. Nobody indicated that they needed the mail on Saturdays, because Saturdays are their busy days in the stores, in the place of business, and they have no time for the mail in the first place.

Mr. GILMAN. So, then, you are essentially in favor of eliminating Saturday mail?

Mr. FRIEDLE. As representing the Town of Highland's Businessmen's Association, yes, I am in favor of the reduction.

Mr. GILMAN. And, most of the businesses in your community, you feel, would favor that reduction?

Mr. FRIEDLE. I said 80 percent of those contacted favored the cutback.

Now, most of that 80 percent consisted of businessmen in Highland Falls and Fort Montgomery. I also said I contacted the West Point area. The West Point area was mostly—yes, they favored the 6-day.

Mr. GILMAN. Now, if it were not a Saturday, if they had arbitrarily selected another day to cut back, say a midweek day, how would you feel then?

Mr. FRIEDLE. I think a midweek day would be disastrous.

Mr. GILMAN. Then you think that if any day, it should be a Saturday that is cut back?

Mr. FRIEDLE. Right.

Mr. GILMAN. Any other comment, Mr. Friedle?

Mr. FRIEDLE. It seems that their most important worry is the increase in the postal rates, that sending out the statements would really impose on their budgets, and it would be a real expense to them, because some of them send out 500 to 1,000 statements, and in time this amounts to quite a bit of money. If the postal rates are raised, this is what their main worry is, not really the Saturday delivery. Their main worry is postal rates.

Mr. GILMAN. Now, I am going to assume that most small businesses in your community feel that they just do not need the Saturday service.

Mr. FRIEDLE. They can get along well without it.

I was talking to Mr. Don Stewart, of the Palisades Park Commission. Don Stewart is assistant to the general manager. He said his Saturday deliveries would make no difference.

Mr. GILMAN. Would your people resent any curtailment of service that they feel is needed in the conduct of the business?

Mr. FRIEDLE. Not the businessmen, no.

Mr. GILMAN. Mr. Friedle, I want to thank you for attending and stating your views.

If you have any further thoughts, our record will be open through January, and do not hesitate to submit your views in writing.

Mr. FRIEDLE. Thank you.

Mr. GILMAN. Mr. Earnest B. Haines, owner of a small business, we welcome receiving your testimony.

STATEMENT OF EARNEST B. HAINES, OWNER OF A SMALL BUSINESS

Mr. HAINES. My name is Earnest B. Haines and I am an owner of a small business, a very small business.

I would like to address myself specifically at first to the business of curtailing mail on Saturday. The entire income of my business consists of a check which invariably arrives on Saturday morning. Since I am a small businessman, I do my paperwork on the weekend, and when that check arrives I sit down and, believe me, I spend it all and I put it in the mail so that I can pay my suppliers and they can have that check in their hands on Monday morning.

The fact that the Postal Service is considering cutting out Saturday delivery would mean that in all probability those checks to my suppliers would not go out until the following weekend, because on two separate occasions this check did not arrive on Saturday, but came in the following Monday or Tuesday, and in both of those occasions those checks were delayed until the following weekend when I had time to sit down and apportion this check among my various accounts payable.

Therefore, you can readily see that in my business the elimination of Saturday delivery would be very, very important to me.

Now, Mr. Gilman, I would like to address myself, if I may, to the Postal Service. I am and have been in the business of supplying uniforms to postal employees for 24 years since the start of the uniform allowance which was authorized, if you remember, back in 1954. I want to comment very strongly on the dedication that I have found among postal employees. I used to attend a great many meetings of the letter carriers, not only in your district, Mr. Gilman, but throughout the entire United States, and frankly, as a businessman I was amazed at the amount of time that was devoted to the curtailment of service.

I think it would be edifying if some of the members of your committee could sit in anonymously at some of the meetings of the Hudson Valley District and find out how much time they devote to the fact that they have to curtail the mail.

Now, no one here has addressed themselves so far to the present situation which has had a very, very bad effect upon the morale of the line supervisors and the small postmasters. I don't know whether you are aware or not, Mr. Gilman, but the Postal Service has not given the supervisors or the postmasters a salary raise. As a matter of fact, they had to go to court, and I don't know how much pressure they applied on Judge Green to get her to reverse herself and grant a stay of execution, but I frankly feel it is ridiculous for a supervisor

of letter carriers or clerks to wind up making \$1.70 every 2 weeks for being a supervisor.

The differential that Judge Green has mentioned in her court order of 27 percent should be given to these supervisors right away, instead of waiting for court action.

In these 23 years I have also seen on the part of the line supervisors in the post office and on the part of carriers, something the general public is not aware of, and that is the effort that is made on the part of these carriers and supervisors to effect delivery of misaddressed mail, particularly mail that contains a check, obviously contains a check, or mail coming from overseas. If you walk into a post office, you will very frequently find a letter from overseas stuck on the time clock waiting for some carrier to identify the recipient of that particular letter.

I have also seen the carriers state, does anyone have a Mr. Benjamin Gilman, and at that point turn around and hand that letter to the carrier who is going to effect delivery.

Another thing is that in my business, I subscribe to Post Age and the Kiplinger News Letter and the U.S. News & World Report weekly letter. All of these publications arrive on Friday or Saturday. I digest the information in there and then on the basis of that I prepare a little flier that I pass out as a business gesture, trying to tell the people in the field what is happening in the post office.

As a matter of fact, it was the Post Age that alerted me to the fact that this hearing was going on.

Mr. GILMAN. We had that information circulated. I tried to make it as much available as possible throughout our district. Sometimes it is hard to communicate as extensively as I would like.

Mr. HAINES. Now, the other point that I would like to make is, I live in a very, very small town and I get my mail through a box, Box No. 2, Croton-on-Hudson, and darn it all, I like to go to the post office, because at the post office I meet my neighbors and I find out who is sick, and I find out who has passed away, and I find out who needs help, and I usually find out what is going on in the town. If you eliminate that small post office, you are eliminating a meetingplace.

Now, I know that you are faced with a problem of cost. I would like to suggest to you, Mr. Gilman, and to your staff, that the next time you meet with the department you find out from them why they have not taken advantage of the so-called universal product code. The universal product code is that series of bars which you will find on merchandise in the supermarkets.

Very recently the magazines, including the Reader's Digest, have been required to place that universal product code on their publications so that the optical scanners which are coming into the supermarkets can be used to pick up the Reader's Digest and the cost thereof, and is also being used to count up the returns when the returns are being sent back to the Reader's Digest or the various other magazines.

I feel that you are doing a great service and I also hope that somehow or other if Congress gets back control of the Postal Service, that you will see that the postal people who are in management are given an adequate return for their supervisory duties and that the postmasters, supervisors, and carriers and clerks are given credit for the very good job they really are doing.

If you have any questions, Mr. Gilman, or your staff, in these 23 years I have met with everybody from the Postmaster General down to the carrier.

I remember an incident when I told Assistant Postmaster General Lyons—I don't know whether you remember him, he was on Mr. Summerfield's staff—"You don't know how fortunate you are in having the caliber of people you have working for you. They are interested in getting the mail delivered."

Thank you very much, and if you have any questions, I would be glad to testify.

Mr. GILMAN. We appreciate your attending. It is refreshing to hear from someone who stands up in support of some of the things our postal employees are trying to do out in the field.

I want to comment on the computer proposal that you mentioned. That has been tried, as you may know, in St. Louis several years ago and found not to be cost effective, and, therefore, scuttled. Some presorting was needed, and it was found that it would only be effective for some of the very large mailers, and at that would still not work too well.

However, there is in H.R. 7700, the proposal on reforming the Postal Service that is pending before the Congress, additional moneys for research in order to try to perfect better systems for mail distribution. Hopefully, out of that proposal will come better systems and a little better organization.

Mr. HAINES. Well, Mr. Gilman, the experiment in St. Louis I don't believe was directed to this universal product code. As you know, the mechanical markup system was instituted whereon the forwarding of first-class mail and second-class publications was taken away from the carriers and is eventually going to be done by the use of computers. Originally, the Postal Service intended to set up one large computer in Atlanta, but now I believe they intend to install these machines in various small post offices throughout the country.

This universal product code was not on the magazines at that particular time, and the Postal Service now has 26 optical scanners in place which are not being utilized. Now, these optical scanners are being utilized, for example, in Westchester on mail that is being returned to Reader's Digest, wherein it is sorted for the various branches of the Reader's Digest.

I think that research along these lines would help a great deal.

Mr. GILMAN. I appreciate your thoughts about that and we certainly welcome having your comments and recommendations.

Now that completes the list of all of our formal witnesses, and I will now throw the forum open to any additional individuals that would care to be heard with regard to postal services.

STATEMENT OF RICHARD O'CONNELL, A NATIONAL OFFICER OF THE NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. O'CONNELL. Thank you very much, Congressman Gilman, for this opportunity.

My name is Richard O'Connell. I am a national officer of the National Association of Letter Carriers, being the chairman of the board of trustees. I am an assistant to Jack Leventhal who is the national

business agent for the whole New York area, including all the letter carriers that you represent in your district, northern New Jersey down as far as Lakewood and Trenton, all of Long Island. We represent 30,000 letter carriers.

Mr. GILMAN. We appreciate your taking the time to come up today, Mr. O'Connell. I do not know if you were here before when some of your local representatives did appear.

Mr. O'CONNELL. I was here and I was very impressed with the testimony this morning.

I do not wish to belabor a lot of points that were made here. I think they were well-presented. I was impressed by all of the testimony except one witness. It is a rare opportunity for me to be at a mike and publicly exclaim that I agree with everything that was said here this morning by the postmasters and the supervisors; I heartily agree with them.

I also was very impressed by Mr. Dorman's presentation. So impressed that we are going to publish his statement in the letter carrier's magazine.

Mr. GILMAN. I appreciate hearing that.

Mr. O'CONNELL. But on my own I would like to make a point. I do have a couple of notes here that I am sending to a colleague of yours, Congressman Howard from New Jersey, who is a member of your committee, and in New Jersey where I am from we wanted to give to him our point of view on some of the subjects regarding the elimination of 6-day delivery.

We believe that there is an important issue involved in this whole elimination of services and the continuing examples that are going on. In this day and age emphasis is placed on all forms of communication. Repeatedly, we are told there should be continual dialog among people. One of the best forms of open dialog is the written word. Many, many people look forward to the arrival of the letter carrier, and a daily ritual is to look for the mailman. This is equally true of business that depends on arrival of mail for their daily needs.

My point is this, in this highly technical age, it seems that the elimination of 6-day delivery to 5 days is just another step in the dehumanization of the people of the United States. We have ourselves so geared in a technological age that the oil situation in the Middle East affects what we do here even in the rural area. The Postal Service has seen fit to institute a lot of programs which look good on paper, but do not take with such very good effect when they are put into operation.

I bring your attention to the fact that we had a postmaster general by the name of Blount who happened to be in the building business and we got a lot of buildings in the postal service, big buildings, and Mr. Blount was the recipient of some of those contracts. I am not saying there was any collusion or anything, but it is a coincidence.

We then got a Postmaster General by the name of Klassen who had very good connections in the motor industry and we then became completely motorized, where if today there was to be an oil embargo, the Postal Service would be crippled.

I am saying that we have got to look forward to what human beings are, and we have got to consider human beings in every decision that we make.

The idea that I just recently saw on television that they now have robots, robots that open your door, make your breakfast, greet visitors, is that fantasy, what we thought was a fantasy, now going to become a reality? I would like the Congressmen and the committee to really consider the human effect that any cut in postal service will have, not to mention the importance of imposition of 5-day delivery would create the loss of thousands of jobs in the Postal Service. This loss would be felt in all areas.

Considering the fact that President Jimmy Carter was elected primarily on the promise to provide more jobs, wouldn't it be ironic to be confronted with the loss of thousands of jobs. Such job loss might easily result in a massive depression from which this great Nation might never recover, and I do not believe that statement is any exaggeration.

The last two points I would like to make is this overzealous desire to blindly keep within a budget. This keeping within a budget has already eliminated 60 percent of all the collection boxes in the United States, resulting in a drastic reduction of service to the mail public. Just a few years ago a patron walked a short distance, usually not more than a city block, to mail his letter. Of course, we were told that the boxes were eliminated that generated little or no mail, and consequently not really inconvenienced anyone. Unfortunately, the people hardest hit by the lack of service are the aged and the poor who live in areas where there are high crime and are afraid to walk greater distances from their homes because of muggings and even killings.

I would like to end on this note, Congress has a responsibility under Public Law 91-375. It says, and I shall read part of it.

It shall provide prompt, reliable, efficient service to the patrons in all areas and shall render postal service to all communities. The cost of establishing and maintaining the postal service shall be apportioned to the overall value of such service to the people.

Subsidy is a word that is looked upon with a jaundiced eye, but in my opinion it is a word that must be applied to the needs of the Postal Service for the very reason that the cost must be borne by the general treasury, not by the elimination of vital service to the public and particularly not by such gimmicks as the reduction of mail deliveries from 6 to 5 days.

Possibly other Government departments can retain reductions, of course, by postponing or eliminating certain programs, but the customers of the U.S. Post Office are the people, and the people determine the size of its activities. We assure you that the people in your own poll, as shown here today, will not accept the reduction in their mail service.

The National Association of Letter Carriers yield to no one in their desire for economy and efficiency in Government, but I strongly believe there must be exercised care, at least under the guise of the economy, or irreparable harm will be done to our country's needs.

Postal service is the principal artery of commerce, the very bloodline of our communication and is really the primer of this economy.

These communications throughout the Nation stimulate the economy and contribute to the gross national product. So that, in effect,

we believe if this subject were thoroughly studied by an impartial group the unmistakable conclusion would be that there really is no deficit in the postal service.

We believe that the Congress should look with favor on H.R. 7700 and we believe it is apparent that the trial balloons that have been floated by the Postal Service, that they have no interest in the safeguard of public interest and to that service to which they are entitled, the job can only be properly done by the Congress of the United States.

I want to thank you very much.

Mr. GILMAN. Mr. O'Connell, I thank you for your encouraging comments and for your analysis of the problems that would result from any diminution of service.

I now must take a leave of absence for a few minutes, but I will return, and in the meantime, I will ask our general counsel, Mr. Smirolodo, if he will please take over the balance of the hearing, and I am sure that he has some questions that he would like to put to you.

[Whereupon, the Chairman left the hearing room.]

Mr. SMIROLODO. We had the impression that some letter carriers, individually, might have been in favor of elimination of Saturday delivery. We also got the clear impression from talking to some others that perhaps this might be motivated by some selfish reason, for instance, being able to have a long weekend. Do you have any comments at all on that?

Mr. O'CONNELL. Well, I would comment that I think the motive is strictly selfish. Some employees feel that any reduction in postal service would not affect them, that they would continue to have their job and not be bothered and in this way get a 5-day week and be off on the weekends.

Mr. SMIROLODO. There is no doubt in your mind, however, that the carriers might have been espousing the elimination of 6-day delivery, and that their attitude might be somewhat different if in fact their jobs were at stake?

Mr. O'CONNELL. I am sure of that, and I think the whole proposition of that statement by letter carriers has been blown way out of proportion. I am sure any poll will show that is really a minority viewpoint and the overwhelming majority, including particularly the threatened part-time casuals who would eventually in all probability lose their jobs, even though there is no layoff clause, would be unanimous.

Mr. SMIROLODO. I agree with you. They might be a vocal small minority.

I was in meetings in Denver and Honolulu and had an opportunity to speak to letter carriers, and what generally came through was: "It might be nice for me to have a long weekend, but really I am here to provide service that the people want continued."

Mr. O'CONNELL. I agree.

Mr. SMIROLODO. Thank you very much.

Mr. O'CONNELL. Thank you.

Mr. SMIROLODO. We would like to hear from anyone in the audience who would like to come forward.

STATEMENT OF WILLIAM VINES

Mr. VINES. My name is William Vines. I live in West Nyack.

I do not particularly have any personal ax to grind so far as the whole situation is concerned, but I think there are some points which are important. Perhaps they are somewhat personal to a degree.

I feel that the communities throughout the country are beginning to lose their identity, and one of the reasons they are beginning to lose their identity is because the post office is moving together or merging together certain post offices. Now, in Rockland County we have a community called Bardonia, which is rapidly losing its identity. It has been made an adjunct of the Nanuet Post Office, although that particular hamlet continues to grow very rapidly, and it is contiguous to my own hamlet which is West Nyack.

I have always felt that the primary sources of influence in any community are the church, firehouse, and the post office, and I rather expect it is in that order.

Our post office in West Nyack I happen to be particularly proud of because I built it, and I don't want to be confused with the man who was talking about the automobile industry. I happen to own the Valley Cottage Fuel Oil Co., but I am not looking to oil the machinery here in any way.

Now, with respect to the services, it seems to me that in a Nation which is the richest and most powerful Nation in the world, that the one thing that we ought not to deter in this day and age is communication. Communication, next to health is probably the most important thing in the life of this country to preserve the well-being and the protection of this country.

Now, maybe we don't send the high-level communications through the Post Office Department, but millions of people are affected by the communications which they receive daily.

It would seem to me also that where we are subsidizing foreign countries and very often communists, that we ought to be able to subsidize that which is the most important Department in the United States next to the defense of the United States, and that is the department of communications or the department of the mails, if you will. The mails, brought to this country in the early years of this country, provided how great this country was and how they could move a simple message across the country in a very short time, even on horseback.

I would strongly urge that the Congress really take control of the Post Office Department.

It was shifted around and it was under the direction of the Army, and I want to tell you I had some personal experience at that time and that was a total disaster when the Post Office Department was under the direction of the Army. Now, of course, it is under, I guess, the sole direction of the Postmaster General, and I suspect that is not a good system.

It worked beautifully for an awful long time under the control of the Congress, and would think that is where the control ought to be. You at least can meet somebody in the Congress when you want to, and it is very easy to reach Congressman Gilman. I have done it many times for various matters.

But, I would strongly suggest that there be no permission to curtail the services of the U.S. mails, and even if such action were to be taken, perhaps to put some controls on the so-called junk mail, and they say they are making money on it today. Maybe they are, and I hope they are. It is hard to say that they are making money on anything today in Government, but it would seem if more emphasis were put on the first class mail and maybe some controls put on the so-called junk mail, they might cut down or eliminate some of the expenses which are there and which I feel are grossly unfair on the average person who is really paying the bill for the first-class-mail service.

I want to thank you for the opportunity. It is a pleasure to be speaking this morning.

Mr. SMIROLODO. Just a couple of comments. You raised a couple of interesting points. I am from Buffalo, N.Y., originally, and when the proposal was first made to close small post offices, as you mentioned in the beginning, those of us who come from cities like Buffalo that perceive the post office to be nothing but a gray building sitting in the middle of town, really did not understand the impact of such a proposal. I came to realize, after that proposal was made by the Postal Service to close small post offices, how important it is to small communities. I would tell you that it is a result of the congressional action that Mr. Gilman supported, as you know, that stopped that move by the Postal Service to close those small post offices. In fact, the original move, I guess, wasn't strong enough and they had to pass a law in the last Congress which required the Postal Service to have a hearing in each community where it wants to close a small post office.

The other comment I want to make is on your point concerning congressional control over the Postal Service. H.R. 7700, which Mr. Gilman supports and which he has mentioned a number of times this morning, does in fact do that.

But, I think it strikes a proper balance. The Congress would not become involved in the day-to-day operations of the Postal Service, but what it does do is exercise control over the quality of postal services, to be sure that the services to the public are maintained as you have stated this morning it should be.

Mr. VINES. I wholeheartedly agree with what you said and I want you to know that I am a great supporter of the Congressman anyway. So, I appreciate what he is doing and appreciate very much what he is doing. I know he is very close to the problems because I have discussed them on various occasions with him.

Thank you very much.

Mr. SMIROLODO. Thank you, Mr. Vines.

Is there anyone else who wishes to come forward?

STATEMENT OF ALAN MULLER

Mr. MULLER. I am Alan Muller. I am an employee of the Post-Office Department. My job description is a part-time carrier.

If they do eliminate the sixth day, whichever one it is, they would be eliminating my job. I have been working for the post office now for only 5 years.

I have come across times when because of health reasons or something else somebody will transfer from one area to another, say from here to California. When that person does transfer from here out to there, he might have worked in the post office 18 years, when he goes out to California, he then becomes a substitute employee. In other words, he is on the bottom of that list because he loses his seniority when he transfers. So, if they do eliminate 6-day delivery, a person that has 18 years in would still lose his job.

In the meantime there is one way that I think they can save money. In Monroe, they just built us a brand new post office which we drastically needed. I believe they paid \$300,000 for the construction of the building, which is all right. They are charging us \$5,000 a month rent, which is all right, too.

I figure between interest and everything else that the post office, in 15 years, could have bought that post office and the property, but they didn't. Instead, what they are doing, is leasing it. After a 5-year period, the rent will increase.

The money that they could save, if they would have bought that building, over the years is one way, just one small way in which they could have saved quite a few dollars. The initial cost is expensive, but over the course of 9-plus years, if they stay in that one building, they will own it and it will have been paid for long ago.

That way, they are just taking money and giving it away. They are just trying to spend thousands and cut back on hundreds. To me it just doesn't make any sense at all.

Mr. SMIROLODO. Mr. Muller, just a couple of comments.

As I understand it, a part-time flexible is an individual who works for the Postal Service and is only guaranteed, as I heard this morning, 4 hours in a pay period, is that right?

Mr. MULLER. Two hours a day.

Mr. SMIROLODO. Two hours a day? There seems to be some confusion. Someone said 4 hours in a pay period. It is 2 hours a day?

Mr. MULLER. Yes, sir.

Mr. SMIROLODO. I take it you generally work a full 40-hour week?

Mr. MULLER. Yes.

Mr. SMIROLODO. We are aware of the no-layoff clause in the letter carrier's contract, but that really does not have any great effect on part-time flexibles, because, I think, if they only gave you two hours a day, they wouldn't have to lay you off, you would by necessity leave and seek work elsewhere, I assume.

Mr. MULLER. That's right.

Mr. SMIROLODO. How many part-time flexibles are there in the area, by the way? Do you know?

Mr. MULLER. Just in my office alone, in the carrier class, we have three. If we eliminated the sixth day, we would eliminate all three.

STATEMENT OF ROBERT ADAMS

Mr. ADAMS. My name is Robert Adams and I am a regular carrier in Monroe. There are 12 regular carriers.

When I first heard they wanted to cut back on Saturday delivery, I said to myself, fine, that would give me Saturdays off, but then I

stopped to think about how many jobs around the Nation that would cost, and in our office, just like Alan said, there would probably be two or three jobs, only in our office, plus every office around the country. What is going to become of those people?

Mr. SMIROLDO. What you are saying is you have in Monroe 12 regular carriers and three part-time flexibles?

Mr. MULLER. Yes.

Mr. SMIROLDO. Do you have any T-8's or utility carriers?

Mr. MULLER. They are included. There are two.

Mr. SMIROLDO. They are included in the 12 regulars?

Mr. MULLER. Yes.

Mr. SMIROLDO. So, in your area alone, there would be a 20-percent reduction in the work force?

Mr. ADAMS. Yes, sir.

Mr. MULLER. They say they are transferring us; because we are excess in this office they will put us into another office. If they are going to do this, then every office would have an excess.

Mr. SMIROLDO. When they find there are too many of a particular craft, they can ask you to transfer to a facility within 150 miles, is that correct?

Mr. MULLER. Yes.

Mr. SMIROLDO. That means if you do not take that position, if you do not want to break the community ties where you now live, you are out of a job, is that correct?

Mr. MULLER. Yes.

Mr. ADAMS. Along the lines of what he said a short while ago about third-class mail, it has been described by the postmasters as "the backbone of the postal service." Although a first-class letter costs everybody 13 cents to send, these special interest groups, the people that mail millions of pieces, they mail them for just about nothing, and it takes me just as long to sort a third-class letter as it does a first-class letter. But the revenue derived from it is only about 15 percent.

If the Postal Service wants to save revenue, it might better try to earn a little bit more than try to cut back a little bit more.

Mr. SMIROLDO. I will just make one comment. At one time perhaps the special interest groups did have a lot to do with rates, and that was back before 1970. The last rate case, passed by the Congress was in 1967. The Postal Rate Commission, which now sets rates must by law maintain that differential between third-class and first-class. So, I would not characterize it as a special interest group.

Mr. ADAMS. That was probably a poor choice of words. But anyway, what I wanted to bring out is it takes as much time to handle a piece of third-class mail as a piece of first-class, but the difference of revenue derived from the two classes is very different, and if the Postal Service wants to have a little bit more revenue, it should maybe do something toward a little bit more equalizing the two rates schedules.

Mr. MULLER. As far as the rates are concerned, first-class does get first priority. But, if third-class comes into our office, and backs up for 2 days, it is then considered first-class mail in our office. So, no matter what it is, if it comes in and it is backlogged for 2 days, after those 2 days it is then considered first-class mail and we must get that mail out.

Mr. SMIROLDO. For the information of those people who are here who may not be postal employees, first-class mail is handled first in your post office. You are allowed to hold third-class mail for a 48-hour period, and then after that 48-hour period it is treated like first-class mail. So, third-class mail can be delayed in the postal facility for 2 full days?

Mr. MULLER. Yes.

Mr. SMIROLDO. Any other comments?

Mr. ADAMS. No; thank you very much for your time.

Mr. SMIROLDO. We appreciate your testimony. Anyone else who wishes to be heard this morning?

STATEMENT OF JINX SIGFRIED

Mrs. SIGFRIED. Good morning. My name is Jinx Sigfried.

We own the Sigfried Press in the city of Newburgh. We also live in the town of Newburgh, so, of course, we are interested in having a post office in the town.

But the post office is one of our suppliers. We are engaged in printing, and we go to the post office and pick up post cards, because we use them for our customers. Customers want 2,000, 3,000, 4,000 post cards printed for meetings; or doctors need them to advise their patients it is time for a periodic check; or the report of an exam or something that has been conducted in a doctor's office.

We also use them for businesses in town, and a lot of people call upon us to furnish them with postage printed envelopes. So, we have to pick up envelopes also from the post office.

Now, if you were to close the facility 1 day a week, it would create a great hardship on me and on my customers and on the people my customers serve.

Mr. SMIROLDO. It has been stated here before that Monday is the heaviest mail day in the postal service, and that any additional accumulation of mail because of nondelivery on Saturday, would really compound the situation. I take it you would find the same experience—

Mrs. SIGFRIED. I pick up my mail at the post office.

Mr. SMIROLDO. You have a post office box?

Mrs. SIGFRIED. Yes, I do have a post office box.

If they were to close the facility 1 day a week, it would be a hardship on me, too. I often go into the office, I would say maybe 50 Saturdays out of the year, and I pick up the mail at the box, and this enables me, when it is quiet—the shop is closed for business actually—to lay out the work for the coming Monday. I can also do some work that is sent in to me for layouts and things like that. I do art work and design for my customers.

Invariably, people find they are out of something at the last minute. The secretary is sitting here typing and she reaches behind her for an envelope and the box is empty, of course, she sticks the last envelope in the mail and sends it off to me and tells me she needs a box of envelopes and how many she needs, and also writing paper or something like that.

So, in this way I wouldn't be able to line this up for the printer. I save time by lining work up on Saturdays, having all envelopes lined

up for him, because he is going to have the press set up for envelopes, or if he is going to have it set up for cards or something, and this will be easy, because Mondays I am out on the road. I can't do this. I am also a saleslady for the company.

Mr. SMIROLODO. We found generally in the last two hearings, that although representatives of the major businesses, were reluctant to testify, that in the informal talks we had they did not care so much about Saturday delivery. This was based on two reasons: either they were closed or they had lockboxes that were available to them, such as you do, 24 hours a day, 7 days a week. They, therefore, did not need Saturday delivery. But asked whether or not they would continue to be in favor of elimination of 1-day delivery if it meant nondelivery on Wednesday as opposed to Saturday, they all objected to it. So, I think basically, those who are in favor—and there are very few—of no Saturday delivery are those who really do not need the mail service on Saturday. But those businesses such as yours where you require mail to be picked up on Saturday or delivered on Saturdays so you can work over the weekend, are opposed to elimination of Saturday delivery since it will have an adverse effect on them. Your views will be most helpful to the committee and we appreciate your testimony.

Mrs. SIGFRIED. Thank you for giving me the opportunity.

Mr. SMIROLODO. Does anyone else wish to be heard?

[No response.]

Mr. SMIROLODO. It was a pleasure to be here with you and I hope to come back sometime soon. Thank you very much for participating in our hearings.

[Whereupon, the hearing was adjourned.]

[The statements which follow were submitted for inclusion in the record.]

NOVEMBER 10, 1977.

CONGRESSMAN BENJAMIN A. GILMAN,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN GILMAN: I feel there is no reason for the delivering of mail on Saturday by the United States Postal Service. Most businesses are closed and what mail is delivered to residents, is mainly bulk type mail of which is not necessarily needed. Due to the above reasons, I believe this is why we are paying a higher cost for first class mail and poor delivery. Working on Saturday the postal service must employ more people and this is another reason for the high prices of delivering.

I hope you will take my letter into consideration when this issue comes before congress.

Very truly yours,

SCOTT SAVINI.

THE SAVINGS BANK OF ROCKLAND COUNTY,
Monsey, N.Y., December 16, 1977.

CONGRESSMAN BENJAMIN A. GILMAN,
Middletown, N.Y.

DEAR CONGRESSMAN GILMAN: I am sorry that I was unable to attend your hearings held at the Bear Mountain Inn on Tuesday concerning the proposed decrease in the Postal Services Working Day from six days to five days.

I would like to go on record as opposing this proposal as it has been our experience that even with the six day work week with deliveries the length of time required for local deliveries within Rockland County is far in excess of what it should be. If the deliveries were cut from six days to five days, I am sure that the problem would worsen even more than it is now.

Sincerely yours,

PAUL L. REMMELL,
President.

THE JOPLIN GLOBE PUBLISHING CO.,
Joplin, Mo., December 16, 1977.

Congressman BENJAMIN A. GILMAN,
Congressman ROBERT N. C. NIX,
House Committee on Post Office and Civil Service,
Middletown, N.Y.

DEAR CONGRESSMEN: I wish to urge that the Postal Service continue to deliver mail on Saturday.

There is only one legitimate reason to discontinue Saturday delivery and that is to save money. But based on the Postal Service's record the past few years to control expenses (it is pretty sorry), I refuse to believe it can save \$400 to \$450 million by reducing delivery to five days. If the past is any indication of future performance, all the public will get is reduced service at ever increasing costs.

Please do not discontinue Saturday mail delivery.

Sincerely,

FRED HUGHES, *President.*

THE POCONO RECORD,
Stroudsburg, Pa., December 15, 1977.

Representative BENJAMIN A. GILMAN,
Middleton, N.Y.

DEAR CONGRESSMAN: We are late in hearing about the hearing scheduled this week at Bear Mountain; but want to express our feeling about the proposed end to Saturday mail delivery.

As taxpayers we are interested in an efficient Postal Service that requires a minimum subsidy. However as Americans—and not just business people with a small stake in Saturday service—we would hate to see mail delivery stopped on Saturdays. To us it represents a potential step backward in *quality* while giving into the easy way out. We can't progress as a nation noted for its industry, innovation and prosperity by reducing a cycle of commerce.

From the selfish standpoint of newspapers, loss of Saturday delivery would deprive a percentage of readers of their news on that day. In our case, about 5 percent of our 18,000 daily copies are sent through the mail. About 3 percent of those are in-county and accustomed to "same-day-as-publication" delivery. We would not really anticipate losing them as customers. They would simply get two papers Monday . . . and probably be unhappy with the Postal Service more than with us.

It is easier for us to say than for the Postal Service to accomplish, but it seems to us the system is on the proper track to economic stability and ought to proceed with a commitment to six-day delivery.

We appreciate the opportunity to express our view.

Most sincerely,

ALAN GOULD, JR., *Publisher.*

SOUTHERN DUTCHESS CHAMBER OF COMMERCE,
Beacon, N. Y., December 15, 1977.

HON. BENJAMIN A. GILMAN,
House of Representatives,
Washington, D.C.

DEAR BEN: The Chamber feels that it is financially advantageous to consider the stoppage of mail deliveries on Saturday provided the Post Office window is open as at the present time. We can no longer afford the luxury of Saturday deliveries.

We will poll the membership at the next meeting for an exact count.

Cordially yours,

MATNARD W. BROWNELL,
President.

VILLAGE OF SLOATSBURG,
Sloatsburg, N.Y., December 8, 1977.

HON. BENJAMIN A. GILMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN GILMAN: Please be advised that the Sloatsburg Village Board, at its meeting on December 6, 1977, voted unanimously to oppose any curtailment of mail delivery on Saturday.

We believe that the continuation of Saturday mail is very important economically and believe that any lessening of service would result in economic harm to many people across the country. Therefore, we are most opposed to any curtailment.

We are happy that you are holding an informational meeting for the residents of your district at the Bear Mountain Inn. However, the Village will be holding a meeting that evening, and this letter will state our position.

Best wishes for the coming holiday season and new year.

Very truly yours,

CARL S. WRIGHT, Mayor.

FLYNN & FRISHAUF, P.C., ATTORNEYS AT LAW,
New York, N.Y., December 15, 1977.

Re Saturday mail delivery service.

HON. BENJAMIN H. GILMAN,
House of Representatives,
Washington, D.C.

DEAR SIR: Attached hereto is a copy of a letter dispatched on November 14, 1977 to Mr. J. R. Strachen, Postmaster, which is self-explanatory.

Subsequent to this complaint, we have had the single Saturday mail delivery as late as 12 Noon. This is far from satisfactory, since we depend upon the mail so that we may take appropriate action as early as possible on Saturday without keeping a limited working force for the entire day.

It appears that there is an effort on the part of local postal workers to deliver mail on Saturday only to those offices known to be open for work on that day or to offices from which repeated complaints are forthcoming. All of this appears to be a unilateral action in breach of the current regulation that there be a Saturday mail delivery.

We would very much appreciate it if you would look into this matter and take appropriate action so that improved service will be forthcoming. As a further request, we trust that you will make known to those in charge of the Postal Service in Washington that delivery of mail on Saturday be continued, since it is of substantial value to organizations such as ours.

Respectfully submitted,

ROBERT D. FLYNN.

Attachment.

FLYNN & FRISHAUF, P. C., ATTORNEYS AT LAW
New York, N.Y., November 14, 1977.

Re Saturday mail delivery.

Mr. J. R. STRACHEN,
Postmaster, General Post Office
New York, N.Y.

DEAR MR. STRACHEN: This is to report a failure, or at least, poor performance of the Murray Hill postal unit to deliver mail on Saturdays.

By way of illustration, I waited until 11:30 a.m. on November 12 for delivery of mail and then called by phone. After being asked to wait for some time, I was told that the mail had left the station and would soon be delivered. The delay was said to be caused by "a very heavy work load". The man who provided this information identified himself only as "Matty". This information was false as revealed below.

When no mail had arrived by 1:30 p.m. my partner, Mr. Goodman, made another call and firmly requested that our mail be delivered. Within ten minutes, a postman arrived with our mail and without any factual basis stated, "We didn't deliver this earlier, because there is never anyone in this office on a Saturday." This man was totally ignorant of the facts. There is at least one member of our staff present each Saturday.

This postman admitted that no other mail was delivered to our building that day.

We then reviewed the matter with building staff members stationed on the ground floor of our building. There was no mail delivery for our building on November 12 except for the mail so delivered to our office as explained above.

This is not the first experience of this kind during the past year. We have had to make other specific demands for Saturday delivery in order to have delivery by noon. Rarely has delivery been made before 10:00 a.m.

Regulations in force call for one mail delivery on Saturday. These regulations are not being met. We would appreciate your review of this matter to remedy the existing inadequate and unsatisfactory performance provided by the Murray Hill unit.

In order that this matter will be given full attention, a copy of this writing is being sent to each member of the Committees for Post Office affairs of the U.S. Senate and House of Representatives, U.S. Senators for New York and U.S. Representatives for Manhattan.

An early response to this writing would be appreciated.

Very truly yours,

ROBERT D. FLYNN.

ARNO ASSOCIATES,
North Branch, N.Y., December 11, 1977.

Re U.S. Postal Service.

Representative BENJAMIN A. GILMAN,
Washington, D.C.

DEAR BEN: I am sorry that I could not be at your hearing at Bear Mountain, where you discussed problem with the U.S. mails.

As a short note may I say that I am in favor of closing ALL of the rural post offices that are not profitable. The foolishness of their system is there are 5 post offices within a six mile radius here in Western Sullivan County. Jeffersonville (1st class); North Branch (3rd class); Hortonville (3rd class); Callicoon (1st class); and Obernburg (4th class). How many high salaried postmasters do we need? What is wrong with delivering my mail RFD via auto?

Ben, if I ran my business in this manner, I would be in the poor house.

Sincerely,

GEORGE W. ARNO.

MERRICK LIFE, The Community Newspaper,
Merrick, Long Island, N.Y., December 19, 1977.

DEAR CONGRESSMAN GILMAN: To my regret, I was unable to attend your recent hearing regarding postal service on Saturdays.

I would like to submit an editorial from Merrick Life, Bellmore Life, and Wantagh-Seaford Citizen, August 17-18, expressing our views on the matter.

Sincerely yours,

JOHANNAS LAURSEN, Editor.

[The editorial follows:]

A BACKWARD STEP

There are more and more persistent indications that the U.S. Postal Service wants to stop Saturday deliveries, which is said to save 400 million dollars annually. The savings sound good, but it would hardly take more than a year or two to absorb them, after which we again would hear about rate increases. The loss of Saturday delivery would be permanent.

Half a dozen times a year this blow to civilization would be aggravated. We now have that many Federal holidays falling on Mondays. That would mean three days in a row without mail delivery—unless deliveries are made on such holidays on the preceding Saturdays.

Congress should look more than twice for alternate solutions to the constant postal deficits and leave our Saturday mail alone. There is still a wide field for modernization and rationalization of the postal services.

ROCK TAVERN ROD AND GUN CLUB, INC.,
Newburgh, N.Y., December 23, 1977.

BEN: Enclosed is an article that appeared in the Sunday Record, December 18, 1977, that I thought may be of some interest to you and your committee on postal service.

Ben, the members of the Rock Tavern Rod and Gun Club, Inc., with a membership of over 500 members are opposed to cutting out our mail delivery on Saturday and recommend that you take action in stopping this crazy idea.

Ben, the Rock Tavern Rod and Gun Club, Inc., and the Orange County Federation of Sportsmen Clubs, Inc., are also opposed to Congressman Peter Kostmayer's bill, H.R. 8865, and we would appreciate it if you would vote against it.

Ben, the Orange County Sportsmen do support H.R. 195 and recommend that you take action to support H.R. 195.

Ben, I would appreciate it if you would have your office send me a few copies of each bill—H.R. 8865 and H.R. 195.

Sincerely,

WILLIAM L. SHAFER, *President.*

(From the Sunday Record, Dec. 8, 1977)

A LETTER TO THE POSTAL SERVICE

(By Ronald Reagan)

It was snowing in Rochester the day the U.S. Postal Service (USPS) announced that its deficit this fiscal year would be \$1.3 billion—more than double its original prediction. What's so remarkable about that? Only that Patricia Brennan and her five employees were out delivering mail in that snowstorm, in violation of federal Postal Express statutes. "We passed a saloon," she says, "and who was inside having their first beer but a bunch of USPS letter-carriers?"

Therein lies one of the reasons for the high cost and declining quality of the Postal Service, according to Mrs. Brennan, coowner of P.H. Brennan Hand Delivery. Its attitude.

She compares her 20-month-old downtown Rochester service with the USPS.

"We now have 300 customers and we're still growing. We guarantee same-day delivery and we have to hustle to make that happen." She and her crew pick up in the morning, sort at noon, and deliver in the afternoon.

"If the USPS had put five guys on our routes in direct competition they could have wiped us out in 24 hours," Pat Brennan adds. Instead, she cites the service in her own office building as an example of low Postal Service morale and "poor attitude." Her office is in the basement and the postman refuses to walk down the stairs to deliver her mail. She says that if it weren't for a friendly neighbor on the main floor who receives mail for her, it would be returned, undelivered, to the post office.

Pat Brennan and her husband Paul are on a collision course with the Postal Service. The stakes are high. They want to do no less than decriminalize the private delivery of first-class mail.

Staggering deficits, unsuccessful automation schemes and skyrocketing labor costs have plagued the USPS ever since it was made an independent government unit in 1971. Once out from under direct control of Congress, where pressures could be felt to counterbalance budget-busting wage demands, the USPS has been drowning in red ink. According to a recent study by the American Enterprise Institute, Postal Service expenditures, wage rates and postage rates have tripled over the last 10 years, yet the labor force has remained the same and mail volume has increased only a little. The USPS answer is to propose cutting out Saturday deliveries and closing some post offices.

The Brennans' answer is competition. They point out that United Parcel Service runs circles around the USPS when it comes to package delivery. They say there is already a network of courier, package and messenger services throughout the country that could work cooperatively for fast, competitively-priced first-class delivery if the Brennans succeed in overturning the Postal Express statutes.

Apologists for the government postal system say that if private delivery of first-class was permitted, the private firms would "skim the cream" of the business and leave rural customers in the lurch. It's a phony argument, the Brennans claim. They say the American spirit of find-a-need-and-fill-it will prevail.

OTTAWAY NEWSPAPERS, INC.,
Campbell Hall, N.Y., February 13, 1978.

HON. BENJAMIN A. GILMAN,
House Committee on Post Office and Civil Service,
Middletown N.Y.

DEAR BEN: Since I did not respond to your letter of December 2, 1977, requesting a written statement for your hearings on the U.S. Postal Service proposal to reduce mail delivery from six to five-days per week, this response is probably too late for the official record.

But I thought I would write you my opinion anyway.

Rather than reducing service on Saturdays, the Postal Service should cut out the thousands of expensive but inefficient small post offices which it runs all over the country, even if Congressmen get howls of protest from a relatively small number of people served by these smaller post offices.

For instance, we get all of our mail at our headquarters in Campbell Hall from the Campbell Hall post office, where we are by far the largest customer. But we could just as well pick up mail at the Goshen post office. If we are the largest customer at Campbell Hall, they must have a hard time justifying the expense of the building and the salaries of the people who man that post office. You and I know that this is repeated a hundred times across the country.

Beyond that, I believe Congress should subsidize the U.S. Postal Service to some reasonable extent and that it should not be required to break even or make a profit—which I think everyone now realizes is an impossible dream. Increasing first class stamps to 16¢ or more in the future, and raising all other postal rates dramatically is going to force people to alternate forms of communication and delivery and eventually defeat and weaken the U.S. Postal Service.

For what they are worth, those are my opinions.

Thanks for asking.

Yours truly,

JIM OTTAWAY, JR., *President.*

SIX-DAY MAIL DELIVERY

DECEMBER 15, 1977

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Philadelphia, Pa.

The committee met in the William Greene Federal Building, Philadelphia, Pa., Hon. Robert N. C. Nix (chairman of the committee) presiding.

Members present: Congressmen Robert N. C. Nix and Michael O. Myers.

Staff present: Victor Smirollo, executive director and general counsel; Herman Thompson, assistant general counsel; and Gregg McGowan, staff assistant.

Mr. Nix. The meeting will come to order. Good morning, ladies and gentlemen. We are having this hearing this morning to hear testimony from the general public and business mail users on the proposal by the Postmaster General to discontinue delivering mail on Saturday. With me today is Congressman Michael O. Myers of Philadelphia, and members of the committee staff from Washington: Victor Smirollo, Herman Thompson, and Gregg McGowan.

Earlier this year, the Commission on Postal Service, a special study group created by Congress last year, recommended that Saturday delivery be discontinued in order to reduce postal cost increases. Since that time, the Postal Service has been studying this proposal, and although no formal proposal has been made, recent statements made by postal officials indicate they are leaning toward making such a recommendation.

The Postmaster General has claimed that eliminating Saturday delivery would save \$400 million a year and eliminate some 30,000 jobs. We are holding these hearings to assess the impact upon the public and to determine what the public needs and would like to have in the way of postal services.

Earlier this year, in Denver and Honolulu, public hearings were held. The response in both of those cities was overwhelmingly in favor of retaining Saturday delivery. The public is skeptical of any claims for savings, particularly in view of the rate increase which the Postal Service is already planning to put into effect next year. To pay more to get less does not favorably impress the public. Here in Philadelphia where the job situation is critical, the elimination of Saturday delivery would mean the elimination of some 600 or 700 letter carrier positions, all of which are good jobs and contribute substantially to the economic welfare of our city.

Furthermore, 5-day delivery could be the beginning of 5-day postal operations which would mean further job losses in the clerical and mail handling crafts. All told, a couple of thousand jobs could be lost to the people of Philadelphia. I need not tell you how disastrous that would be to our city. I invite you to express your opinions candidly and informally. You are among friends and I hope this hearing can be as helpful to us all as possible. I will now ask my friend, Congressman Myers, to say a few words before we begin.

Mr. MYERS. Thank you very much, Mr. Chairman. I want to join with you, Mr. Chairman, in expressing my concerns about the impact of cutting mail services in Philadelphia and in the first place I think the service has really failed significantly in the past couple of years from the complaints I received in my office and for this to happen now, to go to a 5-day mail, it would even make the service worse.

Also, regarding the impact on the job market, you have explained that 40,000 jobs would be lost across the country and 2,000 in this city. Philadelphia has already lost enough Federal jobs to last us another 100 years in this city. We need more Federal employment in this area. Also, the President is proposing a decrease in the unemployment with reference to the Humphrey-Hawkins bill and I think for the Postal Service to propose this at this time is just not timely.

This is a time we should be expanding employment and to hurt the postal carriers and the postal employees at this point would be a disaster for this Philadelphia area and drastically hurt other services. My office has problems receiving mail from Washington. So, I would imagine if we went to 5-day service my constituency would really suffer. So, I'd like to join you in your effort to see that 6-day mail continues. Thank you.

Mr. NIX. Thank you, Congressman Myers. Ladies and gentlemen, we are expecting Senator Joseph Clark; has he come in yet? We also understood that Senator Freeman Hankins and Representative Joel Johnson would be here, but it was absolutely essential that they return to Harrisburg and concern themselves with some of the problems they have there this morning.

Ms. PRIOR. Congressman Nix, I am here from Senator Hankins' office.

Mr. NIX. Excellent. The first witness will be Mr. Emanuel Johnson president, Germantown Businessman's Association. Mr. Johnson, will you kindly take the Chair? Welcome, sir, and you may proceed.

**STATEMENT OF EMANUEL JOHNSON, PRESIDENT, GERMANTOWN
BUSINESSMAN'S ASSOCIATION**

Mr. JOHNSON. Gentlemen, I was delighted when I received your communication asking me to come down to answer or ask any questions about the Postal Service at the present time. I am president of the Germantown Businessman's Association and we have over 100 merchants and professional men in our area who are members. We would be very, very much hurt if the Saturday delivery of mail was discontinued.

We are complaining now that we do not get our communications and anyone who is in a professional business like I am knows how

important it is to have Saturday's mail delivered. I will agree sometimes it might cause hardships in certain areas, but we certainly would not want to see the Saturday deliveries discontinued, at least not in Germantown. We suffer a loss as is and we certainly would not be in favor of any reduction in deliveries.

Mr. Nix. How essential do you think the Saturday delivery is?

Mr. JOHNSON. Saturday delivery is very essential to me and my profession because we have certain insurance documents and certain litigations that come through our office in the mail. We are compelled to give a quick answer and the only way we can send that quick answer is by getting our Saturday's mail and putting our response back in the Saturday's mail so it can get back to the person on Monday morning.

Mr. Nix. I might say to you that thus far we have distributed 47,000 inquiries. We have had 2,714 returned. The percentage for returns is 6 percent. Those citizens who answered in the affirmative amount to 2,252 and those citizens who are for discontinuation are only 463, which is a percentage of 5 to 1 who wish to have the service retained. That is indicative thus far of the feeling of the people in this part of the country from which we have received answers. I think it's consistent with what you've told us a few moments ago.

Mr. JOHNSON. Thank you, sir.

Mr. Nix. Mr. Myers?

Mr. MYERS. I'd like to ask one question. Mr. Johnson, what percentage of the businesses in Germantown that your organization represents are open on Saturday? Do most of them open on Saturday?

Mr. JOHNSON. Yes.

Mr. MYERS. You are talking about small businesses, aren't you, basically?

Mr. JOHNSON. We have the merchant and retail business in our area. I have my secretary with me.

Mr. MYERS. Could you provide us with that type of information?

Mr. JOHNSON. We have quite a few leading stores like Allen's and Rowell's and some department stores. The five-and-tens are open on Saturday.

Mr. MYERS. I'm concerned with the percentage of members of your organization that are open on Saturday.

Mr. JOHNSON. I would say about 75 to 80 percent.

Mr. MYERS. My second question would be, Do you use lockboxes in the post office? Do any of you have lockboxes in the post office?

Mr. JOHNSON. I most certainly have.

Mr. MYERS. I'd like to know what that percentage would be.

Mr. JOHNSON. We are very close to the Germantown office.

Mr. MYERS. If you could provide that information to the committee, it certainly would be helpful.

Mr. JOHNSON. OK.

Mr. Nix. Thank you very much, sir. The lady who spoke for Senator Freeman Hankins, what is your full name and address, madam?

Ms. PRIOR. I am Iona W. Prior. I live at 518 North Holly Street.

Mr. Nix. And you are associated with Senator Hankins?

Ms. PRIOR. I am a committeeman for the third ward.

Mr. Nix. Excellent; you may proceed.

STATEMENT OF IONA W. PRIOR

Ms. PRIOR. In our opinion, it would be detrimental for us to not have mail on Saturday, for more reasons than one. Senator Hankins expects a lot of mail and does get a lot of mail on Saturday from Harrisburg, since, as you know, he is a State senator. Not only that, he is the ward leader for the sixth ward, and we get mail on Saturday for that, also.

There are a lot of senior citizens in his area that depend on timely delivery of their checks for their livelihood. They need to have the Saturday mail deliveries. Saturday is the only time that Senator Hankins has to see people that have called and sent letters in to make an appointment to see him. If there is no Saturday mail asking for appointments, his office will be flooded with people that think they have appointments but do not, since he would not have received their request.

Mr. NIX. Thank you very much. Congressman Myers?

Mr. MYERS. I have no questions, Mr. Chairman. I'd just like to thank Mrs. Prior for her taking her time to come down here on behalf of the Senator.

Ms. PRIOR. That is quite all right, I do it quite often.

Mr. NIX. Mr. William L. Brown, president, Community Concern No. 13, Inc. Will you take the chair?

STATEMENT OF WILLIAM L. BROWN, PRESIDENT, COMMUNITY CONCERN NO. 13, PHILADELPHIA, PA.

Mr. BROWN. First of all, gentlemen, I'd like to say good morning. It's a pleasure that the citizenry can be heard in behalf of a situation like this.

I think that we operate a social organization where we service approximately 500 families just in the area of day care.

One of the things that could hamper our day-to-day operations in regard to communicating with families on a day-to-day basis would be any reduction in deliveries.

I think traditionally we get into a situation of saying, "When is the mail going to come on Saturday?" If the mail does not come on Saturday, then it sort of sets your whole program back for 2 days.

To be more specific about it in terms of how it would affect the immediate families, we also serve a tremendous number of senior citizens. Those that have served in industry or in the Government and are now in retirement depend on Saturday deliveries for their survival. We say welfare and means of support is just a survival, and what I'm talking about is in terms of how a reduction of mail delivery could disrupt a family structure.

I also am a businessman and I operate a business on Columbia Avenue, and the reduction is something that could really hamper the operations of the businesses. You know—I think most people know—what Columbia Avenue is like, and we are busy about the business of struggling to bring Columbia back. Having no mail delivery on Saturday would really create some problems.

To go a little further, we have a lot of young people that are in school, that take their time to write their families. As you know, Temple University is in that area. Just imagine what kind of delay in communications would result in terms of somebody from Indiana that's in school in Philadelphia trying to communicate with their Mom and Dad. It could be a personal message or even correspondence of an emergency nature.

People talk about relying on the telephone, but when you are poor and you are living on a limited income you just don't utilize the telephone in terms of doing excessive calling. You do use it in times of emergency. I am talking specifically about people that are elderly and sort of handicapped or disabled. They do not have any other means of communication with their families other than a note or card or letter. The only time the telephone is utilized is in cases of emergency. People cannot afford it. That is our gripe with the telephone company.

Right now I'm concerned about this direct means of communication, and I think there is kind of an assumption that people don't write and they don't read. You must have some sort of communication to just say hello, or get well, and even in terms of expressing sympathy to a loved one. I think that just getting sympathy notes from someone at times of trial and tribulation is important. So, basically what I'm concerned about is why there is not a more immediate and sensitive committee. First of all and I always consider things like this counterfeit in the sense of saying that why should the citizenry have to come forward and testify in behalf of things that have to serve human beings.

Gentlemen, that's basically what I'd like to go on the record in terms of stating my position in the interest of the youth and senior citizens. As I mentioned, we serve 500 families. We serve 200 families in the area of day care and we have constant communication with the State of Pennsylvania. We get nutritional kinds of feedback in terms of the child, and we also operate a school age program.

And, if it means that you have to drop a note in the mail to a principal as a result of what that child's activity was at the end of that week on Friday—and if there is no Saturday mail that means that that piece of mail would not move until Monday. Again, we are talking about creating the growth and development of what we call our "tomorrows," and in terms of being able to have direct communications with the institutions that help to keep people together in terms of survival and education and what have you.

Mr. NIX. Thank you very much, Mr. Brown, for a most informative statement.

Mr. MYERS. I would just like to thank Mr. Brown, also, Mr. Chairman, and of course, the statement that you gave will certainly help to make the record clear of the feelings of the true community.

Mr. BROWN. Thank you and it's a pleasure, gentlemen. Have a very nice day.

Mr. NIX. We have present, ladies and gentlemen, Senator Joseph S. Clark. We are honored and pleased that he has taken the time to come and give us the benefit of his vast experience and great knowledge on this subject. Thank you, Senator.

STATEMENT OF SENATOR JOSEPH S. CLARK

Mr. CLARK. Congressman, the honor is mine. I am happy to appear with you although sometimes it's a little hard to find you. I have been wandering around this building for the last hour which explains why I am late and I am extremely sorry for it, but literally nobody knew where you were. Anyway, let me state at the beginning that I have been a Carter supporter since well before the Pennsylvania primary. I suppose without patting myself unduly on the back I can say that I was one of three Democrats who helped the President win the Pennsylvania primary and the general election. My loyalty is shown by my peanut pin. Now, I believe in President Carter. I believe in zero budgeting. But, not at the expense of communication.

It seems to me the communications is in a way the civilization. Without communications we would be back in the Middle Ages where nobody knew what anybody else was doing and nobody really cared very much. To me Saturday mail delivery is important as an important aid to better communications in the United States of America. To eliminate Saturday mail in my view would be a strong step backward in terms of the increase in the potency of our civilization and our ability to educate the American people toward the realities of life on this small planet Earth and therefore I strongly oppose the effort to eliminate Saturday mail delivery.

Sure it will cost some money, let's face it, but we are the richest Nation in the world and if we can't afford this important aid to our communication system I think we are poor indeed. So, I strongly support Congressman Nix in his effort to keep the mail coming in on Saturday.

It doesn't make so much difference to me because I'm retired, but I must say to have that mail come in on Saturday morning is a real big help. I have much more correspondence than I would like to have, and I feel that if we don't get the Saturday mail coming through, the next thing you know they will be giving us 3-days-a-week mail, and the next thing you know we will be down to 1-day-a-week mail, and this whole thing to me is an opening wedge to disaster.

I want to thank you, Congressman, for the privilege of making this very brief statement.

Mr. NIX. I want to thank you very much for having come down here, Senator.

Congressman Myers?

Mr. MYERS. Mr Chairman, I'd like to thank the Senator also for coming down today and sharing his views with us and the committee, and I certainly agree overwhelmingly with you, Senator, and I'm glad to hear you say that.

Mr. CLARK. Congressman, I used to be on the Post Office and Civil Service Committee when I was in the Senate. I only stayed there for a couple of years, but I worked pretty hard on the revision of the civil service system, which needless to say didn't get anywhere. They used to call me Don Quixote. Thank you, gentlemen, very much.

Mr. NIX. Thank you very much. It's been a real pleasure to have you. Is Mr. Max Weiner available at this time?

**STATEMENT OF MAX WEINER, DIRECTOR OF CONSUMER
EDUCATION AND PROTECTIVE ASSOCIATION**

Mr. Nix. You may proceed, sir.

Mr. WEINER. Thank you. I'm here representing a grassroots consumer organization which is vitally concerned with the mail services as well as other services that fulfill consumer necessities. Our organization is composed entirely of consumers, all of whom are participants in the marketplace of various goods and services that we need to carry on the daily activities of our life.

Our organization has been organized since 1966, and it represents totally throughout the State of Pennsylvania, some 60,000 to 65,000 consumers, 15,000 of whom are in our complaint division and 50,000 who are in our consumer action committee. We are approximately 50,000 in our consumer action committee, of which about 35,000 are in Philadelphia and 15,000 are spread throughout the rest of the State going as far west as Pittsburgh and as far north as Scranton and Erie.

Our organization has in the past attempted to express the opinion of consumers regarding this issue of postal rates and postal services. I have a copy of our newspaper, Consumers Voice, one which was issued in 1973, 4 years ago in November, in which the members of our organization are shown in front of the post office at Ninth and Market Streets collecting signatures protesting against the increase of postal rates at that time going from 8 cents to 10 cents. At that time we raised the question that consumers were promised that by organizing the private postal service or semiprivate postal service, that we were going to get better service at reduced rates; and when rates were increased from 6 cents to 8 cents, that was the logic behind that increase. We saw neither an increase in service nor a decrease in rates, and then we were sharply questioned why rates would now be increased by another 25 percent. That was at that time in 1973.

We collected 25,000 signatures in front of the post office at that time and submitted them to the Postal Service. All we received was a form letter acknowledging our effort, and no attention was paid to our expression of our opinion. In the recent rate increases, we took a further step and became an intervener in the rate case that was pending before the Postal Service, but I'm sorry to say that our intervention meant very little for consumers.

First of all, we were confronted with a literal mountain of testimony reaching as high as an individual himself, and there was no way that any volunteer grassroots consumer organization could even absorb the testimony, let alone penetrate through the complex issues involved in the rate case, and so, our intervention, although we expressed our opinion regarding this thing, remained largely a paper intervention because of the inability, lack of funding, and resources for consumer organizations to adequately express their opinion which has become even more difficult since the administration of the Postal Service is no longer a Government responsibility.

When it was the Post Office Department, at least we had some representation through our congressional Representatives, and the dream of representation before taxation was to some extent realized,

although even there consumer organizations had great difficulties in getting their views expressed, but now we have practically no representation in the reaching of the decision with which we are confronted to merely abide by whatever results are put upon us. I have further copies of our newspaper which show our organization continuing our campaign in connection with the protest against the raising of the postal rates.

Mr. NIX. May I suggest if there is no objection, those copies be made a part of the committee record? Please proceed, sir.

Mr. WEINER. I won't refer much to them except to point out that consumers were also concerned, not only with the postal rates, but with many other items affecting consumers' standard of living—utility rates, insurance rates, medical costs, taxes, and so forth. We sharply protested about the fact that each agency or institution or body was concerned only with its own interest and difficulties regarding the general problems that consumers were facing as a whole. In fact, we are supposed to have representation; the cry of 200 years ago was no taxation without representation.

I want to tell the Members of Congress that consumers almost feel that they'd be very glad to give up representation on a taxation issue if we could get some representation on all the other issues that consumers face about which we have nothing to say. Our utility rates, our postal rates, our medical care costs are hitting us even greater than taxation, and on those matters we have nothing at all to say. I would sharply dispute the results achieved by the Nielson rating which show that 80 percent of the consumers would be willing to give up the Saturday delivery of mail. I know that I have no knowledge of any of the members of our organization having been contacted on this issue. We got no expression of opinion from them, and I doubt whether any of our members which represents a real cross section of the consumers, were even consulted before this rating was achieved.

If I would be permitted to express my opinion, being in daily contact with consumers, I would say that they would sharply reject such a cut in their services, not only because of the reasons outlined by Senator Clark, but because we feel that we are being charged high enough rates to give us more adequate service. If there is any question about the rates, this is something that we think properly belongs in the realm of Congress, something that should be financed out of general revenues so that communications and delivery can be guaranteed to the citizens without the escalating rates that we are constantly confronted with. Now, the threat is diminishing services, which I also see that once it starts will have no end, reducing it to less days per week, and finally until the mail delivery service becomes totally inadequate.

I'd like to see whether we could get such an outfit as the Nielsen rating or the Postal Service or even a congressional committee to undertake a mail survey of our members with our tax exemptibility with a related organization which is engaged only in educational work. We would like to conduct a survey of our members on this issue and send them a letter to ask them, do they want to give up Saturday mail, provided such an agency would fund just at least the postage for such a survey. I would be willing to say that the over-

whelming response of the consumers would be a negative one, rejecting the proposed cut in the Saturday mail delivery. I appreciate the opportunity afforded me by Chairman Nix and Congressman Myers of at least expressing the opinion of consumers. I hope that it carries a little more weight than the expression of opinion we have heretofore been accorded in the previous efforts we have made on this issue.

Mr. NIX. We are delighted to have you here to share your opinions with us. I might say that, in connection with these hearings, questionnaires were sent to obtain input from the citizens. Approximately 30,000 in each area for a total of some half million were sent. The questionnaire returns are running about 4 to 1 for continuing Saturday mail service. I thought you might want that information.

Mr. WEINER. I believe that that would be a more accurate reflection of the opinion of the members of our organization.

Mr. NIX. Mr. Myers?

Mr. MYERS. Thank you, Mr. Chairman. Mr. Weiner brought up a lot of areas that I'm sure the committee will be pursuing, and I'd like to just thank Mr. Weiner for being here. I know I am well aware of his efforts in trying to put the consumers position across, not only on this issue, but on many other issues throughout his many hours that he marches around city hall and any other agency whether it be Federal, State, or local government, and he has to be commended for his efforts in bringing the consumer's point of view forth to this committee. Thank you, Mr. Weiner.

Mr. WEINER. Thank you.

Mr. NIX. Mr. Richard Dew, Mr. Paul Eyerly, Mr. Paul Walser, Mr. John L. Northrop, and Mr. Andrew Stabler are scheduled to appear next. I understand that you gentlemen are going to take the table at the same time.

Mr. MYERS. Mr. Chairman?

Mr. NIX. Congressman Myers.

Mr. MYERS. For the benefit of the gentleman keeping the record, will each individual introduce himself as he begins to speak so he has your correct names?

STATEMENT OF G. RICHARD DEW, GENERAL MANAGER, PENNSYLVANIA NEWSPAPER PUBLISHERS ASSOCIATION

Mr. Dew. Mr. Nix and Mr. Myers, my name is G. Richard Dew, and I serve as general manager of the Pennsylvania Newspaper Publishers Association, with offices in Harrisburg, Pa. On behalf of the Pennsylvania Newspaper Publishers Association, I wish to express our appreciation to this distinguished committee.

We are more than pleased for the opportunity to voice our deep concern about probable effects of any effort by the U.S. Postal Service to eliminate Saturday mail delivery. This membership delegation now before you represent their individual newspapers, of course. But, more than that, they speak with these concerns for all members of the Pennsylvania Newspaper Publishers Association.

My apologies to you, Mr. Nix, since some of our statements have been inadvertently addressed to Mr. Hanley. We have been corresponding with him over the many months as chairman of one of your subcommittees.

Mr. Nix. He is a very good friend of mine.

Mr. Dew. I know that, sir. The PNPA is a trade association representing over 300 daily and weekly newspapers. They vary in size from smalltown weekly newspapers with only a thousand or so circulation to metropolitan dailies with more than 1 million circulation. Over 200 years ago when Philadelphia's favorite son, Benjamin Franklin, was named our first Postmaster General the vital role of postal service in America was recognized with great significance.

Seven years ago the Postal Reorganization Act brought forth a new philosophy which must bear part of the responsibility for the serious problems this committee must wrestle with now. We are told that postal service costs are largely fixed, that additional revenues from one source or another are necessary, or services must be curtailed. Presumably, the elimination of Saturday mail service is one such curtailment.

Our appearance here today is not to debate philosophy or even offer solution suggestions. Rather, it is our understanding the thrust of our presentation is to be specifically directed at the Saturday elimination proposal. So, each member of this committee is prepared to respond to that subject. Each will introduce himself and identify himself to this committee.

I believe, also, each of us welcomes any questions the committee may have. We have one change in our representation. Mr. Northrop is ill and he is represented by his vice president and business manager, Mr. Richard Cowen of the Washington Observer who will be our first witness.

STATEMENT OF RICHARD COWEN, VICE PRESIDENT AND BUSINESS MANAGER, THE WASHINGTON OBSERVER

Mr. Cowen. As Mr. Dew said, I am Richard Cowen. Chairman Nix and Congressman Myers, we are also pleased to be here to support our position in this and I have a prepared statement prepared primarily by our circulation manager, Mr. McKuen, who is accompanying me here.

The Observer-Reporter is a daily newspaper serving predominantly rural Washington and Greene counties in southwestern Pennsylvania. The U.S. Census Bureau reports Greene County as having an 85 percent rural population to Washington County's 56 percent. Current ABC circulation of the Observer-Reporter is 34,500 daily and 13,000 or nearly 38 percent of the total circulation is delivered by mail.

Our studies and experience follow. Upon hearing of the possible discontinuation of Saturday mail delivery, many Observer-Reporter mail customers were contacted for reaction to their receiving Saturday's newspaper together with Monday's edition. The results were overwhelmingly negative. Many customers stated that they would cancel their subscriptions before accepting that condition. An indepth study was made to find alternate methods of Saturday delivery. The results were discouraging. It would take 88 motorized vehicles driving a total of 3,500 miles daily to serve 10,000 or our 13,000 mail customers at an additional cost of \$110,000 yearly.

This estimate does not include the cost of delivering our newspapers to motor route drivers. Total expenditures could exceed an additional \$150,000 per year for Saturday delivery. The remaining 3,000 subscribers are so scattered they would be almost impossible to reach without greatly increasing the cost estimate.

A study was then made to consider the feasibility of introducing a 5-day per week mail subscription. This study revealed, apart from the obvious hardship to our mail customers that the company could suffer a large loss of revenue. Future mail subscription rates would have to be reduced and credit extended to present subscribers. Advertising rates, display as well as classified, would have to be also reduced as advertisers could not be expected to pay the same rate for a Saturday ad that would reach 13,000 fewer homes.

Simple economics indicate the Observer-Reporter ceasing publication of Saturday's edition entirely. This action, if forced to be taken, would mean a loss of jobs not only in the newspaper industry but in supporting industries as well. Our forecast is the 34,500 families would receive the Observer-Reporter daily would be seriously affected by the loss of a Saturday issue. Farmers would not receive adequate market information, local weather, road conditions and other information vital to their livelihood. Other rural residents would not receive news of church and civic events in their communities.

Rural housewives, many who historically shop on weekends, would be deprived of their money saving coupons and other sales information, which regularly appear in the Saturday edition. This could become more of a factor as many businesses in our area are now open for Sunday shopping using Saturday's edition to carry their sales messages. Many of our rural families have been Observer-Reporter subscribers for 30 years or more and would be deprived of an important part of their daily living routine if they could not read their newspaper each Saturday.

The effect, then, it seems clear that if the U.S. Postal Service would eliminate Saturday mail delivery the citizens of Washington and Greene counties, as well as the rest of the United States, would be adversely affected. It also seems clear that a great public service organization, the U.S. Postal Service would be partly impaired.

We thank you for the privilege of presenting facts seriously affecting the newspaper business. This statement is signed by John L. S. Northrop, president of the corporation.

Mr. Nix. Thank you very much, sir.

**STATEMENT OF PAUL EYERLY III, REPRESENTING THE
MORNING PRESS, BLOOMSBURG, PA.**

Mr. EYERLY. Chairman Nix, Congressman Myers, good morning. I am Paul Eyerly, the third, Williamsburg, Pa. I represent the Morning Press, a Bloomsburg, Pa. newspaper that publishes Monday through Saturday.

Our newspaper covers Columbia and Montour Counties in Pennsylvania and serves nearly 14,000 families. Nearly a third of our readers live in rural areas and receive their daily newspapers through the

rural delivery source. In fact, our newspaper was built on the rural delivery system. It seems ironic that 75 years ago my grandfather was a postal employee at the time that rural free delivery was introduced. He saw the need then to bring the news to the people living in rural areas.

The rural delivery stood through wars and depression and now in a time of prosperity this delivery is deemed unimportant. The suggestions that the U.S. postal delivery should eliminate Saturday mail delivery concerns us deeply. Since we publish our newspaper on Saturdays as well as on weekdays the elimination of Saturday deliveries would leave us with some hard alternatives.

One, we could cut back publication to 5 days a week. Of course, this move would lessen the flow of news about our area and our community to the citizens we serve. It would also affect our employees adversely, as they would have less work available to them.

Another alternative would be to eliminate delivery to our rural subscribers on Saturday, but continue to publish papers for readers who live in town. This move appears to be a needless geographic discrimination.

The alternative that we are considering most seriously and most likely will be forced to take is to set up our own rural delivery system. Traditionally called motor route delivery by newspapers, the economics of this system dictate that we use it every day. We will then be forced to abandon the use of second-class mailings in our home counties.

There will be three consequences of this action. Our costs will rise as we are forced to compensate drivers for traversing rural routes with nothing to deliver but a single newspaper to each resident. Our readers' costs will rise, as we will be forced to pass on a portion of the additional burden to them. And, finally, postal revenues will decline.

During the 12 months ended November 30, 1977, our bills for second-class mailing totaled \$30,927.29. And, only 5 months of that period reflects the latest of a series of second-class rate increases. Not only would the U.S. Postal Service lose revenue from us and other newspapers similarly affected, but also we would actively court other periodicals and third- and fourth-class mailers to supplement the costs of establishing and running our rural delivery service. Our success in this area would cut further into the current postal revenues.

Other newspapers that share our problem with a curtailment of Saturday mail deliveries indicate that they will be forced into the same alternative we plan to select. In view of all of the national discussions on the energy crisis, one wonders what effect there would be if newspaper vehicles used gas to follow postal vehicles over all the rural delivery routes in America 5 days a week.

We respectfully urge the U.S. Postal Service to continue Saturday mail deliveries. A continuance of present service would insure the flow of news and information to rural citizens at a reasonable cost, and it would not create an increase in gasoline consumption. Thank you.

Mr. Nix. Thank you very much.

STATEMENT OF PAUL N. WALSER, VICE PRESIDENT AND PUBLISHER OF THE HAZELTON STANDARD-SPEAKER, HAZELTON, PA.

Mr. WALSER. Mr. Nix and Mr. Myers, I want to take this opportunity to thank you for the opportunity of appearing before your committee. I am Paul N. Walser, vice president and publisher of the Hazelton Standard-Speaker, Hazelton, Pa. The Hazelton Standard-Speaker is a daily newspaper, with two editions, Monday through Friday and one edition Saturday. It has a circulation of 24,000 and is read by approximately 80,000 people in the greater Hazelton area. Of the 24,000 total circulation, this newspaper has 110 subscribers that receive same day mail delivery.

If Saturday mail delivery were to be discontinued, these subscribers would be greatly inconvenienced as they have come to depend on daily delivery of their newspaper. Many of these readers would have no transportation or no other means available to purchase that Saturday newspaper elsewhere. They would be without this newspaper from Friday until Monday, and could miss information that could be considered important to them. To deliver the newspaper to these Saturday mail subscribers by carrier or motor delivery would involve considerable book work and money and in many cases would be completely unfeasible.

The very reason that these subscribers get the newspaper by mail is because they are in remote, sparsely populated areas. Further, if Saturday mail deliveries were to be discontinued, this newspaper could stand to totally lose those subscribers affected and cause serious financial damage to this newspaper which employs 135 persons.

The advertisers, advertising for Saturday, Sunday and perhaps Monday events would probably refuse full payment. Obituaries of people who die Friday and sometimes late Thursday appear Saturday and viewings and so forth might be over by Monday.

I strongly feel that eliminating Saturday mail deliveries would not be an acceptable answer to a cost cutting measure. Thank you,

Mr. Nix. Thank you very much.

Mr. Dew. Mr. Stabler.

STATEMENT OF ANDREW W. STABLER, JR., PRESIDENT AND GENERAL MANAGER OF GRIT PUBLISHING CO.

Mr. STABLER. Good morning, Mr. Nix and Mr. Myers. I am Andrew W. Stabler, Jr., president and general manager, Grit Publishing Co., Williamsport, Pa. I submit these comments on behalf of Grit and small town America.

Grit is a national family weekly newspaper with a circulation of over 1,250,000 and is distributed entirely by the United States Postal Service to approximately 30,000 young people who sell Grit each week and our direct subscribers. Most Grit readers live in small towns or rural America which do not have a daily newspaper. Therefore, the recommendation by both Postmaster General Bailar and the Postal Study Commission to discontinue delivery of mail on Saturday is very

disturbing to us. Although we begin mailing our publication ten days in advance of the issue date, some of the copies do not arrive at their destination until Saturday or later and the number of copies that fall in this category varies all over the lot depending upon the type of service the mail received for that particular issue.

It is highly possible that our business could be adversely affected by not distributing mail on Saturday. Not only are we concerned about ourselves, but being a voice for smalltown America we are concerned for the people living there because they depend greatly on mail service for many of their products and services and, in an age when retail business is not only open 6 days a week and many nights, but expanding to 7 days a week, it seems to be a regressive move for the Postal Service to talk about cutting back to 5 days delivery.

I have made no attempt to place an economic value on the Saturday closing. However, our analysis indicates that sometimes we have a few thousand papers delivered on Saturday and other times there are tens of thousands.

This translates into loss of copies sold; loss of sales persons which are extremely costly to recruit and loss of subscribers.

We would sincerely appreciate your giving consideration to the adverse effect that discontinuing Saturday delivery of mail will have on us as a business, as well as all the citizens living in smalltowns and rural America who are so dependent on the U.S. Postal Service for many of their goods and services. Thank you very much.

Mr. NIX. Thank you, Mr. Stabler. Congressman Myers?

Mr. MYERS. Thank you, Mr. Chairman. I would like to thank all these gentlemen for being here today and a couple points that were raised I thought were very interesting, particularly dealing with energy.

The President has placed great emphasis on conserving energy and I think the gentlemen from Bloomsburg pointed out just what a complete waste of gasoline that would be, to have your delivery—whoever you hire to deliver—following a postal vehicle. If seems to me, it's a very good point and also I'm concerned about the loss of jobs in your own areas if you cut down to a 5-day week. That means you'd have to cut off all your Saturday employees or however you work it, but I'm sure it would be a reduction in your work force of maybe 15 to 18 percent.

That certainly is another thing that the President has put great emphasis on in trying to reduce unemployment. Also I'm sure you will be happy to hear that your own Congressman Murphy from Greene County and Washington County and Dan Flood have all jointed the efforts of Chairman Nix to see that 6-day mail will be continued. We want to thank you again for coming down here today.

Mr. NIX. Mr. Dew?

Mr. DEW. Mr. Nix and Mr. Myers, you have heard from four of our members and I would like to emphasize that the association does represent over 300 newspapers in Pennsylvania and we are so concerned about this that we at this point would like to go on the record as officially offering the services of the association in any way that it would be appropriate to you and your committee members on this problem or any postal problem that affects our profession and our industry.

Mr. NIX. Thank you very much. That would be most helpful to the committee as it proceeds with its investigation. Are there further speakers?

Mr. DEW. No, sir.

Mr. NIX. I want to, on my behalf and on behalf of the committee, thank you very much for your presence here. I feel that your presence here is in itself a great contribution toward what we seek to do. Thank you very much.

Mr. DEW. Thank you, sir.

Mr. MYERS. Thank you, gentlemen.

[The following statements were received for inclusion in the record.]

LANCASTER NEWSPAPERS, INC.,
Lancaster, Pa., December 8, 1977.

HON. JAMES M. HANLEY,
Chairman, House Postal Affairs Subcommittee,
Washington, D.C.

DEAR CONGRESSMAN: We are writing to express our concern over proposals to discontinue Saturday mail deliveries. We believe such a step would cause widespread inconvenience and economic hardship for many of Lancaster County's rural families.

More than 10,200 rural subscribers depend on mail delivery six days each week to receive their copies of the *Intelligencer Journal*. Ninety percent of these are in Lancaster County and most are rural farming people. They depend almost entirely on the *Intelligencer Journal* for specialized market information.

May we give two examples: Egg production is a \$40 million annual business for Lancaster County farms. Farmers set the prices for their eggs based on the Urner Barry quotations from New York. The *Intelligencer Journal* is the only source of this information for most of these farmers, and the Friday closing prices published Saturday mornings are especially important.

Lancaster County is one of the nation's leading livestock producing areas. The Saturday morning paper contains the weekly USDA summary for local markets, plus Friday prices from Midwest markets. Farmers need this information in deciding whether or not to market their cattle the following week. They would be seriously handicapped in trying to make marketing decisions without their Saturday newspaper.

There are other considerations. These 10,000 families receiving their newspaper by mail would not learn of such information as deaths or births which occur on Friday until their mail is delivered on Monday. They would also be deprived of much timely local news.

Mail delivery is the only practical way to insure that this information is available to rural families when they need it. We would strongly urge that Saturday mail deliveries be continued.

Sincerely,

LANCASTER NEWSPAPERS INC.,
WILLIS W. SHENK,
President.
INTELLIGENCER JOURNAL,
WILLIAM R. SCHULTZ,
Editor.

SATURDAY MAIL DELIVERY

I. Effect on readers of the Harrisburg newspapers

A. *Readers affected.*—There are approximately 8,000 mail subscribers to the Harrisburg Newspapers. The vast majority of these readers are farm families, many living as much as 50 miles from Harrisburg. These readers rely on the mail to deliver their daily newspaper which arrives on the day of publication. Since these families live in rural areas where the population is sparse, it makes home delivery service uneconomical and impractical. Therefore, the mail is the only viable way to deliver the newspaper to these readers.

B. Deprivation of information to readers.—There is no local daily newspaper which covers the needs of these mail subscribers. The Harrisburg newspapers are the only practical way for them to obtain the local information they desire. The elimination of Saturday mail deliveries would cause these readers to lose access to the following types of information which they could not obtain as easily and conveniently from radio or television:

1. Reports and commentaries on local news events which would not warrant mention in radio or television news reports;
2. Harrisburg legislative activities occurring on Friday;
3. Stock market reports;
4. Commodities quotations;
5. Local Friday afternoon and evening high school sports;
6. Classified ad information;
7. General retail advertisements in local rural shopping centers, such as special weekend sales;
8. Local entertainment and cultural activities scheduled for the weekend; and
9. Daily features which the readers have been following and special Saturday features.

C. Results of such deprivation.—

1. The 8,000 mail subscribers, mostly farmers, would be treated as second-class citizens. They would be denied their major source of news and therefore be uninformed on local events. They would be put at a disadvantage as consumers by not receiving information contained in classified and retail ads. They would be forced to spend more time searching elsewhere for the various types of information which is concisely contained in the newspaper. On long holiday weekends these subscribers will be denied access to a daily newspaper from Friday until Tuesday.
2. Small rural shopping centers would be unable to convey their messages to their natural consumers on weekends.
3. Rural entertainment functions which rely heavily on weekend business would suffer.
4. Daily newspapers serve as a unifying force between urban and rural areas. Eliminating Saturday delivery would undercut this unifying force.
5. There would be a drop in circulation and revenue for the Harrisburg newspapers and consequently a reduction in the effectiveness of the newspapers.

Mr. Nix. Mr. Mark Gilbert is next. Take the chair, Mr. Gilbert, and you may proceed at will.

**STATEMENT OF MARK GILBERT, PUBLIC RELATIONS
CHAIRMAN, EAST MT. AIRY NEIGHBORS, INC.**

Mr. GILBERT. Good morning, Chairman Nix and Congressman Myers. My name is Mark Gilbert. I live at 367 East Gorgas Lane. I am the public relations chairman for East Mt. Airy Neighbors, Inc. East Mt. Airy Neighbors, Inc. is a community organization in north-west Philadelphia with over 1,600 dues paying member households. It represents an area of 25,000 people.

In January of this year, EMAN's former president, through me, delivered remarks before you concerning the deterioration of the U.S. Postal Service. It seems, however, that rather than looking into the suggestions made at that time by our organization and others to cut costs and better service, the Congress has seen fit to resolve to delete Saturday service all together.

As recently as last month, a major television station ran an experiment in mailing through the postal service with less than satisfactory results. Yet even though it seems clear that the mail does not reach most of the populous within an adequate time, a reduction in service is being forced on the public.

This reduction would have a twofold effect. Presently, all the mail that is to be delivered cannot be carried on a particular day, thus delaying many materials that people want to receive. If service is cut to 5 days, this problem would only escalate. Moreover, a reduction in service would cost the residents of Philadelphia hundreds of jobs, the effect of which would be to increase the unemployment roles in our area.

It would be, in our opinion, more beneficial to all concerned if sound management practice was instituted throughout the service as well as increasing the postal rates for commercial enterprises. If the service were to do this, it is my feeling that 6-day delivery could remain and jobs could be saved while costing the public less.

This is a prepared statement for Chairman Robert Nix by our organization.

I'd like to make a few personal comments. At the end of November a TV station mailed us a cassette tape of a program that we had done on another network and as of today it has not been received—a matter of 3 weeks. From my own personal experience as a retired executive in the sales field, Saturday mail in offices and chainstores is needed for many reasons.

First, for controlling inventories which must be reported weekly and the makeup of payroll which, if delayed, means people don't get paid on Saturday. I also have a comment to make about the possibility of saving some energy. While traveling on roads, I notice over the road large mail trucks and very soon right afterward a bus goes by. It has occurred to me the possibility of investigating the means of using buses for transporting mail from city to city rather than these large trucks and possibly saving some energy in that manner.

These buses and others cover these routes regularly. I see no reason why they can't carry some of the mail as well as airplanes being subsidized by carrying the mail across the country. If there are any questions I'll be glad to answer.

Mr. NIX. Mr. Gilbert, I'd like to have you understand that it is not the Congress of the United States who seeks this change. It is the postal authority who are advocating the elimination of Saturday delivery. The Congress of the United States has emphatically set forth its position as contrary to the elimination of this delivery. That is a fact. That is what I wanted you to understand clearly.

Mr. GILBERT. That is my understanding. I'm afraid the individual who wrote the report was not aware of that.

Mr. NIX. I see. That's all right. Congressman Myers?

Mr. MYERS. Thank you, Mr. Chairman. I have really no questions of Mr. Gilbert. I'm glad that you pointed out that the Congress is not the culprit with trying to do away with 6-day delivery. We passed a resolution by 377 to 9 directing the Postal Service to continue the 6-day delivery. That happened on September 26th of 1977. Our position, I think, is quite clear. I have no other questions.

Mr. GILBERT. Thank you very much.

Mr. NIX. Mr. Joseph Sawyer, president of the board of directors, Wynnefield Residents Association, is next.

STATEMENT OF JOSEPH SAWYER, PRESIDENT OF THE BOARD OF DIRECTORS, WYNNEFIELD RESIDENTS' ASSOCIATION

Mr. SAWYER. Chairman Nix and Congressman Myers, I'd like to express the fact that I'm quite gratified in having the opportunity to address this committee this morning. My name is Joseph Sawyer. I am the president of the board of directors of the Wynnefield Residents Association. I reside at 5750 Woodcrest Avenue.

I'm here this morning to express a few points from our community in regards to the cutting of 1 day which is one-seventh of the mail delivery, proposed to be eliminating Saturday delivery. We would like to go on record as supporting your committee, Mr. Nix, in the opposition of cutting the Saturday mail delivery.

No. 1, we are concerned about the elimination of a tremendous number of jobs which, to me and the community, seem as though it would add a great deal more problems to the unemployment situation. Again, we are concerned about the possible delay in the receipt of welfare, social security, pension checks, and so forth—the kind of mail that people receive usually a lot of times on weekends and through Saturday mail—that assist persons under those categories.

People with fixed income can least afford any delay in receiving these funds or money. Oftentimes the mail is picked up at the mail box at the post office and these people aren't able to do this themselves, so the only people that are available are people that may not have to work on Saturday and they can do this for them.

We have several people that volunteer for this kind of service for elderly, handicapped, etc. Again, we question the amount of savings to the Postal Service as we suggest that a cut in service might well cause an increase in overtime. I have not heard or been given any data pertaining to just how this cut will benefit the total populous or just how it is planned, or how the plans have been made to carry the present workload in 5-day week as opposed to a 6-day week. I did see some paraphernalia pertaining to the loss of approximately 700 jobs in the Philadelphia area. What will happen to these people? To me it seems as though they are saying, up till now or prior, that they have been throwing our money away. All of a sudden we can do without one-sixth of the workload. They didn't need one-sixth of the personnel.

Now, this is the question in my mind: Is this the purpose? Is this a fact? And also with the laying off of a amount of employees, will the increase of work be shifted to another day, perhaps Monday or Friday, where the employees will have to work overtime—the ones that are remaining—to bring up the workload, to get the load that has accumulated over the weekend out?

From what I understand the workload is up to top now, doing as much as they possibly can with the amount of employees they have. Suddenly they don't need one-sixth of them. That I don't understand.

This is about what I have to express from my community. Again, I'd like to thank you for giving me the opportunity of addressing it.

Mr. Nix. The people are grateful to you for having taken the time to come here and give us the benefit of your thinking, Mr. Sawyer. Congressman Myers?

Mr. MYERS. Chairman Nix, I also want to thank the gentleman. I'd like to just point out that it's my understanding that the loss of employment would be around 2,000 in the Philadelphia area, in the city of Philadelphia.

You say 700 and then you talk about the estimated savings to the consumer. Reports that I've read indicate that the average American family receives three pieces of mail per week on an average and it would be a saving of one-half a penny for each first class delivery—meaning 1½ cents a week, so the savings is just meaningless.

So, we appreciate your comments and of course they will help us in our final determination.

Mr. SAWYER. Thank you.

Mr. NIX. Thank you very much.

Mr. Sabatini, will you take the chair, sir, and you may proceed.

STATEMENT OF EMIL SABATINI, PRESIDENT, ACTION ALLIANCE OF SENIOR CITIZENS, AND VICE PRESIDENT, RETIRED WORKERS OF THE UNITED STEEL WORKERS OF AMERICA

Mr. SABATINI. My name is Emil Sabatini. I am president of Action Alliance of Senior Citizens, and vice president of the Retired Workers of the United Steel Workers of America. We are a membership of 100,000 in Philadelphia which totally opposes this reduction that we are here fighting today. They totally oppose that. Out of each year about three of four Saturdays fall on when their checks are received. That's the average, about three of four times a year. Now, these people, the majority of them, are living on a \$230 SSI check a month. After all they're got to be reasonable about that. Us senior citizens, in everything that comes up, are never given a thought—never. We have to fight for everything. Last week we took about 400 people to Harrisburg to fight the PUC. We are the lost colony, about 22 million in the United States and everything we want we have to fight for.

I live in West Philadelphia, where there are hundreds of small stores. They depend on the mail on Saturday. They are not these big concerns that are closed on Saturday. They depend on that mail. We have people come down at our place or call up to say: I didn't get this, I didn't get that or I didn't get that. Well, we can't answer every question. We have 14 VISTA workers out of our office to try and solve all of these problems. When the district has a problem, we send the VISTA worker there to try and solve that problem. I can't understand why in anything that comes up, the senior citizens are absolutely left out.

When we were in Harrisburg the other day before the committee it was the same thing again. They always forget about the senior citizens and that's the only thing that we are concerned about is the elderly. I'm telling you there are a lot of them in misery, Mr. Congressman, and every member is totally opposed to not having mail on Saturday.

Mr. NIX. I might say to you, I am deeply grateful that you came to express your views, Mr. Sabatini, and I would add to that the assertion that both I and Congressman Myers have assiduously sought to serve the interest of the elderly people.

Mr. SABATINI. I got letters from both of you, I know that.

Mr. NIX. We shall continue in that pursuit, I can assure you. Congressman Myers?

Mr. MYERS. Thank you, Mr. Chairman. Mr. Sabatini, I think you will agree that this is one time that Chairman Nix's bill is aimed directly at helping the senior citizens and I appreciate you coming here to give us your views. Thank you.

Mr. NIX. Thank you.

Mr. SABATINI. Thank you.

Mr. NIX. Mr. James Corrigan is the next witness.

STATEMENT OF JAMES CORRIGAN, DEMOCRATIC CHAIRMAN OF THE EIGHTH WARD AND MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL COUNCIL OF SENIOR CITIZENS IN PHILADELPHIA

Mr. CORRIGAN. Chairman Nix and Congressman Myers, my name is James Corrigan. I live at 158 North 21st Street. I am Democratic vice chairman of the eighth ward, and a member of the board of directors of the National Council of Senior Citizens in Philadelphia.

A lot of what I was thinking has already been said. People were saying it and it goes without saying that everybody I come in contact with say, yes, continue Saturday mail. To me it's not a question of whether or not it can be eliminated, but whether it should be.

Now, it took about 200 years for the post office to develop the peak of efficiency they reached about 8 or 10 years ago. We used to get two mail deliveries a day during the week and one on Saturday and this time of the year we would have a Sunday delivery when the mail was heavy during the holiday season. And then something happened. It went out of the control of Congress and went over into private hands. Ever since that time it was no longer geared to serve the people who it was designed to serve, but to serve whoever had the authority within the Postal Service. So, I don't think they have a right to deprive us, the citizens, of that service. We want it, and that, to me, is the paramount question.

It belongs to the people and I don't think it's generally realized that the average person's only contact with the Federal Government is this. That's the average person. Even when we have contact with the Internal Revenue Service we do it through the mail. We don't go talk to them, we just send them a check, that's all. Maybe they cut it down low enough we wouldn't have to pay taxes.

However, I don't believe, if the powers that would eliminate Saturday mail succeed, that they would stop there. All right; we see and hear that well, maybe three times a week is enough mail for the present. Maybe delayed, but they will get their mail anyhow. Maybe next month, but it will be all right. We don't want that.

I'm very grateful that you are holding these hearings here. It gives me a chance to express my viewpoint. I hope I and the other viewpoints are heard. I'm sure they will be. There is an angle to this I didn't express yet today and I'm going to say it now. That there is an air of disillusionment among the citizenry of the United States.

I come in contact with voters, the people that go in and pull the voting levers and I'm not talking about those who are apathetic, but those who are disillusioned and do not go and vote and do not attend hearings—State or municipal levels—because they are of the opinion that no matter what they do it makes no difference. To me this is a dangerous frame of mind.

We had a red-hot election here in 1976 for President of the United States. Everybody viewed it as close. The last few weeks everybody was talking about it, but still when all the votes were counted only 53 percent of the people bothered to turn out and vote and I think the big reason is they felt, well, what's the use.

They used to say, well one vote wouldn't make any difference. Now they say, well nobody's vote counts. That feeling is growing and it's dangerous. It's creating a vacuum in America and I don't like it. Somebody is going to fill that vacuum, that's what I'm afraid of. One reason, I think, for the inefficiency of the postal service here in Philadelphia—probably throughout the country—is the policy of the Post Office Department in forcing key personnel who reach a certain age into retirement and that was their way of cutting costs. Well, I'm afraid they were the people who made the post office operate; collectively they did. Individually they weren't big shots, but as a group they did.

This is another efficiency cost cutting move to eliminate Saturday mail. I strongly urge you Congressmen to stop it if you can. I'm sure you will and that's the reason I am down here today. Thank you very much.

Mr. NIX. Thank you, Mr. Corrigan. Congressman Myers?

Mr. MYERS. I have no questions, Mr. Chairman. I'd just like to thank the gentleman.

Mr. NIX. Thank you.

Mr. Alexander Hemphill is next. I am very glad you could come.

STATEMENT OF ALEXANDER HEMPHILL

Mr. HEMPHILL. Good morning, Congressman. I do appreciate being invited. I am just today and every day an average citizen who lives and works in a small community in a big urban area, but I do think that this hearing and these proposals are vital to our community and, I think, to every community in the country.

Certainly H.R. 9146 which basically provides that Congress shall act as a watchdog and see that the Postal Service is continued to be maintained in the best interest of all the people in the country. A key and clear example of this is H.R. 7700 which when Congress thinks something needs to be done it will provide them money and it will see that the country's needs are provided in this example of the 6-day rather than the 5-day service. There is a basic underlying service upon which most modern living heavily relies.

The concept that mail serves only the workday world is false. There is a vast dependency upon mail services apart from that business and commerce. Communication is a vital human need. Certain advance technology improves the regularity of this basic service is as important as its speed and reliability.

If you eliminate a day in the week of this key vital communication you slow the economy, you slow the activity and you disrupt the routine of the American lifestyle. And when you do that I don't think you save money, you waste money.

So, I'd like very much the idea that Congress will be the overseer, the watchdog of this vital activity so that the consumer and the American public are protected by our elected representatives which as a matter of fact is what our elected representatives are supposed to do. Thank you very much.

Mr. Nix. Thank you for coming. Congressman Myers?

Mr. MYERS. Thank you, Mr. Chairman. I would just like to say I agree with Mr. Hemphill and thank him for coming and certainly your vast experience in public service clearly helps us to express to our colleagues down in Washington that the magnitude of testimony taken here today is of expert caliber. Thank you so much, Mr. Hemphill.

Mr. Nix. Thank you again.

Mrs. Ella Francis is next. Would you take the chair over there, madam, and you may proceed.

STATEMENT OF ELLA FRANCIS, DIRECTOR OF PARKSIDE ASSOCIATION OF PHILADELPHIA

Ms. FRANCIS. Thank you for allowing me to come. My name is Ella Francis. I am the present director of Parkside Association of Philadelphia. That is an area near 52d and Parkside. It's called the West Park area. In that area we have quite a few people there on social security and on disability and for the sake of these people I'm thinking that it's a very good idea to keep our 6-day postal services.

Sometimes the checks come on Saturday morning and, personally, my bank is a bank that is open on Saturday morning. Sometimes you can go to the bank and get your check cashed and get food items and things that you need. Also, many times mail coming to you on Saturday that has been probably coming all week or been sent on Thursday or such and you get them and you can make your plans for what you are going to do that coming week, that Monday. You can have it to think about over the weekend, but I'm thinking that it's a very good idea to keep that mail coming because you want to be alert by having mail each and every day and just 1 day out of the week not getting mail will be sufficient.

Not 2 days, because as I've heard others speak of the routine, No. 1, and then our economy is as fast as the television we have that gives news. Certainly we should have our mail to sort or come up somewhere near this kind of communication and cutting off this communication I think can be very harmful to many people both psychologically as well as economically. That's all I have to say.

Mr. Nix. I am most grateful to you for having taken the time to come here and give us your views. They are certainly most helpful to us. Congressman Myers?

Mr. MYERS. Mr. Chairman, I would like to thank Mrs. Francis also and she is absolutely right. I think she pointed out something without

saying it. The people most dependent on receiving mail on Saturday because of their every day needs in providing food for the table will be the ones most affected and we want to thank you for being here.

Ms. FRANCIS. Thank you for allowing me to come.

Mr. NIX. Thank you very much.

Mr. Max Schwartz, will you take the stand, please? You may proceed, sir.

STATEMENT OF MAX SCHWARTZ, A FORMER POSTAL SERVICE EMPLOYEE

Mr. SCHWARTZ. Good morning. Mr. Chairman and members of the Committee, my name is Max Schwartz and I have been employed at the Postal Service for over 47 years prior to my retirement in 1971.

You, Mr. Chairman, have been a supporter of good postal service for the American people for many years and I am happy that you are taking this action to hold hearings which you and your committee can get the opinions of people who are the recipients of the postal service.

My comments will cover postal service in general and elimination of Saturday delivery service in particular.

FIRST-CLASS MAIL

Mail that would be mailed locally on Friday would be delivered on Monday resulting in 3 days instead of 1 day. Mail from contiguous States on Thursday would be delivered Monday, 4 days in lieu of 2 days and first-class mail mailed from other States on Wednesday would take 6 days in lieu of 3 days.

SECOND-CLASS MAIL

Our local newspapers for relocated people and from out-of-town and also local people, 2 extra days added if they have no Saturday delivery. The news and information would not be timely. Business ads, timed to read over the weekend also serves a purpose at present, but business will have to seek other means for their ads. This will result in loss of postal revenue as well as a hardship for the financial structure of the local newspapers and also business establishments.

PARCEL POST

Residential parcels are delivered at the first attempt as people are at home on Saturdays. C.o.d. parcels are also more acceptable on the first time delivery on Saturday due to the fact that they are at home and also it happens to be a day after payday.

Many businesses find it necessary to operate 7 days a week and it appears that more service would help rather than decreased service from 6 to 5 days a week. The elimination of the 6-day delivery would work against these needs and result in delays in payment and delays in orders received. U.S. mail is a very important communication between business and customers. The use of mail helps to obtain new business which would result in additional employment and help the economy. Deterioration of any level of mail service adds additional

cost of operating the business and further jeopardizes business, industries to attract new customers. Many businesses schedule employees to coincide with mail deliveries and nonproductive time increases their cost.

OTHER

The post markings on letters are ambiguous. It is possible for the letter to reach the post marking unit 2 or more days after it's deposited in the corner letterboxes. This pertains to nonmetered mail.

Medical reports from laboratories to physicians and then to patients would be delayed. This would, in many cases, prevent physicians from prescribing medication to their patients and preventing discharging and admitting patients to and from hospitals. By eliminating Saturday delivery the volume on Monday would necessitate more sorting time by the carriers and cause later deliveries. Overtime or assistance to the regular carriers would be necessary and would naturally affect the contemplated savings.

Mr. Chairman and members of the committee, for many years the Postal Service was provided to give the American people improved service and each time elimination of Saturday delivery was suggested it was found to be without merit. The American people need and are entitled to more and better service rather than they have at the present time and rather than less and inferior service.

In closing I would like to submit a recommendation to have a special committee of experienced postal people under your jurisdiction conduct a survey of the organization of the U.S. Postal Service between headquarters in Washington and the sectional center postmasters. This might indicate duplication of effort and cause delay of mail. The elimination of the duplication of effort could result in a substantial savings and automatically expedite the delivery of mail.

Thank you for allowing me the opportunity to come here and give you this information.

Mr. NIX. All right, thank you very much. It's a pleasure to have you at all times.

Congressman Myers?

Mr. MYERS. Mr. Chairman, I'd just like to thank Mr. Schwartz also and he made some very excellent points and I think they are very valid points and will help us to put this together quickly.

Mr. NIX. Elder Prince A. Crosby, would you take the stand? You may proceed, sir.

STATEMENT OF ELDER PRINCE A. CROSBY, BIBLE CHAIRMAN OF GERMANTOWN

Mr. CROSBY. Good morning, Congressman Nix.

My name is Elder Prince A. Crosby, Bible chairman of Germantown and I feel highly honored to have an opportunity to speak how we feel in regards to this continuation or the nondelivery or the continuation of the Saturday mail.

I am an ex-postal employee and, of course, our Nation is built upon and around church principles and we don't want to do anything that is going to injure the church. Many times we do not get our

information until Thursday concerning the following Sunday and by the time we get it mimeographed or printed or mimeographed, why it's Friday. Of course, we rush it into the mail on Friday afternoon and the mail goes out of town and we need the delivery for Saturday continuation for Saturday delivery. Of course, most of the mail we are speaking about concerns residents. Of course, now, the big businesses if they are closed on Saturdays, we don't have anything to do on that. We not only want, but need our mail and not to get our mail on Saturday would work a hardship upon the church and church membership.

I don't want to make a long speech. We just want to voice our opinion and want to thank you very much.

Mr. Nix. The people are grateful that you took the time to be here. Congressman Myers?

Mr. MYERS. Thank you, Mr. Chairman. That's another excellent point and I can certainly see how it would be a hardship on your congregation to wait on Saturday to find out what Sunday's schedule is and then not receive it.

Mr. Nix. The representatives of the postal employee organizations are next; Mr. Philip C. Flemming, Jr., Mr. James M. Jackson, and Mr. Logan W. Carter. Gentlemen, it's a pleasure to have you here.

STATEMENT OF PHILIP C. FLEMMING, JR., PRESIDENT OF THE PHILADELPHIA LOCAL OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO

Mr. FLEMMING. First of all, it's a pleasure to be here and I'm honored that you invited the organizations. My name is Philip C. Flemming, Jr. I am the president of the American Postal Workers Union—Philadelphia, Pa., local, AFL-CIO.

First, let me state that the organization is—and I think I can speak for all the organizations at this point—opposed to the elimination of Saturday mail delivery. You hear from the postal office that the great amount of money that would be saved with the elimination of Saturday delivery. I, for one, don't share the great savings that the Postal Service has put out with all the money that they would save. I, for one, don't feel as though we should be talking about dollars and cents.

I think we should be talking about a service for the American public and this is why the Postal Service was founded some 200 years ago. It was designed to be a service and it was not designed to be a profitmaking or corporation as they wanted it. I am in favor of the collective-bargaining process, yes.

I have other views about the Postmaster General's position and where he should be. The position that is, the individual is somewhere else. But, I think that the Postal Service should have a proper subsidy so that they could be doing just what they were designed to do. Give the American public service. Right now President Carter's going on the record for full employment, eliminating unemployment and so forth. With the elimination of a Saturday delivery, the Postal Service would be affected with 50,000 job losses.

What would happen to these people? Even if they would reflect a savings in the Postal Service, it would have an increase in the welfare roles. They cannot keep this country employed now and to place 50,000 people out of work, the welfare roles would have to increase.

Other gentlemen have mentioned that with the elimination of Saturday delivery many small businesses would be affected. This again would force more people onto the welfare roles. It would increase unemployment. If the Postal Service was really interested in saving money there is many ways that they can save money. They are top-heavy at the management level. I know in Philadelphia several years ago we had over 13,000 employees. The figures now are under 9,000 employees. At that time and during this period of time when we lost workers the supervisory force has increased at least 50 percent and this has happened even in Washington.

You have big jobs, overlapping jobs, that are unneeded. It's a waste of postal funds. In areas in small post offices—and there again I am in favor of keeping the small post offices open—that again is service to the American public, but the Postal Service is talking about saving money. They are putting these giant machines into small institutions where they don't generate enough mail volume to run these machines.

These machines cost thousands and thousands of dollars, yet they sit idle for most of the day because there is not enough mail generated to run the machines. The Postmaster General, I think, has stated that he intends to eliminate Saturday delivery and they had a survey and they claimed that the American public was for the elimination of Saturday delivery.

Well, I've sat here this morning and I haven't heard anybody speak of eliminating Saturday delivery. I was here several months ago when big business testified and basically they were not in favor of eliminating Saturday delivery. They were more concerned with a cost factor, a rate increase, but the bottom line is that the Postal Service was established to be a service to the American public and in order to be a service to the American public we must maintain the Saturday delivery.

Mr. Nix. Thank you.

Mr. Jackson?

**STATEMENT OF JAMES M. JACKSON, PRESIDENT OF BRANCH 157,
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO,
PHILADELPHIA, PA.**

Mr. JACKSON. Congressman Nix, Congressman Myers, and staff members, it's a pleasure for me to be here today. My name is Jim Jackson and I am the president of branch No. 157 of the National Association of Letter Carriers, in Philadelphia. With me today are some of my executive board and our national business agent from Pittsburgh who flew in for this, Mr. John O'Shea. He represents the entire State of Pennsylvania and all of south Jersey.

Let me say, Congressmen, that the letter carriers throughout the Nation are familiar with your exceptional record of service to this country and to us, as employees of the Postal Service. Our national officers in Washington, D.C., President J. Joseph Vacca, Executive Vice President Tony R. Huerta, and two of our former local presidents now national Vice President Francis Connors and National Assistant, Secretary-Treasurer Tom Riley, have each reported to us in Philadelphia of the strong support you have given to our legislative efforts.

For this we are most grateful to you. Please also accept my personal commendation for your convening this committee in Philadelphia and for your strong interest in the opinions of Americans regarding the attempts to further cut back an already severely deteriorated Postal Service.

As a letter carrier, I and my fellow carriers are constantly in close personal contact with our postal patrons. After a few years on a particular route, the letter carrier not only becomes acquainted with those whom he serves, but in many instances, becomes close friends with his patrons. As a result, we learn earlier than most, the views of our patrons as to mail service.

Certainly, we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service hire.

Therefore, I can tell you with confidence that the postal patrons of Philadelphia are angry with the present levels of service they receive and with the constantly increasing costs they must pay for this poor service. The proposal, then, conceived in far-off Washington, D.C., that postal patrons must pay 3 cents more on an already overpriced first-class stamp, and in addition, will receive 1 day a week less of mail delivery, simply makes no sense to them or to me.

As I have said, I am pleased you are here in Philadelphia to learn of our views. But, as often is the case, the person who really should be here for that purpose, the Postmaster General, is back in Washington, D.C., behind his desk. After all, the Congress and you particularly, Congressman Nix, has indicated quite clearly that they understand the falacy of this proposed reduction in service. The overwhelming votes in the House and on the Dole-Clark amendment in the Senate in favor of the continuation of 6-day delivery, demonstrate that Members of Congress are aware of public sentiment outside of Washington, D.C.

That support of high standards of delivery service shows that Congress is listening to the postal patrons in Philadelphia and other cities and rural areas throughout the Nation. That the Members of Congress who supported our efforts to retain 6-day delivery were accurately reflecting the views of their constituents was dramatically demonstrated by your committee in both Honolulu and Denver.

It is my understanding that your survey of postal patron sentiment in those two cities earlier last month demonstrated support for Saturday delivery by margins of better than 3 to 1. I believe Philadelphia patrons will respond in a similar manner to your survey. As I look up at the committee members here I see that the survey is better than 3 to 1 as I look at the response to your survey, but the Postmaster General is apparently deaf to both the postal patron and the Members of Congress.

The proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more and more, year after year. That is an obvious result of that policy. Less obvious, but equally compelling, is the impact of this cutback in mail service to the economy of Philadelphia. The loss of postal jobs will be significant. In Philadelphia alone, we have approximately 920 part-time flexibles now fully employed. The no layoff clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period.

Obviously, no man or woman can earn a living subject to 4 hours work every 2 weeks. These employees, then, would no longer have income as a result of working. The loss to the already hard-pressed economy of Philadelphia of this monthly payroll would be severe in a period of decreasing employment, particularly.

The cost to our area in providing income to these displaced workers, in the way of welfare and unemployment benefits, will similarly be unavoidable.

In conclusion, Mr. Chairman, please take back to Washington, D.C., the opinion from Philadelphia which your previous vote on this issue demonstrates that you share, namely, Philadelphia is against any further cuts in an already deteriorated postal service. What Philadelphia really wants, and what the United States is entitled to, is better, less costly postal service, not worse more expensive service. And while I'm on the subject, I was watching the news, I believe Monday evening at 11 p.m. and they stated that there are 132,000 people unemployed in the Philadelphia area and to add a couple thousand more postal workers to that already taxed unemployment situation is inconceivable.

Not only are we talking about 2,000 jobs for postal workers in Philadelphia, but we've heard testimony here today in regards to the publishers that they would have to lay off people also.

So, I think that the corresponding layoff in private industry if the post office should close down on Saturday would be as equally as devastating as it would be to the postal workers and I'd like again at this time to thank you, Congressman Nix of having the hearings in Philadelphia.

Mr. Nix. Thank you very much.

Mr. Carter?

**STATEMENT OF LOGAN W. CARTER, PRESIDENT OF LOCAL 509,
PHILADELPHIA, PA., NATIONAL ALLIANCE OF POSTAL AND
FEDERAL EMPLOYEES**

Mr. CARTER. Congressman Nix, Congressman Myers, members of the Committee, at this time Congressman Nix, I'd like to introduce my regional vice president, Walter L. Hinton who came with me today.

Mr. Nix. It is a pleasure to have him.

Mr. CARTER. My name is Logan W. Carter, president of the National Alliance of Postal and Federal Employees, local No. 509, Philadelphia.

Mr. CHAIRMAN, we feel privileged to come before you and your committee today to speak in opposition of elimination of Saturday delivery. The Postal Service which I might say you have heard this many times today, but I think it's important to reiterate is a service to the people and we feel that it should remain a service to the people. The Department speaks of a savings of \$400 million. We feel that is not an important figure to quote when the Postal Service takes in over \$20 billion of revenue and yet they are speaking of a cost saving of \$400 million. When you speak of saving \$400 million how much is it going to cost to put the people that are denied the opportunity to work on the unemployment roles?

As it was stated by my colleague, Phil Flemming and I believe Jimmy Jackson, in Philadelphia, Pa. alone we had over 13,000 employees in 1971 and the exact figure as of yesterday is 8,630. At this time of year when we used to have two deliveries, Christmas period I am speaking of, where we had two deliveries, deliveries on Sunday, people that were unemployed were given the opportunity to work from the 15th of December to the 25th of December.

This year, in my 29 years of service in the Post Office, is the first year that not one person, unemployed person has been hired. Not one person and they are speaking of giving a service to the people that would increase the volume of the mail and we are having delays now.

How do they say they are giving us a service when they don't even hire a person to handle this extra volume of mail? If the Saturday delivery is terminated the jobs will not only affect the carrier craft, it will not only affect the letter carrier craft, but it will affect the clerks craft, the mail handlers and motor vehicles.

We feel that a tremendous amount of money could be saved by closing even of the bulk mail facilities who are operated by persons or personnel that had little knowledge of the postal service with no experience whatsoever. We feel this is one of the main reasons and the problems which is costing the Postal Service to operate at a deficit and in closing I would just like to speak since we are speaking of service to the people, years ago up until we had the postal corporation, the mailman was the main link of communication with the public.

The mail carrier gave him services which he wasn't compensated for, but it created an image of good service to the people. As we speak many times now of the elderly, that was one of these and the handicapped. The streets were much safer at that time and the handicapped and elderly could get out somewhat.

The mail carrier, on his route, would do little services like bring stamps to one of his customers on his route. He would pick up letters for him when they don't get out or else they would tap the corner boxes three or four times a day. Since you have been on the committee I know you have had many complaints of the elimination of the corner mailboxes where the public has to walk blocks in order to find a mailbox. These are some of the things that we feel should be a service initiated back for the postal patron and a service for the Saturday delivery to continue. I thank you again, Mr. Chairman, Congressman Myers, and staff for having this opportunity. If you want this in writing I'll put it in writing to you, but I do call you and give you these complaints. Thank you very much.

Mr. NIX. Thank you very much. It's a real pleasure to have you here.

Mr. Hinton?

**STATEMENT OF WALTER L. HINTON, REGIONAL PRESIDENT,
NATIONAL ALLIANCE OF POSTAL AND FEDERAL EMPLOYEES**

Mr. HINTON. My name is Walter L. Hinton. I am the regional president of the National Alliance of Postal and Federal Employees. This encompasses Pennsylvania, New Jersey and Delaware. Congressman Nix, Congressman Myers, and staff members, the National Alliance of Postal and Federal Employees is definitely for the continuance of the 6-day delivery and operation of the rural post offices.

This is why the National Alliance supports H.R. 7700 which was introduced on June 9, by the Congressman from New York for himself and the Congressman from Washington. To eliminate the present 6-day delivery would be a disservice to the public, business and last, but not least, the postal employee. There are more and more people who are becoming dependent on receiving mail on Saturday. Due to the present crisis, some breadwinners have been forced to seek employment but of town and have to mail their paychecks home to provide for their families whereas Friday is usually payday they need a Saturday delivery in order that their money will be received on Saturday.

A 5-day delivery would mean that that money would not be received until Monday of the next week. Social security checks are now delivered on Friday if the third of the month occurred on a Saturday or Sunday. However, if that check is misrouted the recipient will have to wait until Monday.

This is not to overlook the many other hardships that a lack of communication can create by late arrival of newspapers, letters and packages. Small business will certainly be hurt with the elimination of the present Saturday delivery. As you know, most small businesses have to remain open on Saturday in order to survive. They have already been hurt by the bigness of big business.

We contend that cutting out Saturday delivery will severely hurt small business and could kill off many striving small businessmen and this could cause their employees to become unemployed. A 5-day delivery will definitely cut back on the number of postal employees utilized. The U.S. Postal Service admits to an elimination of 30,000 jobs, but we contend that there will be many more jobs than that lost if Congress allows the U.S. Postal Service to drop the present Saturday delivery.

With unemployment already much too high we beseech the Congress to vote down any proposal to eliminate Saturday delivery. We respectfully remind you that the original intent of the post office was to serve the people and to keep the lines of communication open.

We don't believe the Postal Reorganization Act of 1970 has reserved the organizational intent of the post office and hopefully look to you to rectify this.

As I said in the beginning, my district encompasses Pennsylvania, New Jersey, and Delaware and sometimes I receive mail on Saturday notifying me that I am needed in another town for a meeting and/or an emergency on that Saturday or Sunday. I would miss a lot of meetings if it were not for the Saturday delivery. I thank you for allowing me to testify and look forward to you gentlemen letting the other Members of the Congress know the feelings expressed here today. Again, thanks.

Mr. Nix. Congressman Myers?

Mr. MYERS. Thank you, Mr. Chairman.

Mr. Chairman, I would like to thank those gentlemen for their expertise—working hand in hand with the postal carriers and all the various handlers of the mail. They have firsthand knowledge of what's happening and as Mr. Jackson pointed out what the patron, daily communications with the patron.

I think it's very clear that it be emphasized how important that is. The people who they are providing the service to are clearly opposed to any reduction in the services. I would just say again that I will do everything possible working with the chairman to see that this is done as quickly as possible.

This threat of reverting to 5-day delivery will be eliminated and you know another point, Mr. Chairman, this is the first time I have ever attended a hearing where everyone was together. I had really not too many questions to ask because everybody is in agreement here. Some excellent points were made and I just think it's great and with this kind of support we can let our colleagues know back in Washington the true feelings of the people and move with dispatch to see that this is rectified quickly.

Mr. Chairman, I am going to ask to be excused. I have to head back to Washington and I'll be leaving shortly.

Mr. Nix. Give them my regards.

Mr. MYERS. Thank you so much.

Mr. Nix. Gentlemen, I want to express my deep appreciation to you for your presence here today.

Ladies and gentlemen, I understand that there are some people who are not on the list who would like to state their views.

Give your name and address, please.

STATEMENT OF TOBY GELMAN

Ms. GELMAN. I am Toby Gelman and live at 48 West Cheltenham Avenue. I am retiring on Monday as president of the Greater Olney Community Council. I just heard about the hearings yesterday. I am kind of glad that you put it in somewhere so we could find out about it. I know my community is deeply disturbed about the possibility of services being cut in Olney. There have been rumors going around that the post office was going to close. We don't know what's going to happen, but I'm here today to express some views.

I do not have a prepared testimony. I did take some notes from what was said today and I have written down two positions. One is the Pony Express and the other is 2,000 jobs. Pony Express deals with the services. I just saw the movie called "The Pony Express" about a week and a half ago for about the 45th time where they bragged about getting the mail from St. Joe to Sacramento, I think it was, in 12 days. It looks like we are out to meet that record in the postal service by cutting back to 5 days.

I say, yes, to the 6-day mail service or else we will be known as the Pony Express of the 1900's and I don't think anybody wants to be known as that.

The other thing is the 2,000 jobs. When I heard that one, my blood pressure went up. Allenwood Steel, Midville, the Frankford Arsenal, I could go on—is the Postal Service going to join them in taking away jobs from Philadelphia and also from the rest of the country? How much more can we lose before we die?

I live in the city, my children were born in this city and I love Philadelphia and every day I see more and more people moving out, a lot of it because jobs are leaving and I say we just cannot take any more of this.

Two weeks ago I attended a conference on jobs, the environment, and communities, and it was sponsored here in Philadelphia on Friday and Saturday and out of that conference came a committee to work for full employment and out of that conference came a commitment to two things.

One, to go to Washington, to work for full employment in the springtime; and the second one was to work for solar energy which would also create more jobs. Now, the committee hasn't met yet. I'm on the steering committee that was formed of union people, community people, and environmentalists, to work for more jobs for Philadelphia, Pa. I know that they would feel the same way I do that we can ill afford to lose any more jobs in this city. If I could find a way to create 2,000 more jobs in the post office to put more people back to work, that's what I would do. We are paying the money for good service. We are paying our money for people to work and I say, yes, to the Saturday mail.

Mr. Nix. Thank you, Ms. Gelman. Is there anyone else who would like to express their views?

STATEMENT OF DON BROSOFF

Mr. BROSOFF. My name is Don Brosoff and I am an involved American. I would like to thank Congressman Nix and Congressman Myers for this opportunity to speak and wish everybody in this room a happy holiday. I would first like to state that I agree with Congressman Nix's position in this matter. However, in order to give full representation to different points I would like to make this brief statement. Where will the \$400 million of the saved money go to? If it is restored to the Postal Service I would say no since they are consistently raising prices to try and offset their poor management anyway. If the postal employees are civil service members and basically guaranteed employment better than many other citizens of the United States, then why not? And, finally, if the Federal Government, in conjunction with the Postal Service, would take the money and place the extra money into the hurting social security fund system for handicapped and older-aged people; then, yes, since their next Federal budget would take the \$400 million decrease in consideration anyway.

My whole point is that the \$400 million that they are going to lose might just be for 1 year. At the same time—the jobs that everybody are considering—we are going to have to make a judgment for the Postal Service on whether or not we want to improve the Postal Service or just use it as a medium to hire.

I notice since 1964 that the Federal Government, Congress, and all, have been very involved in improving the Postal Service; trying to find ways to cut it from wasting money; and trying to find ways for it to improve itself internally. We have to make a decision on whether we are going to upset all mediums to try and achieve this goal or not and then we have to accept it and stand by it. That's really what we have to look into too.

Mr. Nix. Thank you very much. Is there anyone else who wishes to express a view?

[No response.]

Mr. Nix. Since there is no one else who wishes to be heard, the meeting will be adjourned.

[Whereupon, the hearing was adjourned.]

SIX-DAY MAIL DELIVERY

JANUARY 5, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
El Paso, Tex.

The committee met, pursuant to notice, at 9:30 a.m., in room 413, U.S. Courthouse Building, Hon. Richard C. White presiding.

Present: Representative White and staff members of the committee: David Minton, Tony Raymond, and Victor Smirolfo.

Mr. WHITE. Good morning. As you know I'm Richard White, and I'll be chairing this hearing for the Committee on Post Office and Civil Service. With me this morning are three of our staff members of the Committee on Post Office and Civil Service: Mr. Victor Smirolfo, Mr. David Minton, and Mr. Tony Raymond from Washington. We want to extend to all of you a very warm welcome, and I hope that our hearing can be as informal and as productive as possible.

Now, we're here to determine and ascertain the public's opinion relating to the postal services proposal now under consideration to eliminate Saturday mail delivery.

Everyone likes to get mail on Saturday, but I need not remind you that we have become accustomed to it. It's convenient and really has become part of the American way of life to have mail delivered on Saturday.

Earlier this year the Commission on the Postal Service, a special study group, which Congress established last year to report on postal problems, issued a report in which it recommended among other things that Saturday mail delivery be discontinued. The Commission estimated that more than \$400 million in postal costs could be avoided if this change were made. The Commission supported its proposal on the basis of a poll conducted for the Commission by the A. C. Nielsen Co. would show that 80 percent of the people polled were willing to give up Saturday delivery if postal costs could be controlled and postal rates thereby kept down. However, the accuracy of the poll has been questioned in many corners. The Postal Service lead to this proposal to cut out Saturday delivery and because of their willingness to cut out this service Congress acted quickly to insure that no change would be made before Congress has an opportunity to study the proposal. That's why we're here today.

There have been hearings throughout the country as there will be continued hearings until Congress goes back into session the 19th of January. This is one of the 12 to 15 cities that we will be holding hearings in, of various dimensions; and we're fortunate to have this hearing here in El Paso to serve this particular west Texas area and part of New Mexico.

Now, we need to know if the public wants to give up Saturday mail delivery. Congress is faced with very hard choices in the next few years including this question. As your Representative in Congress, it's certainly necessary that the committee have the views of the people before we act on these choices.

We want you to think of the future of the Postal Service and let us know what you would prefer to have and how willing you are as mail users, taxpayers, and consumers to pay the costs because in the long run each and everyone of us pays one way or another for the cost of the Government services. And the dilemma that Congress has in not only this program but many others is in an inflationary period when our revenues are somewhat shrinking, when costs are burgeoning, and commitments of Government are increasing; where we can economize so that we can try to balance our budget, hopefully some day come back to zero-based budgeting and thereby save the public from the need for additional taxes.

In fact, President Carter, as you know, has recommended a cut in taxes, and so this will necessitate a very hard look at many of our options and many of our commitments in the nature of governmental obligations.

Our meeting this morning will be a combination hearing-public forum format. We will hear first from a few scheduled witnesses, and then we'll open up the meeting to anyone in the audience who wishes to be heard on the subject.

Now, in Washington hearings normally there is a request made by the chairman to hold the opening statements down as much as possible in order to get as many witnesses to be heard as possible. I'm not going to give a specific time; I'm not going to hold a clock on any witness this morning. In one of the committees I share, I try to hold testimony to 10 minutes, and then anyone who has a prepared statement can submit that statement for the record as though it was completely delivered. However, we're not going to confine you to the 10 minutes. That 10 minutes, of course, does not include the question period.

The Chair declares that this committee is open for photographers to photograph the proceedings. This is a necessary part of our proceedings as a congressional hearing.

The first witness we have this morning is Mr. Ross Dockrey, president of the American Association of Retired Persons. Is Mr. Dockrey present at this time? Well, his not being present, we will reach him at a later time. I would call Mr. Tom Draschil, government relations manager, El Paso Chamber of Commerce, and we welcome you this morning, Mr. Draschil.

Before you proceed, I would ask counsel if they would remove the two piles of questionnaire answers that we have. This was to demonstrate to you what response we've had up to this time on the questionnaires we have sent out.

I might state to you that we sent out approximately 60,000 of these notices because that's the limit we had. We sent them to the outlying regions so that we could get their input, hoping and expecting that people within the confines of El Paso County and the proximity of New Mexico would be here in person to voice their opinion. We just

had the option. We'd either send out to part of El Paso and not send out to all of El Paso or we could send to the rural areas and outlying regions, and we elected the last option.

Mr. Draschil, if you would like to proceed, sir. We'd be pleased to hear from you.

STATEMENT OF TOM DRASCHIL, GOVERNMENT RELATIONS MANAGER, EL PASO CHAMBER OF COMMERCE, ACCOMPANIED BY MR. SCHWARTZ, PRESIDENT, EL PASO CHAMBER OF COMMERCE

Mr. DRASCHIL. Thank you, Congressman White. The crux of my remarks will be that the U.S. Postal Service is not being run efficiently. This inefficiency is the real problem, and that measures such as cutting Saturday mail deliveries are only superficial patchwork and treat the problem symptomatically rather than getting at the root causes.

Mr. WHITE. Excuse me, Mr. Draschil, I see the president of the chamber of commerce. Did you wish to join Mr. Draschil at the table? Why don't you draw a seat up there right by him, Mr. Schwartz.

Mr. DRASCHIL. The mail is an essential service to all of us. Eliminating Saturday deliveries may not affect businesses because they have post office boxes, but we're also concerned about the well-being of our total community, and many of our individual citizens rely on Saturday deliveries for their private as well as business correspondence. If elimination of post office lockbox service is also contemplated, this would be detrimental to our community, as a large number of retailers, utilities, and other businesses operate on Saturdays and require the service the same on as weekdays.

The real issue is the overall inefficiency of the Postal Service. Mail service has constantly deteriorated in the last few years. Notwithstanding inflation, the costs to the consumer and taxpayer have risen exorbitantly with a sharp decrease in the quality in service. Although we do not have the cost figures for providing mail service, we're convinced that the Postal Service has become fat and inefficient. Mail deliveries have been cut back from 11 to 6 per week and now the Postal Service proposes to cut back another delivery at the same time requesting a 25-percent budget increase.

The point I'm trying to make is that the cutbacks in services have come in such rapid-fire order with the increases in costs hitting us just as fast that we find ourselves reeling from a situation which we are convinced cannot be interpreted as anything but clear inefficiency. Because of the difficulty in clearly distinguishing between inefficient management, machinery, and work methods on the one hand and cost-cutting measures and budgeting on the other hand, we would rather see the Postal Service improve their efficiency first, all other things held constant including Saturday service. Then if we still want to save more money by eliminating services, that's another question.

There's something about Government-protected monopolies which need not necessarily be cost efficient in order to operate in the black, which disturbs the average businessman whose budget is determined by the market demand for his product. I suppose it's for this reason that we hate to see corner-cutting remedies which only result in a relative efficiency cloud the most important question of how to improve

the Postal Service relative to costs, thereby provide efficiency in absolute terms. Perhaps this lack of competition or reliance on the free market is a major cause of the current unacceptable performance in the U.S. Postal Service.

We appreciate the opportunity to air our feelings on this matter. Thank you.

Mr. WHITE. We certainly appreciate your appearing. Did you wish to add anything, Mr. Schwartz?

Mr. SCHWARTZ. Congressman White, we appreciate the opportunity to visit with you this morning on this, not only from the chamber of commerce representing the business community, the citizens of El Paso, but for you to make this opportunity available for all of those of us here in El Paso to let you know our total points of view. And, from the chamber's point of view, we appreciate it very, very much.

I would just like to add one thing. The chamber did take sampling of membership. Mr. Draschil worked on this all day, the last couple of days, knowing that you were going to have this hearing, and the expressions you heard from him represented the point of view, really are those of its membership pretty well summarized here.

One other factor that was inferred here that could be further emphasized. We feel that if this deterioration in service were put into effect, it would be the beginning of perhaps, the further deterioration of service so that, perhaps, no mail would be worked, say, from Friday at 3 o'clock until 8 o'clock on Monday morning. The post office would just close down if this were allowed. If Saturday mail wasn't delivered. An extension of that after a short period of time might just be further deterioration over the weekend period, and it's something we're concerned about.

Mr. WHITE. I might say that if you'd like to put your results of your survey in the record, this record is official and will be a composite of all the hearings being held to be shared by the members of the committee and, of course, the Congress and the executive department.

Mr. SCHWARTZ. Well, we didn't have enough time to do any kind of survey by mail; it was done by phone.

Mr. WHITE. I see.

Mr. SCHWARTZ. If we have something, perhaps we could offer it to you later.

Mr. WHITE. Well, you examine that, and we'd be pleased to include it. I might tell you that the two piles here represent some 1,300 responses to the office from the 60,000 we mailed out and are still getting some of those in.

I would like to explain that the yes stands for "yes, continuation of the Saturday delivery," and the no is to go ahead and discontinue so that that's misleading like; yes, there are no bananas. But anyway, can you estimate the dollar loss to these businesses represented by the chamber of commerce if the postal service goes to a 5-day delivery schedule?

Mr. DRASCHIL. We have no figures.

Mr. WHITE. Considering what the postal service is looking for is economy, a savings, they say, of some \$400 million estimate, which is disputed by some, if Saturday mail is continued, what other alternatives would you suggest or do you have any alternatives in your mind that might be cost saving that would not be such an impediment

to both business and private sector in their private lives? Have you thought of it in terms of this?

Mr. DRASCHIL. I mentioned that we feel like possibly the lack of competition, the fact that the Postal Service is a Government-protected monopoly and doesn't necessarily have to be cost efficient inasmuch as its budget is set by itself and appropriations committees rather than the free market system. There are postal services that are being provided by private enterprise, which, for example UPS, which is operated at a profit and at a lower cost than the Postal Service.

Mr. SCHWARTZ. Was that the answer to your question?

Mr. WHITE. Well, that's a generalized answer to the question.

Mr. SCHWARTZ. I thought you asked: What alternatives might there be to effect some savings not including stopping the Saturday delivery?

Mr. WHITE. Yes; well, he's speaking of competition to make it more efficient, but I was looking at the specifics, too, if you had any specifics.

Mr. SCHWARTZ. We really didn't consider that, but I think it's a point we might and we could go back to our membership and we could get some. Yes; we'd be happy to do that.

Mr. WHITE. I'm sure you'd get some good suggestions in that respect. There's a probability that there will be an attempt to increase the cost of first-class mail. I'm not saying one would exclude the other because I think if you should exclude Saturday mail delivery, I think the postal rates would increase anyway. It's a question of what level they would go. And if a less rise would be effectuated by cutting Saturday mail delivery, would this be the better alternative or would you still feel that the Saturday mail delivery is so important to the processes of community life that it should be maintained even at the risk of some additional increase?

Mr. DRASCHIL. It's difficult to look at the question. It's difficult to look at it as a question of an alternative of either raising costs or cutting services.

We find it hard to believe that the only problem is that inflation and costs have risen and that, therefore, we've just either got to spend more money or cut back services. It's the same old question of either we get our budget OK or we cut back in services. We're just not convinced that the Postal Service is running as efficiently as it could be operating. We feel like that's a separate question—the efficiency of the post office—and that's a question that we should address first before cutting back on services. We feel like we're getting too close to a minimum point. We now have 6 deliveries a week whereas many of us have been used to 11 deliveries a week and talking about cutting back to just 5 deliveries a week, Monday through Friday. And I think somewhere along the line we have to look at the efficiency of the Postal Service and not just look at it as a question of an alternative of cutting back service or raising costs.

Mr. WHITE. Well, I'm sure we'll be hearing from you additionally as you consider some of these questions and be delighted to receive whatever further information you wish to provide for the record.

We certainly do thank you for your appearance, and you've contributed a great deal.

Mr. SCHWARTZ. Thank you, Congressman.

Mr. WHITE. The Chair calls Mr. Frank Baker, publisher of the Fort Stockton Pioneer, representative of Texas Press Association, accompanied by Mr. John H. Murphy, executive vice president of the Texas Newspaper Association, and Mr. Trenton Davis, business manager of the Amarillo Daily News. It's good to have you here and we have had a long association over the years with you especially since I represented Fort Stockton. I always regretted losing Pecos County.

STATEMENT OF FRANK BAKER, PUBLISHER OF FORT STOCKTON PIONEER AND REPRESENTATIVE OF TEXAS PRESS ASSOCIATION, ACCOMPANIED BY JOHN H. MURPHY, EXECUTIVE VICE PRESIDENT OF THE TEXAS NEWSPAPER ASSOCIATION; AND TRENTON DAVIS, BUSINESS MANAGER OF THE AMARILLO DAILY NEWS

Mr. BAKER. Thank you, Congressman White, and we feel exactly the same way. We have regretted losing you as our Congressman although we have had a very outstanding member of Congress since that time.

Mr. WHITE. I was going to hasten to add that I lost because of redistricting.

Mr. BAKER. Right. You didn't ever lose. I might add for the benefit of others here that you never lost the election in Pecos County. You always won overwhelmingly. And we thought that that was the right outcome always.

Mr. WHITE. And, of course, your father had a distinguished career in the State legislature, too.

Mr. BAKER. That's a fact.

I'm Frank K. Baker, a director of the Texas Press Association, and I speak for both the Texas Press Association and the Texas Daily Newspaper Association. And Mr. Murphy and Mr. Davis are here with me to fill me in and help me remember whatever I may forget.

We made some notes together so that we could kind of condense our presentation. We know you have a lot of people to hear from today. But we represent a very large mailer when you consider that together these two organizations, the TPA and the TDNA, represent 95 percent of the newspaper industry in Texas and reach at least 90 percent of the 11 million people of Texas. And we threw the 11 million in and hoped that some other Congressmen from some other States might be here and know just how many people in Texas are affected by this.

The TDNA, which Mr. Murphy is the manager and executive vice president of, made a survey before any mention was ever made of Saturday delivery to determine how much his member papers rely on it to get their papers to subscribers. Almost 8 percent of the total circulation of even the metropolitan dailies is delivered by mail even though they use other methods for most of their circulation, they still need the mail badly for people in the outlying areas.

Mr. WHITE. We're going to demonstrate for you—you have several boxes. I think you have about three big boxes that you brought with you for these responses.

Mr. BAKER. Right. Now, these are different surveys that were taken later after the threat arose of discontinuance of Saturday delivery, Congressman White, and we will certainly allude to them in short order. We did bring three boxes of documentation of our position. We'll tell you more about them very soon.

Of the 3,500,000 subscribers to dailies in Texas, some 300,000 people or 300,000 subscribers, more people, would not get papers delivered to them in any decent amount of time if Saturday service is discontinued.

Most if not all of these 300,000 subscribers would be lost. The results of some of these surveys indicate that. That was one of the questions asked in them as we'll come to them in just a moment.

These 300,000 subscriptions represent 2.5 readers per paper. So you're really talking about 750,000 citizens in Texas who are really going to be hurt by this decision if it's made.

In the weekly rim, and this is what I'm more familiar with, 80 to 90 percent of subscribers depend on postal delivery for the average weekly in Texas. Now, in my particular case, in Fort Stockton we're twice weekly; we publish on Sunday and Thursday. And we're not as affected by home delivery by the postman as many other papers are. Only about one-eighth of our mail circulation goes that way. The rest of it goes in boxes. Now, if you do—if this change away from the Saturday carrying delivery is made, we're afraid that the next move—because they still won't balance their budget. Then the next move is probably going to be to look at the cessation of putting mail up in the boxes. And then I really would get excited because the rest of my mail circulation goes that way. And mail represents 40 percent of my circulation. It's only 8 percent on most of these metro-dailies we're talking about but 40 percent of mine, 45, and I'm fortunate. Like I said most weeklies it's 75, 80 percent of their circulation.

And there's one weekly publisher I'd like to cite for you. And granted not everybody has a severe problem as he does. He is a man who puts his paper out weekly dated Sunday. It's printed Friday night and delivered Saturday. And you can easily see what it would do to him if his paper wasn't delivered until Monday with a Sunday deadline and with advertising where the advertiser expects to begin getting results on Saturday and he doesn't really get any until Tuesday in many cases if it was delayed that much.

He made the statement that, "I would lose most of my subscribers, all or early all my advertisers, and I'm just not being enough to hire carriers. Loss of Saturday delivery would be a death blow to my newspaper." And this is a newspaper that serves a little town in the panhandle.

A publisher in east Texas surveyed his readers and he got—and I'm going to read you two different excerpts from replies he received. One reads as follows:

I am 89 years old. I never go anywhere and mail and newspapers are my only contact with the outside world.

Emma Pal,
Route 1, Atlanta, Tex.

Another lady from that same area whose name is Margie Green from Bevins, Tex., wrote:

I love to get my Saturday mail. Some very important mail is delivered to me on Saturday including my social security check. I often have to wait for that check before I can go buy my groceries.

So you see in my own case in publishing a twice-weekly paper in Fort Stockton, I have enough contact with readers elsewhere in the State to know that many of them get our Thursday paper on Saturday. This would represent a 2-day delay to them. A paper we date Thursday reaches them Saturday as is now, and if Saturday delivery is discontinued, it will be Monday before they get the paper dated Thursday. This may cause a lot of them to drop their subscriptions. These people take the paper to keep informed about events in their old hometown and some take it for the oil and gas report run every week and courthouse filings for oil and gas leases. We are in a big oil and gas county. This group is always in a hurry for the paper to arrive because it affects their pocketbooks. These people can't respond to our ads and we know this or not too many of them, but they do count and I think they're entitled to some consideration. Even those newspapers with a favorable situation like ours still need to reach their out-of-town readers, and the readers deserve service.

One of the statistics I meant to mention in the beginning that we're here today representing 576 weekly or semiweekly papers and 97 daily papers in Texas. And as mentioned they represent 90 percent of the people of Texas.

So that you won't think that this is all a figment of imagination, we brought with us what you just brought over to the table: These three big boxes full of cards and letters. And these are survey responses from surveys taken by only three of the larger daily newspapers. They represent a good cross-section of Texas daily leadership and the people who are receiving these Texas daily newspapers. These particular surveys were made by the San Angelo Standards Times, The Temple Daily Telegram, and the Amarillo Daily News Globe. Now, Mr. Davis here is the business manager of the Amarillo Daily News Globe, and he may answer questions you may have about the results of the survey, but I'm summarizing it rather quickly. The Standard Time survey from San Angelo, they received 692 responses out of 4,000 subscribers they surveyed, and they're unanimously opposed to the discontinuance of Saturday delivery.

In Temple 1,360 out of 3,600 responded to their survey, and out of these 1,360 responses only 7 expressed a willingness to cease Saturday delivery, discontinued if they had anything to say about it.

In the Amarillo survey, which was the most outstanding one in terms of returns, they got back 2,780 responses when they sampled 4,762 mail subscribers, 96.44 percent are opposed to stopping the Saturday mail delivery; 65 percent said they would stop subscribing to the newspaper if they lost the Saturday delivery; and that would cost the Amarillo News Globe \$184,452 a year. That's pretty big money, but that's how much the Metro Daily News is looking at if they lost 65 percent of 2,780 subscribers. So we're talking about some pretty big numbers here as you can see.

I'd like to not read it all but to leave the results of the survey taken in Amarillo. Yes; here it is. Thank you, Mr. Davis. This is the complete tabulation of the results of these surveys. They had 25.04 percent saying they'd continue to subscribe to those newspapers if they lost Saturday delivery, and 65.07 percent said they'd drop.

The effects on the Amarillo paper would be considerable and they had a spectacularly successful survey. One of the reasons is that they

paid the postage for the returns as you saw. I believe Mr. Raymond saw this that they had metered the mail—the return envelope—so that all the subscribers would be able to respond without paying the postage, and they responded as you saw in large numbers.

I think that pretty well gets that part of it. Now, we don't want you to think that we're only interested in the problems of the newspapers. We're interested in the problems of the readers; the problems of people. We're not here just to plead our own case, we're here to try to represent all the people who read our newspapers, and we feel that they are the people that you need to be considering.

We know that the post office needs to find some way to economize. It's been proposed by the gentlemen from the El Paso Chamber of Commerce that efficiency could be improved, and I think that there's no doubt about it. If they were having to show a profit with it, they'd find a way. Of course, it may be impossible to run a mail service for profit. I'd hate to try. I guess we're all in the same boat on that. We have to figure out a way to cut our losses and pay the bill. And we have a few suggestions on how this might be done.

One of them is to charge more for junk mail. And I think "junk" is an applicable word for third-class matter. Third-class mail is an intruder. All the third-class mail you get is something that you have not solicited; you don't particularly want, and in most cases a large percentage of it is thrown away by the recipient once it reaches him. Yet, third-class mail gets preferred rates much lower than first class, so does second class; and we fully admit this. But this is part and parcel of getting an informed American public. And we think it's justified from that standpoint.

NEWSPAPERS AND MAGAZINES

Now, the big distinction we'd like to make is this: Newspapers and magazines, which are the second-class material, are invited guests in people's home just as their television is an invited guest, their radio. The third-class junk mail is uninvited: It's an invader; it's an intruder; it's an irritant. We think that one of the best ways to make up some of the postal deficit would be to raise the price of third-class mail as high as first-class mail and, perhaps, just eliminate third-class mail. Make it all first class; see how that works.

Mr. Davis told me something this morning that I wasn't even aware of being in a small-town publication, I don't know all the procedures dailies have to go through to get their papers out but they have a lot going. They have, in Amarillo already with the reduction in postal service which has already occurred over the past 20 years, maybe even a shorter period, Mr. Davis, I don't know, but the Amarillo Globe News already is maintaining a fleet of 10 trucks that travel 2,751 miles a day just to get their paper out to their rural communities.

The way that works is they cover a trade area that runs all the way from New Mexico and to Oklahoma and from the Kansas State line with Oklahoma with Plainview to the south, to Tucumcari, N. Mex., to the Oklahoma line is what it says. And so it's a prosperous area, but it's not a highly populous area. It's a sparsely populated area, and to serve it properly they have to have this fleet of 10 trucks traveling close to 3,000 miles a day. Approximately 5,300 of their

subscribers receive the daily paper through the mail and for that service they're paying the full second-class postage or an average of \$186,000 per year. Second-class users are the volume users. The volume customers, of course, are the ones that keep the light bill paid, and we think that we're probably more help to the Postal Service in meeting its budget than we are a hindrance. And the Amarillo paper's paying the full postage and they expect the cost to go up from the \$186,000 they're paying now to over \$242,000 beginning in July of 1978 because of the already announced rate increases. We're having postal rate increases of the second-class matter, and we aren't happy about it but we know that it's necessary. We don't think the discontinuance of Saturday mail is necessary.

The Amarillo paper is providing about 89 percent of the cost of making the delivery of these papers so that they're paying the postage on. These 5,300 papers that they're sending to the towns that surround Amarillo in their trade territory are hauled on the 10 trucks, and they arrange them by post offices, routes, bundle them, tie and bag them, and they haul them overnight to the outlying post offices and leave them on each post office dock. Each rural carrier's papers are grouped and require very little time on the part of any postal employee to put them up. Without Saturday delivery, they can't give complete service to the area citizen. They're already going 89 percent of the way to get these papers out Saturday and every other day of the week. I think this is something that should be noted. And the reason I'm citing Amarillo is because Mr. Davis has furnished me his figures, but this is true not only of Amarillo but every other metropolitan daily.

In my own case in Fort Stockton, we had the trauma of adjusting to the ZIP codes 7 years ago. We didn't care for it at the time, but we now realize that the ZIP code was probably a real good step and we have all our newspapers arranged in ZIP code areas. And we have to have each bundle for each ZIP zone has to be separate. We put them in the sacks; we take them to the dock. The post office in our own town doesn't even handle them. The truck comes along and ships them out. And we have to report the weight to them ourselves, and we have an incredibly larger amount of paperwork to do all the time for the Postal Service. I use to make a postal report once a month. Now, I have to make one on the average of once a week. Mr. Davis says he has to make one every day.

We're trying to hold up our end of the bargain with the Postal Service and do our part of the job in helping them get the paper to the people. We get enough mail in the first class and that unwelcome third class I was talking about to know that Saturday delivery is going to make things much more inefficient for business as a whole. We're businesses and so we receive a large amount of mail on Monday due to the fact that Sunday's mail is in there.

If you discontinue Saturday delivery, you're going to have Saturday's mail and Sunday's mail and Monday's mail all hitting those offices of the businesses of America on Monday. Monday is going to be the mail day. It may be we stay at home, but it's going to be mail day at the office all day long. We think another day's accumulation will really mess things up plus with the increasing number of Monday holidays that cessation of Saturday delivery will cause not a 2-day delay but a 3-day delay on every holiday weekend. And we just

can't see any point in it as we recommended third-class mail might be one place to look.

We'd also like to express our support for a bill, which is now before the Congress called H.R. No. 7700, and this bill calls for the bringing of the Postal Service back under the direction of Congress. They tried, as I understand it, to put the Postal Service into a less political rim by having it run by some so-called corporation off to the side without the direct, quite as direct an oversight from Congress. We realize now it was probably a whole lot better to have it under direct supervision of Congress, and we certainly hope that we'll see that.

Mr. WHITE: It's running full cycle because at that time we were getting pressure to change the Postal Service to run it like a business, and it didn't work out.

Mr. BAKER: Right. Run it like a business and take politics out.

Mr. WHITE: But it didn't work out.

Mr. BAKER: You did it and it didn't work out because No. 1, you can't get politics out, completely out of anything. You have it in the smallest business. And then No. 2, it's probably physically impossible to run a Postal Service at a profit with all the services attached.

Mr. WHITE: Historically, the postal committee majority disfavored that move, and it was only when the final pressures from all the public, just virtually all the public and business community and private people and everything else said, "Hey, this is what we want." Anyway, it's just one of those American experiences we had to kind of—

Mr. BAKER: Kind of like I told my youngest daughter one Christmas, I said, "Honey, if you get everything you want, you'll be an unhappy person."

Mr. WHITE: Thank you very much, Mr. Baker. Mr. Murphy or Mr. Davis, do you have any additional statements you wish to make?

Mr. DAVIS: I'm Trenton Davis, business manager of the Amarillo Globe News: I'm substituting for Mr. James White, who was scheduled to be one of your speakers, but due to an emergency, he had to put his wife in the hospital, he couldn't make it. Let me say that I'm not speaking for all newspapers at this point. I want to inject some of our experience in Amarillo and limit my remarks to that.

In our survey as was pointed out, we had a phenomenal return; 1½ percent of the people didn't answer the questions of whether they wanted Saturday deliveries for an oversight, they just didn't answer the question specifically. But 96½ percent definitely answered, and leaving less than 2 percent that said that Saturday delivery should be discontinued. I think this speaks for itself.

We left on our survey a place for the people to make any comment that they wanted just to question, "Is there any further comment you wish to make?" I think with just nearly all of them had some definite comments. If your staff has time, they can get the reaction of the people at least in our section of the country about the Postal Service. And, regardless of what Mr. Neilsen has to say, the people are interested in the mail.

Mr. WHITE: Let me ask you this, if I may interject. Are these ours to study?

Mr. DAVIS: Yes, sir.

Mr. WHITE: Thank you very much. We will take them back to Washington.

Mr. DAVIS. We're through with them. We know what they feel like. I want to inject one more thought, and here again this comes from Amarillo newspaper, and it's in support of what the El Paso Chamber of Commerce brought here. We feel like that on our second-class postage we definitely are paying our way as was pointed out. We're hauling 90 percent of the papers to the post office just ready to deliver. There's no cost to them except just hand them out. We feel like that it's a profitable operation or at least it should be on second-class postage.

Now, we believe with the El Paso Chamber of Commerce that the real financial problem lies in the rules and regulations that the Postal Department has adapted. Now, let me cite you an example.

For many, many years we in the Amarillo newspapers had postal contracts to haul mail out to the post offices along with our newspaper. Some 4 or 5 years ago we were advised by the postal authorities that if we were to continue that operation, we must pay the drivers' wages and fringe benefits that would cause their earnings in some cases more than our department head. We just had to automatically bump that much money if we were to continue these contracts. The Postal Department readily agreed to pay the difference. But it left us in the position of having drivers who were going to make more than our department heads. So as a result we had to discontinue hauling the mail which caused financial losses both to us and to the postal department.

That concludes my remarks.

Mr. WHITE. Mr. Murphy, do you have any comments?

Mr. MURPHY. Just two brief points, Mr. Chairman. I think we've said to you here that as a result of your survey of how much our newspapers rely on the mails to get the newspapers out to the people, the 8 percent is really not a true figure. It's a distorted figure in that most of the papers of any size, I think Mr. Baker has already made the point, do not rely on the mails. They have their own trucks that do this job so that the bulk of the newspapers that ordinarily have gone out by mail, that used to go out, are not even touched by the mail service. This, in itself, represents the fact, I think, that the newspapers are subsidizing and taking over the Postal Service a great burden of the work.

Then I think the point when we said that 750,000 people based on that 8 percent would be simply taken out of the main stream of affairs of their community, of government at every level, is certainly a minimal figure when you apply this to what would happen all over the entire United States of people that would simply lose track of a lot of the things that you people in Congress are doing that are happening in their State government and local government. This has got to be contrary to everything that the Congress and the Government in this country is supposed to stand for and to see.

I can't believe that it's the intent of the Congress or government at any level to do this kind of damage to the press of this country and to the people that it serves. I just can't accept that.

One final thing, which is, I hope, a positive note of suggestion, and that is instead of totally discontinuing the service on 1 day, which in some effects would amount to 2 or 3 days depending upon the situation, why not discontinue deliveries in some sections of, say, the larger

communities 1 day a week or maybe one delivery or whatever and spread it out so that everybody shares in this problem instead of just these people, the people out in the rural areas and so on who would have no other way of getting their mail.

Mr. WHITE. Are you suggesting possibly using a Wednesday instead of a Saturday?

Mr. MURPHY. It's a possibility, yes, sir. I think that way, I think even our newspapers could plan some way to cope with the problem, but, when you just flat chop it off on Saturday and in effect for a lot of people this means Sunday, too, I think you're taking an awful extreme step that I just can't see that it's necessary. I would think that the people that run our newspapers could find ways to overcome that problem if you made it, say, on a Tuesday or Wednesday or whatever, but Saturday delivery and what it represents would be, I think, an awfully extreme step.

Mr. WHITE. Thank you very much. Mr. Baker, you touched upon two points I think are very important in the whole equation. One was as to how it affects the rural areas, and then you suggested also obliquely the possibility of loss of business and revenues.

Now, the first question I have is, and I'll go into those two items in more detail, do you have any figures as to the loss to the newspapers; you talked about the loss of business or the loss of subscribers, can you quantify this in terms of dollars or has anyone quantified this or is this an intangible?

Mr. BAKER. I quantified it for you, Congressman White, in the case of Amarillo. If they lost 65 percent of their, of those people that responded and said they'd drop if Saturday delivery was discontinued. I believe the figure was \$186,000, was it, for the Amarillo paper?

I beg your pardon about the \$186,000. That is not the figure. That is the second-class postage cost.

Mr. DAVIS. The Amarillo paper—you're correct, Mr. White, I hadn't given you that; let's review—they mailed out 4,762 questionnaires. They received 2,780 responses; 96.44 opposed stopping the Saturday mail and 65 percent of this 2,780 said that they would stop subscribing to the paper if Saturday delivery was stopped.

This would be a financial loss to the Amarillo Globe News of \$184,452 a year in revenue.

Mr. WHITE. Now, you're translating it into jobs, too, of course.

Mr. BAKER. You're talking about some of your circulation workers on the paper; yes, sir.

Mr. WHITE. Now, you spoke about the Saturday deliveries generating business for retailers who advertise in these papers and you spoke of a gentleman who printed a Sunday paper that was printed on Thursday, sent out on Friday, delivered by Saturday in the hopes that the retailers would get the benefit from the delivery.

Mr. BAKER. Now, I don't know everything about the situation, but he says it would be a death blow to his newspaper. He would lose most of his subscribers and all, or nearly all his advertisers.

Mr. WHITE. Now, in the equation, when they speak of a \$400 million savings throughout the country per year by the discontinuance of Saturday delivery, I suspect they have failed to consider the amount of revenue into the Treasury from business that would be generated through the Saturday mail delivery.

Mr. BAKER. Absolutely; I think they're looking strictly at their labor costs.

Mr. WHITE. I spoke of intangibles. I think that would be awfully difficult to estimate but it might be considerably more than the \$400 million.

Mr. BAKER. Well, if you want to look at this, too. Let's discuss the overall economic aspects of the whole thing if I may in this as an afterthought. We won't kind you and tell you that newspapers make a lot of money on their circulation; they don't. In fact, circulation actually costs us money. If we were just printing a paper with nothing but news on it and then trying to sell it for the same price as we charge now for subscriptions, we'd lose our shirt. We couldn't do it. And circulation is something where you simply try to cut your losses. And some newspapers will tell you they make money with circulation, but they're using false accounting when they do that. It depends on how much you charge back to it. If you charge the cost of printing to it, you can't even pay for your printing with your circulation revenue let alone the postage and the labor costs of distribution. So what makes newspapers' pocketbooks stay afloat is advertising, not circulation; but, we have to have the circulation.

Mr. WHITE. Of course. The other point you were making—and this is a suspicion on my part—that the areas that would suffer the most would probably be the rural areas with the discontinuance of the Saturday mail delivery because those people are not available sometimes to radio announcements, to television impulses; they can't necessarily get into town to get to the boxes, and so they're relying on that delivery at their ranch, their farm or whatever.

Mr. BAKER. Many of them who are too far removed from the television stations to receive the signals with an antenna either have to be on the cable to get or they don't get it. And if you're out on a ranch, you're not on the cable system because the cable system can't economically serve you. So they are isolated and newspapers are very important to them.

In the small-town papers you have many situations particularly in central and east Texas more so than in west Texas, where you have a lot of little bitty communities in a county. Let's take a county like Bastrop County, that's a good example. They've got the towns of Smithville and Bastrop and a whole bunch of tiny communities, but when the Bastrop paper mails its papers, they go to Austin to the sectional center and then are sent back out to the rural communities in Bastrop County. They make a round trip. In fact, I wrote an editorial about how ridiculous this was. Of course, now I realize it's probably necessary from the postal standpoint to have the sectional concept. Let's say Bastrop is 10 miles from Forks La Creek and the Bastrop paper has subscribers in Forks La Creek. In order to get it to him he sends it to Austin, and then it comes back or his own post office sends it to Austin, and then it comes back to the post office in Forks La Creek. And those people often don't get a Thursday paper. If the Bastrop paper doesn't print until Thursday morning and doesn't get it into the mail until Thursday afternoon and does make an outgoing truck to Austin, it might conceivably reach his readers Friday afternoon. But quite often it's going to be Saturday morning before it gets back to the Forks La Creek readers from the Bastrop County seat town 10 miles away.

That's our No. 1 reason in the weekly field for feeling that we must continue with our Saturday delivery.

Mr. WHITE. Well, I think all your testimonies have added immeasurably to the record, and I certainly do appreciate the great distances you traveled to appear before us today.

Mr. BAKER. Sir, I have one more afterthought. We mentioned advertising, what some of its significance to the newspaper, which is almost total. The advertiser expects results when he places an ad, and he wants the rural reader to respond to his ad. Usually in most of our little weekly papers, there is a Thursday paper with an ad in it which is full of specials for the weekend, and that rural reader has an ingrained pattern of responding, getting his Thursday paper on Saturday morning, driving into the county seat and buying at those stores on Saturday afternoon. The advertiser will lose that pull to the rural reader and the paper will lose the advertiser.

Mr. WHITE. Well, it's targeted advertising, if you said they had to broadcast, many of these small communities don't have radio stations and they would have to pay for the total area of the impulse which would overkill.

Mr. BAKER. Well, a good example of that is if they had gone to a metropolitan television station and buy spots to reach their one county market area. It's false economy and the television people would readily admit it. They have bargain rates for such situations and it's still prohibitively high for most merchants.

Thank you, Congressman, and we hope we haven't taken too much time.

Mr. WHITE. Thank you, Mr. Baker, Mr. Davis, and Mr. Murphy, and we appreciate the time. We'll go over the questionnaire returns.

Mr. MURPHY. You've been very generous with us, and I want to thank you.

Mr. BAKER. We'd also like to thank Mr. Raymond and Mr. Minton for their attention.

Mr. WHITE. The next witness at this time will be Mr. Guillermo Acosta, district director of League of United Latin American Citizens. Did you have anyone that wished to accompany you at this time?

Mr. ACOSTA. If I had known, I would have asked the whole district to be with us.

Mr. WHITE. I think you would have had plenty of people.

STATEMENT OF GUILLERMO ACOSTA, DISTRICT DIRECTOR OF THE LEAGUE OF UNITED LATIN AMERICAN CITIZENS

Mr. ACOSTA. Congressman, as you know, in our community and particularly in the people who are in fixed incomes in El Paso who depend on their social security checks and retirement checks and in many cases the medicare checks will be of great inconvenience and economic harm to those individuals who depend on their monthly checks; and many a time the end of the month happens to fall on Saturdays. This will be affecting the senior citizens, the students, and all those individuals who happen to be retired from the Federal Government, the State government or companies that handle their retirement checks on a monthly basis and that many a time falls on a Saturday.

Also, some of the comments that have been received to us are by the individuals who work for the post office and that we have heard an

awful lot of comments about making the post office more profitable and more effective in the delivery services and also trying to gain some revenues.

I think that, by comments received and by individuals involved, that it has been identified that it would be impossible for an individual or a company or organization to make any profit at 13 cents a mailing. And, particularly, the large percentage of minorities who are employed by the post office, are receiving the brunt of the supervisors' pressures and the administrators and post office to handle more than they can physically render.

This in essence has created an awful lot of pressure because they know that increasing the rate of the mail would create a political pressure to the post office from the part of the constituency, of the people who elect our elected officials. And, therefore, will hesitate to do this. But if we want to recognize that inflation has brought the salaries, the cost of living up, and, therefore, the Postal Service will have to go up in order to compensate those individuals who are providing the service. Basically, what we're saying that stopping the service, the Saturday service will be a great hindrance not only to the postal employees but to all those individuals who are either in this income or who base their businesses or their enterprises on the services of the post office.

We thank you for giving us this opportunity.

Mr. WHITE. Thank you, Mr. Acosta. You certainly added two ingredients to the questions that I think are highly important. You spoke of the senior citizens and the students, and this is absolutely true; and when you speak of the students, you're talking, of course, of the veterans benefits. People who are going to college or trade schools rely on that check in order to maintain the family on a very slim margin anyway.

Mr. ACOSTA. As you know, Congressman, normally you don't get the check until the month after or even sometimes 2 months after you have been in school; by that time you have incurred debts. You have incurred some costs that you were not anticipating in doing because of the delay of getting the check. By the time you receive the check, you're behind \$40 even a \$100, and by causing even further delay might even cause individuals not attending school or not attending vocational training that they had planned to do because of the inconvenience.

Mr. WHITE. And buying groceries over the weekend.

Mr. ACOSTA. And buying groceries and feeding the kids.

Mr. WHITE. Quite true. Thank you very much for your contribution. We appreciate it.

At this time we call Mr. Cipriano Bustamante, president of the National Association of Letter Carriers, AFL-CIO. Mr. Bustamante, did you have anyone that was accompanying you?

Mr. BUSTAMANTE. Well, I see several of the officers here of the branch if they are to come up with me.

Mr. WHITE. Anyone that wishes to join Mr. Bustamante is welcome to come up.

Mr. Bustamante, you're an old hand at appearing before congressional committees, and I know your leadership has been persuasive in the past in many of the national issues. We welcome you here this morning.

STATEMENT OF CIPRIANO BUSTAMANTE, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Mr. BUSTAMANTE. Mr. Chairman, members of the committee, my name is Cipriano Bustamante, and I'm president of Branch 505 of the National Association of Letter Carriers of El Paso, Tex. I represent 410 members here in El Paso including approximately 70 retired letter carriers who still maintain membership in this union.

With me today is Mr. Jose Natividad, vice president of the Branch 505.

Please accept my personal commendation for your convening this committee in El Paso and for your strong interests in the opinions of Americans as to further attempts to cut back on already severely deteriorated postal service.

As a letter carrier, I and my fellow letter carriers are constantly in close personal contact with our postal customers. After a few years with a particular route, the letter carriers not only become acquainted with those whom he serves but in many cases and instances becomes close friends with his patrons. As a result we learn earlier than most the views of patrons as to mail service. Certainly we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington, D.C., or any promotion firm which he or the Commission on Postal Service hires. Therefore, I can tell you with confidence that the postal patrons of this area are angry with certain levels of service that they receive and with the constantly increasing costs they must pay for postal service. A proposal conceived in powerful Washington, D.C., that El Paso, Tex., postal customers must pay 3 cents more on an already overpriced first-class stamp and in addition will receive 1 day a week less of mail service simply makes no sense to them or to me.

At this time I would like to bring out some of the comments made to me on my route and other routes to other letter carriers. In the downtown area of El Paso there are a number of rooming houses and small hotels. Many elderly people live in these places; mostly men that are alone. They have no relatives here in the city. They depend on the postal service for communications between their relatives and their sons, their daughters, children, sisters, brothers, and even parents in some cases. They come from other parts of the country. This is the only means of communications. They have no way of communicating with them through long distance telephones; they can't afford it. They depend on the postal service also for their monthly checks which they receive because of the retirement from the Government service, their social security, or other Government or other pensions. This is their sole means of communication and receipt of their mail. This is the way it affects the people here, and as you know we have a large segment of people from Mexico that this is also the only way of communications with their relatives in Mexico.

There are citizens of this country or maybe in some cases they're aliens here, but they're still entitled as citizens of this country to have a good, efficient mail service.

You have a large number of retail stores in the downtown area of El Paso where the home offices are in some other city in other parts of the country. Their paychecks are mailed from the home office and

they are received here through the mail so that the people can be paid on Friday afternoon and/or on Saturday. Many times these checks do not arrive here on time. This causes a hardship on them. They must go the weekend without a paycheck, and if you don't believe these people suffer with it, go around to some of the downtown stores and ask some of these people. The inconvenience that they go through. They call up the Postmaster. They want to know how come their checks weren't delivered. This is retail stores such as appliance stores, jewelry stores, and optical stores. There are a number of places in the downtown area that are affected this way.

Also in the business section—this is how it affects them—as you know banking institutes, loan companies, savings and loan associations mortgage companies must have their payments in by a certain date. If those payments are not received by a given date, there is a late fee charged to the customers. And this could be costly to an individual. It's affecting the economy of the city of El Paso this way. There's another area which the customers are hurt in another way because here in El Paso there are a number of merchants that offer a discount if bills are paid by a certain date of the month. If those bills are not received by the 10th of the month, that 10 percent discount does not apply. A lot of people look forward to this.

By elimination of Saturday delivery service, in many instances those checks, money orders, or what have you would be received late and they would not get the discount or late charges would apply.

Mr. WHITE. In that regard, is it also possible that employed people work during the weekdays and pay their bills by cash in many instances on Saturday; and if they didn't receive that check, then they would be unable to make that payment in small accounts.

Mr. BUSTAMANTE: Yes. Congressman. This is very true.

As I have said, I'm pleased that you're here to learn our views; as often this isn't the case. The person who really should be here for the purpose, the Postmaster General is back in Washington, D.C. After all, the Congress has indicated quite clearly that they understand the fallacies of the proposed reduction in service. The overwhelming votes in the House and Dole-Clark amendment in the Senate favor the continuation of 6-day delivery demonstrates that the Members of Congress are aware of the public sentiment outside of Washington, D.C. That support of high standards of delivery service shows that Congress is listening to the postal patrons in El Paso, Tex., and other cities and the rural areas throughout the country.

That the Members of Congress have supported our efforts to retain 6-day delivery were accurately reflected through the constant use of their constituents was dramatically demonstrated by the committee in Honolulu, Denver, Philadelphia, and upstate New York. It is my understanding that your survey of postal patrons sent through this city demonstrated for support for Saturday delivery service by margins of better than 3 to 1. I believe the postal patrons in El Paso will respond in a similar manner to your local servant.

At this time I'm very glad to see this stack of mail in favor over here of continuation of Saturday deliver. It shows that the people do want 6-day delivery here in El Paso and in the 16th Congressional District and that the Postmaster is apparently deaf to both the postal patron and the Members of Congress. The proposed elimination of Saturday

delivery will only impose visible hardships on those whose mail has constantly been delayed more and more year after year. This is an obvious result of that policy.

Earlier in the day, earlier in the hearings, the gentlemen from the newspapers mentioned "junk mail." Let me tell you that we in the Postal Service object very much to the use of the word "junk mail." Each piece of mail delivered by us is valuable to the person who mailed it, and we strongly object to that word "junk mail." There is no such thing as "junk mail." A lot of jobs, thousands of jobs both in and outside the Postal Service depend on this third-class mail.

Now, I realize it's in competition with the newspapers, but it's important to the people that mail it. And despite what the gentlemen from the Texas Association of Newspapers said, they are read by the postal patrons who receive them let me assure you of that.

Mr. WHITE. May I interject at this time? That's a vernacular term that has developed, but Mr. Baker was right earlier that it wasn't paying its way. But I believe the postal rates have recently been increased. I've been informed that—I didn't know this prior to this time—it's estimated they're just about at the level of paying their way. I'd like to get some more figures on that; but, it is a nuisance to some and welcome to others. It's just a personal preference matter in many instances.

Mr. BUSTAMANTE. Less obvious but equally compelling is the impact of cutback of mail service to the economy of this area. The loss of postal jobs throughout the city of El Paso alone will affect 40 part-time flexibles now employed in the postal service here in El Paso. Our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period. Obviously, no man or woman can earn a living subject to 4 hours of work every 2 weeks. And it would affect not only the 40 letter carriers part-time flexibles here in El Paso but would also affect the other employees: the mail handlers division, the division of mails, the clerk section.

Mr. WHITE. In that regard I was going to ask you, so I'll just ask you now, though the proposal would indicate that this would be principally burdened by or affecting the letter carriers themselves, would this in time cause a reduction in sorting and other operations within the internal operation of the post office?

Mr. BUSTAMANTE. To the best of my knowledge it would because in all probability if there would be no Saturday delivery of mail, there probably wouldn't be any clerks working in the division of mails to get the mail out for Saturday.

Mr. WHITE. So this might actually affect the actual posting in the boxes of some of the mail.

Mr. BUSTAMANTE. In all probability there would be no mail boxed at the stations or at the Paisano Annex here in El Paso. I'm not saying this for sure. I'm saying that in all probability.

Mr. WHITE. Yes; I understand.

Mr. BUSTAMANTE. Those employees would no longer have income as a result of working. The loss to the already hard-pressed economy of this community, this monthly payroll would be severe and appear to be decreasing employment particularly the cost of our area in providing income to those displaced workers in the way of welfare and unemployment benefits will be summarily unavoidable.

In conclusion, Mr. Chairman, please take back to Washington the opinion from El Paso, Tex., that your previous vote on this issue demonstrates that you share, namely, were against any further cuts in the already deteriorating Postal Service.

What our area really wants and the United States is entitled to is better postal service and less costly service not more expensive but better postal service and I thank you very much.

Mr. WHITE. Thank you very much, Mr. Bustamante. Did you have anything you wanted to add, sir?

Mr. NATIVIDAD. No, sir, Mr. Congressman. I'm in full accord with Mr. Bustamante' views and facts as a good, presentation, I believe, is to back us up in continuing this 6-day delivery for the betterment of everybody concerned. Thank you very much.

Mr. WHITE. Thank you. Mr. Bustamante, one thing I'd like to ask, and I'm not trying to put you on the spot, but you are most acquainted with the operation of the post office and you have heard some testimony earlier about alternatives, I've asked the question about alternatives, and do you, not going into great detail, see ways in which the Postal Service could effectuate economies as an alternative to this, the reduction or elimination of 6-day service?

Mr. BUSTAMANTE. Well, one way would be a more efficiently run postal service by doing away with some of the Postal Service redtape. And believe me there is a lot of it that could be done away and a better Postal Service could be run this way.

Mr. WHITE. Well, we may be calling on you to elaborate on that at another time.

Mr. BUSTAMANTE. There has been talk here, and not only here in El Paso but in all sections of the country of doing away with the private express stations. That is the postal monopoly on handling the first-class mail. This would greatly harm the country. I'm totally against it and I believe most Members of Congress are against it.

Mr. WHITE. Well, it's actually believed by many that if you did that, you just about would wreck the Postal Service.

Mr. BUSTAMANTE. It would, because private companies would take over the profitable business and leave the nonprofitable business to the Postal Service, and this would just ruin the Postal Service completely.

Mr. WHITE. Thank you very much, Mr. Bustamante. Do you have any questions, Counsel?

Mr. RAYMOND. I have one question.

Mr. WHITE. Mr. Raymond.

Mr. RAYMOND. If Saturday mail delivery is eliminated, do you see this as just a first step in eliminating other postal services?

Mr. BUSTAMANTE. Yes. I do believe that right now, here, they are planning to have a 5-day delivery. Can we count on that? There has been talk that also they're thinking of going into 4-day delivery week and 3-day delivery week. We have heard talk among the letter carrier crafts and our union office have told us about the feeling of the plaza or whatever you call it. Mr. Bailar is a babe in the woods, believe me, when it comes to operations of the Postal Service. That's my opinion on it.

Mr. WHITE. Any other questions?

Mr. MINTON. I have one question I'd like to ask you. One of the earlier witnesses—and a lot of people around the country—have suggested that the way to help the postal service is to be more efficient. Nobody ever describes precisely what they mean by "efficient," but assuming that efficient means you get more work for the same dollar, do you think from your knowledge of the letter-carrier operations in El Paso that your members can work harder and get more done in a day without working overtime than they are doing now?

Mr. BUSTAMANTE. Right now our routes are overburdened. Let me make this as a complete statement. We earn every penny that we work for. We get paid and every single penny we're proud that we say we earned it. Our routes are overburdened; the load is becoming heavier everyday after day. The routes are becoming longer. There's no question about it in my mind. We earn our money, and how we could be asked to carry a bigger load and a longer route is beyond my understanding. I cannot see it.

Mr. MINTON. Are your routes generally longer now than they were, say, 5 or 6 years ago?

Mr. BUSTAMANTE. You better believe it. I work on the average 9 hours a day, and I would very much like to work only 8 hours.

Mr. MINTON. You work 9 hours a day.

Mr. BUSTAMANTE. One hour is overtime.

Mr. MINTON. Is that a regular routine?

Mr. BUSTAMANTE. That's pretty regular. If I don't work overtime daily, I usually get auxiliary; that is, I get 1 hour's help or more.

Mr. MINTON. Is that generally characteristic of your 350 letter carriers?

Mr. BUSTAMANTE. Well, not all of them are letter carriers.

Mr. MINTON. Of the regulars, are they working overtime on a regular basis?

Mr. BUSTAMANTE. Yes, sir.

Mr. MINTON. At time and a half?

Mr. BUSTAMANTE. At time and a half.

Mr. MINTON. Are you spending that much more on time and a half than if you hired another letter carrier; or two or three.

Mr. BUSTAMANTE. Correct.

Mr. MINTON. Do you think—from the standpoint of efficiency of making people work harder for the same money—that you're about there.

Mr. BUSTAMANTE. We've had it.

Mr. MINTON. Thank you.

Mr. WHITE. Let me mention one thing. I think the public doesn't realize that the American postal service moves about 90 billion pieces of mail per year which is more than all the other countries put together. Is that about your understanding?

Mr. BUSTAMANTE. Yes.

Mr. WHITE. I know there are a number of people in the audience that would like to make additions, and to keep the record somewhat orderly, we're going to keep categorized as best we can. Are there any letter carriers that wish to make a statement? If you're not a letter carrier, you will have an opportunity in the course of the witness list or after the witness list has been gone through.

Mr. BUSTAMANTE. We have one man here, Mr. Albert Herrin.

Mr. HERRIN. Congressman White, I'm Albert Herrin, letter carrier from the Northgate Station. I want to express my opportunity of appreciation to speak for a minute on this occasion I'm speaking in behalf of what the President says, and I agree with him wholeheartedly that the American people, I think, don't expect a cut in service, they expect service.

I cannot see where cutting any day of the week of delivery of mail would improve service. As he stated, our routes are overburdened, and we can't get the mail delivered in 6 days at 8 hours a week. How in the world are we going to get it delivered in 5 days at 8 hours a week when we can't do it in 6 days?

Mr. WHITE. That's a very good point.

Mr. HERRIN. People expect to have their service given to them. And the question has been asked, well, what do you feel is an alternative to improve the service. Well, Congressman White, I happened to read a paper yesterday, and my eyes opened up. I appreciate the good job the press is doing because they inform the public in the newspapers. The fact was mentioned that a several hundred thousand dollar baby grand piano was being installed in a man's office. What has this to do with the postal service—a baby grand piano.

Mr. WHITE. Maybe he wants to face the music there.

Mr. HERRIN. Maybe he does, but this is the man in charge. If he was here, I would say the same thing—the Postmaster General. What has a baby grand piano to sit in his office to do with the service of the public of the United States mail? Who's going to pay for that? I don't know. But I have a feeling it's coming out of the postal budget. And then, several hundred thousand dollars of posters and placques are to be posted in the office—again at the expense of the postal patron. And they come here and say, well, we're proposing a 5-day delivery but we're proposing an increase in postage. I cannot understand; I can't see their line of thinking. I can only say if the man that started the Postal Service could hear this, he'd probably turn over in his grave.

Mr. WHITE. Well, there have been other complaints of past Postmasters. You know there's a big flap about the elaborate offices that they had moved into.

Mr. HERRIN. Yes, sir.

Mr. WHITE. I hoped that they have become more austere since that time.

How many patrons do you service, Mr. Herrin?

Mr. HERRIN. I have strictly a residential area of a little over 400 patrons to the best of my knowledge.

Mr. WHITE. About how many pieces of mail do you handle per day?

Mr. HERRIN. I handle well over 1,000 pieces of mail per day, well over.

Mr. WHITE. And, of course, you cover great distances I'm sure.

Mr. HERRIN. I do, and it is all foot route.

Mr. WHITE. About how much distance do you cover individually?

Mr. HERRIN. I would estimate my walking is approximately 8 or 9 miles a day, in this vicinity.

Mr. WHITE. Probably a lot of people wish they were in your physical condition.

Mr. HERRIN. Some of my senior citizens say: you're lucky you can get around and you can carry that satchel. I appreciate serving those people because they show their appreciation to me. I'm telling you, Congressman, if their check is not there or their letter is not there, they let me know about it.

Mr. WHITE. You know from the grassroots then.

Mr. HERRIN. I'm the first contact between them and the U.S. Government.

Mr. WHITE. Well, actually the impression that Congress has is that the Postal Service and post offices themselves are in many instances the only Federal presence that many people know, specially in the rural areas, and they rely on that.

Mr. HERRIN. And, Congressman, I'm over the hump, as we say over the hump, we're over 50, and I thank my Good Lord for giving me the opportunity to still be able to work, and I can speak frankly, I would rather work 8 hours a day, take my 40 hours a week and let my relief man take his day. Some of these people that are on welfare, food stamps, and depending on the Government to give them a hand-out, let's put some of them people to work and take all the over 40 hours off of my back. I can work longer at 40 hours a week than I can at 45 or 50 hours a week.

Mr. WHITE. I know that's an additional strain. Thank you very much.

Mr. HERRIN. Thank you, sir, for your time and opportunity.

Mr. WHITE. We had a gentleman that wants to testify.

STATEMENT OF GABIO LOMELI, LETTER CARRIER, EL PASO

Mr. LOMELI. My name is Lomeli, and I've been a letter carrier with the Postal Service for 23 years and I'm on the 24th. I have been with the post office for 23 years and it has come to the situation in which not because of the age that we are coming to but because of the overburden of routes that we don't seem to be making it. If our routes would stay static as they have been in the past, we might be able to, you know, produce better as the man just finally said here, this man prior to me. He can work; we all can work better at 40 hours per week than weekly at 50 or whatever the case may be because of the overtime, because of the overburdened routes.

Now, I will say also that \$400 million is a large amount of money to be projected to be a savings. Now, this savings would only come by eliminating mainly the letter carrier. I'm sure it will eliminate a few of the jobs and everything, but I do not see where they can get this figure right now except by doing that. Now, this will not create a savings, it will start unemployment in the Postal Service, which is not a very good image.

I am not right now in a position to retire, and I am sure a number of other carriers that like me would not like to retire at this age. We can produce but only if we're given work, a route which is convenient to all of us to produce the way that they expect us to.

Mr. WHITE. Fine. I thank you very much, sir, for your contribution. There's a gentleman here.

**STATEMENT OF LOUIS KERN, MEMBER OF THE NATIONAL
ASSOCIATION OF LETTER CARRIERS, RETIRED**

Mr. KERN. Congressman, my name is Louis Kern, and I'm a member of the National Association of Letter Carriers, retired. I've been a member for the last 40 years.

There are two points that haven't been brought out in the curtailment of Saturday service. Curtailment of Saturday service would be concomitant to making a donkey or burro out of the letter carrier because when he comes in on Monday morning, he has to work literally like a donkey to get the mail out.

Incidentally, there wouldn't be any savings on the clerical work because the clerk would have to work, come in on the weekend or prior to the weekend to sort the mail to the various routes. This mail has to be cased or sorted to the various routes. There would be no savings there.

Also, the supervisor generally will stand behind the letter carrier egging him on and urging him to get the mail on, and he stands there and he's working with him hands like this and trying to get the mail in because he has a double load to carry. And, to those members of the newspaper who were here, your newspapers will be delayed because first-class mail has priority. It has to get out, and subsequently, the other mail is left behind in the office. How many of you have received your newspapers several days late and the news has no value whatsoever when it's curtailed. So, an unfair burden is placed on the letter carrier. He has to work like a dog when he comes in on Monday. He gets a day off, but he pays in blood and sweat for the privilege of having a day off because he has to work twice as hard and he works like a dog to try to get the mail out, and your mail will be delivered late. It's nothing uncommon to get your mail at 4 or 5 o'clock in the afternoon. I have, after a holiday, delivered mail at 6 and 6:30; so mail will be late. We will be relegated to be in the position as a third-class postal service in this country.

This is all I have to say.

Mr. WHITE. Mr. Kern, you brought out a very good point. If Saturday delivery is discontinued, Monday morning there will be a tremendous amount of mail to be delivered.

Mr. KERN. An awful avalanche.

Mr. WHITE. That would then mean, would it not, that the individual carrier would have to go overtime.

Mr. KERN. Without a doubt.

Mr. WHITE. Now, the rate of pay of overtime is how much?

Mr. KERN. Time and a half as I understand.

Mr. BUSTAMANTE. It would be approximately \$11 and some cents for overtime per hour.

Mr. WHITE. So really what you would be doing would be paying 1½ times the cost for delivery of that extra mail that would have been delivered at one unit on Saturday.

Mr. KERN. Yes; and another important point is the clerical work will have to be employed over the holiday weekend, Saturday and Sunday, and I believe that takes time and a half pay also, doesn't it?

Mr. WHITE. Well, they're employed now though, aren't they?

Mr. KERN. Yes.

Mr. WHITE. There wouldn't be any change on that, would there?

Mr. KERN. I think you will have to have extra clerical help to get the mail sorted to the various routes because after all it does accumulate. You can't come in on a Monday and start sorting mail to the routes because the mail will not be sorted in time for the carrier to leave. He has to leave at a certain time to make delivery.

Mr. WHITE. We thank all of you very much for your contributions. It's been immeasurable in its value to us.

Mr. BUSTAMANTE. There is concern with what Brother Kern was saying here about clerks working here. Management has a tendency to control the flow of mail so that not all of the first-class mail would be delivered on Monday, believe me. A lot of it would be held back.

Mr. WHITE. There would be a further delay.

Mr. BUSTAMANTE. There would be a further delay until Tuesday and even Wednesday. We know this is constantly going on.

Mr. WHITE. So if you have a holiday as you do six times a year, then that would mean that you might have even a 5-day delay.

Mr. BUSTAMANTE. This is right.

Mr. WHITE. Thank you very much for that information. We thank all of you for appearing.

Mr. Mike Dipp, president, Downtown Merchants Association, will be our next witness.

STATEMENT OF MIKE DIPP, PRESIDENT OF THE DOWNTOWN MERCHANTS ASSOCIATION, ACCOMPANIED BY LEE DANIELS, VICE PRESIDENT, DOWNTOWN MERCHANTS ASSOCIATION

Mr. DIPP. My testimony is on behalf of the Downtown Development Association. Mr. Lee Daniels, our vice president, is here with me today. We have heard quite a bit of statements being made. We have been here quite sometime, and we agree with all the statements that have been made. We just have two points to mention, Congressman. I know that you have a lengthy list, so the quicker we get out the sooner somebody else can come in here.

The one point that has not yet been mentioned is the fact that El Paso serves as the greatest gateway to Mexico as far as business. The largest amount of international business done on the Mexican border is done right here in El Paso. And also I would imagine supposing from that that the greatest amount of mail concerning business is handled also through Mexico and U.S. Post Office here. This is a big factor, especially on weekend mail, I would suppose, in going back to what the gentleman from the post office said, I imagine a great amount of bank correspondence is carried on because there is a bit of international trade that is carried on. As you well know, with large amounts of money, days make a great amount of difference. This is one point that we'd like to make.

Also another suggestion that was mentioned to me, and this was Mr. Coleman, who I happened to be talking back there to in the back just a second ago, was the suggestion that sidewalk boxes in suburbs be set up for dropping of mail. That this might increase, and it might be a suggestion which might help handle mail a little quicker, but there is no such thing being done now.

I don't know if Lee has got anything else that he would like to say, but we want to state for the record that our Downtown Development Association definitely would like Saturday delivery to continue.

Mr. WHITE. Thank you very much.

Mr. DANIELS. Congressman, I'm Lee Daniels. As Mike said I'm also vice president of the Downtown Development Association.

You asked for alternatives as what might be done here to make free flow of mail much better than what it is. I think you have probably a deep and broad knowledge of how the service was operating; how the mail was operating when it was under the offices of the Congress. You were probably there, as I recall, when the U.S. Postal Service was set up as a separate entity. You're seeing how it operates now and you saw how the system operated before. So being somewhat of a watch dog, we're not quite sure that this particular entity should be done away with. But we do know this, that your being very close to it and knowledgeable about good-type business practice that the efficiencies and the good-type business practices normally applied to business should be looked at and applied to the Postal Service.

It may very well be that the service could be salvaged, if I can use that word loosely, as an entity and made to operate in a very efficient manner by the application, again as I say, of just good-type business practices.

It may very well be, as was pointed out in the press release calling the meeting, that we may be looking at several alternatives here. We may be looking at increased rates, maybe straight across the board, on all the various services of classes of mail along with the cost cutting that I just mentioned to you here by looking at deficiencies.

Subsidy may very well be required to maintain the mail service in this country.

I think you and I both reflect back to the founding body of law that's really set up our mail service in this country. We know that the free flow and dissemination of information in this country was considered to be so vital to the free enterprise system that it was given top-most priority. We think that's still very necessary. We think that education, welfare, free flow of commerce that has been stimulated through the free flow of the mail system and dissemination of information has made this the great country that it is. It's a part and parcel of that.

So again being our guardian in Washington, we very much appreciate the fact that you're sitting on this committee. Any obstacles to the free flow of information, dissemination of information in this country is a direct blow to our system. We've seen the various effects that have been called here to your attention today that will result from a 5-day system. We think those are very valid points, and we'd like for you to take these back to Washington if you would and look very closely at salvaging the 6-day system, keeping it there, while at the same time looking toward as I say the streamlining, the maintaining of the efficiencies of the service to keep our costs down.

Mr. WHITE. Thank you very much. I might make this comment that the Congress realizes that you can't turn the clock back all the way. There have been efforts made to have more congressional exercise or surveillance over the operation of the Postal System. That's why the Congress in going to a subsidy and increased subsidy situation has

required as best as we can that the Postal System come in to justify their expenditures each year. We feel that that's some control that we can use.

As to your boxes in the suburbs, this is certainly one very possible alternative, and I've heard it estimated that by having sidewalk curb boxes you could save as much as \$10 per house per year, which would amount to \$750 million. That's a considerable savings. That's a drop in the bucket, of course, considering the total expenditure of the budget of the Postal Service, and a very small part of the \$400 million they estimate that could be saved by this procedure.

I appreciate your contributions and all these alternatives that they're looking at, that Congress is looking at. We're not just sitting back and waiting for the Postal Service and the Commission to make these changes because we're concerned that the Postal Service be a postal service. You cannot eliminate service because this is an obligation, a responsibility of the Government toward the people. Thank you very much, gentlemen, for your appearance today.

The next witness is Mr. Ruben Serrano, administrative vice president, National Association of Post Office Mail Handlers.

Mr. Serrano, we're pleased to have you here this morning. You may proceed.

STATEMENT OF RUBEN SERRANO, ADMINISTRATIVE VICE PRESIDENT, NATIONAL ASSOCIATION OF POST OFFICE MAIL HANDLERS

Mr. SERRANO. Mr. Congressman and gentlemen, I had a little survey as of yesterday and didn't have too much time to get some information for you, gentlemen, but what I got has already been said here. What I was going to say, I think that you all have got very much in hand already. I brought the Federal Times of Mr. Carter saying that he opposes the 5-day—that's just something—

Mr. WHITE. Well, actually that's news to me. I didn't know that. That's interesting.

Mr. SERRANO. That was just some of the things that I picked up. The survey that I could do yesterday was that out of 13 people there was only 6 that answered your questionnaire.

Now, let's go back to something that I've got here. This questionnaire that you've got here. Could it be sent out again?

Mr. WHITE. No, I doubt it. We're trying to save the taxpayers some money. So if we mail it out again, it would cost that much more. We don't want to run up that deficit too much.

Mr. SERRANO. There's people that, say well, they looked at it and they said, yes, no, maybe we'll answer later. They never got around to it.

Mr. WHITE. They can still send them in, of course. If they have the questionnaire, we'll receive them and we'll be tabulating them as we receive them.

Mr. SERRANO. This questionnaire would probably answer everybody's questions in this office plus you gentlemen because the public is going to be the one that really tells this whole story.

We appreciate Mr. White's point that he is on the Post Office Committee and he is from El Paso. I think for us that's a great thing,

so I just wanted to bring that up to Mr. White. And the people here in El Paso, they think that your job and what you've been doing and what you're still doing is very good.

Mr. WHITE. Thank you.

Mr. SERRANO. I brought this survey up and it brings up a lot of things like the Mexico mail. It brings up about the amount of people that my craft, the clerks' craft, the carriers' craft would be out of a job. We're talking about economy again. The economy here would be approximately \$450,000 in El Paso. That is per year. That's not too good. And, just by having a delivery on Saturday, there would be schedules changed. There would be routes cut. All of this stuff would have to be worked. I think management would say, we can do it, but the employee is already with the burden of—I'll just give you an example.

I brought a list here. We have a complement of 34 people as of 1977. The complement of 1973 was 49. That's quite a cut. And, at \$15,000 a year salary, that means that El Paso is being hurt because that's—

Mr. WHITE. Of course, the population has increased here in El Paso County, too, during that period of time.

Mr. SERRANO. Now, you brought up the point. Do you know that the volume of mail in the last 4 years has gone up 15 percent per year. That would be approximately 45 percent increase of mail with less people working it. So I think that the point is that we're all doing our job. This has been brought up—I hate to bring it up again—that we're not efficient. I think we are efficient. For every penny that we make, we work it because we're all proud of our jobs. I've been there 30 years, and I've seen a lot of people go in and a lot of people go out. And there has been a lot of changes. There's going to be more changes. But the efficiency at this time is mighty good, everybody is putting out. The amount of work that they're putting out—with the volume of three times the amount of 4 years ago—I think is shown by its own paper.

I am in the position to bring this up because I am one of the employees that works the Mexico mail that has been brought up a while ago. This mail even if it's delayed just 1 day, which would be the Saturday, we would have approximately 400 to 500 pieces of mail for Monday's to be worked. That's another thing that has to be brought up.

Mr. WHITE. You mean total or per person?

Mr. SERRANO. I'm sorry, total. This is approximately 400 to 500 pieces of mail which I work myself. We have a 3,000 letters per day coming in from Mexico everyday, but this is parcel post, this is magazines, this is mail that the people expect, and that they need.

You were talking about newspapers. Those people spend approximately \$2 to send newspapers to their folks because they've got them over here in the United States. Everybody knows it. They send over here to the United States so they can know the news and be up to date. A day's delay on that stuff—well, it's not much for them—but it would hurt quite a bit. That was just one of the things I wanted to bring up on the Mexico mail, of which there is quite a bit that has been said here, and that the rest of the gentlemen will bring it up, too, that it should be looked into very, very strongly.

Mr. WHITE: You in effect are talking about a rippling effect, and that so many aspects and so many intangibles perhaps, in our finite way, cannot be determined at this time. You spoke of the international aspect which is really important on the border. Of course, we have two long borders in this country plus many service people from overseas and, of course, foreign trade as well.

Mr. Serrano, you've added to our record. Thank you very much for your appearance.

At this time we have Mr. Spike Brooker, commander, Post 58 of the American Legion. Mr. Brooker, we're pleased that you're here, and you may proceed.

STATEMENT OF SPIKE BROOKER, COMMANDER, POST 58 OF THE AMERICAN LEGION

Mr. BROOKER. My comments will be brief. I represent the American Legion Post 58, which is the largest American Legion Post in the State of Texas with over 2,100 members. We feel, and we had a meeting last night, that the loss of a Saturday delivery in the mail, the money involved is not that important. We're contemplating right now the treaty for the Panama Canal. We intend to give Panama a whole bunch of money; every year millions of dollars. This burden is going to be borne by the taxpayer. Why not spend some of that money for the service we have for the Postal Department? As far as the increase in the postal rates, the veterans organization, the VFW, and the American Legion are very concerned about this because we have older veterans that are on a fixed income. They are not in a monetary position to get very many publications. The publications that we, the American Legion and VFW, send those older retired people are one of their means of keeping abreast of current affairs.

We feel that if the postal rate is increased that it will do one or two things. We'll have to cut out the publications going to those people or we'll have to increase their membership dues. Anyway you cut it, the older people on the fixed income is the loser. If they increase the postal rates for business only, who's going to get it in the end. If my mailing expense goes from \$500 to \$1,000 a month, then the consumer is the one that's going to get it in the end. So no matter how you cut it, we're subsidizing just about everybody. We've given our money to every country in the world.

As poor or as good as some people say the mail service is, we would like to keep that mail service on Saturday. Thank you.

Mr. WHITE. Thank you. I'll have a question, too. Actually a number of your members are pensioners, are they not?

Mr. BROOKER. Yes; a great number of them.

Mr. WHITE. They rely on that Saturday delivery, I presume.

Mr. BROOKER. Yes. We have the National Legion Magazine, the Texas Legion News, our own publications that go from the Post to keep these people abreast of what's happening in our Government every day.

Mr. WHITE. Are any of your members now shut-ins? That is, ailing to the point they cannot leave their homes?

Mr. BROOKER. Yes.

Mr. WHITE. Do they rely on that Saturday delivery?

Mr. BROOKER. They sure do.

Mr. WHITE. Thank you very much. We appreciate your appearance.

Mr. Carl H. Lowrie, president, National Association of Retired Federal Employees, is next. Mr. Lowrie, do you have anyone to accompany you?

Mr. LOWRIE. I'd like Mr. Bill Adams to come up and sit with me.

STATEMENT OF CARL H. LOWRIE, PRESIDENT OF THE NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES, ACCOMPANIED BY BILL ADAMS, DISTRICT REPRESENTATIVE

Mr. LOWRIE. Congressman White, only yesterday I was elected and installed as chapter president of the National Association of Retired Federal Employees: Chapter 84 in El Paso.

I had little notice to prepare for this meeting this morning, but I feel that I represent the sentiment of the entire chapter when I say that we would not like to see Saturday mail service diminished in any form.

Many of us are on a fixed income. We have no outside income from our annuities, and we expect them on a certain date and depend on getting them. Many of our people are too old to get out and go to other points to pick up their mail, so they expect it to be delivered to their homes.

I think that to reduce the mail service would result in throwing a huge number of mail carriers and other postal employees out of work and the trend today is not to put people out of work but to put them to work. When you reduce the number of postal employees, you are merely increasing the unemployment rolls. And for that reason I believe I speak the sentiments of the entire chapter when I say that we would not like Saturday mail discontinued.

In view of the lengthy testimony you've heard here this morning, I'll conclude my remarks.

Mr. WHITE. Thank you. Mr. Adams, do you wish to add anything to those remarks?

Mr. ADAMS. Thank you, Congressman White. I'm the district representative for the National Association of Federal Retired Employees.

I concur to a great extent with what Carl said, but when I discovered that this hearing was to be held I sat down at my telephone and spent about 4 hours last night calling various and sundry people, and I posed to them a question—not only “do you like to have your Saturday mail,” for which the answer is: “Of course, we look forward to it,” but I asked them: “If you had the choice between this convenience and the necessity of having a Saturday mail,” the answer started to turn itself around.

Those of us who are retired can, in fact, budget our time, and the delay of 1 day in our mail is not that critical. We have discussed third-class mail here today and second-class mail, and much of the mailings of our retirement magazines and other information sources of this nature are delayed as much as 12 to 14 days beyond the day that they were actually placed in the mail service.

And so I think that major economics that you can accomplish in the Post Office department lie not in driving the carrier and lie not in forcing more work upon the mail carrier, but I think they're placed strictly on the administrative aptitude that has been shown in a good many instances. I'll cite an example, not in your district.

I had occasion from Imperial, Calif., to mail a letter to El Centro, a distance of 3 miles. That letter took 5 days and traveled 350 miles to make it. It was directed from Imperial to Palm Springs and from Palm Springs back via, I don't know why, but back via Phoenix, Ariz., to El Centro. Now, any kind of distribution like this is utterly stupid. Fifteen years ago that postmaster was expected to know that 3 miles down the road there was a town by the name of El Centro, and I assure you that he still knows that today. And there's absolutely no reason why he can't make the same kind of dropoffs on the route that is running. I think this type of thing is the place where the post office can start saving bucks. There's no sense in packing a letter 500 miles when a carrier pigeon could have got it there faster. So I think you need to look deeper than just driving a local situation. I think this requires a good administrative cleanup, and with that I'll shut up.

Mr. WHITE. Actually, Mr. Adams, we've complained to the Postal Service about that type of thing. They claim that there's certain efficiency in having centralized, but a lot of these communities have lost their identities because they can't stamp the envelopes. They've just gone off the map. All they have left is a post office that sends the mail to a central point. I think you're absolutely right. Maybe centralized processing may be advantageous in some instances but there are certainly some instances such as the one 3 miles away that doesn't make good sense.

Actually both of you have brought up a good point in that there are people, isn't it true that there are people who though they may be physically able to go down to the post office and maybe collect at a box, in the first place that's an added burden on their fixed incomes to try to rent a box, and furthermore, many of these people don't have transportation. They don't have cars and they may not be in a community that has good transportation systems.

Mr. ADAMS. Yes, sir, this is true. If you're only talking about mail distribution, then my heart bleeds for the businessman who has his post office box and has access to it on Saturday but wants the mailman to deliver it to his door. I think this sort of thing is what I'm talking about when I said administrative overhaul. Take a look at how you're doing this thing and why you're doing it and see if you can't effect savings in this nature. I haven't heard a word yet about locking the door of the post office so that people do not have access to a post office box. If it's that urgent to businesses, then certainly I think they should be able to share that burden to send the secretary down to pick up the mail or the deliveryman or somebody else because they're usually not that far away.

As far as delivery out into the areas of this particular urban sprawl at least, and it's far between in these post offices, the actual delivery of 6 days a week to my house I can tell you is not necessary. I can budget my time to get 5 days a week. I appreciate the fact that this

means that the postman thinks he's going to have to deliver again, but I think there's ways of getting around this also. I can remember working 5 days on and 1 day off around the system so that we maintained a reasonable 40-hour workweek and got an overtime shot about every 6 weeks doing this. It gave you opportunities to go into town where you wouldn't ordinarily get time off during working hours on a so-called weekday.

Now, things of this nature can be arranged. Now, it's not going to save the Postal Service an awful lot of money in salaries, but it will make for more efficient service and operation in the post office. I think this is the area that needs to be examined most critically.

Mr. WHITE. Thank you very much, gentlemen, I appreciate your contribution.

At this time Mrs. Doris Orner is the next witness.

STATEMENT OF DORIS ORNER, CHAPTER PRESIDENT, ASSOCIATION OF RETIRED PEOPLE

Mrs. ORNER. I am a senior citizen in various organizations. I was formerly a clerk for the U.S. Post Office Department. Therefore, I feel that I am qualified in making the following statements and comments on behalf of the senior citizens and others that are affected by this proposed legislation.

I feel that a raise in postage will cause hardship for the senior citizens, disabled, handicapped, retirees, and especially for those that are in the lower economic bracket and those that are on limited and fixed incomes.

Curtailed service of Saturday will also cause hardship to those that are expecting their checks in order to survive.

It would also cause a backlog of mail since Federal holidays fall on Mondays. It would further delay important mail for business and the private sector. It would cause a loss of jobs in the Postal Service. It would have an adverse impact on the economy as well as adding to the high rate of unemployment not only for our own community but nationally. I thank you for having me.

Mr. WHITE. Thank you, Mrs. Orner. Those are very good points, and they have been stressed by other witnesses, too. And as representative of your association we appreciate your contribution. Mr. Orner.

Mr. ORNER. Well, first of all, I see some of my former employees in the back so if I say anything wrong they can't fire me now.

STATEMENT OF ABE ORNER, LEGISLATIVE CHAIRMAN OF THE AMERICAN ASSOCIATION OF RETIRED PEOPLE

Mr. ORNER. I worked in the railway mail service and I feel that the service has been taken away from the people. I know that everybody from the cradle to the grave has a contact with the Post Office Department as you stated before. And I think most of the comments have been made toward not discontinuing the Saturday service.

I'd also like to say something for the boys that go out on the dock there, the mail handlers. I use to be in charge of a crew, and they stand there in the wind and the rain and the snow. On a building in Wash-

ington it says, "Neither rain, nor snow, nor doom of night shall stay these carriers from their swift completion of their appointed rounds." And that's not on the post office building. You, Gentlemen, know which building it's on? You're from Washington, right?

Mr. WHITE. Yes.

Mr. ORNER. What building is it on? It's not on the Post Office Building.

Mr. RAYMOND. What building is it on?

Mr. ORNER. I think it's on the Archives Building. I did work there at one time.

Mr. RAYMOND. Thank you.

Mr. ORNER. And room 3000, is Mr. Bailar still there?

Mr. SPORELLI. Let us know and we'll check it out and let you know if it's right or wrong.

Mr. ORNER. Oh, that's OK. But I do know that 3000 is the room where the Postmaster General is; is that correct?

Mr. WHITE. I think he's in the Forrestal Building now.

Mr. ORNER. He's in a new building. All those walnut walls and Benjamin Franklin statue, are they there, too?

What I'd like to say is we handled a tremendous amount of Mexican mail, and while the people that worked in the railway mail service had to put up a scheme for that, which on the inside I don't believe they have to do that; and gradually it was a cutback. They took away the railway mail service, and I'm very sorry to say that they did.

Well, the point I'm trying to make is of the physical hardships that these dedicated people went through to deliver the mail and the esprit de corps that these people had. I know the old timers used to have the separate room to study the schemes long before the ZIP code, and they didn't need a ZIP code to deliver the mail. They got the mail to you by knowing these schemes. And at these little towns, they use to throw off the mail. It's too bad these newspaper executives aren't here because they don't know the service we gave these people for their newspapers, and these people consider newspapers more important than mail, the letter mail. And, if they didn't get their paper on time, they'd write the Postmaster General. You wouldn't believe that.

I definitely feel that some of the services that Mr. Bailar is trying to take away should not be taken away, and the post office should be subsidized because this is something that touches every phase of the American people and also specially Mexico, here, that we do business with. Furthermore, if I'm wrong, my employers can correct me right now and they're at liberty to do so. The Mexican mail—the newspapers that Mr. Serrano was speaking about—was handled as registered mail. I don't know if any of you are aware of that. If I'm wrong, please correct me. You're sitting there.

Mr. WHITE. We've already made concession to anything you say,

Mr. Orner. We'll accept your—

Mr. ORNER. But we've got living proof there.

Mr. WHITE. All right.

Mr. ORNER. They were handled as registered mail, great, big, heavy, bulky newspapers; and in handling registered mail, you use special rotary locks. Now, all this took a lot of time. Not only did we serve the United States of America, but we served all the foreign

countries with exact precision. And, of course, now as far as I know—I've been retired for a couple of years—they worked it as first-class mail. And, of course, they've saved money by using sacks instead of pouches and then using a first-class tag and a lock; but gradually the best of our service has slowly been eliminated.

We have less air mail flights. Before if you wanted to send something to Denver in the morning, you could get it out there in an hour; it would be in Denver.

Now, we don't need any cutback in service. Every time when I'm inside and I see these letter carriers, which I'm in great sympathy with and it's snowing out there, those boys are getting the mail through. This is a service that shouldn't be stopped.

Mr. WHITE. Saturday delivery should be continued.

Mr. ORNER. Definitely, because it's an ongoing 24-hour-a-day thing. If you backlog it, you change the schedules and so forth and so on.

I was very sorry to see the trains being taken off, and the physical condition that we were going through. There was only one mail train in the country that had air-conditioning. You could get stuck in the desert without any water, and they've got a little thing there that had a lot of dirty water in it. That's what we use to drink. So it's too bad that you counsels didn't go on an inspection trip to see how much work is being done.

We need every service we can get; and it's the American way of life to have the service. We've got the best country in the world. We need the best mail service.

Mr. WHITE. Thank you, Mr. Orner. We appreciate that.

At this time we call Mr. Tom Armstrong to the witness stand.

STATEMENT OF TOM ARMSTRONG, PRESIDENT OF WHITTEN FURS, INC.

Mr. ARMSTRONG. Thank you, Congressman White. I appear here today as a concerned citizen for the mail service. One of my pet peeves is the length of time that it takes to get the mail from one point in El Paso to another.

A year ago a letter was mailed from the American Bank of Commerce on North Stanton Street to my place of business in the 600 block, which is about 8 blocks away. And you won't believe it; it took 15 days. I asked Mr. Gregerson, my postmaster, what happened. He says, "I don't know. I'll send the inspector up. I'd like to have the envelope, and I'll get you an answer in 2 days." This is almost 2 years. I'm still waiting for an answer.

Now, this may not seem very important, but when it costs me an additional \$100 in interest on a bank loan, it is important because I depended on the mail. I'm also saying that my mailman, and I know for a fact because I have talked with him, not generally but specifically, how many houses of mail do you deliver in a day. He says in addition to part of my retail route or in a part of my residential route I have 99 business houses. I used to get my mail around 10:30 in the morning. I have a calendar hanging in my office right at the present time where we kept a tab on him for 30 days, and the mail came anywhere from 1:45

to 4:15 in the afternoon on the regular mailman's day. But the days that the substitutes came, I got it at 11:30. What's wrong with my route? I've asked the postmaster; I have asked the shadow, and I call him a shadow. The post office department has men going around with a clipboard and a piece of paper following the postman to find out how long it takes him to get from one door to another. You call it inefficiency? Yes; it's inefficient.

Another thing. I watched the mailman. He parks his Jeep down on the corner. He walks three blocks down, and then he comes back and makes his deliveries, goes back to the Jeep. He has to get his packages and walk down the street again and back again and get to his Jeep again and move it another three blocks in addition to the fact that he has to find a place to park which in my area is quite critical.

I come from a long line of postal people—a superintendent of mails, an uncle from the superintendent of mails and three letter carriers—and they all have expressed this opinion to me: The worst thing the U.S. Government did was give them Jeeps to ride in. What happened to our letter carrier?

I heard one man this morning say he carries his afoot. I have more admiration for that man than anybody else. But I think it's time for the U.S. Government, and I appreciate, Mr. White, your work that you're doing with this, but I think we need to get down to the old-fashioned nitty-gritty of this thing and get rid of some of the powered wheels and get our boys back with a sack on their back. I know a lot of them who have retired for medical disability because of the weight of it. But we could put the old-fashioned boxes every three or four blocks on the corner and put his section mail in that box, and let him pick it up there and do his three blocks of delivery and go to the next box and get it. It would cut down an awful lot of expense, an awful lot of time, and certainly be more efficient.

I hope that my few comments in this will bring to light some of the things that are happening not only with me but the rest of my neighbors in my area who are having the same difficulty of getting the mail delivered in our area.

Mr. WHITE. What is your area, Mr. Armstrong?

Mr. ARMSTRONG. We're on Montana Street right next to the YMCA. We're right in a very busy area. We have hundreds, and hundreds, and hundreds of cars there every day. I know that the YMCA gets a lot of mail. I know that the schools, St. Clements Episcopal School gets a lot of mail, a lot of packages. And it takes time, I realize this, it takes time, and you can't kill a man and expect him to get the mail out. You've got to get the thing to a realization that he can do so many blocks in a day with the amount of mail and packages that he's going to do. The mailman today has to do all the parcel post delivery.

Mr. WHITE. Do you think that the elimination of Saturday delivery would exaggerate the burden of the post office?

Mr. ARMSTRONG. It's the worst thought in the world.

Mr. WHITE. So you're dead set against it.

Mr. ARMSTRONG. I am dead set against it.

Mr. WHITE. How would it affect you business?

Mr. ARMSTRONG. Well, of course, most of my mail—and if things come from the New York market where I deal in addition to my local

mail. But when it takes 4 to 5 days, we have merchants in New York who are shipping merchandise to me, and it takes 5 to 6 days to get it here; it's ridiculous.

One of the things that we need to get rid of is this slow-wheeled process of moving registered mail because of so-called, as Mr. Gregerson calls it, security. Putting a registered package on a truck in El Paso and taking it into Dallas and putting it in an airplane and sending it into New York when the airline leaves, and registered mail could go on the same airplane that flies to El Paso to Dallas and Dallas to New York. Why can't it go out here and get on the airplane and get into New York and be there the next day instead of 3 days later? We're paying a very high premium rate for registered mail. My average package runs anywhere from \$9 to \$18 per package to get a 4-pound package from El Paso to New York City.

Mr. WHITE. I would like to have counsel check on whether or not this is a universal policy.

Mr. ARMSTRONG. I understand after talking to Mr. Gregerson, this is a requirement because of security. Well, it looks like to me if the package goes out of here under registered mail and with a signature and gets signed for at our international airport in El Paso and goes on the airplane and goes from El Paso to Dallas, it looks like to me that we've got more of vulnerability to theft on a truck going from El Paso to Dallas 24 hours.

Mr. WHITE. If you've got a scheduled airline going into a community, I would think that that would be the dispatch point itself.

Mr. ARMSTRONG. Well, this is what's happening, and I've been quite irritated over it for the last several years. To be honest, I've been sitting—I should say that I should have done something a long time ago, but I've done it through my local postmaster and I get nowhere.

Mr. WHITE. Well, I'm sure he's trying to do his job. We would appreciate any complaints you may have. Write to my office or to the committee, but to my office certainly, and I'll try to get answers for you. I'd like to see how he's operating under general arrangements.

Mr. ARMSTRONG. I will give you one illustration, and this I will close with. Christmas a year ago in order to get merchandise, I had four ladies waiting for fur garments, and the post office department took an excessive long time to get the garments to El Paso, and lost all four sales to the tune of almost \$10,000. This I think is ridiculous and when you specially pay for the high rate for registered insured mail. If we can't get it here, then we'd better get some other way. Our air express went bankrupt so we're down now to registered mail. We have no alternative.

Mr. WHITE. Well, I thank you very much, Mr. Armstrong. And you've added a new angle, and we would welcome any additional comments you have, observations or—

Mr. ORNER. I can answer one question.

Mr. WHITE. Well, one moment, sir. We have to keep a certain procedure here.

Mr. ORNER. I was going to answer the question on the registered mail for him.

Mr. WHITE. Just a second. I would welcome any other comments or any suggestions anyone has whether they're here or not. Now, Mr.

Orner, if you would like to go ahead and answer, but we don't want to get into a debate.

Mr. ORNER. No, no; it's not debate at all. When you send registered mail, if it's going to stay in the same plane, it's different. But when they get to Dallas, it's got to go to the post office and rewritten and then back on another plane. It has no security unless that's rewritten at the other post office.

Mr. WHITE. Well, unless maybe we can suggest having a postal facility at the airport.

Mr. ORNER. Even so they'd have to rewrite that registered bill.

Mr. WHITE. We'll check it out, Mr. Armstrong. Thank you very much.

Now, Mr. Archer, we're ready for your statement.

STATEMENT OF NORMAN R. ARCHER, APPEARING AS AN INDIVIDUAL CONSUMER

Mr. ARCHER. My name is Norman R. Archer, retiree and a resident and I appear here solely as an individual consumer of mail service.

I'm somewhat hesitant to address this gathering simply because I find myself on the opposite side of the fence.

Mr. WHITE. We need to balance it a little bit, so we're pleased to have you.

Mr. ARCHER. I respectfully request that the people who think differently from me allow me my day in court. I have respected their statements this morning.

So far what I have heard leads me to believe that what we really should have is 7-day a week delivery. It has been obvious from all the testimony presented here today that Saturday delivery is absolutely essential; nobody can do without it, and, therefore, we should have in my opinion based on their statements 7-day a week delivery. We can't do without it. But that is not my opinion.

I think this thing is purely an emotional issue. Everybody has gotten concerned about whether Saturday delivery are going to continue or not. There have been pleas made this morning about the retiree checks, the pensioner checks. No one has said that Saturday delivery will affect pensioner checks only 4.2 times per year. There's 30 days to the month; there's 7 days in the week. Seven divides into 30 at approximately 4.2 times. In other words, delivery of pensioner checks on the last day of the month would only occur, would only be affected by decrease in Saturday delivery about 4.2 times per month.

Mr. WHITE. You mean per month or per year?

Mr. ARCHER. I'm sorry, per year; 4.2 times per year. It's a simple item of mathematics, and I think this is something that the testimony here has been tremendously concerned about.

Now, with respect to social security, and I think with respect to VA payments, a change was made recently to provide that when holidays followed Sundays and what not those checks would be delivered on Saturday. Am I correct on that?

Mr. WHITE. I couldn't answer you on that.

Mr. ARCHER. I'm fairly sure of it.

Mr. WHITE. One of counsel has confirmed that.

Mr. COPENBARGER. I can answer you on that. It was changed all over to receive the VA check on the 30th of the month instead of the 1st.

That notice was sent to us from the Treasury Department, and that's why they have been for years trying to get the VA checks away from the first of the month because of the SSI and the social security and certain other retirement checks—civil service and all—that were conflicting with the processing in the Treasury Department.

Mr. ARCHER. The thing that I'm referring to, I think, is slightly different. There was a provision changed on the social security I know and I think on a number of others to provide for Saturday delivery when the normal delivery would have been on Sunday or a Monday holiday. That could easily be moved up to Friday delivery.

There's another alternate to this pensioner check. I use it all the time. I never see mine, my social security check. I have it simply sent to the bank.

In that situation if a person were hard pressed, I'm fortunate that I'm not that hard pressed, but he could easily write a check on Saturday. If his social security check was due into the bank on Saturday knowing that neither his check nor the social security check is going to be credited until Monday—

Mr. WHITE. That's risky sometimes.

Mr. ARCHER. No; it's not risky. It's done everyday. You ask any bank the number of hot checks he gets on the day before payday. It's an astronomical sum. Right there at Fort Bliss they have payday and they have hot check day. Hot check day is 1 day ahead of payday. This is well established, as any banker will tell you, or as any store will tell you.

Mr. WHITE. You think hot checks are an American institution.

Mr. ARCHER. An American institution. And the problem of pensioner's receipt of checks on Saturday can easily be solved by, No. 1, having the Federal Government mail their checks on those days that it would be effected. Only four times per year, bear in mind, so that the thing would be delivered on Friday instead of Saturday, effective Saturday.

The possibility of changing the mail to some day other than Saturday, that's worth exploring certainly.

The question has been made here, lots have been made about junk mail. I don't particularly care to use the term "junk mail" per se; it's third-class mail. I'll address it that way. But I think third-class mail should pay their own weight, and there shouldn't be any of it. It should essentially pay the same rate as a first-class letter. I assume they feel, and I'm very sorry these newspapermen have gone, that they should pay far more for their delivery. If their business requires 6-day delivery, they should not get the benefit of second-class rates. Now, this is a fundamental point on dollars and cents. They made a big plea of how much they're going to lose. Well, if they have got to have Saturday delivery, and they use carriers wherever they can for Saturday delivery because of the way it's cheaper.

It's only a small segment of the rural population that they relay on for postal delivery of mail. Go down the road, the little tin boxes are there to put it in. I'm not talking about the mail boxes. I'm talking about the newspaper boxes. If they insist that their business is going

to be so strenuously affected by a decrease, a cutting out of Saturday delivery, then they should pay probably first-class rates for that Saturday delivery. While it is now, they're enjoying the preferential treatment in newspaper rates.

Mortgages payments have been addressed here this morning. Mortgage companies aren't even open on Saturday to receive payments. I do not believe you can go to the Mortgage Investment Co., which is one of the principal here in El Paso, and make a payment on Saturday. The door is closed.

The point has been made about charges on failure to get credit payments in. It would be very simple between the Federal Reserve Board and the Congress to enact legislation that would prevent that.

Monday delivery is very, very light. That's my own personal observation. I've watched it carefully. I've been a student of this thing for 2 or 3 years. I've been watching. I'm retired and I have the time. Monday delivery is invariably light, practically no mail at all because it's been delivered on Saturday. And the stuff that comes on Saturday is the stuff that was mailed on Friday usually by business firms. I could easily wait until Monday morning to get those bills. It doesn't worry me a bit.

Sidewalk boxes? Sure, very good—postal efficiency. A lot has been said here about Postal Service efficiency, but everything that they have proposed over the past few years that is of the slightest inconvenience to anyone has been bitterly opposed. They advocate closing lots, and lots, and lots of rural post offices. I've heard war stories, if I may use the term, I can't document them, that they have postmasters employed that are selling less than \$100 a year in stamps in rural communities, very, very, very rural communities. They made a big, strong, justified plea for cutting out some of the rural post offices, and it was beaten down by the Members of Congress acting as a whole. Not through legislation but they just beat them—well, I guess it was finally into the legislation—but they beat them over the head and gave them a subsidy. Well, this post office, this U.S. Government has to be a business of a type. We simply cannot go on wasting money, money, money to satisfy the whims of a few individuals, or the desires of a few people or the convenience of a few people. As it is today, we, the consumer, paying the 13 cent stamp is underwriting the delivery of the newspaper to the extreme rural recipients. I just don't think that's right. I think second-class should pull its own weight; third-class should probably pay the same as the first-class mail. They probably shouldn't be.

And I have one final point I want to make in spite of the testimony of Mr. Armstrong. He is entitled to say exactly what his experience has been. I would like to state my own experience with the respect to the delivery of mail in El Paso. It has for the past 2 years been very, very good. I routinely get overnight delivery on mail postmarked in El Paso, except when holidays or weekends intervene. And I had an occasion here just last fall to order two random packages that came parcel post from Cleburne, Tex. And I was amazed, I got second-day delivery. I think the post office is doing a good job. I think the criticism of postal efficiency is very, very misplaced. We, our people, our emotional concepts, our Congress as a whole are not permitting the post office to be an efficient organization. And for this, Mr. White, I thank you very much.

Mr. WHITE. Thank you very much, Mr. Archer. You certainly added some additional dimensions. The claim has been made that there be about a \$400 million economy effectuated by cutting out Saturday delivery.

Now, you've heard some of the testimony. You covered a lot of points, but you didn't address one point and that was this: Do you think that that might be an actual figure or do you think that indeed by reason of receipt of advertising material and other accelerated business activities that there may be an income tax or revenue derived source that's not taken into the equation by the additional mail delivery of Saturday? In other words, would that \$400 million be really less in savings when you take into consideration the possibility of additional income generated for the Treasury?

Mr. ARCHER. I just don't think I'm competent to give you an answer on that, sir. I don't have the figures available. I see from the morning's paper that the post office is operating at a deficit of about \$1 million annually and that the potential saving in Saturday delivery is \$400 to \$450 million annually. Accepting those figures, I think Saturday delivery is well worth cutting out.

I think another thing is, I recall the testimony which was about 1 year ago on the rural delivery. They hoped to save \$1 billion on that, and they were knocked down.

Mr. WHITE. Let me mention this, of course. It's true that rural delivery is never profitable. It is very costly. Of course, people that live in the rural areas choose to live there it's true. But we have become to some degree a nation where people migrate to the cities, and I wonder if it's not important to encourage people to remain in rural areas by providing services even though it may not be profitable. And mail delivery may be one of those, and information that you receive from newspapers. That's the point that the rural persons would make.

Mr. ARCHER. Well, in answer to that, Congressman White, I would like to state this: The man that elects to live in a rural area accepts of his own volition a much higher transportation cost to and from work, getting groceries, et cetera. He has farther to go. Now, if he is willing to accept that for his own necessities of life, then I think he should accept something higher for his mail delivery.

Mr. WHITE. That would be an additional burden on him then.

Mr. ARCHER. That would be an additional burden, but after all he made the free choice. He normally moves out there to avoid taxes, but he sometimes wants the services.

We had a classic example of that here in El Paso, this doesn't concern you and doesn't even have to be on the record, when the hue and cry went out about the poor residents—

Mr. WHITE. Do you want this off the record?

Mr. ARCHER. I don't care. The hue and cry went up about the poor residents over there in New Mexico who wanted fire protection from the El Paso Fire Department but didn't want to pay for it. And that happened right here, and they made a huge hue and cry for it. I feel the same way about mail delivery. If the rural man wants to live or if the individual wants to live in a rural community or all the way out by himself, he saves money on some aspects of living but he's got to accept the cost of living out there. And I think one of those costs are extra postal costs, and he should bear it.

Mr. WHITE. Historically, our country was a rural country. We've altered, of course; We've become more municipal in recent years.

Well, I appreciate your testimony, and you've added some very good arguments that's the other side of the fence that's in this total debate as to how we effectuate economies and whether we should do this or do that. Does counsel have any questions?

Mr. MINTON. No questions.

Mr. RAYMOND. No.

Mr. WHITE. Thank you very much, Mr. Archer. We'll take a short recess until 12:30.

[Brief recess.]

Mr. WHITE. The committee will resume.

We have as the next witness Mr. Don Studdard, president of the El Paso County Bar Association. Mr. Studdard, we're pleased to have you here.

STATEMENT OF DON STUDDARD, PRESIDENT OF THE EL PASO BAR ASSOCIATION

Mr. STUDDARD. Thank you, Congressman White. It's a pleasure to be here, and I'd like to first say on behalf of the lawyers that really the post office department has been one of the jewels of the Government agencies that we feel, that lawyers feel that the post office has given outstanding service throughout the years. That we've always had Saturday delivery of mail and that really as far as local problems if there's a problem with a delivery or post office always in the past problems have been solved on a local basis with the customer or with the citizen with the post office officials.

Now, what we're talking about here, I suppose, today is something broader than that; we're talking about a nationwide delivery on Saturdays.

The El Paso Bar Association would like to go on record as being in favor of Saturday delivery of mail. There's several reasons for this. Lawyers are prolific letter writers. People don't always read their letters, but we send a lot of letters out. The lawyers offices are open on Saturday mornings. I don't know of any office in El Paso that some of the lawyers don't show up on Saturday morning. Probably the lawyer's heaviest mail load is on Friday just in the way the things operate. If they're in the court the early part of the week, they get their correspondence done in the latter part of the week. Many of the things that lawyers send out have time fuses on them so that they have to be at a certain place at a certain time. They have to be postmarked to get to a certain place at a certain time.

Another thing that's happened with lawyers is that they're moved around. When Congressman White, when you were practicing law, all the lawyers were downtown so you had something to get to another lawyer you could easily delivery it on another floor of the building or to another building in the downtown area. Today, the lawyers are all over El Paso with offices outside the downtown area. A lot of our correspondence is between lawyers. So I think in that sense we're using the mail more between lawyers than we did maybe 5 or 10 years ago.

There are specific things that apply to lawyers that make it where we would prefer to have, as we have now, Saturday mail deliveries.

In the overall picture, it occurs to us that the population is going to continue to expand. Our bar association has doubled in the past 10 years. I'm sure the correspondence, not just from lawyers but from all business sources, is on the rise and that the burden on the post office is far, far greater, I'm sure, today than it was 5 years ago or 10 years ago. We're concerned that if we take off Saturday deliveries or Saturday work of the post office that that's going to put too heavy a burden on the post office to continue the fine services that it's had in the past. Prompt delivery, which maybe has slowed down some because of these factors that I mentioned, but we feel if Saturday were taken off of their schedule that that would even complicate more the problems that the post office would have during the week getting mail out to the various places. So what that exact effect would be I'm sure is very complex and would have to be analyzed, but just on the surface we feel that the post office is doing a good job and that Saturday delivery is a part of our system and we should keep it the way it is. That in a sense would be the lawyers' position.

Mr. WHITE. I thank you, Mr. Studdard. Do trials normally start on Mondays here in El Paso?

Mr. STUDDARD. Yes; that's the way it's been for the last, oh, I guess, well, from time beginning that juries report on Monday morning and are selected and all the trials commence after the jury is selected, and lawyers that are working in the courthouse or the trial lawyers there, they spend their Monday, Tuesday, and Wednesday; a lot of their time in the courtroom.

Mr. WHITE. Would there be any affectation of notice for witnesses or the processing of a trial if there were no Saturday delivery? Do you think it would affect it at all?

Mr. STUDDARD. Well, it could in specific instances. Lawyers get behind just like anybody else, and maybe if they got their letter out a day earlier, got it out Thursday and delivered on Friday, it would have no effect.

Mr. WHITE. And sometimes is it true that lawyers really don't know whether they're actually going to be first up until about the last of the week.

Mr. STUDDARD. That's exactly right. And sometimes we have been having a docket call on Fridays so you would have an idea on Friday what's going to happen on Monday; and many times there would be correspondence Friday regarding the next Monday's court docket.

Mr. WHITE. In other words, that would be delivered on Saturday normally.

Mr. STUDDARD. That's right.

Mr. WHITE. Do lawyers here in El Paso continue still to come to their offices on Saturdays?

Mr. STUDDARD. Yes; I don't know of any law office where some members do not come down on Saturday.

Mr. WHITE. What about the working people? That is people who are paid salaries, not on commissions or anything but are paid salaries, where they work 5 days a week, do they normally use Saturday as their day to transact their business?

Mr. STUDDARD. That's true. Take for instance schoolteachers that are tied up all during the week and many other people where it's hard for them to get off from work, then they will schedule appointments.

with their lawyers for Saturday morning because that's the most convenient time and sometimes about the only time that they can get away from their employment and they like to do their business then.

Mr. WHITE. So if there's some legal matter that, a legal document that's been mailed, say, transacted on Friday and not there on Saturday, they would have to wait another week.

Mr. STUDDARD. That would be another factor.

Mr. WHITE. I notice the signs around town indicating that more banks are going to a Saturday opening. Is this prevailing or an increasing custom?

Mr. STUDDARD. Yes; the American Bank of Commerce is open on Saturday morning, and that's the building that I happen to office in, and a lot of people come down to the American Bank of Commerce on Saturday and a lot of them make appointments with people in the office building Saturday mornings.

Mr. WHITE. Do you have any alternative in your mind that you've observed or that your bar association may have discussed where the economies could be accomplished as an alternative to eliminating Saturday delivery?

Mr. STUDDARD. Well, in our discussions of it we really didn't come up with any solutions. We think that probably the cost of mail service will continue to rise whether the cost of postage will continue to rise, whether you have mail on Saturday deliveries or whether you don't, and that as the economy goes up the Post Office Department costs are going to go up. They're going to be delivering more mail. I don't know exactly how the revenue works, but there are going to be more stamps sold, more income back to the post office from the increased correspondence. But, I think in a nutshell, the way we see it, we're going to have to pay more for our Postal Service anyway in the future. It's going up; it will continue to go up.

We like the Saturday deliveries, and we'd prefer to keep that as one of the features of our Postal System.

Mr. WHITE. In addition to trial work, I believe your firm also handled a number of business.

Mr. STUDDARD. Yes.

Mr. WHITE. And would you judge that, this is a hypothetical, that if the Saturday delivery was eliminated, would you judge that there would be reduction in revenues that would be received by the U.S. Treasury through the accelerated business you have on Saturday or do you think it would really matter that much because the Commission has indicated that they thought that there would be about a \$400 million savings throughout the country per year if Saturday mail delivery were eliminated? I'm looking to see if there are any offsets on that?

Mr. STUDDARD. Well, the first thing lawyers like to do when they get into their offices is look at the mail to see what's there; what they have to answer. And it could very well be that if you cut out the Saturday mail delivery and the people are not concerned about working as much on Saturday, where lawyers are not making appointments on Saturdays because they don't have the information available or the mail's not there or people who would normally come in on Saturday with a notice to them to come in or for whatever multitude of reasons

where Saturday work drops off, then I believe it would affect, could affect the economy as a whole and the lawyers.

For instance, most lawyers that work on Saturday keep time records as to records of what they're doing. If they're working for a client on Saturday, then they log whatever work that they do for that person and they charge for it. If they don't work on Saturday, then the revenue that they would have earned on Saturday would have to be either crammed into the week or it's lost. If it's lost, then the economy is going to go down because commercial activities on Saturday are not producing that revenue.

I think it would take a computer to, you know, put a tag on that, but it seems to me if you take out all Saturday work that everybody does and they don't get paid for working on Saturday, that's going to have a tremendous effect on the economy. It's going to have an effect on the taxes paid to the U.S. Government and affect the income of all the people that today do work on Saturdays.

Mr. WHITE. Are you satisfied with the mail service as it stands today in your own office?

Mr. STUDDARD. We've had a few problems as far as pick up time or delivery time. We've talked with the post office people here locally, and we worked out an arrangement where we could pick up our mail earlier, which makes it a workable system for us. I think my own observation is that probably during the last 2 or 3 years that service has slowed down. It's not quite as quick. You don't get the same, you know, day-after mail delivery that maybe you got 3 or 4 years ago.

Mr. WHITE. One witness, I'm not trying to prolong your testimony, but one witness indicated that the registered mail experiences a real slow down when you send it into another city because he's indicated that the policy is to go surface. Say instead of going eastward, you surface to Dallas and then put it on a plane. Have you noticed in recent years any slowdown in the time of delivery of registered mail?

Mr. STUDDARD. We sent out a lot of certified letters, and we get back a return receipt signed by the person on the other end. And we look at those receipts when they come back because they're important and we keep them in the file. The biggest problem we have had is people not picking up the letter and they sit just because the person doesn't want the letter and it will sit in a post office box or to be picked up at the post office if they weren't home where it was to be delivered. But as far as where they go out and they're delivered and we get a receipt back, it seems to me that it's probably about what it has been for the last several years.

Mr. WHITE. Thank you very much, Mr. Studdard. We appreciate your testimony.

As a convenience to Mr. Ed Corliss, we're going to call him at this time. He has a conflict in scheduling, and with your indulgence we'll call on him to testify.

STATEMENT OF ED CORLISS

Mr. CORLISS. I had about 3 hours worth of discussion. We'll compress it into just a few minutes because the only thing I want to do is agree with the people that say they do not want Saturday mail curtailed.

I feel in that respect it is just like digging a hole in the ground. If 10 men can do it in 10 hours, you can't put a 100 men to do it in one hour. It's still going to take time, and you've got to a certain amount of work to be done in a given length of time. This is why I think that if by taking a Saturday mail and stopping it, we're simply going to postpone the amount of work that has to be done by the same number of people that I really don't believe we'll have a saving.

Second, and this is the one thing that I believe that we could save on, our stamps. Postage stamps today are changed so often that you really don't have any idea of what the next stamp is going to be. Is it going to be this size, this size. Why are they changed so often? After all the stamp is made to put on a letter to send it from one point to another, and it seems to me that by changing these stamps so terribly frequently you have expanded a cost operation right there that could be reduced.

Mr. WHITE. May I make a guess on that. There are a lot of stamp collectors in the world. And I think by changing frequently they feel they can sell a lot of stamps that won't require delivery and, therefore, make additional revenue. I think that it's been very profitable. That's one of the few profitable features of the postal service. That's probably why they change it. It keeps the engravers in business, doesn't it.

Mr. CORLISS. Yes, sir. Maybe I'm wrong in that respect, but I was thinking in terms also of coins. If we changed coins that often, then we don't know what the dollar is going to be valued at next anyway.

Mr. WHITE. We don't want the coins to go out of circulation. We're not too eager for that.

Mr. CORLISS. These are the only comments I had.

Mr. WHITE. I appreciate that, Mr. Corliss.

Mr. VanKirk?

STATEMENT OF THURL VAN KIRK

Mr. VANKIRK. My name is Thurl VanKirk. I want to bring up a point that I don't believe anybody else has said here today, and it's a very important item—public relations. Mr. White, we've got big Government all over us already and this is just one more thing big Government up here grinding us down. You want to take one more thing away from the people. Isn't that true? Here's one more item Government's going to take away from us; one more privilege.

You're already losing business to UPS that the Postal Service has lost. They don't count that, do they. The millions of dollars that UPS has taken away from the Postal Service. Why? Because of the service. And they can get better service. It's not not really better service, it's just that the Postal Service has sort of dropped down. You can't get anything from UPS over Friday, Saturday, and Sunday as far as that goes, you know, but people are using it.

And the airlines; look at the business that the Postal Service has lost to the airlines and it's not going to improve. You keep on taking things away from us, and it's going to get worse.

I brought this box along as an example. I'm not even in business with this company anymore but I sent 70 boxes like this only bigger, some larger. Some of them as long as 54 inches long; that big around.

It's about 6 inches in diameter here on each side. Do you know that I was able to get the airlines to come and pick up those 70 boxes on the second floor of my office building. Come upstairs and pick them up for a \$6 fee. The airlines then sent them to Houston, Tex., and I spent less than \$100. Could anybody believe that I could get the Postal Service to do that for that kind of money? I don't think so.

Mr. WHITE. What do you think it would have cost to mail?

Mr. VANKIRK. The packages weighed anywhere from 4 pounds to as high as 13 pounds each.

Mr. WHITE. Did you make an estimate of the cost you might have incurred had you sent it through the mails?

Mr. VANKIRK. No, sir. I didn't make any estimate because in the first place I didn't have any way of carrying 70 packages in my little Audi down to the post office to get it done. The post office doesn't pick up for you.

Mr. WHITE. I see.

Mr. VANKIRK. So the way I feel about it is, this Saturday thing, I'm all in favor of Saturday mail, but I wanted to make that one point really clear. This is public relations.

We feel like we don't have any contact with the Government as it is. And right here in El Paso, we elect these people down here and you got a mayor and you've got a bunch of people here, we don't have any control over them after they get into office. We feel like we're lost. So my main point is, for goodness sake, don't take something else away from us. Now, if the Postal Service wants to do something, let's economize somewhere else.

Now about this. Did you ever think about this? How much do you think you could save in personnel and sales and so forth, why not give a guy that comes up here and he buys 100 stamps. Why not give him a 5-percent discount for only making one transaction. What's wrong with that instead of selling three stamps to this guy and five stamps to this guy. If you're going to give a lady 5-percent discount for buying 100, she's going to buy 100. Now, what's wrong with that idea? You might think about that.

Mr. WHITE. Well, it's certainly worth considering.

Mr. VANKIRK. Yes, it is. Because that just means you can make 10 or 15 less transactions. I'm just offering this as a suggestion. Let's save money where the money needs to be saved by Government and don't put the burden on the people.

And another thing, instead of painting all these postal vehicles three different colors, why don't you paint them blue and then put U.S. Mail on that thing instead of putting decals and red paint and all kinds of things all over there. You'd save millions of gallons in paint alone per year just painting vehicles.

Now, this might be kind of silly I know, but am I not right of the millions of gallons of paint you'd save?

Mr. WHITE. I never considered it before, but it's very interesting to talk about.

Mr. VANKIRK. Now, somebody mentioned mail boxes, just this and I'll get off. I can't see putting the mailboxes out in the front of my house as far as I'm concerned. That's just one more point of vandalism in my home. I've been robbed once and vandalized about six times, and if you put a mailbox up there, who's going to maintain it. I've

got to maintain it because the only thing that the post office is concerned about is that stinking little box out there. They don't care about that post, and somebody can tear that post down and I'll bet you it's my job to put that post back up. Am I right or am I wrong?

Mr. WHITE. Mr. VanKirk, do you think there might be more thievery out there with a box exposed like that?

Mr. VANKIRK. Yes, sir. More thievery and everything else. These people are concerned now about losing their checks.

Mr. WHITE. That's an interesting point.

Mr. VANKIRK. That's just one more thing for vandalism; one more way to lose it. I do not see putting mail boxes out there.

Gentlemen, my main point is this. You are in Congress to get the trust of the people and maintain our interest and our trust in you, and if you're going to take away just one more service, it makes me feel like I'm being ground down to a pulp by big Government every day. That's my feelings and that's it.

Mr. WHITE. Mr. VanKirk, you're going to go down fighting, but you can be assured that Congress is really representative of the people because we're very much a barometer of the people. And we appreciate your testimony, and we appreciate the concerns. There are a lot of people that have the same kind of fears and concerns that you do. And we recognize the many aspects of Government, including the plethora of regulations and things of this nature. They really are hemming in the people. We're very mindful of that. Thank you very much for your testimony. Do you have any questions? Thank you, sir.

Mr. VanKirk, counsel just made a point that that's the purpose of this hearing so we can have people like you come forward. I wasn't going to call you to the stand, I just wanted to merely mention that, and thank you very much.

Mr. VANKIRK. Well, we need to talk to our Congressmen once in a while. I've answered every letter you've ever sent me, but I need something besides that.

Mr. WHITE. I appreciate your coming. Thank you.

Mr. James Fike?

STATEMENT OF JAMES FIKE, CHAIRMAN FOR THE SENIOR CITIZENS FOR THE NORTHEAST EL PASO CIVIC ASSOCIATION

Mr. FIKE. We have a couple of votes here. We have polled our organization, and I'll get to that in just a minute. As I said before, I'm representing the Northeast El Paso Civic Association.

Some of the people out there are also on social security or railroad retirement and also the last 2 months I, myself, alone, I have never received my first month's check on the date. It's either been 2 or 3 days late. Now, I can understand that on the first because Christmas fell on Sunday but we didn't have—no, I take that back. The first of the year fell on Sunday, and I should have gotten my first of the year's check on Saturday, but I got it on the 3d due to the fact that Monday was considered a holiday, and Tuesday is when I got the check. And, the month before that, it was 2 days late, because I didn't get it on Saturday, and I got it on Monday.

I know of one letter—and I have the man right here in the audience to back it up—which was mailed from El Paso to Los Angeles, Calif.,

and it took 9 days to get there. That's very poor mail service the way we look at it. In fact, my wife writes to her sisters in Illinois and we're all anywhere from 4 to 5 days getting a letter from Illinois, and that shouldn't be. Three days at the most would be plenty.

The families that I represent in our organization number about 475 families out in the northeast.

Now, another thing, on Fairbanks Avenue and on Trans-Mountain Road there's going to be built out there—166 homes out there—for senior citizens, and about 16 of them are going to be for handicapped people. Now, I would like, and I think I spoke to you before about this, you have closed the mail office at Rushfair—

Mr. WHITE. Not I.

Mr. FIKE. Well, anyway, the Postal Service has closed the mail office at Rushfair Center.

Mr. WHITE. I tried to get another station, Mr. Fike, and the Postmaster General looked into it and tried to get someone, some business there that would accept it on a sort of a dollar-a-year basis. He couldn't get any takers. He put it out for bid. But I suggested to him the possibility of the senior citizens there manning some type of a service. I'll be glad to talk to you further on this.

Mr. FIKE. I would like to do that because as I said before a lot of these people that will be living in these apartments, in fact there's a lot of them living where I do, I think it's 27 apartments that are senior citizens. And most of them don't even have an automobile. And they can't walk down to the post office or down to Sunrise Center where you have one down there. And that's the reason we're trying to look out for the senior citizen, at least I am.

I would like to have the office to be open again if it's possible, and we'll talk about that. I think I've covered every subject that I had, and here's a couple of votes for yes on Saturday.

Mr. WHITE. Thank you very much.

Mr. FIKE. Thank you very much for your time.

Mr. WHITE. You have amply covered everything. Do you have any questions, Counsel?

VOICE. We took a poll—

Mr. WHITE. Would you identify yourself for the record?

VOICE. I am Mr. Roberts.

We took a poll day before yesterday on this and we didn't get one no on it; they wanted it on Saturdays. So I just wanted to convey that.

Mr. WHITE. Thank you very much, Mr. Roberts. I appreciate that.

Mr. Copenbarger?

STATEMENT OF ROBERT COPENBARGER, REPRESENTING VFW POST OF EL PASO

Mr. COPENBARGER. Mr. Robert Copenbarger representing the VFW Post of El Paso. I would like to come back to Saturday delivery again. I would like to come back for this reason. I conducted a poll last week of about 1,800 VFW members in El Paso County, and the response I got, I got one out of 1,800 that said no, that they were endorsing the delivery. And a lot of these veterans that were in there and speaking for the veterans of El Paso County also, which my dear brother from the American Legion already spoke, but we have approx-

imately about, I got on the figure, 17,000 to 18,000 veterans that receive checks in El Paso County from the Veterans' Administration. We have about 22,000 retirees that are receiving military retirement payments. We have 31,000 railroad retirees. We have about 48,000 social security pensioners besides 3,800 disabilities, and this now comes back pertaining to the Saturday delivery.

Now, this is much money that comes in just from the Government. I'm not counting other retirement checks that people get for money from other civilian companies and from the telephone company and the gas company, from El Paso Natural Gas, I was just talking about the veterans who get about \$1.5 million a month in social security and VA. You get \$750,000 in military retiree pensions that are late sometimes because you get them on the 31st of the month on a Saturday.

So we're getting back on the economy again which I have heard mentioned, but they have never mentioned the volume in money that's received in veterans and social security and military retiree payments, and it's about \$1-\$2.5 million a month in railroad retirement pensions, which the Government supports. I'm talking about three things which have a basic volume of economy through your grocery stores, your clothing stores because many retired people get their check on Saturday and they go to the grocery stores and they buy their food; they buy their clothing. They go out to the shopping centers. So you see the adverse effect on the economy. I just brought out those three things, those basic four retirements of our Government which come on the first of the month. The only one that doesn't come on the first of the month is the military retirees. They get theirs on the 31st, but then we come back into the condition again. The 31st may fall on a Saturday.

Now under public law—you probably know the public law—they changed the receiving date of the VA check to the 30th of this year as of 1978. I received my first check, VA check and will be distributed on the 30th. Then I have my social security sent to the bank. This just happened to show you the efficiency in the Postal Service. They were supposed to have sent it from the Treasury Department.

The Treasury did send it, but enroute in the Postal Service it got here and made a highly inconvenience to me and some 8,000 other people that were getting theirs because the bank could not receive it for fault of the postal delivery system in this country and the postal administration. It was received here 3 or 4 days late. So that made them process the check through the bank and it tied it up all day long; I was there until 4 o'clock. I wasn't the only one that was mad. There were several thousand that had to wait.

This is what I'm getting back into efficiency of our administrative system in Washington and our administrative postmasters, all the way from Washington to our local post offices. They're putting too many young people supervising this thing, and they absolutely do not know what's going on. They take their orders from Gregerson or the postmasters and they are fouling up because all in the world they're doing is abolishing jobs within our local post offices, and they're trying to get what few people is left to do the job efficiently what it takes 14 people to do. And I want to clear this, seriously. It happens right in this post office.

They have window clerks that should be in taking time checking their money, and setting up their windows. They have to be coming

at 6 o'clock in the morning and taking care of the box mail because the efficiency of postmaster does not have the manpower, so they doubled up everybody's work. And, it's happening here and all over the country.

They're hollering about savings, but why do they want to take away our Saturday. It is not going to be no savings because that \$400 million is going to be spent in overtime to those people they've got working to process the mail.

Mr. WHITE. I think that was brought out, the possibility—

Mr. COPENBARGER. That isn't any possibility. Here it comes again. You've got Monday mail piling up. They've got everything to get out in the 9 or 10 hours of work that piles up. So it takes 3 days of the week to take that out, so what happens. You come right back again, they get normal mail Thursday or Friday and come right back again, so they go right through that satchel again. Monday, Tuesday, and Wednesday trying to get the mail out to close up for Saturday and Sunday. So regarding the efficiency of all the operation—until they can prove to me that it saves them \$400 million and prove it to me in writing—I think the Postmaster General is crazy because it will save him this way but it will cost him in overtime to process it during the week in manpower. It forces a problem on the whole economy not on Saturday mail because you have many millions of dollars in retirements that people are expecting to get so they can cash their checks to spend it to eat. I do know that there was one particular man at the bank, he had emphysema, and he was hungry. And this happens on your social security when you have a person on a fixed income. Now, I've seen them late in the post office, and I've seen them lined up. I had one little lady come to me and say, "Looks like if I don't get my check today. I'm going to have to go hungry." And if you eliminate that Saturday mail that is the problem you're going to create with a lot of elderly people. They live exactly from month to month. And this is going to create a problem. You're going to create it with some veterans people that are on a limited pension that they live from month to month. And this creates a problem that they're going to start making people hungry which they already have in the system in the post office. This is the point I'm getting at.

Mr. WHITE. I appreciate that, and you've given us a good overview. Thank you very much.

Mr. COPENBARGER. They can't holler economy within the post office because they haven't got it within the manpower system and within the structure of the post office because they've got 24 men trying to do the work of 40.

Mr. WHITE. Thank you very much, Mr. Copenbarger.

At this time we're going to call Mr. George Felix, president, and Mr. Pat Goss, business agent of the American Postal Workers Union. If you have any others you want to bring with you to the table, that will be fine.

STATEMENT OF GEORGE FELIX, PRESIDENT, AMERICAN POSTAL WORKERS UNION, EL PASO LOCAL, ACCOMPANIED BY PAT GOSS, BUSINESS AGENT, AMERICAN POSTAL WORKERS UNION

Mr. FELIX. Thank you, sir. For the record, I'm George Felix, General President of the American Postal Workers Union, El Paso

Local. The APW wants to go on record to keep Saturday delivery. If Saturday date delivery is cut off or eliminated, we will have mail delays of a magnitude to cause havoc with the Postal Service. Over various reasons and factors of cutting service, current service delivery by the post office are true and these are other factors involved still not questioned. The postal service right now is rerouting mail from the west coast to centralized sections, Dallas-Fort Worth area. The mail is worked at this point, then rerouted to the El Paso office. This is causing a delay in mail. Those Christmas cards the public is getting now is service deterioration.

Those customer lines the public sweats to buy stamps is service deterioration. The social security checks, VA checks and so forth you're supposed to get the first of the month is service deterioration. Businesses that have timed communication of business correspondence and delay is service deterioration.

Postal rates will go up. The elimination of Saturday delivery will not result in reduction of postal rates. Everyday at 7 p.m. the postmark is changed with a different cancelation at exactly 7 p.m. with a minus p.m. This is done so the post office will get an extra day to deliver this mail. Nobody tells the public that on several occasions their mail has a day loss delivery already.

We could speak on the subject of elimination of Saturday day delivery all day. We have listened to a number of reasons why we should keep our services, and all these issues that were raised were valid issued. They are factual and the public is concerned because they are the ones that suffer.

We already have the ramifications of public service deterioration within the postal organization. All you have to do is visit the post office and see the facts for yourself. Thank you.

Mr. WHITE. Thank you, Mr. Felix. You mentioned several things. Hypothetically, we're going to make you Postmaster General, and your two associates with you are your deputies. Now, what are you going to do in addition to what you've mentioned to make the postal system even more efficient and more economical?

Mr. FELIX. More efficient and more economical. Would keep the service as it is now. Second, you would have to take probably a congressional investigation or committee to go into the post office and find out about the problems that are happening within the structure itself because there are problems within the structure.

Mr. WHITE. What type of problems?

Mr. FELIX. We have problems with the incompetence or rather competent managers. I had a list here.

Mr. WHITE. You think there are some politics still involved in the post office?

Mr. FELIX. Yes. The politics are there. It's very, very hard to pinpoint them, politics, but they are there. And we have this compadre-pong in our local post office, and I believe that this could be ironed out if somebody went in there and, you know, really gave it a once over. We have just about every kind of committee in the post office, but yet we are still to see any results from this committee. The only one that gets these results is the Postmaster himself. And it can be done because most of the people that work in the post office are people that like to work. And these people will maintain their efficiency as well as keeping the mail going.

We went through the Christmas mailings and there wasn't a lot of overtime all due to the fact that there was a mail volume of just a little bit more than last year. But yet we still had the initiative of the workers out there to put out the work.

I don't know what the delivery ratio was, but I believe that they did work some overtime also. We are experiencing right now a reduction in force. In the last 6 months we have brought a loss of about 20 positions that you have been in the post office. These positions mostly are on the window area. These positions are what's causing a lot of this long lines. You go into the post office and you've probably seen them in the main office, Ranchland station, and this is what's keeping the public away because of the long lines.

It's not that we haven't asked the managing part of this post office to give us the people to put in there, and they have always refused to do so under the assumption of the budget, which they always come up with. And with this in mind, everything that we have asked for, it's always the budget. We have to keep it in line. Yet, we have yet to see a budget that will specify certain criteria to go by or procedures or whatever you have, you know, to make a go. We have never seen what they talk about. The only thing is they do say it's the budget. They have a budget, but we don't know what actually is in that budget. We are concerned over the fact that if the Saturday day delivery is eliminated, we're going to suffer.

We made a call today and they estimate that there will be 25,000 jobs that will be eliminated from the postal crafts.

Mr. WHITE. In that respect, if I may intervene here. Your position is inside the post office itself, is it not?

Mr. FELIX. Right.

Mr. WHITE. And your associates here, too. If mail delivery on Saturday is eliminated, do you anticipate a reduction of personnel inside the post office itself? Now, we've heard from the letter carriers, but I'm talking about inside.

Mr. FELIX. I would say, yes. It's already in the making that I believe that it will hit us if there is a reduction.

Mr. WHITE. Do you think there would be a slow down in the service or the efficiency in the internal operation of the post office building itself if there is a curtailment of Saturday delivery?

Mr. FELIX. Yes. Right now when you are forced to work overtime, the efficiency will drop. When you're forced to work overtime, the morale of the people will drop and that will cause a factor with the efficiency as far as, you know, getting the mail out. When you have a person working 10 to 11 hours, then you have a problem. And we had a problem with the last month due to the volume of mail with a lot of people complaining about, you know, forced overtime.

Mr. WHITE. In other words, the time and a half factor really is not that much of an incentive when it comes to the durability of a person.

Mr. FELIX. Right.

Mr. WHITE. I see.

STATEMENT OF PAT GOSS, BUSINESS AGENT, AMERICAN POSTAL WORKERS UNION

Mr. Goss. My name is Pat Goss. I'm the business agent for the American Postal Workers Union.

Congressman White, I'd like to show my appreciation for the union on your position on the Fisher amendment on the social security at this time.

The American Postal Workers Union's position is not to cut to 5-day delivery; it is to retain 6-day delivery. We also are in support of H.R. 7700.

As he stated we made a phone call to Washington this morning, and they gave us a few points of their views on the issues. One was the area of cutting 25,000 employees or jobs over the country in the postal system, which would cause unemployment, of course, to go up. So employment is a factor involved with that. He also mentioned that the Postal Service has an intent to increase the rate from 13 to 16 cents, or proposals to do so, at the same time cutting service by one-sixth, which seems to be inconsistent. It does affect a great number of people. It affects the public and we're opposed to this move.

Mr. WHITE. I protested the distribution of food stamps through the post office because I thought the post office was pretty well overburdened at the time, and, anyway I didn't think it was consistent with the operation of the post office but I know they went ahead. I wasn't the only one. There were quite a few of us that did, and it may be that it worked out. Maybe we were wrong. Does this lend to any burden or extra problem in the post office or has that amalgamated pretty well into the system?

Mr. Goss. I understand that the post office is actually making money on the food stamp program. However, for the individual handling this it's a burden. We have internal problems such as color coding the food stamps. If a clerk was to lose money because of this, he himself has to pay.

Mr. WHITE. Does it add to the lines?

Mr. Goss. Certainly it adds to the lines, of course.

Mr. WHITE. I've had some complaints of people who say that they had to wait in line because of so many people waiting for food stamps.

Mr. Goss. Well, anytime you have to take a portion of your work force and utilize them for the purpose of dealing with the food stamps, it takes away from the service of the others.

Mr. WHITE. Did the Postal Service add any personnel in order to cope with the distribution?

Mr. Goss. Not that I know of; no, sir.

Mr. WHITE. Then, logically, it did indeed burden the present work force.

Mr. Goss. That's correct.

Mr. WHITE. Did you care to make a statement?

STATEMENT OF RUBEN RAMIREZ, SHOP STEWARD FOR MAIN OFFICE IN DOWNTOWN EL PASO

Mr. RAMIREZ. I'm Ruben Ramirez, and I'm the shop steward in the main office station here in downtown.

I think I was one of the only ones that talked to you at Hotel El Paso Del Norte in 1967 about the discontinuance of service on the railroad post office. And, if I remember correctly, I told you that that was a no-no. I think right now we're proving it because there was a lot of flights at that time that the air companies wanted. Conse-

quently, like Mr. Ronald was saying, the small towns between here and Phoenix and Tucson were the ones that got hit the worst because we used to drop their mail on the run. Now, some good politicians went out there and really gave them a sob story that they were going to get their mail just about the same way at the same time. But now there's no way they could get it because all their mail has to go all the way to Tucson, all the way to Phoenix and then rerouted back again.

Mr. MINTON. Since you brought up about the politician, it wasn't the politicians—

Mr. RAMIREZ. I'm sorry I didn't get that word.

Mr. MINTON. It was the Union Pacific, and the Southern Pacific, and the Texas Pacific that wanted to take off the trains.

Mr. RAMIREZ. They wanted that out. I forgot to mention that. Now, to comment on what Mr. Archer said. He must be pretty well off financially, because not everybody can, I guess, like he says he can always wait for his until Monday. But what about the rest of the people? Now, he says, anybody can make a hot check, but does he know that everytime you make one they charge you \$3 when it comes back. Now, for a man or a woman that's set up on a fixed income, \$3 goes a long way.

Mr. WHITE. If it isn't covered you mean.

Mr. RAMIREZ. If it isn't covered; and he says that the people in the rural areas are there because they want to be there. Does he ever stop to realize that the farmer that feeds him, he lives over there. If he didn't live over there, he wouldn't get his chow.

Now, the rest of the people that are working right now or couldn't make it for the simple reason that they're working and they want their checks on Saturday if it does fall on a Saturday; are poor people and are not here to argue the point with him.

And another thing—the cutting of personnel or adding personnel—ever since we began with that 55-30 law, a lot of people from the post office have retired, but on the same token they haven't hired that many. There's another burden. After 25 years all you want to do is just work 8 hours and if they're going to go ahead with this to discontinue Saturday delivery—as it is right now I think they have a skeleton crew on Saturdays—can you imagine when they have 2 days what's going to happen. They might not even get that mail on Monday because the guy can only do so much. They might even get it Tuesday or Wednesday. Mr. Armstrong says it took 10 days here within the city, it might take 20 days if they discontinue Saturday delivery. You never can tell.

I mean I realize we all make mistakes and sometimes if they repeat themselves, then they're not mistakes anymore.

Mr. WHITE. Well, this is a very new aspect of it, and I appreciate that.

Mr. RAMIREZ. Well, I have one more item. We started on an 11-delivery week. Now we're down to six and we had more than that until we started into this postal corporation.

I work downtown, Mr. White, and we are the ones that get the complaints. I say, "Look, don't talk to us. Management is the one one that did that." They say, "But I'm getting tired of talking to

the, they just give me the run around." We send those cards in, those complaint cards that one goes to the postmaster here and one goes to Washington. The guy comes and tells us, well, it's the labor part of it that's delaying your mail. Now, that's a lot of bull because we do our job there. Whatever we get we put it in there. We can only do so much. All of us guys that are in the main office, we are in charge and we're responsible for that money. Now, we try to do our best, but if we lose any money or anybody loses any money, we get audited every 4 months, we've got to pay. If we're over, it goes into the post office. It's only a one-way street, Mr. White. Each one of us used to have a fund, and it would vary but not anymore. Consequently, the people that are in the window clerks, and most of them are veterans, I mean they know their job. But it's one of those things that when they take people away from you, you can only do so much.

Mr. WHITE. That's very helpful. I think all of you have added some new information, new viewpoints that will help us in the total consideration when we get back to Washington. Does counsel have any questions?

Mr. MINTON. Is your Saturday crew principally regular or substitute employees in the clerical field, Mr. Felix?

Mr. FELIX. I believe that we have already gone into a 7-day operation and most of our crew—they do have a crew with the machines, and it consists mostly of—I believe there is eight and eight; I'm not positive, but I would say there's eight regulars and eight substitutes.

Mr. MINTON. Let me ask you a union question. If the letter carriers got a 5-day week because Saturday delivery was discontinued, how far behind then would you be as a union leader in wanting a 5-day work week for postal clerks and mail handlers and foremen and watchmen?

Mr. FELIX. That would be a very tough question to answer at this time. But I'll tell you what, you know that the clerk crafts have always maintained that we go into a 35-hour week. And we foresee that already that it's not going to happen and probably will never happen, but the only thing that we can see is that if these people are getting off 5 hours, we'll be right behind them.

Mr. MINTON. If you didn't get a 5-day week, then do you think that it would be at least probable that those who have to work on the weekends would want to be paid time and a half or double time for weekend work when letter carriers don't have to work?

Mr. FELIX. That's an issue that's going to be coming up real fast during negotiations, and it was brought up in the Las Vegas convention that each of us get paid overtime for all the holidays.

Mr. MINTON. All work beyond the regular 5-day Monday through Friday tour?

Mr. FELIX. Outside the regular work cycle.

Mr. MINTON. Thank you.

Mr. Goss. Could I add one thing, please? We have a 5-day schedule as it is and not a 6-day schedule. I just wanted to clarify that. Most people have staggered, 2 days off, and in most cases it's 2 consecutive days, so it wouldn't affect us that much. It may have some effect. It's hard to say in advance what effect something is going to have.

Mr. WHITE. What about the letter carriers?

Mr. Goss. They have Sunday and Monday, Sunday and Tuesday, Sunday and Wednesday, et cetera. And then they rotate so there's a period of time that they can have 3 days off as it goes on, sir. But the clerks normally have, all regular clerks or the majority, I should say, have 2 consecutive days off during the week. These are bid jobs. People with more seniority have the light work, better days, et cetera.

Mr. MINTON. How many clerks do you have in El Paso?

Mr. Goss. Approximately 400 in our union.

Mr. WHITE. Are there many nonunion?

Mr. Goss. Maybe 19 or 20 nonmembers. Some of these people are retired people whereby they don't need the insurance that goes along with being members of the union.

Mr. WHITE. Does that 400 union include retirees?

Mr. FELIX. Yes.

Mr. WHITE. How many?

Mr. FELIX. We have about 30 retirees.

Mr. Goss. In addition to that 400.

Mr. WHITE. So it's 400 active members.

Mr. Goss. 400 active, yes, sir.

Mr. MINTON. Does that total membership, here in El Paso, include clerks, mail handlers, watchmen—

Mr. Goss. It does not take in the mail handlers nor the carriers.

Mr. MINTON. How many nonclerk and mail handlers do you have in your organization.

Mr. Goss. As Mr. Bustamante said this morning, he said, I think, 405 in the carrier craft. I'd have to guess about the others, about 40 I would say, in the mail handler category, right.

Mr. WHITE. We thank all of you very much. We may be calling on you further. Thank you very much. Mr. Cuellar, did you wish to testify, sir?

Mr. CUELLAR. Yes, sir.

STATEMENT OF MR. CUELLAR

Mr. CUELLAR. Mr. Chairman and members of your committee, I want to thank you for having this hearing in El Paso. I don't want to stay away from the issue why you coming here. You want to know if the mail delivery on Saturday can be eliminated or not. To that question my answer is no. I want you to know that we are in a situation that it's a shame to the United States, it is a shame to our Congress, and to our government the way we are living, paying taxes, and having postal service decreasing efficiency. I want you to know that our Congress is responsible for the situation we have and the way the government administration is administrating our lives. Some of this responsibility lays on the American people because the American people are failing to the men what we're paying for. I don't want you to get sore. I want you to listen and when you go back to Washington, you go and tell the Postmaster, "No." But I want to tell you, Mr. White, you're losing your time by coming here to find out. You're supposed to tell in—Washington without coming here—"No." I'm glad for you—

Mr. WHITE. But if I hadn't come, I wouldn't have known what you want.

Mr. CUELLAR. Don't ask me any questions. If you want to ask me question, come here because I'm short of hearing. I'm losing my hearing and I'm losing my eyesight. I'm glad to reply to any question, but you're going to have to come here. I'm here because I'm interested in my country, in the American people, in the American Government if the Government is American but it seems to me that some of the Government doesn't look at me like they are Americans. I'm going to tell you that. That is the way many people feel, Mr. White. Don't get sore, but you come here to find out and you're going to have to find out our feelings.

Now, I'm going to show you. You go to the post office, you find four windows open and two windows closed and 30 people waiting. That's the kind of service we got after we're paying the highest salaries to the post office department.

I just went to the post office and got my mail. This magazine is 1 week old. Sometimes I get my magazine 3 weeks old. Do you call that efficiency? I believe the Postmaster General ought to be ashamed of himself the way he thinks. Instead of thinking giving the people efficient service, he always seems to thinking increasing post office stamps and cut out the service here and cut out the service there. We have no service here in this city of El Paso. You got to wait 15 minutes to put up registered letter, and I was going to bring here a letter that I sent to one of my lawyer friends here in Ondo; a registered letter. It was a case over labor dispute. The letter came back "couldn't find the recipient." Why? All the mailman had to do was to walk two blocks further and deliver the letters. Why he wasn't able to find the address, I don't know; and I'm still waiting if I can sue the post office administrator, I'm going to sue them because the man lost seniority rights on his union just because the lawyer didn't get that letter, Mr. White.

So listen, put that man in the post office back to work. Let him fill his time card what time he goes in and what time he goes out. I believe that the trouble lays with the high-level employees because they're earning too much money. They pay no attention to their obligation. They enjoy it in spending that money, Mr. White.

And listen, it's your responsibility to put our Government in the best shape that you can. I'm just telling you we depend on you. You were elected to this term here.

And now I expect and I ask you don't lose your time coming here, just tell them, "No." And put that commissioner back to work because the trouble is not with the poor mailman delivering the letters. No; he loves it just like the world. Why, because you allow the non-profit organizations to put up millions of letters begging for money for the miracle, candle, miracle saint, miracle medal. I was going to bring you letters showing Jesus Christ as traffic police holding automobiles and allowing the automobile to come over here. They asked for \$5 membership free mail. That's what, and you are to blame for that kind of service. We are paying for the nonprofit organization, and that's why the Postal Service is the way it is.

I spent 30 years with the SP. I used to be a chairman for the railroad workers. I want you to come in here every 3 months, Mr. White. It will take me almost all day to tell you the service we have from the post office. All we have is you go to the window to complain.

And another thing before I leave I want to ask you this—please make up a law. When we want to write you, give us free mail. We got plenty things to tell you in writing, but I can't afford to mail you a letter because we have a monopoly here with the El Paso Electric Co. They look in our pockets and see how much money we got left, and they raise according to how much you have left—we have the gas company; we have the telephone company.

I was going to say a word, but in respect to this good looking lady with the boots and nice ribbon and everything—you look beautiful—I don't want to use that word. This maharaja in Egypt—listen—they got the American people and me by the neck because I can't use my car because I just got so much money for gasoline and if I use more than the money I have for gas, I got to save it because I don't know what I will be paying next month.

Mr. WHITE. Well, Mr. Cuellar, we're going to try to get you more efficient postal service. I promise you that.

Mr. CUELLAR. Make a law for free mail delivery when we want to write to our Congressman.

Mr. WHITE. That's being considered right now.

Mr. CUELLAR. That's what we need. Then you are going to get a letter every day.

Mr. WHITE. Thank you, Mr. Cuellar.

Mr. CUELLAR. And get that man Carter back to Washington and don't let him go out to make a mess instead of making some progress for peace. Thank you.

Mr. WHITE. Thank you, Mr. Cuellar.

Miss Gloria Lujan?

STATEMENT OF GLORIA LUJAN

Miss LUJAN. Congressman White, gentlemen, my name is Gloria Lujan. I'm a Tigua Indian and I live down on the reservation in Ysleta. And the reason I'm here today is, of course, to voice my opinion, which is "Yes" for Saturday mail. And also for the past 6 months the postal service down in Ysleta called to our attention that they would not be delivering our mail due to the fact that our mailboxes had been tampered with. And since it is a housing area of homes, Government homes, they're all in one section of where we live, and they could not deliver the mail anymore.

Mr. WHITE. Are you not getting deliveries down there now?

Miss LUJAN. It's being delivered but not to the mailboxes. We don't even have mailboxes now.

Mr. WHITE. Where is it delivered?

Miss LUJAN. To one of the main offices, and then the personnel are supposed to distribute it out. A lot of the mail has been lost, checks, Government checks, utilities bills, things of this sort. I've called and I personally spoke to the supervisor down at the station, and he said there was no way we could get door to door mail because we were in a housing area.

Mr. WHITE. I don't understand that myself. We'll check into that. I have my staff member right back there, and we'll check on that and find out why you can't get the mail delivered to the housing there because surely other housing areas are getting mail delivery, aren't they?

Miss LUJAN. Door to door?

Mr. WHITE. Yes. Like the housing area on Paisano, do they receive door to door?

Miss LUJAN. I don't know. But we talked to the postmaster and the supervisor over there and up to this date we still, our mail is not coming in like it's supposed to.

Mr. WHITE. Well, we'll get on that. I just appreciate your mentioning it. I couldn't give you an answer, but we'll try to find our for you. We'll get your phone and address, Mr. Daffron in the rear will get that from you before you leave.

Let me ask you this before you leave: From what you've said, you're fearful of having curb mailboxes or beehive mailboxes for postal mail in a neighborhood then because of the experience you've had down in the housing area.

Miss LUJAN. Right. And if at all possible, most of the people want a mail box in their home to where they can go in the evening. I work off the reservation. When I leave in the morning, that office is closed; when I get back in the evening, it's closed. So my mail has been very late and some of it hasn't even gotten to me. I've had people say, did you get certain mail? I go and look for it, and they say they don't have it.

Mr. WHITE. You suggest in a remote way another point in an area, say, like New York or some other places, persons want to come home in the evening when it's dark. Would you consider that for a woman a rather traumatic experience, fearful experience to walk away from your home and out to try to receive your mail rather than have it right at your home?

Miss LUJAN. Right.

Mr. WHITE. This is interesting.

Miss LUJAN. It's a problem.

Mr. WHITE. Well, I have a high regard for the Tiguas because I have had a lot to do with the Tiguas, and I know they're fine people, but I know anytime you're out in a remote area that things can happen. I understand that.

How would the elimination of Saturday delivery affect you personally otherwise?

Miss LUJAN. Well, as a working woman, sometimes when I can't get reached through the phone, by phone, I have to depend on my mail and sometimes Saturday is the only day I have to go through my mail. I would really need it on that one day.

Mr. WHITE. Thank you very much. You've been very helpful.

Now. Mr. Mike Winer.

STATEMENT OF MIKE WINER

Mr. WINER. So much has been said and so well said that it hardly leaves much more to say. I had a lot of thoughts. However, I think that the Saturday delivery is not the essential issue in this whole thing; \$400 million to our Government is a drop in the bucket and the elimination of Saturday deliveries is not going to save this country from wreck and ruin. However, I am personally familiar with several mailmen, we're talking about efficiency, and I think this is the essential answer to the entire problem, who have to put in their 8 hours

when they're out delivering mail. They are through in 5 hours. I've encountered and had lunches with them and afternoon snacks, but they cannot go in until the end of the 8 hours. This is not an isolated situation. I believe from the number of mailmen that I know that it's almost standard practice. When they talk about extra loads and they don't have the time to get around and all of that, I do not believe it; and it's not true.

We need efficiency experts who mean efficiency, We have all sorts of efficiency experts and nothing is done, but this is just a small matter. But going into the post offices themselves I'm sure you'll find that they are run like they was 20 years ago. That's where the savings would be. Eliminating Saturday deliveries, which mean nothing to me, I'm on social security, this has been misstated, I believe. The social security checks are delivered on the third of the month. If it falls on a Saturday, you will get it even if the second falls on a Saturday, you will get it Friday so that I think that's been misquoted. I don't know about pensioners. I think that Army and VA and so forth are delivered on the first of the month. But social security, I think that's been misquoted. It's the third of the month and if it falls on the wrong day, you get it the day before or 2 days before.

As I said so much has been said and so well said that what I was going to say I've already forgotten it.

Mr. WHITE. That's what so often happens when you're the last witness.

Mr. WINER. But I think that if this were checked into, you will find that probably 90 percent of the mailmen are through in 5 hours. Now, I have sat for 2 hours drinking coffee with several mailmen, and different ones at different times, they're all done and they can't go in.

Mr. WHITE. Thank you, Mr. Winer. That's a very interesting observation, and we'll probably check it out.

Mr. WINER. I'm sure it's universal.

Mr. WHITE. Thank you very much, Mr. Winer.

I believe that completes the hearing for the day. I don't believe there are any other witnesses who desire to come forth at this time. All your contributions have been most helpful to us. I think we've gotten an excellent record. The staff who have been present at other hearings in other cities say this has been a very excellent hearing and have been quite pleased with the outspokenness of the people in this community. I think we do have a community that stands up and speaks out.

The record will remain open for a period of about 1 month for anyone who desires to have anything further introduced. If you don't mail them to Washington, you might bring them to my office.

Did you have something?

Mr. BUSTAMANTE. Yes.

Mr. WHITE. Would you state your name?

**FURTHER STATEMENT OF CIPRIANO BUSTAMANTE, PRESIDENT,
NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO**

Mr. BUSTAMANTE. Cipriano Bustamante. As I stated before, I'm president of the Letter Carriers Union in El Paso.

The gentleman that spoke here a while ago, Mr. Winer I believe is his name, made a statement that we could finish our route in 5 hours.

Well, I challenge him to prove this point. We have supervisors, we have two of them right now, the top man of the delivery service is right here, and we have supervisors constantly out on the street conducting supervision on us. And this is not true what he said.

Mr. WHITE. I see. And that's very helpful, too, to know that there are supervisors. I didn't know that myself.

Mr. BUSTAMANTE. There's another thing here that he stated about the delivery of social security checks. Those checks say, requested delivery is the third of the month, and if it falls on a Saturday, the third of the month is on a Saturday, you will not deliver it. Letter carriers can get into serious trouble for delivering a single check on the second of the month. That's another misstatement that he made, and I wish to point this out to the committee.

Mr. WHITE. Thank you very much, Mr. Bustamante. There being no further testimony, this meeting is adjourned.

SIX-DAY MAIL DELIVERY

WEDNESDAY, JANUARY 11, 1978

HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Davenport, Iowa.

The committee met, at 9:30 a.m., in the Federal Building, 131 E. 4th Street, Davenport, Iowa, Hon. Jim Leach, presiding.

Member present: Congressmen Jim Leach and Thomas Corcoran.

Staff present: Pierce Myers, assistant general counsel; Joe Fisher, staff assistant; and Ray Lahood, from the staff of Congressman Tom Railsback.

Mr. LEACH. Good morning. The House Post Office and Civil Service Committee is called to order. The first order of business is to announce that we have rule in the U.S. House of Representatives which prohibits television cameras unless explicitly authorized to the contrary, so without objection, filming of this hearing is hereby approved.

The purpose of this hearing is to hear testimony from the general public and interested parties on the proposal by the Postmaster General to discontinue delivering mail on Saturday.

With me today is Congressman Tom Corcoran of Illinois and members of the committee staff from Washington, Mr. Pierce Myers and Mr. Joe Fisher. Also, Mr. Ray Lahood from the staff of Congressman Tom Railsback.

Last year the Commission on Postal Service, a special study group created by Congress, recommended that Saturday delivery be discontinued in order to reduce postal cost increases. Postmaster General Benjamin Bailar has claimed that eliminating Saturday delivery would save \$400 million a year and eliminate some 30,000 jobs. We are holding these hearings to assess the impact upon the public and to determine what the public needs and would like to have in the way of postal services. Recently hearings were held on this issue in Denver, Honolulu, Philadelphia, and Bear Mountain, New York. These hearings proved helpful, but it is my concern that Congress ought to be apprised of the views of rural America as well as urban, and the perspective of small, agriculturally oriented businesses as well as the larger financial and manufacturing corporations. I stress this because the results of the questionnaire I sent out make it very clear that Saturday delivery of mail is of particular consequence to rural citizens, especially the elderly, for whom tremendous communication barriers exist in nonurban environments, and the agricultural community which is dependent on a timely information flow.

Here in Iowa, the elimination of Saturday delivery would probably mean the elimination of some 400 letter carrier positions, all of which are good jobs and contribute substantially to the economic welfare of our State. More importantly, it would mean the elimination of a

significant public service. It is my feeling that the slight reduction in the Postal Service's operating deficit projected with the elimination of Saturday delivery will be more than offset by the creation of an enormous deficit in service. I am fearful that a steady curtailment of services will cause the Postal Service to go the way of railroad passenger travel, where services were cut to the point that the public largely gave up on one of the least costly and most fuel efficient modes of transportation.

I am particularly skeptical that the projected savings would be as large as the Postmaster General conjectures, particularly in view of the added costs which inevitably will accumulate as 6 days' work is telescoped into 5 and the public reacts to lower quality service with decreased participation in the system. In addition, there appear to be grave ironies involved in cutting services at the same time the Postal Service contemplates putting substantial new rate increases into effect. To pay more to get less may well be a self-defeating proposition.

In any respect, I'd like to report to you that the results of the questionnaire we sent out indicate that public feeling in Iowa is overwhelmingly against cutting back on Saturday delivery. As of yesterday, we had received approximately 15,000 responses. Today alone we estimate another 2,500 expressions having come into our office. Of the first 15,000 responses, a fraction over 12,000 people indicated they wished to maintain Saturday delivery; 2,760 preferred to give it up; and approximately 280 indicated they were undecided.

Many people registered particularly strong feelings on the subject. Let me read a sample of comments:

Here is one from Davenport that says, "Please do not dilute the poor service we now get. I live at the address below and seem to be unknown to the delivery man."

Here is one that says, "Personally, I think the Government should get out of the mail business. Private folks could make money at it and pay taxes."

A third that says, "Why not increase rates on second and third class and bulk mail to take up the slack. If work force must be reduced, let it be administrative to avert increasing welfare rolls. Junk mail is what is really the problem. Get rid of the lobbysits and eliminate the unnecessary weight on the postman's shoulder."

Here is one that I like the best. It says:

In a country where trips to the moon and our vast space program exist, surely it isn't too much to continue having Saturday mail service, a mere land trip.

And finally, a lady named Hazel Williamson from Davenport, Iowa, writes in rhyme.

We want Saturday mail, I'd have you know
 Because all deliveries are so slow.
 If I send a card to a sick friend,
 She's already well or met her end.
 If a catalog order I need from Sears,
 By the time it comes I'm reduced to tears.
 It could delay my Social Security check
 And my creditors would be on my neck.
 And two or more days without any mail
 For the old and shut-ins already frail.
 Columnist Jim Arpy of Quad City Times
 Has berated slow mail in his rhymes.
 Tell Congress if they can't make things better
 They'll be held responsible for our tardy letters.

In any event, at the hearings this morning I invited you to express your opinions candidly and informally. You are among friends and I hope that this hearing can be as helpful as possible.

I will now ask my colleague, Congressman Corcoran, if he'd like to make a few comments.

Mr. CORCORAN. Mr. Chairman, thank you very much for the invitation to participate in your hearing here in Davenport.

The subject of Saturday mail service is symptomatic of the concern that many people all over the country have about the quality of Postal Service operations. People are very concerned about the service cut-backs and the rate increases which are being proposed by the U.S. Postal Service.

So I'm delighted to be here. I commend Chairman Bob Nix of our committee for holding these hearings. So often I have the feeling as a Representative in Washington, and I know, certainly, in my district, and I suspect, Jim, that the same feeling is prevalent here, that Washington makes decisions without ever coming out into the community to find out at the point of impact just how the people themselves feel.

I feel our system of democracy should be a Government which responds to and reflects the concerns of the people, so we are in the process of attempting to learn firsthand—to encourage you to participate in this decision. We are going to have another hearing tomorrow in Pontiac, which is in my district. I'm delighted that your representative, Mr. Leach, will be present. I've come to know and respect him as one of the outstanding freshmen in our class.

I believe that we should allow the people themselves to participate in this decision. We can see here that there is a lot of concern, and I don't think it is just focused on Saturday mail delivery. I think it is symptomatic of an overall concern about the quality of Postal Service in this country. That is why, when we reconvene on the 19th of January, we will be considering two bills dealing with Postal Service, for which I think these committee hearings will provide a great deal of evidence to assist us in winning over a majority of colleagues to the position that we need to make a change in the operation of the Postal Service.

One of these bills is H.R. 7700, which would require a great deal more control by Congress and the American people over the operations of the Postal Service with respect to service, with respect to budgets, and with respect to their overall operations. It's a service which affects every person and it seems to me and, I think, to a majority of the people in this country that we want that service to be accountable to the people, not simply an entity which is run for the satisfaction of a few people who happen to have the authority under current law to operate the system.

The other legislation, which your Representative, Jim Leach, and I cosponsored, is a measure which would give to the U.S. Congress the authority to review and to veto any service change that would be forced on the American people by the Postal Service. I think this legislation will pass early in the second session of the 95th Congress.

And as Mr. Leach pointed out, I think we want to hear not only from the large metropolitan areas, but we want to hear from people in the country, too, and the types of districts that both Jim and I have the privilege to represent.

So I appreciate the opportunity to be here. I've never been to Davenport before, and I'm glad to get that opportunity, as well as the opportunity to participate in this hearing.

Mr. LEACH. Thank you, Tom. The first witness is Mr. Jim Mohr, from the Iowa Farm Bureau. I might say that Jim is one of the truly outstanding farmers in eastern Iowa and we are honored that you're with us, Jim. You may sit at either mike.

STATEMENT OF JIM MOHR OF THE IOWA FARM BUREAU FEDERATION

Mr. MOHR. Thank you. Congressmen, today I'm representing the Iowa Farm Bureau Federation as a part of the American Farm Bureau which is meeting at Houston, Tex., at the present time. The policy will be decided on tomorrow or the following day and will probably be in line with what I'm giving you. I understand we are limited to 5 minutes. I have a very short statement I wish to read and to elaborate on that and hope there is still time for a question or two. This one is on the Postal Service.

The Postal Service of the United States has a proud record. It has allowed its residents to communicate with dependability at a reasonable cost. Everyone has access to newspapers, magazines, and other periodicals. Availability of products and services has been made possible through second- and third-class mail. Most important, it has insured the privacy of first-class mail. This is a statement very few other countries can make.

Now there are problems. Inflation has grown like a mass of rising dough. The country is vast and diverse. We are demanding more. These problems must be addressed.

Farm Bureau does not believe these problems can be solved by piecemeal solutions, such as cutting 6-day delivery. We would urge: No. 1, immediately begin an indepth sure study of the entire Postal Department. Two, maintain regular contact with the Postal Service Commission in its study of the Postal Service. Three, offer testimony to the Commission in support of programs to provide essential mail service to rural America.

The Postal Service has served agriculture in Iowa and the Midwest probably better than any other Federal agency despite problems in expanding service during times of rising costs and changes in transportation. The Postal Service has been relatively free of scandal and corruption and probably has a larger percentage of dedicated employees than any other governmental agency. We realize that changes might have to be made in the postal system which will affect the smaller communities. If the study shows cuts in service are necessary to afford the Postal Service we desire, we are willing to abide by them. But we do oppose a fragmented approach.

Now, to elaborate on these, probably in this district, the First District of Iowa, which is as diverse as other districts can be because it has prime agricultural land, probably some of the best that there is in the world, and also has large metropolitan areas, we in the smaller communities and in rural America depend on dependable mail service 6 days a week. It is the only communication we have.

Now, Farm Bureau represents a lot of people in small towns and so on and we have in our area a number of small towns. And what makes it even more of prime concern, we realize that a great number of senior citizens live in this district. The only personal contact with the outside world is that mail delivery or that trip to the Post Office. That is all they have and I think this should be taken into consideration.

Now, the study that we've talked about here, we want a comprehensive study of the entire Postal Department. Now, we realize asking for studies is always a problem and it can be there. We do not expect the Department to stand status quo until the study is completed because there are minor changes that have to be made. Major changes such as these should wait until this study is complete and then see what we come up with. We realize that there are costs today.

I would like to emphasize one other thing and that concerns postal employees. We in agriculture and in the small towns that we represent probably have a closer contact to postal employees than anyone else in the country has. These people have been our friends. They have gone out of their way. There are numerous instances where these employees have done far more than their duties call for, carrying the medicine from the doctor, carrying the notes back and forth and the daily contact with people that we have in our area. And we, over the years, have defended the Postal Service. We realize how it was at one time and we certainly feel that with today's conditions it should be that again.

It used to be that if we sent cattle or hogs to Chicago and they were sold today we could guarantee that our check would be in tomorrow's mail. Over the past several years, we can't. Sometimes those checks are as late as 7 or 9 days. Now, this we cannot understand.

Basically, that's our statement; and if you have any questions, I'd like to try and answer them.

Mr. LEACH. Thank you, Jim. I'd like to make several comments on your statement first. One is that there is a lot of criticism of the Postal Service today. People don't sit back always and say what's right about the Postal Service. It's easier to criticize. It is thus very much appreciated that you've made a strong statement about the friendship, particularly of rural letter carriers with rural citizens. I think that is probably where the best rapport in the Postal Service is today.

I might also say that when you look at the Federal Government and see the concentration of authority and certain abuses of power, you don't find basic ethical problems in the rural Postal Service. In a State like Iowa, scandal has never existed in the Postal Service. There has been no substantial corruption that I know of in the entire history of the Postal Service in Iowa and that is a great credit to the Iowa postal worker.

I might also say that when you look at the Federal bureaucracy and the concept of Federal funding in rural areas, the Postal Service is one of the few places that we get a better than average return on investment. When you look at social security, welfare programs, when you look at defense, when you look at a whole spectrum of Federal programing, here in rural Iowa we don't see the same direct results that we do in the Postal Service. And I think that there are

real reasons to be proud of the Postal Service in Iowa. I'd like to make just one other comment in that regard, that here in Iowa the Postal Service makes a profit. There are a lot of ironies in that because it would seem a lot easier to deliver mail in New York City. But the cities lose money and also have major problems of loss of mail. But here in Iowa, and it's almost exclusively due to the work ethic, we don't have the problems of the cities. I think that again indicates that this is a rural concern versus an urban.

I might just ask one question. Yesterday in meeting with the rural letter carriers it was indicated that an active farmer gets three or four times as much mail as a typical rural resident or a typical city resident. Have you found that to be the case; that an active farmer depends more on the mail than other types of citizens?

Mr. MOHR. This is probably true. And one thing I neglected to say, as you well know in agriculture now we have narrowed the number of farmers and so on. They are, as a whole now, with college background, better education. Most of them have served in the service. They have seen the world and so on. They are demanding more; they're reading more newspapers; they're reading more magazines. And since agriculture has been, up until the last few months, a rather profitable enterprise, the last few years they have been receiving enormous amounts of mail, solicitations, and so on. Now, this is not all bad and there is one thing I would like to emphasize before I close.

We in agriculture are not seeking out any one segment of the Postal Service, like, the so-called junk mail. And so because if you look back over the history of agriculture from the time of John Deere's walking plow up until the present massive combine and so on, much, much improvement in the implements that agriculture have used has been through advertisements in the newspapers, the periodicals and the folders that have been sent out. They have tried them. Many of them, of course, never did, fell by the wayside. But American agriculture's biggest jump in mechanization and so on, largely the Post Office Department can claim a lot of credit for it because they are the ones that brought the information to them and that's why we're not selecting any part of the Postal System and say this is what we ought to do. We still feel that the whole approach, check the whole department and so on, and then if there have to be cuts, we're willing to abide by those cuts if those cuts have been justified because the cost of doing more is beyond possibility. This is a point we want to emphasize.

Mr. LEACH. That is a very profound perspective. Tom?

Mr. CORCORAN. Thank you, Mr. Chairman. First of all, Jim, I want to acknowledge the fact that you recognized that there are other good agricultural parts of the country. I represent a district from north central Illinois and we have some pretty good farmland there, too. I appreciate your acknowledgement of that, and I also appreciate very much the willingness of the Farm Bureau, through its representative, to come here and testify, because I think Jim is finding in the response from the questionnaire in this district, as we have found in the response to the questionnaire that has been submitted in our district, that farm families depend very heavily on the communication that they can receive through a workable, service-oriented Postal Service. That leads me to this question. I think anybody who has observed the recent pattern of action and the

philosophy of the current Postal Service administration in Washington has to conclude that the solution to the problem that the Postal Service constantly adheres to is one of reducing service and raising rates.

Ultimately, you reach a point where you have to make a hard choice between further curtailment of service or further increases in rates. I realize that you've indicated that you recognize that some cuts might be necessary, though they should be done after a comprehensive study, but as a matter of general philosophy, when you get to the point where you have to make a choice between increased rates and reduced service, in which direction would you lean if you had to make that choice?

Mr. MOHR. Now, is the question pertaining to 6-day delivery or—

Mr. CORCORAN. It pertains to 6-day delivery or other service cutbacks such as closing small post offices.

Mr. MOHR. You're giving me a question almost as tough as the Congressman gets occasionally because that's a very difficult question. We had hoped that this whole study, the result of the study should show a lot of things. We in agriculture do a lot of things differently than we did 10 years ago. All small businesses are that way or they would no longer survive. We hope that in the area of the study in these small towns that 6-day delivery may still be possible. It may be possible through different methods than it is at the present time and I cite as an example, there was an article carried in the Des Moines Register last summer which cited the salaries that postmasters received in small towns in Iowa and it raised a lot of static.

We didn't particularly as an organization, and as an individual were not criticizing this. We feel that the problem there was not that the postmaster was getting too much money to be the postmaster in a small town, but that the Post Office Department didn't realize that increase in salary should also entail an increase in responsibility and which many of these people had the ability to do and were able to do much more than they were. And that's why we feel in that area the study should point this out.

But we still have to go back to it that if the cuts are going to have to be made, that the cost is too great for the cuts, recognizing in this Government that if Government has to do it then we are willing to take the cuts. We're confident when they get through with an in-depth study of the entire Department that we are still going to have service that is affordable and should be better service than we are receiving right now.

Mr. CORCORAN. If you recall, back in 1971 we had the Post Office Department, which was an agency of the Government just like the Department of Defense, the Department of Agriculture, the Department of Labor, the Department of Congress, or any other agency of the Government.

Then, in 1971, Congress and the administration at that time changed the law to convert the Post Office Department into a quasi-public-private entity. The theory was that the Postal Service could operate under different management on a profitable or, at least, breakeven basis. There is a feeling now that there is probably going to have to be some subsidy, that you can't operate the Post Office Department on a breakeven or profitable basis.

If the study that you talk about should come to the conclusion that many people feel that you cannot operate the Post Office Department or the Postal Service on a breakeven basis, would you be supportive of a certain amount of tax dollars going to the operation of the Postal Service?

Mr. MOHR. If that be the case I would suppose the organization would say yes and we would have to pay the increased cost and I cite as one thing, I think the Post Office Department in this country can be very proud of their service as far as insuring the privacy of first-class mail. There is something a lot of people don't realize and it was never brought home to me until we had a Brazilian church student stay with us and we communicated with him afterwards. None of our letters that ever were sent to him did he get without having them opened, money taken from them and the communication there. Now, I feel this privacy of first-class communications which this country had stood for all these years, if it has to be subsidized then it will have to stack up against the rest and we'll have to subsidize.

We talk about postal employees and we cannot emphasize the one that we have in rural Iowa that have contact with—they have stood for the best of any Government employees, morale and so on, and especially in these small post offices. These people have gone out of their way. Small businesses have small reports that many times the post offices reminds: "Get it in. It has to be in by a certain time," and so on. I guess if it come to the final point we will say, yes, we have to subsidize. But we think that point should not be reached until this complete study is done.

Mr. CORCORAN. Thank you very much.

Mr. LEACH. Thank you, Jim.

Mr. MOHR. I appreciate the opportunity, the organization does. Thank you.

Mr. LEACH. The next group will be a panel, Mr. John McCormally, president of the Iowa Daily Press Association; Mr. Ronald Rickman, general manager of the Quad City Times; J. Robert Hudson, vice president of marketing, Des Moines Register and Tribune; and Mr. Richard Gross of the Iowa Daily Press Association.

John, would you like to lead off?

STATEMENT OF JOHN McCORMALLY, PRESIDENT OF THE IOWA DAILY PRESS ASSOCIATION

Mr. McCORMALLY. Thank you, Congressman Leach. I appreciate the opportunity to be here. My name is John McCormally. I'm the publisher of the Hawk Eye, the daily newspaper in Burlington. I'm here today also as president of the Iowa Daily Press Association, the IDPA.

The IDPA is comprised of 39 daily newspapers in the State with a combined circulation of 605,000. Approximately 18 percent of that total or 109,000 subscribers receive their daily newspaper by mail. In my own case, the Hawk Eye has about 21,500 total subscribers daily and approximately 3,700, so about 18 percent go by mail.

Now, most of these mail subscribers are farmers or other rural residents. Most of the Iowa daily newspapers 36 of the 39, are afternoon newspapers. Their rural subscribers expect to receive the paper

the morning following publication usually by way of rural delivery. Thus, the Friday afternoon paper is expected to be received on Saturday morning.

The proposal to eliminate Saturday mail service or to reduce mail service to 5 days by elimination of any other day of the week would be to deny or depreciate a valuable commodity to more than 100,000 Iowa daily newspaper subscribers.

We are not talking here about mere convenience. Subscribers pay up to \$40 or more a year for their daily newspaper. Failure to receive it on time constitutes a clear economic loss. News is a perishable commodity and not to receive a Friday newspaper until Monday or later means the commodity has perished.

Nor is the loss limited to the subscriber and publisher. The small cities in which most IDPA papers are published depend for their economic prosperity in a large part upon retail trade from the surrounding rural areas. Despite the advances in electronic media, merchants in such communities still rely mostly on their daily and weekly newspapers to solicit customers for their wares through retail advertising. Customers depend on newspaper advertising to inform them of the availability of merchandise, of prices, and of possible cost savings. Weekly shopping trips are planned using newspapers advertisements which reach the rural residents by mail.

Any reduction in mail service which, for example, would keep a Friday advertisement from reaching a subscriber and potential retail customer until the following Monday or later will have a direct economic effect on thousands of small merchants in Iowa towns as well as upon their rural customers.

For several years daily newspapers have attempted to reduce mail subscriptions because of the spiraling cost of postage and the growing unreliability of the mail service. Efforts have been made to replace mail delivery by motor routes operated by the newspapers themselves. We were not only spending more money to do this; we were, as we realized when the energy crisis became more apparent, doing exactly the opposite of what good patriotic Americans should be doing. We were changing to a less energy-efficient method of distribution. In the interest of energy conservation as well as, incidentally, in the interest of increasing Postal Department revenue, we should be switching back to more mail service. Please don't make that impossible by allowing the mail service to deteriorate further.

I appeal to you not only to maintain 6-day service, but to improve it. We receive constant complaints and many of them have been alluded to already here this morning from subscribers not merely that it takes longer for a newspaper to be delivered, but that delivery is so undependable, erratic, unreliable. That is, a subscriber will go as long as 4 or 5 days without a newspaper, then receive four or five all at once neatly stacked together in a bundle. One cannot escape the assumption that postal employees are deliberately saving them up somewhere until they feel like delivering them.

Now, in a very real, legal sense of the word that is fraud. We are simply not receiving the service we are paying for.

I know that's a serious charge but I make it without any reservations because many of my fellow publishers and I can document it with all kinds of evidence if any of you investigators would like to visit us.

The mail service goes two ways of course, and newspapers rely as much on the information they receive by mail, as on what they dispense by mail. The smaller the paper—the weeklies even more than the dailies, those without wire services—the more they rely on mail to bring them news and advertising material, as well as financial data every business requires.

We strongly oppose any further reduction in this incoming service. It is bad enough now.

Traditionally, the bulk of my news, advertising and circulation staffs, have started work at 8 o'clock in the morning. Mail was picked up well before 8 o'clock from the post office and distributed to the appropriate desks throughout the plant, so that when the key people came to work they could go to work promptly, processing their mail.

Gradually, over the past 2 or 3 years, it has become harder and harder to get any mail out of the post office before 8 o'clock, until finally we've just had to resign ourselves to the fact that we can't start processing mail before 9 o'clock.

Thus have our working habits been changed, to our economic detriment, by the slower, more casual operations of the U.S. Postal Service.

Members of the committee, if the highways were in as bad shape, relatively speaking, as the mail service, there would be a massive reconstruction program under way. And if the Armed Forces had deteriorated relatively as much as the mail service has, this Nation would be in deadly peril from its enemies.

The suggestion to shut down the mail service on Saturday is a commercial equivalent to a military proposal to ground the Strategic Air Command on weekends.

We have toyed long enough with the fantasy of a profitmaking Postal Service. It's time for Congress to take charge again.

I was one of that very large majority of editors who campaigned for a quasi-private postal corporation to, quote, take the post office out of politics.

It was the biggest single, dumbest damn editorial mistake I ever made. And I confess, I repent, I do penance and I hope that Congress will join in restoring politics, the politics of public service, to the post office. Thank you.

Mr. LEACH. Well, thank you, John. Rather than pursuing questions immediately I think we ought to turn to the other members of the panel.

Ron?

STATEMENT OF RONALD RICKMAN, GENERAL MANAGER OF THE QUAD CITY TIMES

Mr. RICKMAN. Thank you. I appreciate being able to say a few words.

I guess the Times has to echo a little bit what John has said. The thing that we would like to see is the finding of the role of the post office. We at the Times are directly affected as John has stated throughout the State and we rely on the post office for approximately 4,000 deliveries on Saturday which will probably force us into either

Monday or Tuesday delivery. We also have a weekly that will be forced or could be forced into some later deliveries.

So the Times is very interested in a study, a definitive study. And if that, as the Congressman has stated, requires some subsidies, so be it. But we're very interested in a very comprehensive study of the post office.

Mr. LEACH. Thank you.

Dick, do you want to go ahead?

**STATEMENT OF RICHARD GROSS, PUBLISHER AND GENERAL
MANAGER OF THE COUNCIL BLUFFS NONPAREIL NEWSPAPER**

Mr. GROSS. Thank you. I'm Richard Gross. I'm publisher and general manager of the Council Bluffs Nonpareil Newspaper, Council Bluffs, Iowa, other side of the State. My sentiments and my views will pretty much echo what John has given you, but perhaps because of my family—I have four children in college all at universities I—can echo some personal experiences plus I'd like to give you some individual costs.

In our case, our circulation, about 15 percent, about 3,000, is on mail. Basically, my comments will consist of and cover two areas, the quality of service today and the cost that we have experienced in increased costs.

I'd like to read to you a letter I wrote on January 3 to the American Newspaper Publishers Association with regard to Saturday mail delivery. And this is what I said:

The elimination of Saturday mail deliveries has me wondering what I can do to serve approximately 15 percent of our subscribers, those who receive our paper by mail. Years ago the Nonpareil ceased sending the Saturday newspaper to mail subscribers because it arrived on Monday along with the Sunday newspaper. It was felt that the news was so stale by then that the Saturday paper was redundant.

However, some of our subscribers do receive 7-day mail delivery. Interestingly many of them tell us that they receive the Sunday newspaper before they receive the Saturday newspaper although the latter is mailed at least 12 hours before the Sunday paper.

With the elimination of Saturday mail delivery we will be in the position of having our subscribers receive the Friday newspaper on Monday along with the Sunday paper. And, if the experience about our present 7-day subscribers is repeated, it could well be that Friday's paper will arrive after the Sunday product.

Mail delivery of newspapers has been subject to so many criticisms that sometimes some may wonder if it is a joke. Until her death, I sent the newspaper to my mother in Milwaukee, Wis. Many times she would keep track of the arrival time of the various issues and it was almost the unusual when they arrived in the proper sequence. She could never understand why she would get a Monday paper on Friday along with Wednesday's and Tuesday's product would arrive on Saturday.

My oldest son is a graduate student at the University of West Virginia in Morgantown. I started sending the paper to him and his wife but they asked me to stop it and only send Sunday's.

And the reason was, as John alluded to, was that our paper was bundled and seven newspapers were sent at one shot. Not even a graduate student can read seven newspapers at a time so we started sending him the Sunday only.

I have a son attending school at the University of Iowa in Iowa City and a daughter at Iowa State in Ames, Iowa. Even in the State of Iowa we can't get delivery to them with any regularity and my son asked me to stop his paper.

The reason was the sequence in which they came and the bundling of the newspapers made it impossible for him to even wade through it.

My daughter is in journalism at Iowa State and she stated, however, that she would like to keep it up. So we continued sending her the seven issues each week. But as she left for school a week ago, she said, "Dad, why don't you drop it. I can't handle it anymore. Just send me the Sunday paper. I'm beginning to wonder if we ought to round up newspapers to send once a week to our subscribers and maybe settle for to issues a week.

I sometimes feel that our public officials and legislators are so urbanized that they can't conceive that people get such things as newspapers by mail or order merchandise by mail from catalogs.

That is the comment I sent to the ANPA.

I thought I'd give you just a look at the figures on postal charges that we have paid. And I have a listing here from 1970 to 1977 which I'll leave with the committee. But I'll just verbalize a few of them.

In 1970 we paid approximately \$10,500 to the post office to deliver an average of 3,500, rounded off, call it 3,600 mail subscribers. By 1977 these costs has risen to \$21,000, just double. Our mail subscribers were down to about 3,000.

Now, during that period of time the Consumer Price Index increased 59 percent but the figures I just gave you represent a gross income of 101 percent to us, but because the number of subscriptions have declined, the average cost per subscribers is up 143 percent.

Now, these are just the fees we pay the Postal Service. It does not take into account any costs that we may be incurring as a result of continued revision of Postal Service, the sorting of mail, bundling of the mail. You should see what we deliver to the post office. It's all bagged; it's all labeled; it's the finest presorting job you could ever imagine.

We thought if the paper on Friday was going to be delivered on Monday or later, could we conceivably put together and deliver to our subscribers on Sunday by motor vehicle the Friday and the Sunday paper? We started to look at the costs and we just had a very, vary rough estimate. But roughly we are in an area in western Iowa that is pretty sparse. The nearest daily newspaper to us to the east is 50 miles, the nearest to the south is about 60 miles, the nearest to the north is Sioux City, about 90 miles. So we cover a fair piece of geography, about 8,000 square miles, we estimate.

If we only had to drive 5,000 miles to deliver those papers, we figure that if we only paid 15 cents a mile to deliver and that's pretty iffy business. it would cost us \$750 a week just to deliver that paper once on a Sunday or about \$40,000 a year. That's twice what we're paying the post office. It does not seem economically feasible. It would increase our costs about 35 percent. I don't think our subscribers would do it.

In summary, our problems with the Postal Service delivery of newspapers to subscribers is not limited to concern over the reduction or elimination of Saturday delivery. Taking Saturday delivery, it may be like the proverbial straw on the camel's back and the drop of that delivery in addition to all the other problems we're having with poor service may just spell the end of serving daily newspaper subscribers by mail.

Mr. LEACH. Thank you, Mr. Gross.
Mr. Hudson?

**STATEMENT OF ROBERT HUDSON, VICE PRESIDENT OF MARKETING,
DES MOINES REGISTER AND TRIBUNE**

Mr. HUDSON. Thank you, gentlemen. My name is Bob Hudson. I'm the director of marketing for the Des Moines Register and Tribune down in Des Moines, Iowa. We publish daily newspapers with combined circulations of 316,578 which circulate in all of Iowa's 99 counties. Fifty-four thousand and forty of those subscribers, or approximately 17 percent of the total, receive our daily newspaper by U.S. mail delivery on rural routes. The vast majority of these readers are engaged in full-time agribusiness. They are grain farmers; they are pork producers; they are cattle feeders; they are dairymen; they are poultry men.

Iowa farm income in 1977 exceeded \$7.5 billion. The average gross income per farm was nearly \$57,000. The average investment in land, buildings, livestock and equipment is \$389,100 but investments exceeding \$1 million on these farms are not uncommon. And yet those responsible for successfully operating this important segment of the Iowa and U.S. economy are the very people who would be most adversely affected by discontinuation of Saturday mail delivery.

Now, high on the list of things the Iowa farmer wants and needs in his mailbox on Saturday is the daily newspaper. With the growth of the average Iowa farm came specialization; specialization that required more education, intelligent planning, complicated financing, expensive equipment and a daily need to keep informed.

The desk of today's agribusinessman is identifiable by the printed material it holds: Specialty magazines, breeder's journals, farm publications, university extension bulletins, and in most cases, two or more daily newspapers.

I know of no farmer in this State who operates on a 4-day, 40-hour week or an 8-hour day or a 5-day week. His is a round-the-clock business most of the year. And because it is, he is more dependent upon the printed word for information than is his city counterpart who can easily adjust to a scheduled radio broadcast or TV news special.

Farmers occupy 13 percent of the households in Iowa. Yet, as noted earlier, they represent about 17 percent of our newspapers' daily circulation and an almost identical percentage of the circulation of a dozen other major Iowa daily newspapers.

Saturday delivery of the daily newspaper is important to the R.F.D. subscriber. Saturday morning's edition includes the market closings of the previous day, decisionmaking information that is necessary to the agribusinessman.

Inevitably the State legislature and the Nation's Congress seem to be most active on Fridays. Accounts of those important actions are in the Saturday morning newspaper. The R.F.D. voter wants and needs this information as quickly as his urban brother.

More local high school athletic contests are played on Friday night than at any other time of the week. Consolidations have made the local high school the community center for town and rural citizens. Their children attend the same school. News of local school activities, athletic events and special educational features are in the Saturday morning editions of the daily newspaper. Delivery made the following Monday or Tuesday would be of little value. Church announce-

ments and local religious news and features are also an important part of the Saturday-delivered newspaper.

I hasten to add that there are points of monetary importance, a point which is important to the newspaper, its income from circulation and advertising; a point which is important to the merchant whose Saturday and Sunday business is a high percentage of the weekly sales; a point important to the R.F.D. consumer whose shopping plans are aided by these advertisements and for whom the weekend is the most convenient time to shop.

"What problems would be created for you if you did not receive any mail delivery on Saturday?"

This question was asked last May by the Iowa poll of 473 randomly selected people living in Iowa R.F.D. routes.

"No daily newspaper" led the list as 28 percent of the respondents said it would be a problem. Fifteen percent noted that business mail would be delayed both ways, 12 percent said everything would be delayed. In all, 62 percent said elimination of Saturday delivery would cause problems. Sixty-nine percent said they opposed the elimination of Saturday postal delivery service. A copy¹ of the full survey is attached to the copy of these remarks for the committee's record.

Publishers of periodicals have experienced postal rate increases of more than 200 percent in the past 7 years. Further big increases are in the works. Many small publications which give voice to a wide range of viewpoints and specialties have already been severely hit.

Discontinuance of Saturday mail delivery would be a mortal blow to many and a crippling blow to all of the rest. Raising postal rates so high as to force people to quit reading newspapers and magazines, and to cause publications to go out of business, and to eliminate 1 day of delivery service entirely to sizable numbers of the electorate is an especially poor way for a country that depends upon an informed electorate to deal with its possible problems. Thank you.

Mr. LEACH. Thank you, Bob. I might just add that in our whole survey—and I appreciate your submitting the Des Moines Register's—my favorite response was from a lady who said the best compromise would be to keep Saturday delivery for letters but exclude the bills.

Mr. HUDSON. I'd go for that.

Mr. LEACH. Let me just say, John, I think you were absolutely correct in saying the issue just isn't simply maintaining Saturday delivery, but actually improving the service we now have. And as we will hear in testimony later this morning, I spoke yesterday with a group of postmasters in Iowa and one Bob Clark from Centerville laid out his sheets of requirements from the U.S. Postal Service and they are all aimed at cutting back hours of work on a very steady basis. The Postal Service, is using mechanization, and that is important, but when you get right down to it, the Postal Service is a very labor intensive business and always will be. One of the disastrous things that has occurred in the last 7 or 8 years since the Postal Service has changed directions that there has been a real demise in morale at the individual working level. Really tough rules and regulations have come from above. I have never seen a private corporation, a business, an enterprise of any nature that has arrived at a situation where there is such a break down

¹ Retained in the committee file.

in relationships between the very top in Washington and the postmaster in your communities and your letter carriers and your clerks.

I think it is something of serious consequence and something that none of us really contemplated with the whole nature of the change that took place under President Nixon. I personally feel that, despite the fact that I had a grandfather who was postmaster in Des Moines on the merit system—he was chairman of the Democratic Party at the time of Roosevelt—but we have got to take politics out of choosing a postmaster. But if you're going to have an accountable person at the highest level, the Postmaster General has got to be accountable to the general public. Under the current corporate situation that isn't the case and we in Congress have an obligation to move back in that direction.

One of the issues that becomes terribly relevant is where you place accountability. Do you favor a renewed cabinet level position?

Mr. McCORMALLY. I think so and I don't see any way that we can finance the service at the level we all feel it needs to be financed without general revenues at least supplementing the postal rate revenue. I would like to and I know that the purpose here is not for you and I to get into an argument but I'd just like to make a comment because, as I said in statement, I have come to the conclusion that I was wrong in supporting the change and as I've examined the extent of that error, it's occurred to me what you said a moment ago that we should at least take politics out of the appointment of the postmaster.

When I came to Burlington in 1965 the very first person who called on me in my office as the new editor in town was the postmaster, a very fine Republican gentleman who was a Republican party leader in the town. I happen to be a Democrat. That made no difference to him. He'd been appointed by President Eisenhower. It was, as I looked back on that man's service it occurred to me that he was determined every day when he got up in the morning to do a good job for President Eisenhower, for his party. That's what I meant when I referred to the politics of public service. It wasn't just that my ego was stroked that he dropped in my office at least once a month but I became aware of the fact that he did that with all the other businessmen in the town, people who had major concerns with the post office.

He came in, "How are things going? Are there things we can do for you?"

Sure, it was politics. But damn, it was good politics. It was good for us; it was good for him; it was good for his party; it was good for the Government. Now it's really difficult sometimes to know who the postmaster is. You can have a change of postmaster and it's a long time before you find out. They are career people and they are fine people. They do their job well as they're been trained to do it but they've never been trained and they don't have a leaning toward this kind of public relations. And as a result, I don't think they find out how bad the service is and they become defensive when we try to point it out to them.

And I know how they feel, how sensitive they get about this criticism because we get it. This subscriber who doesn't get his paper doesn't call the post office, he calls me first. And then I go through my usual routine of blaming the post office which he doesn't believe and so I

know how they feel about taking the criticism. But I think we've got to examine how to meet that criticism. And I'm proposing the suggestion that one way to meet it is get back to the political interest, the political concern that we had before. Thank you.

Mr. LEACH. That's very interesting. I might ask you Mr. Gross, since you commented on rate increases, how you look at the burden on postal rates at this time for newspapers. Is there a breaking point for you? For example, if current rates were increased 10, 20, 25 percent, at what point does it become uneconomical to use the Postal Service or at which point would you look seriously to another facility?

Mr. Gross. Well, obviously Congressmen, from the illustration that I gave, if we were to try to deliver the product ourselves, the cost would become so exorbitant that it would be the end of the service for those customers. As John indicated, it's just not efficient for us to get in a motor vehicle and try to cover that 5,000 miles duplicating that service that postal employees are already doing 6 days currently. So it's hard to answer your question. Right now our mail delivered product—which, to most of our subscribers, is only 6 days a week, we dropped the Saturday paper some time ago as I indicated—is priced somewhat less than the daily newspaper delivered to people by the carrier. It used to be a great deal less. We probably in our newspaper business underpriced the product historically. I couldn't really answer just exactly why. I think partly the reasoning was that the product was a little bit old, it was a day old at least when the customer received it so, therefore, we should give them a discount for it.

Now we're going to reach the point, I feel, very quickly. Our drop in circulation, I think that's probably shared by others. Our circulation by mail stayed reasonably level through about 1974, 1975. Then it started to drop and last year it dropped rather remarkably, partly because of the rate increases we put through, not only due to the Postal Services. Newsprint has doubled over the last several years so these are other things we had to support.

I don't know where the subject leads but I do know this, that when you start talking about when we're charging \$38 now to a subscriber, we're getting some resistance, we know, here. If we jump that cost to \$50 as your increases go which is approximately what we're charging for home delivery, it's got to have an effect. I couldn't predict what it would be, but it's not to have an effect. They're just not going to feel the product is worth it. If you're not getting papers, as two of the other speakers have indicated—I'm sorry the rural customer isn't here this morning that was present yesterday—that's got yesterday's news in it or last evening's or depending, what value is it? Just conceive of a Friday newspaper that we put out and it's a growing newspaper because of weekend business; but just consider getting that paper on Monday or Tuesday. It's ludicrous. It would be ludicrous to the average subscriber. He'd look at it and toss it. So in our case you're going to cut back to a 5-day newspaper that he's interested in, Monday through Thursday and Sunday, and that's not what he feels he wants as a product.

Mr. LEACH. Dick, you mentioned you've lost circulation rurally in the last 6 or 7 years and I know that reportedly, the Des Moines Register has, as well. Bob, would you say that any part of this is due to the fact of late delivery or do you ascribe it totally to other aspects?

Mr. HUDSON. Late delivery; no. Some, unquestionably, are due to late delivery as my fellow panel members have said. All of us have received comments about late delivery or bunched delivery and so forth but I would have to say that in our case, many of these complaints come from people who are outside the State of Iowa, not those who are on R.F.D. routes in Iowa. I would say that particularly in our case and we cover the entire State, that I'd have to say the Postal Service here on second-class mail for us is remarkably good. We have some examples where bags of mail get mailed on the wrong star routes and end up in Decorah where they should end up in Waterloo and things of that nature. But those are understandable and so forth. And I agree with Mr. McCormally here that we get blamed for it and not the post office. But on the whole, second-class delivery in the State of Iowa I think is remarkably good and we would have no complaint on that.

On the question of price, inevitably it's a factor. Everytime that the postal rate increases come to us and to other newspapers it's a pass-along increase. It has to be. And in our case, virtually every time it's happened we've lost between 3 to 5 percent of our R.F.D. subscribers.

Mr. CORCORAN. Thank you, Mr. Chairman. Mr. McCormally, we've had ample evidence, not only here but in the hearings all over the country, that there would be direct economic consequences for a number of employees of the Postal Service if the Saturday mail delivery and open service cutbacks were initiated. In your comments, you made reference to the economic consequence for the small town, the merchants, and other economic elements of the town. Would you care to elaborate on that a little bit?

Mr. McCORMALLY. Well, I think my colleague from the Register reiterated it, too. The economic consequences I was talking about was the decrease in effectiveness of the retail advertising. I think we need to examine the typical county seat town in Iowa where the largest industry is not the General Electric plant or the John Deere plant but is the combined retail sales of the stores, the scores of retail stores and their hundreds of employees. And this town lives, to that extent, off of the revenue which comes to it from a trade territory of up to 50 or 60 miles. And the people in that trade territory are reached by, primarily, the daily and weekly newspapers, in many cases the free delivered shopper or other circulars. But by print advertising and as we pointed out, particularly among farmers, print advertising is more effective than the electronic kind because a farmer can't regulate his day to listen to the radio or TV or so forth. That's the economic impact I was talking about was the loss in the effectiveness of the advertising.

I'm sure that there would be an effect on the postal employees, too, by cutting out 1 day of service.

Mr. LEACH. Would any of the other panelists—

Mr. GROSS. Could I comment on that?

Mr. LEACH. Sure.

Mr. HUDSON. I have some comments, too.

Mr. GROSS. The thing I alluded to, I think when we live in the city we forget about how life flows in the country. We get the criticism now that if the paper is late, they don't have a chance to get-in to take advantage of the bargains. Retailing does have a tendency, and farmers

like most of the others in the rural areas, they come to the larger centers to do some of their shopping. And they're irritated when they miss the big sale and we'll get the complaint. Well, what they express to us is, "Why don't you get the merchants to advertise sooner?" Well, if you know anything about merchandising you know that merchants don't want to run an ad on Wednesday for a Saturday sale because, as they say, it'll kill business for Thursday and Friday.

And the only way you can solve the problem is for the ad to appear in the Wednesday paper for the sale to start on Thursday and that the customer then gets the product Thursday morning so they can come to town and take advantage of the sale. But it's a constant complaint and we're really kind of shorting that rural person, in particular, farmer. They're not all farmers, by the way. Some of them live on rural acreages and so forth that still get their product that way. It really shorts them because they miss these so-called sales and miss the advantage of them. And it may not be just that it's an item marked down, they're out shopping that weekend to buy something and they're checking the newspaper as to the product to see who has something on sale. It's the quickest reference point. It's a real marketing tool as I'm sure Bob will say.

Mr. HUDSON. Well now, and I think occasionally every newspaper could document this, too, in our own case we regularly do parking lot license plate checks to see where people are coming from on the weekends. And on the weekends it's not unremarkable at all, in fact, it almost remains constant that around 60 percent of the license plates in the Des Moines shopping center parking lots on a Saturday and Sunday are from outside of Des Moines and are basically all rural or nonurban people. That ties in with our belief that Saturdays and Sundays are the best days for them to shop and to deprive them of the information on Saturday that would give them this economic break with their urban counterpart would be a great disservice.

Mr. CORCORAN. Thank you. I've got two more questions that, again, I'm going to direct first to Mr. McCormally. If any of the other panelists would like to comment, we'd be happy to hear their comments, too.

The second question is, in view of the difficulties that you learn about from your customers with respect to the quality of service, and, also, in view of your forthright comments about the public service value of having somebody held accountable locally for the quality of the service of the postal operations, would you tell us what happens when you contact either your local postmaster or somebody within the Postal Service establishment to complain about service and to register a complaint regarding the quality of service on behalf of your customer in your own business? What then happens? What is the response? What is the attitude?

Mr. McCORMALLY. Well, invariably the action is polite and civil and an explanation, if it's impossible for it to be offered immediately, we're told that an investigation will be made and an explanation is nearly always forthcoming. Often it is as my colleagues had the case of, well, the stack went to Decorah instead of to Keokuk. And I might interject here that as has been pointed out, probably most of our problems do come—and this is unique for us along the river because we have circulation in both States—we probably have more problems

with papers going into Illinois. And, not to jump on Illinois, I think it's not because it's Illinois but, apparently, because it's another State and there's some interstate problems there. It's perhaps in the coordination between centers where bundles of papers marked to go to Dixon, a small town not far from Burlington on the Illinois side of the river, go first to Chicago by mistake and then wind their way back over the next 2 or 3 days.

The postal employees appear to make an effort at each time to find out what the problem is and to offer the excuses. The excuses get very old to our subscribers even though we, having these kinds of problems of our own in our own businesses, may be more apt to understand the problem of the postmaster.

The subscriber, faced with ever increasing costs for the paper, is pretty hard to satisfy. We just have gone through another rate increase and as the letters have come in most of the time with the check for the new year's subscription, but nevertheless with a few points, remarks, "Now that you're charging this much more, can't you please improve the service?"

Mr. Gross. Yes; there is some interesting things and they don't all relate to the delivery of the newspaper. We get some of our news by mail, columnists, for instance, that we purchase. And we purchase from the Los Angeles Times Syndicate, for example. Our competitor, our major competitor is the Omaha World Herald which is more than 10 times our size and is a fair competitor, carries many of the same columnists we do. For some strange reason they get their mail and we don't and, as we understand it, our mail ends up going not always to Omaha but to Des Moines and then it is trucked back to Council Bluffs. Well, it's about 127 miles—I've driven it often enough—from Des Moines to Council Bluffs. To the Post Office in Omaha, it's probably about 6. So that's one of the problems we face.

Now, it's not just us getting it a day late, you see, most of your writers try to write close to the news, as John, who is an editor will tell you. Well, they can't, or we have the problem that if they write too close to the news we don't get that element time. The comments on Buchwald is a good example where Buchwald, if he's going to take off on Members of Congress, he wants to get close to that incident in his column. So it's a difficulty. So if you're taking off Saturday mail delivery, I'm fearful that the receipt of news to our organization has to be affected, I assume, because it's not only the mail delivery we're talking about, we're talking about all mail.

Mr. CORCORAN. But when you complain about the delay in delivery say, of your syndicated columnists, what response do you get?

Mr. Gross. Yes; we understand that our postmaster happens to like one of the columns that we run so he is disappointed if we don't run it. He's friendly, he is warm, I think he's kind of rule and procedure oriented, if that's the right word. I don't necessarily mean that as criticism, that may be his restrictions. We'll follow up on it, he'll try his best but we still get the news late. And we don't really seem to get the answers back that we'd like to have.

Why can't our mail be delivered to Omaha? Well, I guess if we take a box in the Omaha Post Office then we can run over and pick it up ourselves. Now, as you know, if I mail in Council Bluffs, for instance, if I mail a letter to somebody it's trucked across the river to

run through their stamping machine and then brought back and canceled over there. It seems kind of silly but that's the way the service is going. So I say, yes; they're polite, yes; we'll try. But it doesn't seem to help any.

Mr. CORCORAN. Thank you very much. My last question is this. The panel has testified that there would clearly be economic consequences of a very detrimental nature for the small towns and the rural customers should Saturday mail service be eliminated and other service cutbacks accompany this.

I think that there has also been evidence that when you complain about Postal Service, the local post master doesn't really have much discretion to make changes in service, as might have been done in the earlier years that Mr. McCormally referred to, when the postmaster could make some adjustments with respect to service. And as has been pretty obvious in the questions and comments that both Mr. Leach and I have made, we're certainly quite sympathetic to your point of view and to the changes that we would like to see made with respect to the Postal Service. But, as you can well appreciate, ultimately, when you have a cost problem, which is basically the reason why the Postal Service has embarked on these different steps in order to reduce cost increases in order to control costs, there develops a conflict within Congress and, I think, within the country among those that have to pay a portion of the subsidy which obviously would be involved in order to provide the continuing service which I think all of us would want in the most sparsely populated parts of the United States.

It becomes a rural-urban conflict, so one of the difficulties I think we are going to have to face in order to make some changes is to convince our urban colleagues that their taxpayers should subsidize a farmer who lives on a \$1 million establishment for the mail that this farmer might receive.

Could you give us some help? How do we answer that concern? How do we say that somebody in Chicago or Los Angeles should, through his or her tax dollars, subsidize the mail delivery for somebody who lives in a smaller town in Iowa or in Illinois?

Mr. GROSS. Well, I'll respond briefly to that. First of all, that kind of sharing of costs has been going on in this country since the day we became a country. And you can go to all areas of our government and cite that sort of thing. But I don't know that necessarily that's the question we should face. I think first of all we ought to ask why do Postal Service costs have to increase two and a half or three times or more depending on what you're looking at. Why are their costs increasing that much faster than the Consumer Price Index? Maybe that isn't a good comparison but use that CPI in some area. But two, three times it as much, why, why have their costs increased that much? I don't know but I certainly think it is an important question to ask in that these are charges to us, not taking into account the diminution of service that's been going on at the same time.

So I think that's an issue that ought to be raised. I think, frankly, the general public would respond to some sort of subsidy of the post office for rural people. I don't think there's any antirural feeling among the urban people.

Mr. CORCORAN. But an urban Congressman might respond to that by saying that if the farmer operates a million dollar farm and

if it's important for him to get these publications, he should pay the cost of these publications.

Mr. GROSS. I agree we can't ask him to but I'm wondering how reasonable it would become.

Mr. McCORMALLY. My answer to that would be if he is running a \$1 million establishment and several hundred dollars a year profit, he presumably, depending on what kind of tax reform you gentlemen come through with, is going to be paying the income taxes in proportion to his affluence which will provide the general revenue to make the subsidy.

If I may add another point, I'd like to get back to what I've also been led to believe was a kind of fundamental constitutional principle, at least implied by the constitution, that this U.S. Postal Service was not merely a commercial agency but had a deep constitutional governmental purpose to help provide for an informed electorate.

And, no more than we distinguish between the rich man and the poor man as far as who is entitled to be defended by the Army and Navy, and Air Force, the same way we make no distinction as among citizens according to their affluence who should be provided with the access to information on which and with which to become an enlightened citizen and voter.

While we've been talking here today about a group of relatively financially secure Iowa newspapers, we all share this concern for the small magazine, the small opinion journal in the country, whether it's Bill Buckley's magazine or the New Republic or whatever, the opinion journals from left to right on which we all really depend greatly for a variety of opinion. They are hurting badly from any increase in postal rates, much worse than we are. We are all still in a little better position to pass most of it on to our customers. But the small opinion journals which have very little advertising to help support them don't. So I'd just like to make a pitch for them in passing.

Mr. RICKMAN. I'd like to make a point, too, that just where do we go with this service and how far do we cut it? As far as the opinion journals, I don't know if you're aware or not but Time magazine has approached some of our sister papers to deliver and we are in programs of actually delivering Time magazine because of their concern of lateness in delivery. And they're paying a heck of a lot more to those that deliver that Time magazine than they are to the post office.

Mr. GROSS. The thought occurs to me, Mr. Corcoran, in that one response you might get from an Iowa farmer regarding should the city dweller pay part of the bill in postal services is that I suspect the farmer might respond, "I'm paying part of the welfare cost and we don't have any welfare in our community but you still got a lot of it in the city." You can carry that on endlessly but I'm sure he might just respond in that area.

Mr. LEACH. Well, thank you very much. It was my original intention to have the weekly group represented next but I think we'll come back to that after the following panel. We'll divide up the presentation somewhat and we'll have at this time Jo Ann Laues, coordinator for the Committee on Aging; Dale Barker, president of the First District National Association of Retired Federal Employees; and Charles Voss, cochairman, University of Iowa PUSH Committee

Jo Ann, would you like to begin?

**STATEMENT OF JO ANN LAURES, COORDINATOR OF THE
COMMITTEE ON AGING**

Ms. LAURES. Thank you. I'm Jo Ann Laures and I'm the outreach and community coordinator for the Commission on Aging. The Commission on Aging is an agency located in the Lend-A-Hand Building here in Davenport. We serve all of Scott County. We serve elderly people over 60. In the short time that I had to prepare this I contacted as many elderly people as I could, generally knowing their opinions about 5-day versus 6-day mail delivery. Many questions remain in people's minds about this.

Five-day mail delivery service, would it really reduce postal service costs? Have you stated that there will be a substantial savings? There are a lot of ifs about that and, of course, you know the elderly people are concerned about all of the things that have been said here today, too, small businessman, big businessman. Some of them were those business people in the past years.

Will it require more postal workers to work on Monday because the Saturday service was closed? Will we continue to have the pile up of mail such as has been referred to by these previous panelists? Will the general public feel any of the effects of the cut in one-day mail delivery service? The now slow mail or sporadic what are the improvements that we could expect?

There are doubts in the minds as I'm saying of the elderly people as to any improved effects that would be obvious, noticeable and worthwhile.

Let's talk about social security checks because probably that's what goes through most of people's minds when you're, you know, at least one of the things that goes through people's minds when we're talking about the important things in mail service. Ideally, you might say maybe the Social Security Administration could mail those checks out sooner, maybe they could get them there on Friday. There is some attempt at this time to deliver them according to, you know, the days—they aren't always mailed out the first part of the month and we can't depend now, for instance, will they get there on the day they're supposed to. They're pretty good about that generally speaking. I can understand an arrangement with the Social Security Administration to make an attempt to get the social security checks mailed sooner if there was some kind of an arrangement that could accommodate this. But in fact, I don't believe that that's possible.

If you're expecting a check and it didn't arrive on Friday and it didn't arrive on Saturday, it could mean a great deal of difference to you if you had to wait till Monday. Many of the people depend entirely on their social security check for their entire living expenses. There are people that have more than social security checks so they have interest from money in the bank, they have money in the bank. It isn't just the rent that's due but it would be mostly the food on the table and that kind of thing.

OK, if you could visualize a check would come on Friday, it's much easier to get it in the bank to begin with. Now, if everybody in this room thought about it and we agreed that direct deposit of the social security check in the bank is urged, anyway, you could probably convince me, maybe I could convince everybody in the room because

maybe they would already agree. But I would say ninety percent of the people that I talk to do not agree with that. They feel a lot better when their social security check is walked to the bank, they put it in the bank themselves or authorize an advocate to do so for them.

So you know, so far as social security checks, if everybody did it direct deposit then maybe we wouldn't have to worry about does it come on Saturday. All of these things are very important.

I suppose the most important thing is loneliness. And that's the number one problem with elderly people. I just hit the social security checks first because I thought maybe that was what most people would think of. OK. Maybe just this one letter is what they're getting on Saturday, but maybe it's the newspapers and that's what we've been hearing from the four previous panelists. I certainly agree with that.

The elderly people that I've talked to are very sympathetic with the businessmen, the sending of newspapers, the magazines, statements, maybe it's just the bills. They'd probably say, too, we'd eliminate those on Saturday mail if we could. Whether it's a check for the sale of the livestock which was alluded by the man from the Farm Bureau, these are their concerns, too. After all, maybe it's their very families that are the very ones that you were talking about, those small businessmen or even big businessmen or maybe it was these same people in a few recent years that the effects were felt. But most of the people feel that the 6-day mail delivery is necessary and they hope that it will be continued and I do, too.

Mr. LEACH. Thank you very much, Jo Ann.
Dale?

STATEMENT OF DALE BARKER, PRESIDENT OF THE FIRST DISTRICT (IOWA), NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES

Mr. BARKER. Gentlemen of the committee, I am Dale Barker and I am here to speak primarily for the elderly.

I belong to several organizations of elderly people. I asked these people for opinions and it was easy to do because the mail survey had been sent out and I could do it without them suspecting I had another motive. I found the people divided on this matter. On one side were those people who are readily able to move about. They're involved with social activities or the interesting world of volunteer services for others. They're busy. On the other side were those who are housebound because they don't care to be involved with others or physical handicaps prevent it.

Those in the active group for the most part say they can get along without Saturday mail delivery. But they hedge this statement with restrictions. And some of the restrictions are as follows: practically everyone said no further increases in postal rates.

Most older Americans I talked with about this feel that economizing could be achieved in other ways than cutting on services. The practice of sending mail to another city for sorting and then bringing it back to deliver seems costly and inefficient. There are many complaints about poor mail service now, compared to the past. Today you can't be sure a letter mailed will take 1 day or 3 or more for delivery.

Another complaint these people had is in regard to the so-called junk mail. In many States they just sort it out and throw it away without opening it. And they resent the practice of loading the mails with this material at less than the cost of delivery while, at the same time, their mail service is threatened and more expensive.

Many of our national holidays are now on Monday and they say this, if Saturday mail delivery were discontinued, there would be a 3-day backup of undelivered mail. Assuming the department would cut back on their service personnel with discontinuance of Saturday delivery, catching up would be even more of a problem than it is now. Now, the suggestion was made that if mail delivery must be dropped for 1 day, maybe it would be better to drop Wednesday delivery.

Of course, discontinuing Saturday delivery to cut back costs would mean that the number of clerks and carriers who bring this service would be reduced which would add to our unemployment. This is not to be seen as a worthy goal.

Most of us older persons know someone on the Postal Service by being related to them or friends. And these people feel that the mismanagement, too many chiefs and not enough Indians. Mail service is one function of our society that touches all of its members in a direct way.

One of the comments I heard is that the Postal Service has been cutting back services and providing progressively poorer service since it was transferred to the present quasi-private management. The consensus seems to be that the return of the Postal Service to the U.S. Government might turn it back into a more responsible facility.

Now, to speak for the group of elderly who stay at home, I thought at the time this would be the strangest defense of Saturday delivery you will hear but I guess it isn't. Other people got to it before I did.

To these people the daily visit of a postman is an event. These people are lonely and the anticipation of receiving mail and a visit by the carrier is eagerly looked for by them. The carrier is someone to say hello to as he passes by, maybe the only person they speak to the whole day, and then only in good weather.

I was visiting my aunt and she heard the step of the postman and hurried to the door to speak to him. At a local retirement residence, mail time is a highlight of the day. As the mail carrier makes his way down the streets of our town, his progress is checked on by many old folks watching out their windows.

Now, I realize that keeping Saturday delivery so these lonely old people can have the brief contact with the carrier doesn't make sense. But I'm sure if they were asked, they would not want the service dropped.

Maybe in discussing Postal Service there is a key word, service. What are the priorities in a literate society? Do we need a Postal Service that is cost effective or do we need a service that allows ordinary people to communicate and receive communication by mail? Thank you.

Mr. LEACH. Thank you very much, Dale Charles?

**STATEMENT OF CHARLES VOSS, COCHAIRMAN OF THE UNIVERSITY
OF IOWA PUSH COMMITTEE**

Mr. Voss. My name is Charles Voss. I'm the chairman of the University of Iowa Association Handicapped Committee. Also, I am with the Johnson County Committee on the Handicapped.

Most of the things that I've wanted to say have already been said, especially the social security checks which many of the, well, social security disability income that many of the handicapped live on. With this Monday holiday, many times the checks do not get there until Tuesday or a lot of times Wednesday after the post office has been closed on Monday. So this is a 2-day delay.

What's going to happen to the social security disability income checks for these handicapped and bedridden people if there is no mail delivery on Saturday, then no mail delivery on Sunday, no mail delivery on Monday? With the pileup there will be more than likely on Tuesday, there will be too much mail to get the checks out. Wednesday, possibly, the checks could get there and more than likely, Thursday.

I found this true with my veteran's disability income that when the post office is closed on Monday, quite often my check is not there until Wednesday or Thursday. To many people, this would be a tragedy. I've gotten along with it so far because I've had some money in the bank from insurance. But there are other ways that they can save money through the Postal Department other than cutting off the Saturday delivery. And all the handicapped people I've talked to, is one of their greatest fears is that they will have no income if that check is delayed.

Another thing, many of your handicapped people are bedridden. They are homeridden and they depend on mail service to just get the day-by-day communications with their friends, their newspapers and magazines. And to me, this is one important thing. Thank you.

Mr. LEACH. Thank you. I appreciate your testimony very much. I think it is very clear that to the aged and the handicapped, the Postal Service represents communication, above all else, and that implies service.

Again, when I talked to postal workers in Iowa and heard about the new rules and regulations that discourage them from stopping and visiting, and keep them from going actually to the door to serve people that aren't as well off as other members of the society, it's clear then that an insensitive Postal Service is getting away from that principle of service. I am aware, however, that in Iowa a number of illegal things occur in the Postal Service, that is, postal people simply don't follow the rules and regulations. They make extra efforts for their customers, particularly in rural areas. Perhaps this is something that should be commended instead of criticized.

I particularly appreciate, Dale, your comments about loneliness which especially affects rural areas. It's very different than in urban areas and I think that for the rural elderly the Postal Service is probably more important than any other single group. And you're so right about the daily event. That is one reason why the identity of your postal worker with your rural citizens is so great.

I know in my own case just living in the neighborhood here in Davenport I wouldn't trade my postman for anyone's. I think 9 out

of 10 Iowans think the same way. They would not change their postman for anyone else's because he or she is a friend, an acquaintance, someone that is expected. We're in a very serious situation in this country if we get completely away from that neighborly spirit.

Mr. CORCORAN. I want to echo what the chairman has said about the value of your testimony. I do have one or two questions to ask of Miss Laures.

Would you tell me, in view of the work that you did with the Committee on Aging, how many of the people who participate in your program and who are receiving social security checks receive these checks through the mail versus the number of those that, as you indicated, can currently receive the deposit in their banks or their savings and loans? What is the breakdown, roughly?

Ms. LAURES. I have not really done, you know, an exact study on that but I think it's as high as 90 percent. Most elderly people that I work with do not trust that system. They feel a lot better putting that check in the bank themselves. And I kind of picked on that point first, although I feel the loneliness is really the biggest thing with the daily kind of contacts that they need.

But we have a specific committee that works on social action type objectives for the elderly person. And one of them is to prevent crime with the elderly, prevent robbing of the social security check. And we have tried to convince them, you know, of safer methods but it's very difficult to convince them of direct deposit.

Now, if you took the total scope of elderly, I know a lot of people have direct deposit. But they're not necessarily the people that were needy people that we are serving. Basically, we serve all people over 60 but a lot of people over 60, you know, don't need our services and they're not the ones that I'm referring to.

Mr. CORCORAN. Mr. Barker, you mentioned in your testimony that, in the event that Saturday mail delivery were eliminated, what might well happen is that, rather than going to a procedure where we wouldn't get mail on Saturday, which presently implements 5-day delivery, you might terminate service on Wednesday. I realize that you've gathered that information as a result of your survey of people who are in your group. Why do you think they suggested that Wednesday would be better than Saturday?

Mr. BARKER. Well, the reason that was suggested was that you would just have 1 day at a time, that there would be mail on Saturday so you would skip Wednesday and skip Sunday. You'd get away from the 2-day lag of Saturday and Sunday.

Mr. CORCORAN. That brings up another problem which Mr. Voss touched on, and that is the fact that the experience we've all had already with the result of a holiday on Monday is that delivery which is expected on Tuesday sometimes doesn't take place until Wednesday or Thursday because of the sorting that ordinarily would be taking place on Monday. I appreciate that testimony because I think that's something many people fail to take into account. It's not just the impact on Saturday. It would be a recurring impact that would take place on the days following, which would be a further reduction of service; not just a failure to get a delivery on Saturday, but in addition to that, a slowdown, a general slowdown, throughout the week in the delivery of mail, and I appreciate that very much.

Mr. LEACH. The next panel would be David Ramacitti, publisher of the Bettendorf News; Jim Hodges, publisher of the Wapello Republican; David Archie, president of Mid America Publishing Corp.; and Robert Melvold, of the Iowa Press Association.

David, why don't you begin, Mr. Archie.

STATEMENT OF DAVID ARCHIE, PRESIDENT OF MID AMERICA PUBLISHING CORP.

Mr. ARCHIE. My name is David Archie. I'm president of the Mid America Publishing Corp. and also vice president of the Sentinel Publishing Co. in Shenandoah, Iowa.

I'm directly involved with six dailies and five weeklies and a number of shoppers. They are towns of under 20,000. Our papers are located in Spencer, Estherville, Spirit Lake, Clear Lake, Charles City, Vinton, Hampton, and several other communities.

I think the main difference with some of the testimony here has been that mail delivery is much more important to us than some of the larger newspapers. Particularly, our dailies send 40 percent of their newspapers by mail. These are going not only to the rich millionaire farmers, they're largely going to smaller towns. And I would think that most of them would be going to people who are not in the big, rich category.

We spend around \$350,000 a year of \$4,600,000 volume which is about 8 percent on postal costs. So this is a huge, huge bill for us. If we were to lose our Saturday morning service, my opinion is that it would be the equivalent of a Saturday morning massacre and would be a disastrous thing for us in so many ways that we can't even figure out what the consequences would be. I might say that there are several small problems, or not small problems, but ones which will also enter into it. The holiday problems is already a big problem for us. And when you add the holiday and the Saturday problem on together, it makes a very difficult deal. I think I'll go with that.

STATEMENT OF ROBERT MELVOLD, PUBLISHER OF THE MAQUOKETA NEWSPAPERS AND PRESIDENT OF TRI-STATE GRAPHICS, INC.

Mr. MELVOLD. I am Bob Melvold of the Maquoketa Newspapers and I also officially represent the Iowa Press Association of some 400 weekly, semi-weekly, and small dailies. I'm also copartner in the North Scott Press in Eldridge, the editor of the Leader in three publications in northwest Illinois. Amongst many of the aspects that I could mention, many have been very amply covered. But I was going to bring out the point that by continually decreasing the service and increasing the rate, that the Postal Service could very well lose a lot of its income from newspapers and related third-class publications.

I've also been involved in what we call Webb offset central plans meetings where those of us who operate Webb offset central plans could check our mail system to computerized typists, compare the

costs of running our own motor routes in carrying second class and third class, not only our own that we receive but also that other people would give us which would, in effect, be in competition with the post office, and if as successful as it has been in many areas, would reduce the post office merely to the delivery of first-class mail. And with the electronic bill paying system and so forth, even that would be greatly reduced. The city and rural carriers would still have to go out but they couldn't have a commensurate load.

Our bill from Maquoketa alone in second- and third-class mail—and we send everything out by mail, we do not have city carriers, all that is not sold on the newsstand goes by the post office—runs \$40,000 to \$50,000 a year. Now, if we were to deliver all or most of that by our own carriers, put up our own boxes and have motor routes through our county and parts of Jones, Dubuque, and Clinton County that we also cover, the rural carriers would still be going out, you would still have to employ your local postmasters and postmistresses in the small towns and you would still have the city carriers in Maquoketa, in De Witt, and in Bellevue that would be making the rounds. The post office, in effect, would be losing \$40,000 or \$50,000 a year which was about the total of the post office back 20 years ago in our community.

And so the question is, is the reduction of this service going to aid the economics of the post office in the long run?

In Maquoketa we have one paper which is delivered Saturday morning. We call it the Weekender and it includes a joint classified section that goes in six eastern Iowa newspapers, in Tipton, Anamosa, Maquoketa, De Witt, North Scott Press, et cetera. And farmers look to that. They have time on the weekend to read it and go through it and 24 or 32 pages of classified ads, much of it dealing with farm and real estate, livestock, and so on.

And so overall, I think the post office service has been good within our general trade area. There are some problems where we're in the center of three or four sectional centers. The north part of our trade area, the papers first go to Dubuque through Maquoketa, then the western part of our county gets their papers, like, the towns of Monmouth, Baldwin, and so forth, gets it out of the Cedar Rapids sectional center.

I'm not sure about the community of Wilton, whether that comes up from Rock Island. So many of our papers go to Dubuque and the packages, of course, which are all made up go to Cedar Rapids and then some to Rock Island and then have to come back from the south within 10 miles of Maquoketa.

But I know of many instances we get overnight service to Des Moines, and we're 175 miles away, regularly by first-class mail and usually by the newspapers. And I know many people where there's a good connection between the Dubuque sectional center and the one at Decorah where, in towns out of Decorah where they regularly get our papers on the Wednesday and Saturday dates. So the service, basically, is good.

Where you run into these horrible examples is where they have to go through Chicago or Minneapolis or somewhere and we get those reports where they get the paper of one week before the preceding week, and so forth. And that is where that happens. But within the trade area, it's basically good. And the Postal Department responds that

assuredly this system is supposed to work from Dubuque to Cedar Rapids to Rock Island. And if it doesn't, they find out why and try and get the bug out.

Basically, this is all that I could say. I would agree with most of the comments that have been made by the media representatives, but this one about the Time magazine being delivered by newspapers, that is an example that if the post office service deteriorates sufficiently, the cost keeps going up, you will see more and more of that where you look to the private sector to deliver everything but the first-class mail.

Mr. LEACH. Thank you.
David?

STATEMENT OF DAVID RAMACITTI, EDITOR AND BUSINESS MANAGER OF THE BETTENDORF NEWS

Mr. RAMACITTI. My name is David Ramacitti and I am editor and business manager of the Bettendorf News, a weekly newspaper published in Bettendorf.

About 90 percent of our 3,000-plus circulation is delivered to our readers through the mail. The remainder is distributed through newsstand sales. We do not have a carrier force and do not anticipate going to carriers in the foreseeable future. In other words, we are virtually totally dependent on the Postal Service for the distribution of our newspaper.

For the record, I must say we have an excellent working relationship with Jim VonHoldt, the Bettendorf Postmaster. He has always been cooperative, helpful and professional and on the whole I am very happy with how we have been treated by the Postal Service.

The Bettendorf News is published Wednesday mornings. The Bettendorf Post Office receives the papers Wednesday morning and virtually 100 percent of our mail copies are delivered to our readers in Thursday's mail. The contemplated discontinuation of Saturday delivery would not have any significant impact on our regular distribution.

At this point, however, if the Saturday delivery were dropped it would affect us in several ways:

First, from time to time there are misses—some times it's our fault because the addressing machine missed something along the way, sometimes it's the Postal Service's fault—that is, one or more of our readers do not receive their paper in Thursday's mail. When we are so notified, we immediately put another copy in the mail. Most of these are delivered on Saturday.

Second, we do look forward to the time when the Bettendorf News will grow to a twice weekly publication. When this happens most certainly one edition will be published late in the week on Thursday, probably, with an anticipated delivery on Friday. If there were no Saturday delivery, it would mean then that any misses would be delayed until well into the following week which, I feel, would be detrimental to the timeliness of our news and advertising content, especially if you consider the fact that this late week edition would involve much information concerning upcoming sports activities, weekend events, information on sales and so forth, information which would be virtually useless if delayed until after the weekend.

Third, and this is perhaps the most serious problem that I see resulting from elimination of Saturday delivery, is the interruption of incoming information to us.

Inherent in the weekly newspaper's schedule is a peak workload on Mondays and Tuesdays—over the weekend sports events, Monday night scoreboard meetings, and an influx of press releases, meeting announcements and advertising materials to us in the mail. Frequently, members of my staff, including myself, will work at the office on Saturday to go through the mail and prepare stories for that coming week's edition. If there were no regular Saturday delivery, this would automatically add significantly to what is already a hectic work schedule on Monday.

What's more, on the frequent 3-day holiday weekends, namely Monday off, this would be a horrendous pile up of incoming material on Tuesday morning and I'm absolutely certain that there would be items in the news and in our advertising areas which would be treated with less attention than they deserve or perhaps even left out of the paper entirely just because of the time pressure of trying to cycle all of this through.

In summation, while the discontinuation of Saturday mail delivery would certainly not do anything like put us out of business, I feel it would have a detrimental effect on both the outgoing and incoming flow of information that is vital to the existence of a newspaper and its effectiveness as a news medium in the community. Thank you.

Mr. LEACH. Thank you. I particularly appreciate your comments about news being a two-way street, and of course, it is a perishable commodity as John McCormally said. The timeliness is important.

David, how many of your weeklies get out on Saturday? Is it Saturday or Friday?

Mr. ARCHIE. Most of ours are published on Wednesday and are delivered on Thursday. However, we can see in the future that it may be very important to have the weekend available to us since it is becoming much more of an important shopping day even in the small towns. They're trying to compete against the big city shopping centers and we feel that either with a newspaper or possibly a supplementary shopper to the newspaper which strengthens the paper itself, that this may be one of the ways that we might very well want to go. And it's necessary to keep the option open.

Incidentally, I think there is a point in here that the advertising which I regard as news, in a way, is a way that the small person—if you'll pardon the expression but simply a matter the nonaffluent person has of saving money, of making economical decisions in shopping. I think it is very important to them to have the advantage of knowing where to make their purchases and where to make the best purchases. And so it is very much to the advantage of all of us, I think, in this kind of economy that we allow this news to get out of how they can buy in the very best way. And I think the Saturday delivery certainly enters into this whole thing.

Mr. LEACH. Do you have a comment on that, Bob?

Mr. MELVOLD. Yes. Well, first of all, the stores and business services are dependent on having the same people or a lot of them come back. They can't exist on one time only. And the people know these firms and they really do read this advertising. If it is grocery ads, they'll

go through and check the items that are specials and they may buy. And you see it time and time again where they'll go into these stores with copies of the papers, marked copies, and in other areas of purchases. It gives them a chance to look at it at home and if they receive a publication on Saturday morning that's the time that many people have for the weekend, whether it be Saturday or Sunday, to shop as a family. They do utilize this, the advertising as well as what you might call the journalistic news content.

And despite, of course, the raise in all of services with electronic media, that the increase in newspaper advertising since the beginning of advertising media is greater than the electronic growth in electronic media. And if you look where the stores, whether in Davenport or the others, whether they're in the hard lines, short lines, the vast majority of the advertising of a company such as J. C. Penney, Sears, Wards, whatnot, will spend 80 or 90 percent of their budget in newspapers. Thank you.

Mr. CORCORAN. I appreciate the testimony of the panel.

I do have one question. If you recall, in questioning an earlier panel I raised the point about the problem that many of us have in convincing the urban Congressman of the need to undertake the expense of a subsidy, and I think the evidence has been pretty clear so far this morning that there is an acceptance here of the idea that ultimately we're going to have to go to some further subsidization of the Postal Service. I think it was Mr. Rickman who mentioned, in view of the example of Time Magazine using the newspaper, that if the process of further reductions in service and further increases in rates for second-, third-, and fourth-class mail were to continue, we would soon reach a point, or certainly at some point reach a situation, where all that would be left would be first-class delivery for the Postal Service. I asked the question on behalf of those urban Congressmen, "Why shouldn't private carriers deliver Time Magazine and other second-, third-, and fourth-class mail?"

Mr. ARCHIE. Well, you know, if I may answer, one of the things that you have established or you maintain is a monopoly. And I've never quite known what the right is that the post office said that the mail boxes that I buy and place in front of my house could only be used for mail except on Sunday and be sure to get it out before Monday morning. Congress has set the name of the game and, in effect, what you're doing are changing the rules in midstream here on us, in my opinion.

I'm not saying this will happen but the more you cut back on mail delivery you're putting the media into the hands of the really big guys who are in a better position to afford to set up mail routes and do it. The mail service is the biggest advantage to small operations like our own are and I think we might become hard pressed. Perhaps we would have to cut our dailies back to twice a week operations which I think would be sad. So it's a matter of helping the smaller guy, in my opinion, rather than trying to create the vast, large-scale papers and publications.

Mr. CORCORAN. Do you have any other comments or questions?

Mr. RAMACITI. In my situation and I think we may be unique among one or two other papers in Iowa, our circulation is totally suburban, like many of the suburban weeklies around the big cities

For me to try to set up a carrier service could spell the difference between whether you can afford to stay in business or not.

Mr. CORCORAN. So that I may draw from your testimony the conclusion that the private companies could not, in fact, handle the delivery of second-, third-, and fourth-class mail?

Mr. RAMACITTI. Well, in my case I'd have to set up my own carriers.

Mr. CORCORAN. And it would not be economical?

Mr. RAMACITTI. No.

Mr. CORCORAN. And, as a result, the ultimate cost of distribution would be such that your enterprise would go out of business?

Mr. RAMACITTI. Or it would change the nature of it so gravely that it wouldn't be a newspaper anymore. We have the proliferation of the ad shoppers and they have their function in the community and do their job. But they do not publish the weddings and go to the council meetings and report what's happening at the school board. And that's a built-in cost for me that they do not have.

What I may have to do or may have to consider would be doing less and less in terms of newspaper coverage and more and more in terms of ads and turning to a—

Mr. CORCORAN. Family shopper?

Mr. RAMACITTI. Yes; and send it out for free and nobody would pay for it.

Mr. MELVOLD. I meet a couple of times a year with publishers, with the Minneapolis publishers and all over the State of Wisconsin, some suburban and some rural. They're involved in a number of publications both third and second class. There's also those in Illinois, Iowa, Kansas, Nebraska and many of them are in this. If you go up just north of the Illinois line into the three counties in southwest Wisconsin you will find that it is just a shopper there, three counties now owned by the Dubuque Telegraph Herald and you'll see their boxes in the entire area with a twenty-some thousand circulation. And of course, they will gather in this circulation.

Now, one of the things that the economics of the post office doesn't make sense compared with the economics of private business is that in the post office's way of charging. You could take 10,000 pieces of advertising material and mail to one person in each of 10,000 towns throughout the United States, perhaps at the 10,000 or more distant towns and you can imagine how many times that has to be thrown and rethrown and how many sectional centers it has to go through. The price would be identical to what it would be if we in our area where we will take 10,000 and deliver it to maybe six or seven towns, take it to our local post office and we've got them neatly stacked one to a person on each route, carrier route 1, 2, 3, 4; city carrier 1, 2, 3, 4; and the Baldwin City box, Baldwin route 1, 2, and all stacked in order.

In the case of our own newspapers they even sort the cards and we have them by the way they go down the street. Can you imagine how little of the cost is involved in transportation? There isn't a fourth the cost as if we sent one of those to every little town in the State of Oregon and one to every little town in the State of Washington and so on. But there the price is the same.

That's just one illustration. Another is on cost and I realize where there's labor unions and so forth—I was astounded a few years ago they

had some people applying for some summer work and they listed their previous activities and what they've been paid and they have been going to school over in Cedar Rapids at Kirkwood and during the wintertime they had worked at the Cedar Rapids Post Office and their rate per hour was at that time, and this was several years ago, over \$5 an hour. Well now, what store in town which hires employees, say, extra college student employees or high school students for maybe some Christmas rush pays them \$5 and something an hour at that stage which today would be at the same rate \$7 an hour? But, I suppose the rules require them to conform.

Another question is, now Bell Telephone Co. runs surveys and they have union labor. But they go by the community. In other words, the person who might start in at \$120 for a 40-hour week in Maquoketa would get \$140 in Davenport; and if they worked in Chicago, maybe \$170; and if they started in New York City, \$220. Yet somebody could be a carrier in a small rural town in this community with a lot less lower living cost and so forth or be the postmaster with 40 boxes to take care of and a little business in the morning and then practically nothing the rest of the day and make more money than a city carrier in a section of New York where, on the days when they deliver the social security or welfare checks, they have to be shadowed by an armed policeman and where they have to commute in from the suburbs because there's no place to live. So there isn't, compared with Bell Telephone and these others, the economics of the post office on some of these things simply do not make sense.

Mr. CORCORAN. Thank you.

Mr. LEACH. Thank you very much.

The next witness will be Mr. Mike McSweeney of Metromail.

STATEMENT OF MIKE McSWEENEY, METROMAIL

Mr. McSWEENEY. My name is Mike McSweeney and I am a resident of Mount Pleasant, Iowa. I am the vice president of production operations for Metromail which is in the direct mail marketing and advertising business. On behalf of our clients we generate approximately one-half billion pieces of mail each year.

Mr. LEACH. Excuse me, could you repeat that? This is truly an extraordinary statement.

Mr. SWEENEY. On behalf of our clients we generate approximately half a billion pieces of mail each year. Our annual postage expenditures approach \$40 million.

Business mail accounts for upwards of 80 percent of total post office volume. Direct mail advertising which is primarily third-class bulk mail, although it also includes a significant amount of first-class mail, comprises about 25 percent of the total business mail volume.

Postal Service statistics show that third-class circular mail has dropped from a total of 14 billion pieces in 1972 to 13 billion in 1976. By contrast, newspaper printed inserts have shown steady growth in volume from 10 billion inserts in 1971 to 18 billion in 1976, that's according to the Newspaper Advertising Bureau. Private delivery systems are also growing. While overall volume statistics are not yet published, it has been estimated that the volume being handled by private delivery has already exceeded 2 billion pieces per year.

The point of these figures is to illustrate that a lot of mail, advertising mail, has already been lost by the U.S. Postal Service and much more will be lost if Postal Service prices continue to rise precipitously. Direct mail is but one advertising medium and, since it is typically used by business people who continually evaluate the relative economic advantages of their advertising mix among various modes of advertising, it is extremely sensitive to changes in postal prices.

The Postal Service performs valuable public services and is an institution in whose well-being the Nation as a whole has a vital interest. At the same time, it functions within and is affected by an environment of competitive economic forces that require a maximum possible efficiency of operation.

I believe that the reforms set in motion by the Postal Reorganization Act of 1970 were basically well conceived except for the break-even concept which in retrospect was a fatal error. A significant portion of Postal Service operations are performed as a public service to the Nation as a whole as opposed to a majority of individual or corporate users of the mail. And the Nation in total should pay the reasonable cost of those functions which cannot be justified on an economic basis.

Such economically unjustifiable functions include a readiness to serve any geographical area no matter how remote or sparsely populated, universal 6-day deliveries, doorstep delivery and on and on. These functions are justifiable only on the basis that the individual recipients or the Nation as a whole or both desire such service even though the majority of mailers do not.

And this is a very key point. With a notable exception of rural newspapers, a very broad spectrum of businesses have repeatedly stated that they neither want nor need 6-day delivery of mail. In fact, three separate national surveys which have been taken on the subject all show that about 80 percent of the individual people responding say that, "they could do without Saturday delivery."

To keep the record straight, when the question was rephrased, about half of the consumers were opposed to suspending the existing practice of 6-day deliveries. However, when it was rephrased in economic terms, the vast majority of consumers were in favor of such curtailment if the resulting cost savings were reflected in the postal rates they are required to pay.

However, the dollar and cents considerations are only one part of the equation. The other part which is equally, if not more important is the public service aspect. The Postal Service is not a business; it's largely a public service. This was stated in the Postal Policy Act of 1958 and should be reaffirmed by the Congress in 1978. The Congress has repeatedly issued noneconomic service mandates to the USPS and the fulfillment of the mandates was noted by the Commission on Postal Service when they reported that, "postal service beyond the needs of most mailers is presently being provided."

An internal Postal Service staff study entitled "The Necessity for Change" noted that Congress eventually must decide whether it wants a cheap Postal Service that meets the needs of most mailers or whether it wants an expensive system that seeks to meet a variety of postal needs for the entire country. If Congress chooses the latter, the expensive system which includes 6-day delivery, it would not

only be unfair to charge the mail senders for the incremental costs of that choice, but it would also be self-defeating by driving profitable mail out of the postal system to an extent not compensable by further rate increases.

Congress has a responsibility to support the Postal Service with sizable appropriations to cover the level of public service which it has mandated the USPS to provide. The portion of postal costs is the obligation of the entire population of the country and it is the obligation of the Congress to either eliminate the costs through retraction or modification of the mandate or else to properly fund its perpetuation. Thank you.

Mr. LEACH. Thank you. Are my mathematics right then, you do about 4 percent of the whole United States direct mail?

Mr. McSWEENEY. I think it would be lower than that. I'd have to go through again. The volume of third-class circular mail, I'm just taking that portion. First class enters in both ours and nationally but we do half a billion pieces so it is about 3 percent, I guess.

Mr. LEACH. That is an incredibly significant business for the first district of Iowa. I might ask, in terms of the fact that total volume went down from 14 billion to 13 billion pieces, do your surveys indicate why? For example, is it purely a function of cost? Is it a function of reliability in service? Why is there a backward trend?

Mr. McSWEENEY. It's principally, overwhelmingly, a function of cost. The Postal Service's overall levels of service, from my vantage point, I speak very personally, but speaking from both a business and a personal standpoint, have not deteriorated. Certainly I can find the horror stories and we can all repeat them, the 40-day letter which was commented on. But these are exceptions. Service did deteriorate about 5 years ago. It has rebounded considerably. Costs, and I shouldn't say costs, I think there is a huge difference between costs and revenue. We tend to equate the cost of a postage stamp or whatever form the postage payment is in to costs. That's not true.

Revenues of the Postal Service, charges which they level on the public, have skyrocketed, admittedly, since 1970 far beyond what costs are but we have to keep in mind that the Postal Reorganization Act of 1970 ordered the management of the Postal Service to operate on a break-even basis. That order which was issued by Congress has never been rescinded so that they have no choice. Congress has refused to provide the differential in postage.

Prior to the Postal Reorganization Act, postal subsidies ran 20 to 25 percent. They bounced in that neighborhood, I guess, hit a peak of about 27 percent. Postal subsidies today are running just over 10 percent, less than 11 percent of total revenues. This money has to come from some place. The only choice postal management has is to get it from the mail sender, the mail users. This is what his call is, to move away, to answer the question, the volume to alternative services, the other media, advertising media, the private carrier delivery, et cetera.

Mr. LEACH. Thank you.

Mr. CORCORAN. Mr. McSweeney, could you tell us a little bit more about where the mail goes, where the advertising goes, when it leaves, second-, third-, and fourth-class mail users? You've talked about the

decrease in volume in your business because of the competition of other advertising modes. Tell us more about some of those modes and what we can get.

Mr. McSWEENEY. Well, the principal mode, I believe, that accounts for the shift is private delivery. If we just take it on a numerical basis, that would, in effect, account for the entire quantity. Private delivery of second- and third-class mail was virtually unknown in this country approximately 5, 6, 7, years ago prior to postal reorganization. Today it accounts for in excess of 2 billion pieces of mail annually. The dropoff in third-class circulation rates has been less than 2 billion. It's been about 1 billion.

Private delivery, one of the largest segments that we are currently handling is second-class, principally magazines because that is exempt from the postal monopoly laws. Third-class mail is exempt only to the point that it is not personalized, so it is in a gray area. But the biggest diversion, I believe, has been to private delivery services. Also, I shouldn't say that's the biggest diversion. I had the figures maybe I deleted them in here to provide print inserts in newspapers, has accounted for a very large portion of it, as well.

Mr. McCORMALLY. You touched on the monopoly provision which is in the statutes now which leaves first-class exclusively to the Postal Service. What do you think would happen if, in view of the present situation and the trend which would, in your opinion, continue if there were to be further reduction in service, such as Saturday mail delivery and an increase in rates in the second-, third-, and fourth-class levels, what would be the result of also breaking up the monopoly on first-class for the Postal Service?

Mr. McSWEENEY. I think it would create a horrendous economic picture that the costs would just skyrocket. We have often heard the term "cream skimming."

Mr. CORCORAN. What is your term again?

Mr. McSWEENEY. Cream skimming. The private sector would come in. We have very little private delivery I might add in the State of Iowa. There is some in some of the larger areas but my particular area is southeast Iowa. The entire first district would be a good example. It is relatively sparsely populated and it would just not be economic to establish door to door delivery for most economic areas. The Postal Service will have to maintain, hopefully, throughout your lifetime, our children's and grandchildren's. And if you get into more urban areas, more densely populated areas, private carriers, it can be more lucrative for them to get into this business.

So if the monopoly was lightened, you might say, not completely removed but if it was lightened, relaxed, I think we would have a free diversion, additional diversion of volume.

Mr. CORCORAN. Thank you.

Mr. LEACH. Thank you very much.

The next panel would be Mr. Edwin Brown, president of the Branch 506, National Association of Letter Carriers; Mr. Max Strang, president of the Iowa Rural Letter Carrier's Association; Mr. Orville Roe, legislative director of the Davenport local, American Postal Worker's Union; and Mr. Jim Leonardi, legislative director, State of Iowa, American Postal Worker's Union.

Mr. Brown, do you want to begin?

**STATEMENT OF EDWIN BROWN, PRESIDENT OF THE BRANCH 506,
NATIONAL ASSOCIATION OF LETTER CARRIERS**

Mr. BROWN. Congressman Leach and members of the committee: My name is Ed Brown and I am president of Branch 506 of the National Association of Letter Carriers, Davenport, Iowa. Please accept my thanks for permitting me to testify at this hearing on 6-day delivery of mail.

As a letter carrier, I and my fellow carriers have a unique opportunity to meet at the grassroots level the postal patrons of this country. We are closer to most postal patrons than any other representative of the U.S. Postal Service.

Certainly the Postmaster General sitting in Washington, D.C., has shown a clear lack of knowledge as to what the people of this country want and expect from the greatest Postal Service in the world. They are loudly speaking out wherever these hearings are held in favor of 6-day delivery.

The last thing the people of this area want is an increase in postal rates and a decrease of service.

The Postmaster General and his advisers have shown total disregard for the people using the Postal Service. It is going to fall upon your shoulders to carry the message back to Washington that the people of Iowa want and desire a better Postal Service, a Postal Service that delivers mail 6 days a week and delivers it in a prompt and efficient manner.

Of equal importance to us and to the people of this area is the impact cutting back of the postal work force would have on the economy. In order to show a savings of any magnitude, cutbacks would have to be made that would seriously hamper the ability to move the volume of mail that this area generates. Certainly at a time when unemployment runs high and Congress is searching for ways to increase employment is no time for the Postal Service to cut back and add to the problem.

There is an area in which cutbacks would be beneficial. That is in the number of people in Washington, D.C.; Chicago, Ill.; Des Moines, Iowa; and Rock Island, Ill.; that have to justify their holding a job by trying to tell the employees of the Davenport Post Office how to best deliver the mail. We know what it takes to do the job and do it right and we can best tell how the true savings can be made at this level.

In conclusion, Congressman Leach, please take the message back to Washington, D.C., that the people of this area want better, less costly, Postal Service, not a worse, more expensive one as proposed. Thank you.

Mr. LEACH. Thank you, Mr. Brown.
Max, would you like to go next?

**STATEMENT OF MAX STRANG, PRESIDENT OF THE IOWA RURAL
LETTER CARRIER'S ASSOCIATION**

Mr. STRANG. Mr. Chairman, my name is Max D. Strang. I'm president of the Iowa Rural Letter Carrier's Association, an organization affiliated with the National Rural Letter Carrier's Association.

In Iowa we represent over 2,200 regular, substitute, auxiliary, and retired rural letter carriers. We appreciate the opportunity to present our testimony before this committee.

We are greatly concerned about any reduction in service to the American people. We believe that service should be improved, not reduced. As rural letter carriers, we believe that the elimination of Saturday mail delivery would affect the customers we serve more than any other group. The vast majority of rural postal customers must rely upon the rural carrier for the delivery of the daily newspaper, market reports, weather reports, stock reports, grain reports, local and area sales, et cetera.

There is a greater degree of public service rendered by the U.S. Postal Service than is currently believed. The rural delivery service is a part of the cost. It could never become self-supporting if it was dependent upon the revenue generated on the route. Rural customers are basically recipients of mail rather than senders of mail. We contend, however, that the recipient of mail is just as important as the mailer, even though it is the mailer who generates the revenue. There cannot be complete mail service without delivery service to every patron in this land.

We predict the savings of 5-day delivery would far less than have been estimated. The volume of mail to be handled would be virtually the same and only the delivery trip would be eliminated if a 5-day schedule was adopted. It would place a double volume of mail on the carrier to be cased and delivered on Monday. This would cause disruption to his schedule for several days of the following week. When a holiday occurs on Monday, as it did eight times last year and will seven times this year, it would create an almost impossible situation to handle 3 days of mail in one delivery trip. During those weeks, mail would be curtailed most of the week until the backlog was finally delivered. The only solution would be to provide auxiliary assistance to the regular carrier on the day following a Monday holiday. This would certainly reduce the estimated savings of time and money on rural delivery. The other alternative would be to curtail mail for several days each week.

The reduction of mail delivery from 6 to 5 days a week certainly seems inconsistent with the recommendation of the Postal Service Commission that the Postal Service should make dependability of timely delivery its primary service objective. Elimination of 1 day of delivery and curtailment of mail on many of the remaining days certainly does not lend itself to dependability of timely delivery.

Furthermore, in spite of the so-called Nielsen survey, we do not believe that the American people will be pleased with a reduction in service at the same time that postage rates are being increased and additional appropriations are being made. The Congress would be placing itself in an unfavorable position if it allowed such a situation to occur.

We believe the Congress should establish minimum delivery standards for the U.S. Postal Service below which service levels could not be reduced. A decision as important as that of frequency of delivery, 5 or 6 days, should not be made by anyone other than the elected representatives of the people themselves, the Congress.

We agree with those who believe there should be more accountability to the Congress and the President. We do not believe an appointed

Board of governors should have the authority to effect such a drastic reduction in the level of service. We feel very strongly that only the Congress should make that determination. After all, it will be the Congress who will share the burden of complaints of poor service if this drastic proposal is allowed to become reality. Therefore, only elected representatives of the people who are accountable to the people should make this important decision.

Mr. Chairman, we hope you and the rest of your committee will help to make it possible for us to continue to provide 6-day delivery to the American people. Thank you.

Mr. LEACH. Thank you, Max.

Jim?

**STATEMENT OF JIM LEONARDI, STATE LEGISLATIVE DIRECTOR
FOR THE AMERICAN POSTAL WORKER'S UNION**

Mr. LEONARDI. I'm Jim Leonardi; I'm State legislative director for the American Postal Worker's Union. I know you gentlemen have received letters from me asking you to vote for this and thank you.

Mr. LEACH. We appreciate your input.

Mr. LEONARDI. Gentlemen, I want to point out, I'm telling you first, I'm going to go to Washington, January 25, 26, 27, 1978. Gentlemen, I'd like to leave this outline with you; it's on the Postal Service and it's got some background. So if that's all right, I'll leave that.¹

Mr. LEACH. Thank you.

Mr. LEONARDI. And I'd like to go on with what we're talking about here today.

What I'm going to say is this is nothing but a coverup for management's mismanagement. I tell you this, we started out, when we formed this corporation, by putting inexperienced people in control. I'm talking about postal inexperience. I'm not saying that those people are not nice people; I'm not saying they were not educated people. But I am telling you this, it has proven that they didn't know too much about the Postal Service or we wouldn't be in the shape we're in today. These people, in turn, have hired, not only hired but, also, promoted and hired other people the same way.

We have people there in Des Moines with less than 2 years Postal Service being made managers. Now, what does that show you regarding the effect that it has on what we talked about today? We talked about newspapers. I consider newspapers very valuable not just for the ads because I try and keep the wife away from those, but because this is news that I hear on television, I hear on radio and I want those news media, too, but I don't get time to think on this.

My newspaper, I can stop anytime I want to and say, well, is this right or isn't it? So this is a very important part and I don't care if we have to even help them a little bit. This is something we've got to keep and we've got to keep the cost down to where they can get it out to everyone.

This newspaper—I'm going to give you just one example—this was a Wall Street Journal. It was supposed to go out to a box station. The American people were complaining that they were not getting it.

¹ Retained in file of committee.

I went down one night as an acting foreman—there can only be certain places—I knew where it came from. Now, we had this young foreman then. He didn't know where these came from. I knew it came in on the Chicago truck. I knew if it was a box station it might be an hour box station. I knew it. They didn't even know what to do to correct it. I wrote the company, the company just changed it and started putting it in the right bundle and people then got their paper.

But the inexperienced people, they had nothing to compare it with in the past. I would have probably done the same thing if I hadn't had 16 years of experience. This is why we must use our experienced people. That just shows you what we do with your newspaper.

These other papers—Hawk Eye and some of these others, Des Moines Register and Tribune—I've seen these papers come in. They happen to come in late there in Des Moines, you can just expect they are not going to get to them. They do not have any interest. Some of these other papers come in, maybe they have the wrong ZIP on them which is a human error. When I came into the service I had to know both city, primary, and the State of Iowa.

As acting foreman, I went through those papers and corrected them and put them in the right zone so they could be sent out to the carriers. See, this carrier doesn't enjoy delivering this paper 2 and 3 days late, either.

I'm going to go on now. That's a little bit on newspapers. I could go on and on and show you where right in Des Moines I'm telling you we have done some bad jobs. We have pulled people off before the newspapers were up, in other words, worked all up and everything else. We're not doing good there at all. If we had it where Davenport works theirs and Burlington works theirs instead of sending everything into Des Moines I think we'd have a little better service.

Getting on to parcel post routes, I have to bow my head. I worked on a window for better than 2 years. I got three letters of commendation from customers, voluntary. They just sent them to my postmaster on me. So you know I have some rapport with these people. When we had the postal strike, I did everything in the world to get the people to stay with us. But from time to time they just came to me as a friend and said, "Jim, I'm sorry. I don't care what your price is but you can't give me tomorrow's delivery in Cedar Rapids or in Carroll or in Creston."

And this is what they wanted. These small businesses don't have a big profit to play with. They can't afford to sit and have a part take a week to get someplace here in Iowa or even in Illinois, as close as that is. You just can't run a business that way.

So what I'm saying here, this bulk mail center in Des Moines is staffed with people that don't even know the postal system, I mean, these are people without any experience. They're top people I'm talking about. I'm talking about the man in charge for one and he's got some others under him. I don't pick on him as a bad person; I'm just saying he didn't have the postal experience. Now, these people don't have anything to compare back with, including these young people that are promoted to foremen. They can't go back and say,

well, we had the trains and the HYPO's. Golly, we could have overnight delivery in Iowa, now we're not. Now come?

See, they don't have that to compare like some of us oldtimers. And, this is where that inexperience is hurting us. I know we're hollering about third-class mail, but I want to tell you this: That's the only way some of these smaller companies have got of getting advertisement out and letting people know about these bargains. I wouldn't mind seeing more of it go into the newspapers as inserts but I think maybe someplace we're going to have to put on a little subsidy to help this get along. This is important. It is the only way they have got of making a delivery and these small companies will help keep our big companies honest.

You talk about holidays. We have some holidays that are bad. Washington's birthday, who else celebrates it? Columbus' birthday? I'm Italian but who else celebrates it? You see, why not give me a birthday off rather than reduce on a holiday? Why not give me a birthday off? We won't have to close the post office down; everybody can't have a birthday on the same day.

These are just some suggestions I'm telling you you could do and the post office could do.

We've talked here about decrease in volume and decrease in our income. Well, again I think it's only because of our poor service we're giving. I think some of these people wouldn't mind paying the postage raise if I give them service. And, we used to do it.

On these newspapers—a lot of these people I would like to really get with them sometime—they said Wednesday and Thursday most of these weeklies come out. I'm wondering how is their paper service on the other nights, those that send out dailies? I agree with that person. We got to have a study but let's don't just choose businessmen, let's choose someone from the Postal Service that knows something about it.

They mentioned about this hiring of students. Thank goodness we're cutting down on some of that. I agree, that help was not good help. A lot of it was not because we didn't have time to train them. As I say, when I first came in I had to know city and primary. That means they could bring me over or they could send me over and work Iowa mail. At one time I worked six different States when I was on the RPO. If we were running into Chicago and they happened to be having a little slowdown or some other troubles there we routed the mail out around them. You see, we didn't have to depend on them. Nobody knows what's going on and we're having trouble. Just look at your Postal Service—listen to what these people said today—that says we're having trouble.

An internal study by the post office, that's about like everything else. We padded the account so bad here awhile back, when the General Accounting Office went through they said it was so bad they couldn't convict anyone. You see, this internal study is by inexperienced people to start with and then we've already showed that we have lied in the past so I don't have too much faith in some of our internal studies.

Well, I believe I've pretty well covered this taking away of Saturday delivery. I'm for these elderly people. We can give them the service. I don't want the carrier out here carrying a TV Guide that's already

2 weeks old. I have seen this actually happen. That man's got a heck of a job to explain to somebody.

I think we could save enough money right here by getting some experienced people in this Postal Service, some people that understand service. We wouldn't have to even begin to think about doing away with Saturday's delivery. Thank you, gentlemen.

Mr. LEACH. Thank you, Jim.

Orville?

STATEMENT OF ORVILLE ROE, LEGISLATIVE DIRECTOR, DAVENPORT LOCAL, AMERICAN POSTAL WORKER'S UNION

Mr. ROE. Thank you, Congressman. Congressmen Leach and Corcoran, first of all I want to thank you gentlemen for inviting me to represent the Davenport American Postal Worker's Union. We of the American Postal Worker's Union are in excellent agreement with our fellow members of the postal carriers, Davenport and throughout the entire country. Our union is unalterably opposed to the elimination of Saturday delivery of mail or any other elimination date that would be selected in place of it. We feel that the cutting back in postal service is not the answer to our problems.

Anytime that you eliminate a postal day of service, all you do is further delay the mail and increase the number of problems that result from this delay. We feel that the American people deserve the best possible service that the Postal Service can possibly give them. The only way we can do this is to continue to give them full service. We should increase some of our services rather than to cut back on Saturday delivery.

We have areas where we have decreased service and all this has done is increase the problems and increase the criticism to the Postal Service. The elimination of Saturday or any other delivery will, well, particularly Saturday, will cause delivery problems for weekly newspapers, in church publications and other advertisements. Now, these church publications, particularly, are taken very seriously by a good many people. I would hate to see people get their Sunday church bulletins on Monday or possibly Tuesday. They would be of no value to them whatsoever.

I've heard our rural friends testify prior to us about the delays we already have in our Saturday papers. And I realized before this meeting how important newspaper was to the rural people. But it was brought even more to my attention as I listened to these gentlemen talk about the news that is so essential to them. You have to be actually a rural patron before I think you realize the importance of the Postal Service to them. We in the clerical force have always done our best to get the best possible service to them but, of course, we are hampered when it comes to postal regulations. We can only do those things that we are permitted to do.

Any further delay of service, especially on Saturdays, would cause an increase in Monday delivery, an increase in the Monday load. The carriers would just be doubled up on their work and it would be that much more difficult for them to get their mail up on time and get it out at the regular starting time. The heavy volume of Monday's mail would cause a later delivery date than the other 4 days of the week.

Naturally, when we have 2 or 3 days' mail piled up to sort we can't get it out in the same length of time that we can a single day's. So one of the ideas that the Postal Service has now, of course, is to get the carrier on the street as early as possible and, of course, we want to get the mail to the locked box section which sometimes we feel, a clerk feels, is almost a forgotten patron. But how can we do this when the mail keeps piling up?

Now, Saturday elimination would mean, of course, that much more mail to be put up, mail would get there later for businesses as well as the rural people. Business people who are accustomed to receiving their first mail delivery by 8:30, 9 o'clock couldn't possibly receive it at the same time on Monday as they would the other days of the week. This would, of course, upset their program as well as perhaps that upset by the rural people.

Then we have to consider the householder. The heavier the volume of mail, the later the mail gets out to the street and that means the carrier is going to get there later and later in the day, particularly to those persons who are on the far end of the trip. It looks to me that if we get the mail out much later on Mondays and on days following Monday holidays, it looks to me that there could be instances where some of our patrons could receive their morning mail at the same time they receive their evening newspaper. And of course, this isn't exactly good advertising for the Postal Service.

Another problem, of course, that we worry about in the clerical organization is the elimination of postal jobs. I imagine probably 20,000 to 30,000 of our letter carriers' jobs would be eliminated almost immediately with the elimination of Saturday delivery. This, of course, is bad for the already sagging economy of the country. Of course, the clerical position would eventually be affected by this, also. The less carriers that we have, the less workers we have inside, also.

And then, of course, we fear that another problem that might come up is once they eliminated Saturday delivery they might want to start cutting back on further Saturday service. They may want to close the windows altogether on Saturday. Right now, they're only open half days but to eliminate postal window service altogether on Saturday would then again eliminate probably thousands of clerical jobs.

Here again is a problem for the Congress. Already we're faced with a bad situation as far as job economy is concerned and a sagging economy and so forth. So anytime you eliminate jobs, of course, you just further the bad situation that already exists.

Now, I understand from what I read and what I observed, television and so forth, that there are many other Government agencies that are almost entirely subsidized by the taxpayers. They are necessary agencies and they perform necessary services. But why shouldn't the Postal Service also be more subsidized by the Federal Government, by the Congress? Our very name, Postal Service, implies that we are a service. We were never meant to be a profitmaking organization. I don't think it was ever meant that we should even be a break-even organization, of course, until the postal reorganization program was implemented. But prior to that, I think our main object was to give the best possible service to the American public.

This is what I was talking about, was pounded into my head when I entered the Postal Service 30 years ago. And I would like to think that we would still be, basically, a service organization. I don't think that we have to throw cost out the window but I also realize that to be a service organization we cannot expect the cost of the postal letter, the Postal Service charge that we necessarily inflict, I don't think we can expect it to cover the entire cost of our operation. It was never intended to be that way and I think it's a foolish mistake to try to balance out the cost with the service.

I think we should concentrate, first of all, on service, watch our expenses as any organization must do but not depend on the dollar to give the good service that we have today.

Now, I understand that you gentlemen are seriously interested in H.R. 7700.

Mr. LEACH. Both Tom and I voted for it.

Mr. ROE. Now, our organization is very in favor of H.R. 7700. If I haven't written to you on it, I will in the near future. We recognize that there is a lot of reorganization that is necessary in the Postal Service. We don't feel that your bill necessarily corrects all of our problems but those of us who have read the bill and those of us who have been with the Postal Service for any length of time realize that you gentlemen have taken a step in the right direction. And we certainly want to commend you for this.

We are wholeheartedly in support of your bill and we would like to see some other corrections and some other changes implemented in the Postal Service that will go along with the idea of giving better postal service at possibly reduced costs. But we must have a postal subsidy in order to give the type of postal service that the American people deserve and are entitled to. Thank you, gentlemen.

Mr. LEACH. Thank you very much. We appreciate your very professional opinion. There are a couple of things that have been pointed out and I think should be emphasized because the people and the public are somewhat confused. The first is that your vast majority of postal workers are clearly opposed to eliminating 6-day delivery; this is a proposal that has come solely from the top in Washington, D.C.

Second, and I think it is one of the truly unfortunate things that's happened in the Postal Service, it's clear there's been a breakdown in relationship between the top management and postal workers. Much of this centers on the interpretation of service. What is the Postal Service? Is it a service or isn't it? I think that many of us, historically in this country, have been very much inclined to look at it as a service.

Third, it is also very clear that the question of service is more consequential to rural letter carriers than to urban. This rural issue must be stressed at all times.

And lastly I'd just like to say, Ed, that I particularly appreciate your observations. You are the one arm of the Federal Government that is closest to the people and you deal directly all the time with the people. When you look at how decisions are made here in Davenport, Iowa, where we have substantial growth, we are different than another city or another environment that may not. The more you can decentralize decisionmaking, I think the better off the Postal Service is going to be.

So often in public life we are seeing the reverse. We are seeing decisionmaking move from your local area to your State and to the Federal Government. And that is not, by any means, a hallmark of the Postal Service; it's true of all of the Government. That is the type of thing we all should be looking at very seriously.

Tom, do you have any questions?

Mr. CORCORAN. Thank you very much, Mr. Chairman. I would like to associate myself with your comments. First of all, let me state that the testimony of the panel here confirms something that I've been learning for over the past year now; that is, that the employees of the Postal Service are surely among the most dedicated employees that we have ever encountered. I think that the feeling in your testimony has suggested this, and I appreciate this dedication.

One of the things that I'd like to explore a little bit is the answer to a question that I think a lot of people have, and that is, what went wrong after 1971? I believe that you have touched on the differences in philosophy. Before, there was a belief, and I think in previous testimony it was pointed out that in the 1958 Act we made this policy clear, that the function of the Postal Service was primarily a service function, and that the view that we could enter into a break even or, even more, a profitmaking operation through the delivery of mail was something that, given the responsibility, simply could not be achieved. It was recognized that at some point there was need of a subsidy. But I think one of the problems that a lot of people have today is that they expect that there should also be a concern for economizing.

I believe that Mr. Leonardi mentioned that, in his view, one of the aspects of Postal Service organization where we might find some opportunities to economize would be in the management structure itself. Of course, I understand that it's frequent and not surprising that the employee at the field level would feel some tension toward management, but I think it is particularly true, and, from what I have heard, understandable in the Postal Service itself.

Would you, based on the experience that you have had—and I would invite all of the panelists to answer this question—tell me what the organizational structure is now, taking it through the letter carrier upwards, as compared to what it was, say, in 1965? What are the differences now in the organizational management structure from the top to the bottom?

Mr. LEONARDI. I'm not really familiar with the carrier except that I have just worked mail for them mostly. But in the clerks, I'd say at one time I knew six States, including your State, my State, Missouri, Nebraska. I had to know every Post Office and every dispatch for it 24 hours a day. I had to know something. But not only that, those people that were above me had, at one time, to do the same thing. I mean, they weren't just sitting there saying, "Well, let's try this," or "Let's try that." They knew what to do.

I think the biggest thing is, our people today do not know; and they're only bringing in more people just like them. They are not bad people, you know, like that. It's just they don't have the experience; they don't have the knowledge. They have no pride in themselves because today you don't have to know anything. Pick up the letter, if it's got a ZIP code on it, throw it in that hole with that

number on it. If it doesn't, throw it in here and we'll get somebody to work it later.

Mr. CORCORAN. In the past was it always promotion from within?

Mr. LEONARDI. I'd say yes, pretty much so. You didn't have this hiring so much from the outside like you do today. Not saying that it didn't happen, too, but today we have got too many people that are coming right in on top and we've got no way of getting there.

Mr. CORCORAN. Do you have any other comments?

Mr. BROWN. I think he stressed that people are an important part of the Postal Service. I think people is the important thing. People were handling the mail and they knew what they were doing. If the machine can't handle it, we'll lay it on to the side and we'll work it by somebody else.

When you started cutting back on postal work force, service went with it and it just doesn't work in the business. It's a human business where people can make errors and people have to correct errors by the same token.

Mr. STRANG. Tom, in answer to your question about the management structure, I think maybe if we go back a little farther than 1965, for instance, before the concept of the sectional center I think it was quite a different structure than it is now. And I am convinced that the sectional center is here to stay as well as, I think, probably bulk mail centers are here to stay whether you agree or disagree with their feasibility in the Postal Service. But I think we must progress from this point forward and with people who have a knowledge of the Postal Service and the job that is in front of us. And some of the people who have been brought up in higher management positions I'm sure may know a lot about American Can but not about the American postal system. And this I feel has been one of our greatest drawbacks.

Mr. ROE. Well, first of all I'd like to state that I feel locally here in Davenport that our management structure is about as good as it is anyplace. I feel that our local managers are doing as good of a job as they possibly can under the circumstances. However, I feel that they are too hamstrung by the sectional center situation where the divisions are primarily made across the river at the sectional center level.

I think one of our basic local problems is the fact that our local management does not have enough freedom of choice, enough freedom of decision. I would like to see more freedom of decision handed back to our local management.

We have management that is fully capable of making, I think, all the decisions relative to the maintenance of our office. And I think it is a shame that they must contact the sectional center for decisions that have to be made on the spot and can affect the flow of the mail.

Mr. CORCORAN. Are you saying, then, that in the past there was a great deal of decentralized authority resting with each of the local postmasters, whereas today their hands are tied by directives on how you sort and how you handle mail?

Mr. ROE. Correct. This is true. In the past, if problems would develop on the floor and if the immediate supervisor could not handle it we would go right all the way up to the assistant postmaster or the postmaster. And these gentlemen could immediately make the decision affecting our local office.

Now, of course, they are bound by written memorandums and even by orders that come from the sectional centers. So many times they have to check with the sectional center before a problem can be corrected. And by that time, actually, the problem has only worsened. I would like to see a much greater degree of freedom and flexibility for the local management. If they aren't capable of being local management then there really isn't much sense in having them.

Mr. CORCORAN. One other question that I have relates to the citizens' rate proposal which is pending now. Would you say that if this proposal is approved and a 16 cent first-class rate for business and a 13 cent citizen rate becomes effective, that in terms of speed of delivery, in terms of handling, in terms of level of service, both groups will receive equal treatment, as has been stated, or will one or the other receive a higher level of service?

Mr. ROE. Well, I imagine business mail would probably get the preferential service but, here again, it's going to cause a problem to determine just exactly who is entitled to the citizens rate and it's going to cause an even greater problem for those of us who sort the mail to watch to make sure there is not an abuse of the citizen rate.

A clerk right now when he picks up a peice of mail to handle it has to watch for close to a dozen different things, not only your name, your address, your ZIP code, but you have to feel the weight to see if it has the correct amount of postage on it, postage metered mail, free mail, Government mail, any type of organization that has a prepaid postage fee. There are innumerable things you have to watch for now and you're supposed to be pushing this mail through more or less at a split second in a precision rate besides having to have your accuracy. This is one more thing that is going to fall on our shoulders, also.

We're going to have to determine a good many times whether or not this mail is entitled to citizens rates which is going to cause another slowdown in the mail. I myself, after 30 years of service, I would rather see, if an increase is necessary, just a small increase that would effect the same increase for both the citizens and the business rather than a split increase as they have it proposed right now. I think that it's not too practical.

Mr. CORCORAN. Would any of the other panelists care to comment on the differential rate proposal?

Mr. LEONARDI. Sir, we have first-, second-, third-, and fourth-class rates now. We are doing badly on third and fourth class. What do we need, another class in there? You know, we've got to separate that. That just means when we go to work it we got to separate it, keep it separate because if I send it all in here all together mixed up, what is the difference? They're not going to do that.

I thought maybe my carrier brothers here would point this out. These people here, when they came in, when they were sorting their mail and somebody moved, they knew that. They would put that mail down here, would mark it up later when they came in off their route. And, it was delivered the next day. If they made an error and happened to stick a good letter in there they just corrected it. Now that's sent to a central markup by people who never go out on a route, don't know these people out there. This man can shut his eyes and tell you what color house, who is in that house; he knows those people.

This markup clerk comes over a letter that is accidentally stuck in there. He looks at his card file, it's not there, he sends it back; "no such person." There's a lot of important business mail and when you're on the window or you're in his case out delivering it, it's kind of embarrassing to say when they give you that letter and say, "How did that get sent back?"

Mr. CORCORAN. Thank you very much.

Mr. LEACH. Thank you very much.

The next and last panel will be Mr. Robert Clark, postmaster at Centerville; Jack Olds, president of the Iowa Branch, National Association of Postal Supervisors; and Mr. John Cogan, our highly esteemed postmaster, Davenport, Iowa.

Bob, would you like to begin?

STATEMENT OF ROBERT CLARK, POSTMASTER OF CENTERVILLE

Mr. CLARK. Mr. Congressmen, it's indeed a pleasure to be here. My name is Robert Clark. I am State president of the Iowa Chapter of the National Association of Postmasters of the United States. We do represent 93 percent of the postmasters in Iowa and on the national level, also, I think it's about 93, 94 percent. Here in Iowa—we are considered rural America—one of Iowa's greatest resources is its people. Second, the land of our farm State as agriculture is considered as our number one industry. When we consider people being our greatest resource in a rural Iowa, we must consider their needs.

With our senior citizens, mail is a vital link in their survival as many elderly call their doctor and the doctor will phone in prescriptions as late as 4 p.m. Friday, the druggist mails out and they receive their medicine on Saturday mornings as most drugstores are in the county seat town. As the druggist explained to me, if they waited until Monday for medicine, they would be dead.

In agriculture with farmers having a \$200,000 to \$300,000 investment in machinery, spare parts are a must in keeping their equipment rolling. Our implement dealers are not as plentiful as they were at one time in the State so a telephone order from Centerville, Iowa, to Dubuque or Sioux City at 4 p.m. results in the spare part being in Centerville at 7 a.m. the next morning Special Delivery. As our Nation depends on Iowa farmers for food, Iowa farmers depend on the U.S. mail for service in keeping equipment operating.

Our dairy farms send in milk samples, blood samples and numerous other livestock specimens to have them analyzed at our National Livestock Health Center at Ames. Doctors rely on the mails for lab tests, X-rays and numerous other items in the medical field along with receiving drugs and medicine.

Rabid animals are also a vital area in the health field. If someone is bitten, it is crucial in determining the outcome of the patient in the rabies shots.

The mails are used in shipping baby chicks, nursery stock, perishables of many sources through the mailstream. Our hospitals depend on our service for lab reports, specimens, X-rays and numerous areas in the health field.

Law enforcement is a vital link in our security of our country and many ballistic reports, fingerprints, blood tests, pictures and samples

of items to be analyzed by our crime labs. Local, State and Federal governments use the mails to send permits and licenses for numerous areas.

Our banking facilities use our services to ship currencies and financial reports for our financial field of our Government. The loss of 1 day interest of currency and check in the mailstream would be a great financial loss. Who picks up the take on the loss?

Livestock yards, packing houses, sale barns, grain elevators depend on our service to mail checks to farmers for millions of dollars which is the life's blood of the farming community.

Retirement and supplemental checks are vital to many of our people in America who need this for food, clothing, shelter and fuel. These things are a bare minimum for self-survival.

Newspapers rely on us for service to deliver newspapers which are used in all areas of our society. Florists use the mail service for flowers and plants, the nurseries depend on our services to transport their products.

Bees and fish and frogs for the lab tests make up some of the many items in our mails.

Many Federal agencies use our service, Social Security and Veterans' Administration for checks and information. The Immigration Department for alien cards and for information and for passports. Our lobbies are used by many Federal agencies to post their items of interest to citizens, Army Corps of Engineers, et cetera.

Department of the Interior and many others, in many areas of the United States the use of the Postal Service in selling food stamps.

The veterinarians use the mail in mailings specimens of swine, poultry, cattle, horse and pets for receiving vaccines and medical supplies.

Agriculture depends on our service for soil and seed samples to have them tested. Our municipal government uses our service in water samples that are of no value if delayed.

Our own mail-a-gram on next day delivery would be seriously affected. Our motto of next day delivery would not exist. With the loss of revenue of the above, many people and businesses would have to look elsewhere for means of transportation and delivery of their messages and products. And a 16-percent loss in our delivery time we cannot afford.

This serious cut in mail service of closing offices, reducing services would be the fatal blow to our Postal Service as we know it.

America, our greatest Nation, that put a man on the Moon and has walked in outer space but fails to see the needs of our people would fall as the Roman Empire fell and as we saw the death of our railroads recently when they started reducing service. This is a cancerous growth in our society that we must face. Some 200 years ago our Founding Fathers gave birth to the concept that we gave service to all people of our great land.

Today we wrestle with the idea of are we service or business. The great men that drafted the constitution of the United States and our service to the people, were they wrong?

In quoting our former Postmaster General Ted Klassen:

The survival of the U.S. Postal Service depends upon everyone giving service. Service is the only thing we have to sell.

Mr. Congressmen, our survival as a public service rests in your hands and in the hands of Congress and the Senate. Thank you.
Mr. LEACH. Our next witness will be John Cogan.

STATEMENT OF JOHN COGAN, POSTMASTER OF DAVENPORT, IOWA

Mr. COGAN. May I thank the committee for this opportunity. I think that the testimony today has been one of the greatest things as far as U.S. Postal Service that ever happened in this particular area. I certainly think that everything that has been said has been said in all sincerity and that each and every one of us has the same ultimate objective. I would like to limit just a few very brief remarks to some of the things that came to my mind as I listened to this testimony rather than any prepared remarks.

As postmaster in Davenport here which is the largest city in this area I have to sit here and tell you that these complaints that you heard about, that you see, that perhaps you have yourself, the buck generally stops on my desk on these things and we do make every effort to remove them. Many times there just isn't an answer. However, I do think I would be remiss if I didn't say that the Postal Service today, by and large, is the world's best and we should all support it. Our tests show us that between 95 and 100 percent of our mail is delivered on schedule. And of course, you don't hear about those things when Ed Brown and some of these people that you heard here previously deliver that letter and it's right on time. There's no comment on it.

It's the letter that should have been there yesterday or a day before or something like that that we hear about on all these things. As a postmaster, I'm primarily interested in operating and giving the best possible service that is available within the budgetary limits that are afforded me. And believe me, over the past years the budgetary limits have been such that we have had to cut back wherever we possibly could because there just wasn't enough money to operate on what has been given.

I would like to just touch briefly, too, if I may, on these comments about the possibility of turning the segments of the Postal Service over to private industry. A notable example, of course, is United Parcel Service. I have many people that talk to me about that and say, "How can they do it at a profit and you can't?" Well, I think this has been adequately covered in the fact that they were and are skimming the cream. They are not interested in delivering packages out in the rural route and stuff like that. And believe me, I can give you instances of that. If they get a package like that that they inadvertently accept and they shouldn't have, you know what they do with it? They mail it.

Another little comment on a private enterprise thing, the local light company here for over a year tested a program where they were delivering their own light bills. And believe me, they were glad to get out of it when they did because of the tremendous number of complaints they got about people said they didn't get their bill, they found it laying in the bushes, just innumerable things. They were really glad to bail out of it and go back to the U.S. Postal Service be-

cause, actually, they determined that they weren't saving very much money and were ruining their PR with the public.

You know, we don't have anything such as junk mail in the Postal Service. We have first, second, third, and fourth class and now express mail which is a guaranteed delivery thing. But I would like to touch briefly on the thing that the so-called junk mail which is the third-class mail is in many instances the life blood of many businesses in this country. And believe me, here again, if we go to the delivery of third-class mail by private institutions, businesses, whatever, you're going to first find that rural America—and when I speak of rural America, I'm even talking about the Davenport area here because we have a couple thousand rural customers right around this particular city—they aren't going to get that mail because it's economically unprofitable. And so private enterprise is just going to forget it.

So they go back to the Postal Service and say, "Well, you're going to have to deliver it after all." It's going to really cost them because we don't have enough of it to make it even break even.

And believe me, right now advertising, third class mail, is not a big loss leader in the Postal Service. I think right now on bulk mailing we are close to the break-even point. So why consider such things that might eliminate it?

Again in the same sector, if you want your mailbox stuffed with everything except the letter that you're looking for, this would be the way of going to it, is to eliminate the private express status and let anyone that wanted to, stuff your mailbox with anything. Small communities which abound throughout Iowa will never by really profitable as far as the Postal Service is concerned but, here again, they'll never be profitable for any private enterprise, either. So they're just not going to give them the service, you can bet on that.

I would say that one of the big keys to the deterioration in the Postal Service or the so-called deterioration which in most cases is very questionable, the key is transportation. There aren't any trains anymore. You've heard how they used to have trains and what they call HYPO's, highway post offices. We used to have what we called routes that used to run, for instance, from Davenport, Muscatine, Clinton; the old electric railroads.

These are all gone now. The Postal Service must furnish their own transportation anymore and the delays that do occur are basically due to transportation difficulties. Here again, these have to be worked out. The Postal Service has to have the funds to have their own transportation, to hire a contract carrier, to hire more of what we call air taxis, whatever is needed. If you want your mail on time we must have the means to deliver it and the funds to do so.

So this is, again, the key to good service. I'm here as the old man of the Postal Service around here. I've completed 40 years and I do have a little service and I think I know what is going on. The employees of the Postal Service are dedicated people. They respect the mail, they respect the privacy of the mail. And when you lose that, you're going to lose everything. So I feel that we have got to keep giving them the best service we can and give us the means to do so. Thank you.

Mr. LEACH. Thank you.

Jack, do you want to comment?

**STATEMENT OF JACK OLDS, PRESIDENT OF THE IOWA BRANCH,
NATIONAL ASSOCIATION OF POSTAL SUPERVISORS**

Mr. OLDS. I wish you would have stayed home. Thank you, Congressman Leach, Congressman Corcoran, for the opportunity to testify. When you're last, about everything that you can say is going to be repetitive but I'm sure it's going to be short. And that's the only reason, John, I wanted you to stay home. You had some of my stuff there.

My name is Jack Olds and I am delivery supervisor in the Davenport Post Office. As members of postal management we must face the question of elimination of Saturday delivery from two viewpoints. As a result, we must come up with two decisions, one for and one against. If we are a service to the people of this country, which it has always been inferred we are, then the question of elimination of Saturday delivery is one that cannot be considered at all. To eliminate one full day of service to the public we serve is a travesty of the service we have always been committed to provide.

If we are a business then the question of elimination of Saturday delivery is one we must support in view of financial savings, energy savings, personnel cuts and scheduling savings. We do feel that some of these estimated savings as advanced by the Department may be excessive or exaggerated but there can be no question that some savings would result.

However, I think the savings are all a paper savings. They are talking \$500 million. If you take 25,000 carriers and Lord knows how many clerks and you put them out of work and throw them on an already bloated labor market and on to the unemployment rolls, there will be absolutely no savings whatsoever.

However, the main aim of our testimony before this committee is to urge that the Congress of the United States make once and for all a commitment of what the U.S. Postal Service is supposed to be, a business or a service. And if it is to continue as we feel it should, to be a service to the public, make a determination of what amount of the cost of this service is to be passed on to the public and what portion will be borne by the Federal Government.

We feel, also, that the bill now in the House, H.R. 7700, is a good step in the right direction and that every effort must be made to secure passage of this legislation in the near future.

I'd just like to comment—everybody talks about poor service. Well, John touched on that but actually the service is not—I feel that we've got the best Postal Service in the country. It is not, maybe as good as it used to be. There are reasons for it and I'll be glad to see the gentlemen from the Burlington Newspaper. We want his support for the postal reorganization and, as far as I'm concerned, why, he has absolution. But this, from the start of that, this is where this all came. A Westinghouse program called JEP which was the beginning of the demise, I think, in the morale of the post office. It cut, cut and cut and it has not stopped. And anytime you're cutting, you're cutting people, you're cutting jobs, you're cutting service. So if there was a poor service, this is the reason that there is.

Now, there are no more dedicated people in this world than your letter carriers, your clerk, and may be they wouldn't agree but your

managers, too. And I would like to touch upon something the gentleman from Des Moines said regarding the managers not having any experience. It is awfully difficult anymore to get somebody to come out of the crafts, whether they be clerks or carriers, to go into lower level management. The pay differential is not there. As a matter of fact, in most cases you take a good experienced clerk or carrier coming into lower level management, he'll have to go to work for less money and that doesn't make it a very sound investment for somebody to try to get ahead.

And also in line with this poor service, there is an opinion passed yesterday, and the gentleman can claim it if he wants to, that the reason that everybody seems to think that there was poor service in the post office is because of the post office, the U.S. Postal Service is the one part of this great bureaucracy which people dislike that they can equate with. The average homeowner, the average individual, he can equate with the post office.

I might add that right at this present time he might equate with the IRS but, at any rate, so if they have any venom to be placed out against the Government itself, why, the post office seems to become the whipping boy. And it's the carrier, it's the clerk or it's the telephone into the postmaster or to some of his people. So really I don't think the service is that bad but it's going to get worse unless we restore this thing. In other words, take it back to Congress, let them subsidize it and give us an opportunity to move all this mail and give people the service that they want. Thank you much.

Mr. LEACH. Thank you, Jack. You raised a good point right at the end. The U.S. Postal Service handles more volume of mail than the entire rest of the world combined. It is also true that with daily contact between carriers and citizens, when citizens have grievances against the Federal Government, the postal carrier is the Federal Government representative, so grievances against social security or social welfare or defense are directed against the postal worker. That is one of the tragedies.

John, I'd like to ask you, in terms of transportation, what changes have there been in the last couple of decades? For example, has the demise of the railroad been exceedingly significant in how the post office operates?

Mr. COGAN. Oh, yes, indeed. The railroads are probably the biggest single factor because we had passenger trains, well, for instance, that ran through Davenport here. The gentlemen from Des Moines, Mr. Leonardi, commented on he knew six States. Well, this isn't necessary anymore because there are no trains running. We used to be able to, if you came into the post office we'll say at 9 o'clock with a letter and it was very important and you wanted to get it, let's say, to Albert Lee, Minnesota or wherever, the clerk on duty at that time could, if he didn't already know it off the top of his head which he usually did, he could quickly look in his book and see that will be in Albert Lee at 10 o'clock tomorrow morning.

You know, we used to work the mail right in the train at that time there. They had railway postal clerks that were sorting mail to make the next connection and some of the small towns even had what they call catcher pouches. They had a pouch hanging up of mail that was to be picked up and the railway mail car had an arm and they'd scoop it in

and kick one off at the same time. This was real service and we don't have those things anymore.

Now we have to, like someone said, send the mail into Des Moines, Des Moines works it up out there, they send it back on different routes, contract routes, star routes. Some of it will come to Rock Island, we'll say, then it will go from Rock Island out to Elderidge on what we call a star route. There's a lot more handling, shifting around now compared to what there ever was before. But it's done in a totally different way.

Mail going longer distances, Postal Service has contracted with the airlines, they have contracted with air taxis. These costs are all going up on all these things, naturally. We're running our own trucks from Rock Island to Des Moines. They stop at Iowa City on their way and then routes feed out from all these places now.

But it all has to be done now by the Postal Service. There's no more carrying it on trains, buses or the old highway post office which was just like a mail car except they traveled on the highway. Transportation is a very difficult thing anymore.

Mr. CORCORAN. I appreciate very much the testimony of the panelists. I think it has tended to summarize several of the points that have been made.

It seems that the problem is that the costs are rising and the question, as Mr. Olds, I think, put it, is "What portion of those costs is going to be borne by the user, the mail customer, and what portion is going to be borne by the Government, generally?"

I feel that this is the advantage that this morning's testimony is—giving us a great deal of evidence as to the value that is involved, and not just from the standpoint of the letter carrier, not just from the standpoint of the individual user, whether that be the newspaper publishing industry or the other particular users, or from the standpoint of the customer. I think that what we have is an attack on a way of life, an attack on a custom we have had in this country for 75 or 80 years, and that is home delivery; that is a service that we have had and that is what is being threatened by the current proposal.

I think, also, that it has been made clear from the experiment—and I personally regard it as an experiment—that was begun in 1971 that the attempt to create a semiprivate postal service should be concluded. I think the evidence is clear that it is a public service, and should be operated as such.

I greatly appreciate the opportunity to be here and to learn from you firsthand your reasons for being opposed to the elimination of Saturday mail service. Thank you.

Mr. LEACH. Well, thank you very much.

Bob, do you want to comment? Then we'll follow with anyone from the audience, after you.

Mr. CLARK. I'd like to make a couple comments. I hear from different people that we should subsidize the post office. I will agree with that but I would like to put a qualification on it.

I heard many of the publishers state that they either owned two or three or five or six newspapers or had stock in various newspapers. The rate that we receive or the money that we receive on newspapers isn't detrimental, I feel, to their being in the black or the red column.

The average newspaper would probably pay anywhere from \$3 to \$3.25 a year for a weekly paper, their rates. I don't think if the cost went up a little bit that it would hurt any of the publishers.

But I guess what I'm trying to say is that you have so many classes of mail that aren't paying their way. First class mail is carrying its weight and it is carrying some of the other classes of mail. I guess what I'd like to see, if Congress wants to subsidize the mail, that they put a cost on what it takes or put a price tag on what it takes to deliver each class of mail and then subsidize each class of mail on an even proportion.

In a first class of mail, if it takes 12 cents to deliver it and we're charging 13 cents, fine and good, if it takes 6 cents to deliver a piece of third class mail and we charge 7, give us the subsidy of the 1 cent. But on the other hand, back when the Postal Service or the U.S. Post Office was established it was established to give service. And to the news media at that time, they did come out with these rock bottom rates because they wanted the people out in the rural areas informed. Well, today you have a mass media of communication, your televisions, your radios, your newspapers. There's various means on this. But in some areas the actual moneys that we receive for the services that we perform are not in line.

Then you have your nonprofit organization. You have very, very many of them and I think there are somewhere in the neighborhood of 1,150 nonprofit organizations in the United States. And these we collect about two point 1 cent per piece, And in this vast study and looking at the overall operation of our system, then if we need to be subsidized, let's subsidize each class. But on the other hand, let each class of mail pay the same proportion, whether it's 90 percent of the costs or 95 percent and you have to subsidize that 5 percent. And in doing this—we're all taxpayers—everyone is paying their fair share.

And the gentleman spoke on our costs had skyrocketed faster than the inflated dollar. I will have to give the Postal Service credit since 1971 for some of the things they did was good, There was many, many post offices in 1970 that was substandard. They did not have indoor plumbing, the heating facilities was poor, the cooling facilities was poor, the quality of the interior of the building was poor. And they have spent many, many, many dollars which was a long overneeded thing in correcting some of these areas in the field.

And then you had another Government agency which is OSHA and they come along and they set standards on various things that we had to comply with.

So in all fairness, these are some of the items that were very, very costly. And then with us, one of our greatest costs is our fuel not only for vehicles which we use many, many, many millions of dollars of fuel and these things we have to build into the budget. There is no way around it except just passing it on to the customer.

And the gentleman that stated about him buying the mailboxes on that, if we were not blessed with the private express statute, the mailman could come along and drop your social security check or something in your mailbox at 9 o'clock in the morning, a kid can come along bringing the town advertiser and put it in at 10 o'clock, someone else can come along and bring a dozen eggs at 11 o'clock, and someone else. And what this is then, if your check is missing, who do

you blame? Do you blame the kid that brought the shopper or the farmer that delivered the eggs?

So in doing this, the customer might buy the mailbox but the Federal Government guarantees the security of your mail in that box because it is for the purpose of keeping people out of the box. And in doing this, anything that's found in that mailbox we consider it as mail or mailable matter which postage is required to be collected for your protection or for the protection of the customer that has the box.

So these are some of the good things that you have. If the private express statute was dropped then the public isn't aware of all of the pitfalls that they could experience along some of these areas.

Mr. LEACH. Thank you, Bob.

Ms. Diller?

STATEMENT OF VERA MAY DILLER, POSTMASTER, COLUMBUS CITY, IOWA

Ms. DILLER. I'd like to represent the National League of Postmasters.

Congressman Leach and Mr. Corcoran and gentlemen, my name is Vera Mae Diller, a postmaster from Columbus City, Iowa, a small town postmaster.

Practically everything I had to say was said already but I'll say something. I see your sign over here. It says, "Yes; we want Saturday delivered mail" and "No; we want to curtail Saturday service."

The signs say something like the post office department, postal office. Does it mean service when it says Postal Service? It should. We should have service instead of a money making project.

If you're going to take service out of the Postal Service, you should take the free out of the R.F.D. Maybe that's one way you make money if you want to make money. But since I've been postmaster we always believed in service and we weren't thinking of money. I think it should always stand that way and I believe that's the American way.

Mr. LEACH. Thank you very, very much.

Ms. DILLER. By the way, we do not favor the Taylor amendment.

Mr. LEACH. Are there further comments?

STATEMENT OF DAVE GOULET, OF THE NATIONAL ENERGY BOARD FOR NORTH AMERICAN PHILLIPS

Mr. GOULET. Yes, sir. I'm Dave Goulet with the national energy board for North American Phillips. I don't believe at the present time they should even consider whatsoever the dropping of a 6-day delivery until they have explored alternate methods of saving this money. As a for instance, out of 27 energy proposals I have sent to the office in Des Moines, none have been employed whatsoever, these over a 4-year period of about \$178,000 of savings. Multiply that times the amount of post offices we have in the United States, if they were even \$400 apiece would be much, much higher. I think that they could bring it back down.

The shutting off the lights just for saving power is not worth it. You lose all your work period and safety and everything else that is involved in it.

The people in Des Moines have called me everything I can think of, everything from a liar, because it is not possible, to a fraud. I don't appreciate this not too well because there are people in Des Moines, as the man says, who are inexperienced. They have a man in energy up there who doesn't even know what is going on, as far as I'm concerned. He shuts off power and heat in a building where they have computers running. Now, I can't agree with that so far as I'm concerned, I'd want, too, to see something possibly handled in this area.

Mr. LEACH. Thank you very much, Mr. Goulet.

If there are no more comments, I'd like to thank everyone here. We will hold the hearings open for 5 days for written statements for the record. If anyone else wants to submit anything in writing, please send it directly to my office and we will get it in the record.

The committee is adjourned.

[Whereupon at 1:20 p.m. the hearing was adjourned.]

[The following statements were received for inclusion in the hearing record.]

EQUITABLE OF IOWA,
January 10, 1978.

HON. JAMES LEACH,
Kahl Building,
Davenport, Iowa.

DEAR CONGRESSMAN LEACH: I understand that you are holding hearings in Davenport respecting the proposed reduction in mail delivery service from six days to five days. Our Company's Home Office is not open on Saturday so that the delivery of ordinary mail on Saturdays would not particularly be missed. We have a sales force operating in agency offices throughout the country, however, who would experience some limitation in their ability to service our insurance policyholders if mail delivery were restricted. We would also be concerned about the effect restricted mail delivery would have on our ability to pay claims to the beneficiaries of insurance policies in a timely fashion. In some cases, even a one day delay beyond normal expectations about the receipt of insurance proceeds can cause hardships. The receipt of a death benefit check in an agency office on a Saturday morning allowing our servicing agents to make delivery that same day can in some cases greatly alleviate the hardship suffered by a bereaved family.

In any case, we would not favor reduction of mail delivery to five days without some evidence of a commensurate reduction in postal service operating costs. There can hardly be any justification for such a reduction in service in the absence of delayed postal rate increases and a general stabilization of those rates.

Very truly yours,

JOHN A. MERRIMAN,
Counsel.

THE BANKERS LIFE CO.,
Des Moines, Iowa, January 7, 1978.

Re Hearings on Six Day Mail Service.

HON. JAMES LEACH,
Kahl Building,
Davenport, Iowa.

DEAR CONGRESSMAN LEACH: We appreciate very much your thoughtfulness in having Cindy Sprunger of your office contact us in regard to the effect that a cutback of mail delivery service from six days to five days would have on our Company operations. I have contacted the various areas within our Company and wish to make the following comments.

(1) The elimination of Saturday delivery is bound to cause important delays in mail to policyholders, applicants, agents, and doctors or other medical service agencies. The correspondence may include claim payments, commission payments, responses to policyholder inquiries, and our requests for underwriting

information. Prompt service is demanded in this age of consumerism, and our standard of quality, as a Company, is in part measured by the promptness with which our mailings are received. Even one day's delay can be meaningful to an annuitant or retiree who depends on the prompt arrival of his monthly checks. Thus, from the standpoint of our outgoing mail, our operation would be adversely impacted by the elimination of Saturday delivery.

(2) It would appear that the impact on failure to deliver our Saturday incoming mail would not be as significant. Our Home Office is closed on Saturday. Yet, internally, we do sort and distribute incoming mail to the operating departments over the weekend so it can be handled first thing Monday morning. Supposedly, if the mail is not delivered to us, we could still pick it up from a Post Office Box on Saturdays and continue to maintain our procedure. I understand that the cutback in delivery is not supposed to affect the normal movement between cities and sorting of the mail at the Post Office.

(3) Coming back to our outgoing mail, we send out more than 7,100,000 items a year, involving a postage cost in excess of \$1,400,000. The contemplated increase of 3¢ per first-class letter would amount to an additional \$300,000 annually. Our mailings are not sufficiently concentrated to enable us to qualify for the pre-sorting discount. In turn, we would be against any so-called reduced "citizens rate." Our postage is a very significant cost of our business and we feel that everybody should pay their own way.

In conclusion, we can say that a failure to deliver our outgoing mail would have an adverse effect; the effect on our incoming mail would not be as significant; and we are concerned about overall cost. If it could be shown that reduction in delivery would generate substantial savings, then there might be a point wherein the reduction in quality of service could be balanced against cost savings. However, as of now, we are not in a position to know whether the cost savings would be all that significant. Therefore, we are inclined to feel that the timeliness of the delivery of our outgoing mail would more than equate any savings that would result from the elimination of Saturday delivery.

I hope that our comments will be helpful to you.

Sincerely yours,

PAUL E. BROWN,
Vice President and Counsel.

NATIONAL LEAGUE OF POSTMASTERS OF THE UNITED STATES,
Arlington, Va., January 6, 1978.

HON. JAMES A. S. LEACH,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN LEACH: Let me congratulate you for conducting hearings on the Postal Service in America and commend your integrity. It is indeed a pleasure for the National League of Postmasters to be afforded the opportunity to present a position paper in regards to these hearings.

I realize the main thrust of the hearings will be six-day delivery, but I respectfully request consideration be given to securing the opinions of your constituents on continued consolidation and closings of small rural Post Offices.

Since the inception of the Postal Reorganization Act of 1970, it would appear top postal management has continued to increase rates while simultaneously curtailing service to the American people. This effort on behalf of the Postal Service to reduce delivery to the public to five days is only the beginning of a move to also limit Post Offices to a five-day operation. America pays billions of dollars each year in taxes to support foreign countries, yet we cannot afford to subsidize the United States Postal Service and require that it provide adequate and necessary service to the public. The Postal Service was established to provide an adequate communications network for the public. It, like the Department of Defense, was never intended to be a money-making operation.

The National League of Postmasters violently opposes mandatory 5-day delivery as it would eliminate mail service to rural America at a time which may be crucial to its survival. I am speaking of one of the largest businesses we have in America today, that being the Agri-business. While many people in large metropolitan areas do not think of this as so important, you and I are both aware that the nation's farmers are part of one of the largest and most vital businesses we have today. We would not be opposed, however, to 5-day delivery to business establishments in large metropolitan areas where there is not such an urgent need for 6-day delivery.

As postmasters we continue to experience mid-day closings, curtailment of window service, Saturday closings and no mail on Sundays. Top Postal Management has reduced clerical assistance in the majority of our offices to the point where our customers are required to wait in long lines to purchase stamps, money orders and transact other business with the local Post Office.

USPS is presently spending large sums of money on mechanization which has never been tested. While this mechanization is necessary in many large postal facilities throughout the country it is certainly not feasible in small rural Post Offices. Under present instructions, mail is being transferred hundreds of miles from the original Post Office when it could be processed on the local level with a savings of money.

I am sure you are aware of the fiasco of Bulk Mail Centers. Here again, without a test program, millions of dollars were spent with cost recovery probably impossible to obtain. While we can appreciate Congress' desire not to involve itself again in the appointment of Postmasters, however, we are of the opinion Congress must assume the responsibility for bringing the Postal Service back under its jurisdiction.

Under the present law, the Postmaster General is accountable to no one but the Board of Governors who, despite being experts in their chosen fields, have have no working knowledge of the Postal Service. They serve only as a rubber stamp for what is presented to them by the Postmaster General. The National League of Postmasters fully supports H.R. 7700 the Wilson-Hanley measure, which would, if enacted, correct many of the problems presently plaguing the Postal Service. It calls for, among other things, the abolition of the Board of Governors with Presidential appointment of the Postmaster General.

In summary, the position of the National League of Postmasters is as follows: Support passage of H.R. 7700; continuation of 6-day delivery; restore level of service to American people that was in effect prior to enactment of the Postal Reorganization Act; and congressional appropriations to subsidize Postal Service with mandatory guidelines that a portion of these monies be used for retaining small Post Offices in rural America.

Again, may I commend you on conducting these hearings and for allowing the National League of Postmasters to offer input.

Please let me know if I or any member of my staff can be of assistance to you.

Sincerely,

EUGENE B. DALTON,
President.

SIX-DAY MAIL DELIVERY

THURSDAY, JANUARY 12, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Ocean Springs, Miss.

The committee met at 1:30 p.m., in the Ocean Springs Community Center, 514 Washington Avenue, Ocean Springs, Miss., Hon. Trent Lott, presiding.

Members present: Congressmen Trent Lott, Herbert E. Harris II, and John Rousselot.

Staff present: Victor Smirollo, executive director and general counsel, and George Omas, staff assistant.

Mr. Lorr. Good afternoon, I'd like to welcome all of you that have turned out for the congressional hearing here in Ocean Springs this afternoon. I'm very pleased that the people of the Fifth Congressional District, particularly here in south Mississippi and in Jackson County and Harrison County, have joined us here for this special occasion. This is probably the first or second congressional hearing that has ever actually been held in Ocean Springs.

I'm quite pleased that we have these two visiting Congressmen with us here today in an effort to find out what is on the peoples' mind in a particular area so that we can make sure that your input is weighed and considered in Washington. We are having this hearing to hear testimony from the general public and business mail users on the proposal by the Postmaster General to discontinue delivering mail on Saturdays.

With me today is Congressman John Rousselot of California and Congressman Herb Harris of Virginia. I might add that my family and I, when we're in the Washington area, live in Annandale, Va., and this is the Congressman that represents the area where we live. So when I have problems in the local area I want to complain about I just call the local Congressman. With us also are members of the committee staff from Washington: Mr. Victor Smirollo who is the executive director and general counsel, here on my right, and to your left, Mr. George Omas, who is on the Post Office and Civil Service Committee staff and is a native of Biloxi, Miss. So we've got some Mississippians hidden out up there in Washington in several places where you might least expect them.

Earlier this year the Commission on Postal Service conducted a special study on whether or not to discontinue the Saturday mail delivery. And the idea was to see if it would reduce postal cost increases. Since that time the Postal Service has been studying this proposal and, although no formal proposal has been, recent statements made by postal officials indicate they are leaning toward making such a recom-

mendation. The Postmaster General has claimed that eliminating Saturday mail delivery would save \$400 million a year and eliminate some 30,000 jobs. These hearings have shown very clear evidence that probably that \$400 million is an exaggerated figure and that in fact those jobs would not have to be eliminated but that some people would be hurt as a result of eliminating the service.

We're holding these hearings here to assess the impact upon the public and determine what the public needs and would like to have in the way of postal services. This information and the testimony received here today will be accumulated and considered by the Post Office and Civil Service Committee and we are going to make sure that the Postal Service is aware of what is being heard all across the country.

This is the only hearing, I believe, that has been scheduled in the Southeast. We purposely picked a community of under 20,000. Earlier this year there were hearings in Denver, Colo., Honolulu, Philadelphia and Bear Mountain, N.Y., as well as Talco, Tex., Alhambra, Calif., which is the area that Congressman John Kucselot here represents, and I was pleased to join him at that hearing which was very informative to me, and there will be hearings in Davenport, Iowa. Today there is a similar hearing in Pontiac, Ill. So you see we're not going to just the big cities; we are getting out where the real people are in our country and we're listening to what they have to say.

The response has been overwhelmingly in favor of retaining Saturday delivery. The public is skeptical of any claims for savings, particularly in view of the rate increase which the Postal Service has already planned to put into effect next year. To pay more to get less does not favorably impress the public or their Representatives, the Members of Congress.

Here in the Fifth Congressional District where the job situation is critical, as it is all across the country, the elimination of Saturday delivery would mean the elimination of some letter carrier positions all of which are good jobs and contribute substantially to the economic welfare of this area. I invite you to express your opinions candidly and informally. You are among friends, and I think you'll see from later comments that these are two fine members that we have here with us today.

Before I call on our visiting Congressmen I want to make reference to the fact that we did send out approximately 25,000 questionnaires in this area, Ocean Springs, Vancleave, St. Martin, North Biloxi area. We have gotten a tremendous response from that questionnaire. We actually sent out 21,500 questionnaires, responses received 3,141 for over 14 percent reply, and we're still getting those questionnaires. It is a very high response in comparison to other areas where these questionnaires have been sent out.

The results of the questionnaire were—2,393 people responded "Yes, continue Saturday mail delivery" or 76 percent; 680 responded "No, discontinue Saturday delivery" or 22 percent; 1 percent "Conditional no"; 1 percent expressed "No opinion." And so, therefore, based on the questionnaire the response was 3½ to 1 in favor of continuing Saturday mail delivery. You'll see here we have the responses. These are the ones responding "Yes, continue the delivery" and these responded "No."

I'd like to note, as my staff pointed out, that not only did you respond on the questionnaire to the "Yes" or "No," almost every person wrote some additional comments. So we have typed letters and responses all over these questionnaires so we're getting a few opinions on a lot of other things, and we appreciate that too.

Now we have a schedule of witnesses which I think is very representative of all segments of the society that are interested in this issue. Because of the very fine response we've had we're going to ask our witnesses to try to hold their statements to five minutes and then, of course, they will have an additional opportunity to comment based on the questions from the members of the committee.

Also, any of you that would like to make a comment after the scheduled list of witnesses, we will be glad to hear from you. We would like to concentrate on the Saturday mail delivery question; however, of course, if you would like to very briefly mention other comments about the postal service we will be glad to hear that also.

Again, thank you all for coming, and at this time I would like to recognize the two visiting Congressmen that are here. On my right, as I mentioned, Congressman Herb Harris, Democrat from the Eighth Congressional District of Virginia. He's a former supervisor. I've known Herb for about 9 years. He is on the Post Office and Civil Service and also the Judiciary Committee, which is the committee that I served on. On the Judiciary Committee he is a very active member of a subcommittee where he's working to get the citizenship of Jefferson Davis restored, as he did in 1976 for Robert E. Lee. So he's a southerner in the truest sense of the word.

Congressman Herb Harris, we are very pleased to have you on the Mississippi Gulf Coast and in Ocean Springs, Miss.

[Applause.]

Mr. HARRIS. Thank you very much. I'm pleased to be here for participation with you.

I would like to take the opportunity to congratulate you and express my admiration for the work that you've done to what I hope furthers the philosophy that I think we need a little more of in Congress, and that is to get out to the people more, involve the average citizen more in the legislative process. I think too long we've imagined the Federal Government is something apart from us, stuck up in an ivory tower in Washington some place. The Federal Government should be no more than an effort to represent the average citizen. I don't know a better way to represent them than to bring the legislative process right down to them.

It happens to be a pleasure for me to be down here with you and to hear the comments of your constituents with regard to this important national policy. It is especially a great opportunity for me, since at your urging I cosponsored the Jefferson Davis bill, as I had the chance to go through the home of Jefferson Davis this morning, Beauvoir. It was a great experience for me and a great opportunity. I did it for two reasons, because I wanted to and because Trent said I couldn't get out of here until I did. And as a member of the Judiciary Committee worked pretty hard on this bill. Trent got me convinced Jefferson Davis should be a citizen. Now some folks may make light of the fact

that we go through the process of restoring the citizenship of Jefferson Davis and Robert E. Lee with the offhand comment that they really don't need it and really don't care. And the obvious answer to that is it's true, they don't need it and perhaps they don't care. But it strikes me that we do need it and we should care and pause maybe for a minute to remember our heritage. And I think we may be stronger and better if we can do that once in a while.

I'm anxious to hear your views and I come to hear your views and not to express mine. So, Trent, I anxiously await the testimony of your constituents.

Mr. Lorr. Thank you very much. And on my left, your right, Congressman John Rousselot of California. I thoroughly enjoyed my visit in his congressional district on Monday for a similar congressional hearing. I want you to note that we are here and we've been in California and we're here in Mississippi and we're not on some tour around the world; we are here trying to listen to peoples' feelings and I think that's important.

John Rousselot serves on some very, very important committees in Congress. He is serving now on the Budget Committee and, believe me, he's one Member of Congress that's trying to find some ways to balance the budget, which we happen to think is still possible if the American people will really insist on their representatives working toward that goal. John also serves on Banking and Currency and Housing, which is a very important committee to this area. Housing is a very important industry along the Mississippi Gulf Coast as we develop, and, of course, banking, finance and economic matters, as well as serving as a senior member of the Post Office and Civil Service Committee. He is the senior member of this panel, having served I believe 11 years in the House of Representatives. John is one of the diligent, dedicated workers we have in Congress. Any time you go into the gallery of the House of Representatives or go on the floor one member you'll see there is John Rousselot. probably making a speech, and a very good one I might add.

And, you know, we, as Members of Congress, listen to our people and we also listen to our colleagues in Washington to see how they vote. And I have to confess that when I go in and vote and check the big board in the sky that shows how we're voting for the people of America, one of the names I usually check is John Rousselot. He's a personal friend and I'm very pleased to have Congressman John Rousselot of California here in Ocean Springs. John.

[Applause.]

Mr. ROUSSELOT. Trent, we're grateful to you for insisting that we come to this area of the country to hear from people who are affected by this potential order by the Postmaster General. I'm sorry I'm not on Judiciary so I can't promise that I'll get the bill for Jeff Davis out of committee, but I'll vote for it when it comes to the floor.

Mr. Lorr. You are committed.

Mr. ROUSSELOT. We are all very appreciative of the work Trent does in Congress. He's an active member of the Post Office and Civil Service Committee. Both Herb and I got to know him because he's on the Rules Committee just as his predecessor, Mr. Colmer, was. And he does an excellent job there in making sure that we know why or why we shouldn't have a bill brought to the floor.

We appreciate more than we can say your willingness to come talk today about this issue. The Congress used to have oversight responsibilities before the passage of the Postal Reorganization Act of 1970. I did not vote for that bill because I thought it was a mistake. Now, a reduction of service is occurring because Congress in 1970 was unwise enough to allow this new Postal Service to absorb too many powers without checking with the Congress. Yet we're the ones, Members of Congress, who face the public and receive complaints when service is reduced.

So we appreciate your willingness to come here. They say the definition of a politician is a person who has the problem of an open mouth, and so I'll now be quiet and hear for the witnesses.

Mr. LOTT. OK. Thank you very much, John. We would like now to get on the scheduled list of witnesses, and the first of those will be Maj. Gen. John S. Pustay, president of the Mississippi Gulf Coast Association of Federal Administrators and Commander of our Keesler Airforce Base at Biloxi.

General Pustay, will you come forward, please?

TESTIMONY OF GEN. JOHN S. PUSTAY

General PUSTAY. Mr. Chairman, distinguished members of this committee, as the presiding president of the Mississippi Coast Association of Federal Administrators, MCAFA, I welcome the opportunity to address this committee concerning Saturday home mail delivery by the U.S. Postal Service.

Since I am representing this association, my remarks address the concerns and feelings of approximately 30 Federal agencies. These include the local offices of the Departments of Agriculture, Commerce, Defense, Justice, Transportation, Health, Education, and Welfare, plus the Small Business Administration, the Social Security Administration, and the Veterans' Administration. While the regional element of the U.S. Postal Service, or USPS, is one of the members of MCAFA, Mr. Dilly, Gulfport Sectional Postmaster, will be testifying in their explicit behalf later today.

The majority of the Federal agencies concerned do not work their official mail on Saturdays because their administrative offices and mailrooms are normally closed on that day of the week—their mailrooms distribute official mail on Mondays through Fridays. A few of the agencies such as the FBI do staff their official mail on Saturdays. But they receive their mail at a local post office box, and since the post offices are to remain open on Saturday mornings, there should be no impact on their operations. Hence, there should be no across-the-board adverse impact on the handling of official mail by any of agencies as a result of the elimination of Saturday deliveries.

Some of our agencies are providing personal mail service to individuals who live in hospitals or dormitories. The Veterans' Administration Hospitals in Biloxi and Gulfport and the Keesler Air Force Base Hospital provide this type of service. Since Air Force Postal Service personnel pick up personal mail in bulk at the Keesler Post Office and deliver it to the patrons' boxes in the dormitories or the hospital, we see no change occurring in that service as a result of the proposed change in Saturday mail delivery.

Currently the Veterans Administration hospitals' personal mail to patients is delivered in bulk to the hospitals by the U. S. Postal Service Monday through Saturday. A mail clerk employee at each of the hospitals then distributes the mail to patients. The Gulfport and Biloxi VA Hospitals are willing to pick up that bulk mail on Saturdays, in order to insure that Saturday delivery of personal mail to their patients continues.

In summary, there should be no significant impact on the operation of the Federal agencies represented by MCAFA, less the regional USPS, resulting from the deletion of Saturday home mail delivery by the Postal Service. The Gulf Coast Federal agencies should be able to continue normal operations without Saturday delivery service.

I have with me, Mr. Chairman, Colonel Moore, the Chief, Central Base Administration and Postal Liaison Officer for Keesler Air Force Base, to assist in answering any questions you may have.

Mr. LOTT. Mr. Harris, do you have any questions you'd like to address the gentlemen?

Mr. HARRIS. No.

Mr. LOTT. Mr. Roussetot?

Mr. ROUSSELOT. Well, I'll just ask you this, General: Since you represent a substantial number of Federal administrators, have you heard any conversation as to how they feel this will impact them personally?

General PUSTAY. Not personally, sir. It's been essentially just on an official business basis.

Mr. ROUSSELOT. You've heard nothing as to how discontinuance of Saturday delivery will affect them personally?

General PUSTAY. Not personally, sir. On an official basis they indicate there will be no adverse impact.

Mr. LOTT. General, let me ask you this: Did I understand you correctly to state that the Veterans' Administration facilities we have in Biloxi and Gulfport, that mail delivery would continue to be delivered on Saturday in those facilities? If they didn't get delivery from the Postal Service they wouldn't be able to deliver it there at the VA center. I wasn't clear on what you were saying. Would you expand on that a little bit?

General PUSTAY. The two hospitals concerned would provide their own personnel to go to a local post office, Biloxi or Gulfport, pick it up, take it back and then have their administrative personnel to deliver the mail to their patients.

Mr. LOTT. So they have their own in-house delivery system?

General PUSTAY. Yes, sir. There is a difference now because at the present time Saturday mail is delivered to the facilities. This is in contrast, say, to Keesler where we pick up our own.

Mr. LOTT. Thank you very much. Do you have a question, Herb?

Mr. HARRIS. With regard to that, it seems to me this is sort of a shifting arrangement rather than cutting back of labor, at least in those cases.

General PUSTAY. In the cases there, yes, sir. In the cases of the Veterans Administration hospitals that would be the case. It is the current practice of the Air Force.

Mr. HARRIS. I presume that the decision was consciously made by the hospital administration that prompt mail delivery was an important morale factor in the hospitals, is that the basis?

General PUSTAY. Yes, sir. It is a morale factor.

Mr. HARRIS. I have a background in the service. I was in the service also, though not exactly the same one you are. The delivery of mail is, I guess, pretty important as a morale factor in the service today, is it?

General PUSTAY. Yes, sir, it continues to be so.

Mr. HARRIS. Thank you very much.

Mr. ROUSSELOT. How many military personnel are there, roughly, in this area?

General PUSTAY. Well, sir, for Keesler we're talking about somewhere around 16,000 people right now.

Mr. ROUSSELOT. Would all the military personnel still get their mail on Saturday?

General PUSTAY. No, sir. If they live in quarters where they are serviced by a mail carrier they would not get their mail on Saturdays. If they are living in dormitories, single personnel or if they're TDY—temporary duty, here from another base taking courses—they would still get their mail because that mail would be picked up by Air Force blue suit postal service clerk at the local post office and it would be distributed to the individuals at the dormitories.

Mr. ROUSSELOT. So they would have Saturday deliveries?

General PUSTAY. They would, sir. But the people living in the quarters, in the homes on base, the families would not have Saturday delivery.

Mr. LOTT. Thank you very much, General Pustay. We're glad to have you here on the Mississippi Gulf Coast too. Thank you very much.

General PUSTAY. It's a real pleasure to be here, sir.

Mr. LOTT. Our next witness is Mr. Vic Daniel, president of Mississippi Power Co. At this time we won't ask him about utility rates.

TESTIMONY OF KERRY M. EZELL, ACCOMPANIED BY BILL HAYES

Mr. EZELL. Mr. Chairman, Members of the committee, Mr. V. J. Daniel, our company president, had hoped to be able to be here to testify today; however, he has been called out of town and he requested that I represent him and the company. My name is Karry M. Ezell; I'm the vice president and treasurer of the Mississippi Power Co., which is headquartered in Gulfport, Miss.

Mr. LOTT. Mr. Ezell, before you proceed would you introduce your colleague?

Mr. EZELL. Yes; I have with me Mr. Bill Hayes, the supervisor of budget and procedure for Mississippi Power Co., and he has direct supervision over our mail service.

Mr. LOTT. Thank you.

Mr. EZELL. Our company serves approximately 150,000 customers in 23 southeastern Mississippi counties. We have been asked to come before this committee today to comment on the effect upon the company and its customers should the Saturday mail delivery by the U.S. Postal Service be eliminated.

In my opinion the proposed elimination of Saturday mail delivery would have only a minimal effect on Mississippi Power Co. Our business offices are closed on Saturday, but deferred delivery of electric service bills to our customers could cause some cash receipt delays. Other than this, any additional cause to the company or its customers are difficult to visualize.

I thank you for this invitation today, and we hope that this provides you with the type of information this committee is seeking. If we can answer any questions we will be glad to do it.

Mr. LOTT. Mr. Ezell, let me ask you to amplify on the one area where you said there could be some possible delay in receipt of the bills.

Mr. EZELL. Yes; American people are somewhat creatures of habit. And where delivery might be made of bills on Saturday and the individual pay that bill—say, he writes his checks on Sunday and mails them on Monday and the receipts would be received by the company during that week. He might be in such a situation that he would not get the bill that way until the next Monday and he wouldn't write his check until the following week. It could be a situation where the individual is going on a 2-week vacation; he's going to leave on Sunday and he'd get his bill on Saturday. It could cause some inconvenience on that basis where he'd be out of town over a period of time where the bill would actually become delinquent.

Mr. LOTT. Mr. Harris

Mr. HARRIS. Your company doesn't work on Saturday does it?

Mr. EZELL. Our business offices are closed on Saturday, but we maintain 365-66 days service at the steamplant.

Mr. HARRIS. You don't turn out the lights before you go home?

Mr. EZELL. No, sir. I didn't mean to say it that way because we do provide emergency service and after hours we have outages or any problems after hours we have people on duty for that. But not for collecting bills or normal business office operations.

Mr. HARRIS. Is there a delayed payment by company—is there a charge on that as a delay charge?

Mr. EZELL. Yes; we do have what we call a late payment charge.

Mr. HARRIS. What is the number of days on that?

Mr. EZELL. Basically not until the next bill is rendered, which would be 20 to 25 days.

Mr. HARRIS. Twenty to twenty-five days?

[Chorus of "no" from the audience.]

Mr. HARRIS. You have very significant disagreement from the audience.

Mr. EZELL. I believe there seems to be some disagreement on that.

Mr. HARRIS. Let me say that I think you do have your billing periods and I am not familiar with exactly what your time frame is with regard to late payment charges. If it is any time before the next billing period it would be different from what I'm familiar with.

Mr. EZELL. No; it is on the next billing period. That is correct.

Mr. HARRIS. In that case though—for example, you may have an October 25 billing period, you may take some time getting it out, the Postal Service may take some time getting that bill to the customer so they may not have an actual 25 days to make payment.

Mr. EZELL. That is correct. It would be from the date the bill is mailed. That is correct.

Mr. HARRIS. I've been down this road before. I kind of understand what the reaction of the audience is, and sometimes, it may be your fault and sometimes it may be the Postal Service's fault.

May I inquire—and this is a digression and I apologize for it—if in fact the payment is received by you or a letter is received by you that does not have postage on it, with postage due on it, do you accept that or is that rejected?

Mr. HAYES. The post office would not deliver it if it didn't have it on it.

Mr. HARRIS. They wouldn't deliver it and ask you to make a postage due payment on it?

Mr. HAYES. Not under current rules; no.

Mr. HARRIS. Does your company have any position on that? Did they have a policy of paying postage due when they used to do that?

Mr. HAYES. Yes; we did. In many instances we did.

Mr. HARRIS. Thank you, sir.

Mr. LOTT. Mr. Rousselot.

Mr. ROUSSELOT. You have a post office box at the main post office that serves you?

Mr. HAYES. In Gulfport we do.

Mr. ROUSSELOT. In Gulfport?

Mr. HAYES. Right.

Mr. ROUSSELOT. Pick up on Saturday?

Mr. HAYES. No; we do not.

Mr. ROUSSELOT. So you do absolutely no processing on Saturday?

Mr. HAYES. We do no processing at all on Saturday.

Mr. LOTT. Thank you very much, Mr. Ezell and Mr. Hayes. We appreciate the fact that Mr. Daniel couldn't be here but you did come and we appreciate that also.

Our next witness is Mr. William T. Miller, director, tele-communications and postal services of the University of Southern Mississippi.

TESTIMONY OF WILLIAM T. MILLER

Mr. MILLER. Thank you. We appreciate the opportunity to be here. The university community of today is representative of many sectors of American life. Postal services provided through the university serve students, faculty and staff from all walks of life and age groups residing both on and off the main campus. Our various departments and divisions can be readily equated to a variety of American businesses, including those which rely heavily on swift and economical mail service. Because we represent a cross section of the American population and business community, we appreciate this opportunity to comment upon the impact of the proposal before us, not only upon the university's operations, but also upon the population in general which we serve.

The individuals served by the class A contract station at the University of Southern Mississippi receive a large quantity and variety of mail. A short delay in the delivery of most of this mail would cause minor inconvenience. However, some of this mail the recipient considers to be of an urgent nature, and its delay would be considered a major inconvenience by the postal patron. The same is true with regard to the outgoing mail of individuals and businesses.

As delay, until Monday, of mails now delivered on Saturday appears to be the major disadvantage of the 5-day system, any assessment of the impact on the public would logically deal with the delay of this urgent mail.

Some correspondence considered urgent by the postal patron really is not, in the sense that simply looking forward to receiving mail, or having your own correspondence received, does not necessarily mean that mail is urgent. For example, to some young man at our university an anxiously awaited letter from a sweetheart at another school is not only urgent but he would consider its delay a major catastrophe. So to him it is urgent but I wonder whether or not we ought to consider this when we're looking at this problem before us.

However, when the delay of urgent mail results in deadlines not being met, needed articles and information being unavailable, funds not being realized, or opportunities lost, the inconveniences cannot be taken lightly. In our university there are many situations where the delay of urgent mail could yield such results unless the necessary adjustments are made.

What are these adjustments? Put very simply we would learn not to depend on Saturday mail deliveries. This will require better planning and greater efficiency by both individuals and businesses. Deadlines will have to be determined earlier, mailings made sooner, more response time allowed and correspondence answered more quickly. In other words, we would do all that we could to see that correspondence does not become urgent.

However, true emergencies will continue to arise. There will always be situations of an unusual nature which could not have been foreseen requiring swift delivery of correspondence. Presently, in many of these cases, alternative means of communication, such as the telephone, telegram or mailgram are selected. If Saturday delivery were stopped, the point where this decision is made would have to be adjusted and some items now sent by mail would be diverted to alternative delivery systems. Revenue now going to the post office would be rerouted to the telephone companies, manufacturers of on-line data equipment, facsimile machines, et cetera. The user will pay a higher price for these modes of transmission.

As we are not changing appreciably, with the exception of the emergency mail just mentioned, the volume of mail but rather the timeliness of mail, we do not foresee major increases or decreases in manpower requirements at the university resulting from a 5-day delivery schedule. While routines would have to be rearranged, the shifting we were talking about a moment ago, no new work would be created nor existing work eliminated, as our total mail flow would remain relatively stable.

Therefore, we feel that the deletion of Saturday deliveries would surely cause inconveniences, however, these can be overcome through better planning, greater efficiency, and the selection of other communication modes for truly urgent needs. Although the overall impact of the proposed reduction of services would be significant, these adjustments are certainly no more difficult to cope with than the 55-mile-per-hour speed limit, Sunday gas rationing and other recent adjustments which have altered the lifestyle we have come to expect. How-

ever, while we could adjust, persuading the public that this is in its best interest is another matter.

In order to gain public acceptance, the nebulous \$400 to \$450 million savings predicted must be verified and equated to a form the public will understand. Those enduring the sacrifices and making the adjustments must be convinced that they are realizing the benefits to be derived.

—Where will the predicted savings come from? What form will these benefits take? Will we see a reduction in postal rates, or at least a postponement of an increase? If so, how much and how long? What are we to gain for our losses?

The public can adapt to a 5-day delivery system, but it wants to see a positive tradeoff. I think you can count us in your "conditional noes" according to your survey here. We applaud your efforts as representatives of the people to determine the impact, identify these predicted savings and weigh these trade offs in our behalf in the public forum.

Thank you for providing us the opportunity to make known our point of view on this issue of great significance.

Mr. LOTT. Thank you, Mr. Miller. Let me ask you just a couple of questions here so we'll fully understand your position. As director of the tele-communications and postal services of the university, these are not academic related departments, these are departments that provide services to the students in the academic community there at Southern?

Mr. MILLER. This is true. We call them auxiliary accounts, they are supportive departments and we have a number of others.

Mr. LOTT. Did you have any contact or communication with the students to solicit their reaction to what this might mean to them in preparing your statement?

Mr. MILLER. Yes, sir. We did talk with some of the students. We also talked with staff members who are involved in these businesses where we feel like they rely very heavily on the mails. I think the rather needless example I used about the young man looking for a letter from his sweetheart is in there to indicate that what may seem urgent to you and I or might not seem urgent to you and I may be very important to the individual involved.

However, after talking with all these people I feel like that if we can save money and this can be verified and we can see a part of the trade off involved that the people will adjust. That's a lot of conditions.

Mr. LOTT. Well, you heard the stories about the son writes the parents, "Dear Mom and Dad. No money, no fun. Your Son." And, you know, they're going to receive these checks from back home and it's to be considered a situation where perhaps the parents put a check in the mail to the student on Thursday night at 7 o'clock hoping it'll get there by the weekend but in fact it doesn't because it was mailed late Thursday night so he doesn't get it Friday and doesn't get it Saturday and doesn't get it Sunday. He might get it Monday, but if there's a holiday on that Monday he might not get it till Tuesday or Wednesday. In that situation it could in fact become a real and urgent problem for that student because his checks at the local restaurants might start bouncing.

I wonder did you take that into consideration and I wonder if the students maybe took that into consideration.

Mr. MILLER. Yes, sir. Matter of fact, we had that example in this presentation earlier and cut out. There are certainly cases where this mail is indeed very urgent, and I think it goes back to the paragraph in here about opportunities lost, funds not realized and things of this nature.

Mr. LOTT. Now you do have a post office on the campus, I believe, Southern Station Post Office?

Mr. MILLER. Class A contract station.

Mr. LOTT. And you have a postmaster there?

Mr. MILLER. Well, it's a class A contract station which means the university operates this post office.

Mr. LOTT. Do you operate that post office?

Mr. MILLER. Yes, sir, I do.

Mr. LOTT. Thank you very much. Mr. Harris?

Mr. HARRIS. Thank you very much for your testimony. I think it is practical and valuable. Did you give consideration in this to the fact that in the cut back to 5 days there might be a better day to drop than Saturday from the standpoint of putting 2 days together, that there might be a better day to drop?

Mr. MILLER. We didn't consider the possibility.

Mr. ROUSSELOT. Mr. Miller, I thought your testimony was very well thought out. You've gone to the trouble to try to give us a little bit of understanding of what your operation is so we can appreciate what your position is. Now you mentioned that if there were emergency situations they could go to alternative forms and you mentioned one of those is a mailgram. That would now not be delivered on Saturday. If it was done—if it was mailed on Friday and the purpose of the mailgram is the quickest transmission from one place to another, of course it would not be then delivered until Monday or even later. So they would have to go through the telegram or something else.

Mr. MILLER. Well, the reason I said that, sir, is that there may be a situation where perhaps—let's move 1 day further into the week and let's say on Thursday you do mail with an overnight delivery delivery guaranteed so you know it will get there on Friday, whereas a letter may or may not.

Mr. ROUSSELOT. My point is a mailgram really wouldn't work on Friday because it wouldn't get there on Saturday; it'd be Monday.

Mr. MILLER. No, sir, it would not.

Mr. ROUSSELOT. All right. I did appreciate your point that in order for the public to accept this idea of cutting off Saturday mail, assuming that happens, they would have to be convinced that there really would be a savings of \$400 to \$450 million. Minus that, suppose we find out it is saving \$100 million. Then what do you think? Since you've made that point and, I think, made it very well.

Mr. MILLER. I think the point I'm making here is that we can adapt.

Mr. ROUSSELOT. We got that point.

Mr. MILLER. We will do it more obligingly if it's going to be to our benefit.

Mr. ROUSSELOT. Well, let's assume that we find out in our search for truth—and we're hoping that we can do that—that the cost savings is \$100 million or \$150 million, do you think the "trade off" is worth

it to you as someone who is responsible for the delivery systems on your campus?

Mr. MILLER. It will depend upon—if we're talking about financial trade off, it will depend upon what form these benefits will take. If these benefits were to take the form of a reduction in rates, which I doubt—

Mr. ROUSSELOT. Well, I can assure you that isn't going to happen on the basis of what we've seen so far.

Mr. MILLER. Well, possibly a delay in increase.

Mr. ROUSSELOT. A delay in increase? That'd be a worthwhile trade off. In other words, if we got the Postmaster not to increase the cost of a first class stamp from 13 to 16 cents for—what, a year? Two years?

Mr. MILLER. Well, what we'd have to do is base the quantitative value on that.

Mr. ROUSSELOT. Well, that's what we're trying to get you to do.

Mr. MILLER. Well, I'll do my best. We have approximately—out going official university mail, which is paid for by the taxpayers in one form or another, we mail out approximately 2 million pieces per year at a cost of a little over \$250,000. If we were to look at the number of pieces and say we would get a reduction on the number of pieces of 1 cent per piece or—

Mr. ROUSSELOT. Or stop the increase. That's what we're talking about.

Mr. MILLER. Right, stop the increase. Stop the increase for a 1-year period then we could multiply the 250,000 pieces by a penny which is \$35,000—is that correct? And we would have to weigh that against any additional costs which we feel are—or the cost of the dollar value on it to come out with a positive trade off. So in order to be able for me to tell you whether or not there would be a positive trade off there we have to assess in financial terms the impact on the university. We have not seen or we do not anticipate any major increases in labor. We would have to place a value on lost opportunity, deadlines not being met, things of this nature, and I'm sorry I was not able to do that during the time allotted.

Mr. ROUSSELOT. So your advice to this group and hopefully that we will pass on to our other colleagues on the committee and in our urgings to the Postmaster General, if in fact we find out that there is no real dollar savings then you're not sure it's worth the trade off?

Mr. MILLER. If you're asking my advice to your committee and you are going to represent us, the people—

Mr. ROUSSELOT. We try to.

Mr. MILLER. I know Trent, as you've shown me. So we delegate to you the responsibility of evaluating this trade off before us, and I have no doubt that if we discontinue Saturday mail I have no doubt that you gentlemen will have determined that it is to my best interest to discontinue Saturday mail and we will adjust to it.

Mr. LOTT. We appreciate your comments. And I think touché will be in order there.

Mr. ROUSSELOT. Well, all right, if there's no cost savings then you say forget it?

Mr. MILLER. If there are no benefits to the American public. Cost savings is one of the foremost benefits of reduction in mail delivery.

Mr. ROUSSELOT. Any followup?

Mr. HARRIS. No.

Mr. LOTT. Thank you very much, Mr. Miller. All right. [Applause] You did a very good job and made a very good point, too. He said, "We're going to give you our reaction and then we're going to depend on you to make the right decision." That puts the burden squarely on our shoulders where it belongs.

Our next witness was to have been Mr. George Williams, director of tourism and industry, State agricultural and industrial board, and he is grounded in Jackson, Miss. His airplane couldn't get off the ground; they've got worse weather up there than we have here. So we will proceed to the next witness, Mr. Bill Peden, president, Coast Council of the Chambers of Commerce. Mr. Peden.

TESTIMONY OF BILL PEDEN

Mr. PEDEN. Mr. Chairman, members of the committee, this statement is submitted in behalf of the Gulf Coast Council of Chambers of Commerce.

As was indicated, my name is Bill Peden. I'm the president-elect of the Gulf Coast Council of Chambers of Commerce. This council consists of representatives of eight local Coast Chambers, Hancock County, Pass Christian, Long Beach, Gulfport, Biloxi, North Bay, Ocean Springs, and Pascagoula-Moss Point. Our combined membership is approximately 3,500, mainly business and professional people. I am authorized and instructed to submit the following.

The business community is not opposed to change, but it is opposed to less service. This is precisely what we have been getting for the past several years, more cost and less service.

Perhaps too much is expected of the Postal Department. My generation grew up with full knowledge that the only thing more certain than the U.S. mail was God. The Post Office slogan, "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds" was, I believe, a promise very much like Holy Writ to the American people.

Why is it different now? Why does it take 1 day longer to receive a first-class mail posted within the city, or 2 or 3 days longer from without? Do we just have slobs, don't-care people in the Postal Department? No, absolutely not. Most are decent, good, honest, ambitious people. What is the problem? Federal law and Government regulations have removed the incentive. American greatness has come from ingenuity coupled with hard work to receive more pay and promotions. We believe that both of these qualities are being discouraged to a considerable degree within the Department. There is more than sufficient expertise now, today, within the Post Office Department to revolutionize the entire Department and to provide the service the American people now pay for and deserve. Provide the encouragement, the incentive, promotions earned and received; not earned and passed over as so often happens today. This will provide a better way.

Should the final decision be for discontinuance, we urge that a reasonable period be provided before discontinuance, along with definite plans to improve effectively the remaining service. This would allow people in all walks of life time to make whatever adjust-

ments or preparations necessary. The business community, perhaps more than any other group, recognizes the great need to economize in Government. We would assume that mail inside the post office would continue to be worked, put into individual boxes and so forth.

Two suggestions were echoed throughout our Coast Chambers. One, more efficiency and, two, open on Mondays when a holiday falls on a Saturday or a Sunday. This matter of holidays coming on those days is a real detriment and causes bad feelings toward the Post Office Department when we find the post office closed on Monday. We, of course, would not ask that employees forfeit a holiday, but that they take it on some other basis, perhaps an additional day at vacation time or anytime other than closing down the post office on Mondays.

Mr. LOTT. Mr. Peden, for preparation of this statement did you have a meeting of the presidents of the various chambers or your executive board? What group or individuals were included in this process?

Mr. PEDEN. Every chamber up and down the coast. We polled them, we did not have a meeting per se, a get-together, but we talked with them from Pascagoula—Ann Avent, whom you know—to the other end of the coast. So this is pretty broad.

Mr. LOTT. Did you get individual responses from businesses, small businessmen, perhaps savings and loans, you know, bank representatives, the various businesses? For instance, in California one of the statements that impressed me, and I mentioned it in a press conference earlier, the president of the local chamber there was with a savings and loan and he made a note of the point that when a check was mailed to be put in a savings account, if it came in on a Saturday that was the 10th, that would be put in the account and that person would receive interest back to the 1st. But if there was not Saturday mail delivery on that 10th they wouldn't get the check until the 12th and there would not be interest back to the 1st, but beginning only at the 12th. And in fact not having that Saturday mail delivery could actually cost the person, a small depositor in a savings account, to lose interest income.

Did you have any examples of that nature or how it might affect the businesses, small or bigger, along the Mississippi Gulf Coast?

Mr. PEDEN. One along the same line, not a savings and loan but was a business man about discounts, if he did not receive his statement in time to take advantage of the discount by such and such a date, within 10 days, for example. All the people, without exception, were desirous of Saturday mail service. Many of them suspect that the decision has already been made to discontinue it, and I was a little disappointed that there were so many people. If you want to know the real truth of the matter, there's not a good feeling among the general population in my area about the service that we're getting.

Let me further state this. Some of the finest people I know, some of which are in this room, work for the post office. I think to a large degree their hands are tied by Government regulations.

Mr. LOTT. I absolutely agree with that. Mr. Harris?

Mr. HARRIS. Thank you, Mr. Chairman. I have noted this point in your statement. You indicate the problem is Federal law and Government regulations have removed the incentive. The major change that

has occurred in the Postal Service over the last 4 or 5 years has been divorcing it basically from Congress and, to a large extent, the Federal Government and making it an independent, at least semiautonomous service. It was thought at that time by removing this Government control and regulation that it would create the type of incentives and innovation that would bring improvement to the Postal Service that we've long sought. I think you and I are the same; we've always admired the mail carrier and we've always liked the postmaster, but we've always complained about the mail.

The question here is why is it that the Government—or specifically what is there in the Federal law and Government regulations that is preventing this new autonomous service from giving us signs of substantial improvement with regard to service and economy?

Mr. PEDEN. I'm not an expert in this area and I would preface my remarks with that statement. However, this thing that the Congress did, I think certainly could be undone. And I, as a user of the mail, have seen a decided difference in the service from that point that was stated by Mr. Rousselot earlier. I think it's gotten far worse. And you mentioned something about their being an autonomous, independent—I don't recall what word you used, but certainly this should not be the case because Congress in fact is having to give a lot of our tax dollars, if you please, to keep this organization going. So this being the case, it would seem to me that we have given this department a blank check, if you will, to do whatever they want to do with very little controls on your part or anyone's part.

Mr. HARRIS. Are you advocating then more Government control of the Postal Service?

Mr. PEDEN. Someone needs to control this organization. The ones that control the purse strings should have control.

—Mr. HARRIS. I see. So in some cases Government control may be good with regard to services, may actually improve services.

Mr. PEDEN. Let me speak to the second part of your question as I understood it. I think that much of the incentive has been taken away. We are an industrious people; we like to make progress; we like to move up in our jobs. And I think a lot of things have happened that I would not want to get into much detail with at this point, all of which you're familiar with, that have caused people to be passed over for promotions and not given the benefit of a pat on the back, if you please, for good suggestions to move the mail faster.

Mr. HARRIS. Thank you for that comment because quite frankly many of the comments that you've made subsequent to the statement I agree with stronger than maybe a couple of comments I saw in the statement. I feel—would your experience bear this out, while the attempt was to remove politics from the Postal Service it means what we did was change the type of politics a little bit and maybe kind of turn it over to some internal politics that didn't act to the best interests of the Postal Service. Would that be contrary to what you believe, or would you comment on that?

Mr. PEDEN. That's precisely what I believe.

Mr. HARRIS. Thank you very much.

Mr. ROUSSELOT. Mr. Peden, thank you for taking the time to come here and give us an insight as to what people in the combined chambers of commerce on the gulf coast are thinking about in relation to this.

Did you find anybody who favored discontinuing service on Saturday in your group?

Mr. PEDEN. It was alluded to by a number of people, Mr. Rousselot, about cutting down Government expense.

Mr. ROUSSELOT. Yes.

Mr. PEDEN. And this, of course, would have to if you merely eliminated people. It would solve this thing.

Mr. ROUSSELOT. The main motivating factor was, as you say in your statement, more efficient use of people, et cetera, and better delivery rather than cost saving. That was the prime objective?

Mr. PEDEN. Yes, sir. That's correct.

Mr. ROUSSELOT. We may find in our deliberations and investigations that in fact the \$400 million is a myth of saving and we've had some postmasters in these hearings that have said, "We would only lay off 1, 2, 3, 4 people in a force of 53 to 100." Obviously there wouldn't be that kind of saving. Then are you telling us that if the savings in dollars are there, then it will be worth it?

Mr. PEDEN. This is a rather difficult thing to say because I don't know, but it seems to me that if we can start maybe just a little bit of a trend toward cutting down in Government expense, this might be a good thing. I feel that I certainly speak for my group when I say that any area where a substantial savings can be made would be worthwhile; \$400 million was referred to—

Mr. ROUSSELOT. Well, that's a lot of money and—

Mr. PEDEN. \$100 million is a lot of money. I sometimes wonder if there's that much money in the world.

Mr. ROUSSELOT. We have to have it all in Washington. You put a heavy stress on efficiency and improvement and the cost savings which we, many of us, try to see and find. And when this recommendation was first made by the Postmaster General I was very tempted to say, "Well, gee, that is really fine. Will it really make that much difference?" But as we began to probe the people who have to manage this thing, the local postmaster, his supervisors, et cetera, we find that some of these savings in cost are mythical and don't exist. And so I'm asking you to help us have an understanding of what your people feel, at what point do you think it lacks cost savings? If there is no real savings then should we give up the idea as a bad idea or what?

Mr. PEDEN. Sir, how could it not provide a cost savings?

Mr. ROUSSELOT. Well, to make a few quick examples, we find out that the internal staff of the post office will still be there on a Saturday because they have to do the processing of the mail in order to be ready for Monday, and there are still skeleton crews coming on Sunday to get ready for Monday. So you aren't going to save interior staff. It will be only what they call their street staff or the postmen. Yet, each postman only works 5 days a week so you're just shifting around their tours of duty. And the question then is how many jobs can you eliminate, and in most cases it is only two, three or four even in the larger post offices. And because of seniority and other job protection there is no way you can actually have what we call a reduction in staff. So our question then has to be, as we try to pin this down, will there really be a savings of \$400 million. I am convinced that's not going to occur on the basis of all the post offices I've talked

to in my own district and surrounding areas. But what I'm trying to get you to commit to, on the basis of your discussions with your people, supposing it's only \$50 million or \$100 million, is it worth it?

Mr. PEDEN. Sir, we think if there would just be no increase in additional Federal people it would be worth it.

Mr. ROUSSELOT. You're talking about the increase in postal cost from 13 cents to 16 cents for a letter? My understanding is that the Postmaster General intends to go ahead and increase the cost of the stamp. So the question is how much. Any savings that we get by not having Saturday delivery will really be reflected only in restraining the increase in the postal cost of the stamp.

Mr. LOTT. Let me make a couple of comments.

Mr. ROUSSELOT. End of lecture.

Mr. LOTT. OK. Well, I'm going to be guilty of that, too, just a little bit. I'd like to encourage you, Mr. Peden, and all of you that can to stay to the end of the hearings today. I think as the day progresses you're going to hear some very interesting things about how this will really work. Of course, we're going to have a panel of newspaper representatives who will talk about how it will affect them. You're going to hear a representative of a senior citizens group, what it means to senior citizens, Farm Bureau and Mississippi Economic Council. Also from the Association of Postmasters and the Letter Carriers, and we'll hear from the inner workings of the Postal Service what this might mean. We'll be able to ask them some questions. I hope you'll stay for the whole thing if you possibly can.

Now, second, to show you the kind of decision we're faced with, first, we've learned—when I first got into this I'm a, you know, typical Mississippian. I said, "Hey—" OK, call them rednecks, if you will—but, you know, I was told that we could save money so I said, "Hey, that sounds good. If we could save \$400 million, that's fine. Maybe we can prevent the postage rate increase going into effect, that's fine." But now as we've gotten into it we've learned, No. 1, that there will not be a postage rate reduction at all—no chance of that no matter what happens to Saturday mail delivery. Second, that more than likely there is going to be a postage rate increase regardless of what happens on the Saturday mail delivery—in May, which we don't like. That's even in an election year. And beyond that we're beginning to find out now that there probably won't be a \$400 million savings and we're trying to pin down what it might be. So you get down and we say, "Well, there may only be the \$150 million savings." That's still a lot of money, but then you've got to balance that in the scales against what you're losing in services, what it means to the people. And that's why we're trying to press some of you to get to really what it means to you, how important is that service. Thank you very much.

I might note that we have an enrichment class from the East Elementary School. They're along the wall over here on the right. Mrs. Gladys is here, and I think that's important because they're getting a chance to see a little bit of how their Government does work. We're glad to have them here with us.

Our next witness is a panel. Panel No. 1 of newspaper editors and publishers. We'd like to ask them to come forward. Those on the

witness list are Mr. Tom Dickson, editor, Magee Courier; George Wanstrath, publisher, Hattiesburg American; Paul Pittman, editor, Tylertown Times; Ellis Cuevas, editor, Sea Coast Echo.

Gentlemen, we'd like to ask if one of you will lead off and sort of be the spokesman for the group, and then we'd ask the others to make any comments they see fit. And then we will ask the questions of the panel as a group, or perhaps address some individually. I'd like to ask that you identify yourself for the committee and for the court reporter.

TESTIMONY OF TOM DICKSON, ACCOMPANIED BY GEORGE WANSTRATH, AND WAYNE WEIDIE

Mr. DICKSON. Mr. Chairman, members of the committee, I am Tom Dickson, publisher of the Magee Courier and vice president of the weekly section of the Mississippi Press Association. At the table with me today are George Wanstrath, on my left, publisher of the Hattiesburg American, and Wayne Weidie, publisher of the Ocean Springs Record. Due to schedules the other two gentlemen you mentioned will not be here today.

We appreciate this opportunity to present the views of Mississippi newspapers today concerning the continuation of Saturday mail delivery.

There are 126 newspapers in the State of Mississippi which enter copies for delivery under a second-class mailing permit. Twenty-four are daily newspapers and 102 are weekly newspapers. They serve a combined total of 666,725 newspaper subscribers through their daily and weekly editions.

It is our feeling that every newspaper, and consequently every reader, will be adversely affected by the elimination of Saturday mail delivery.

The Mississippi Press Association believes that this would be another in a growing string of policies adopted by the Postal Service which have diminished its character as a public service. Recent staggering rate increases and the threat of even greater increases have caused great burdens to some operations which were already marginal.

Not only as publishers interested in the timely delivery of our news and advertising product at reasonable rates, but also as businessmen and editors dependent on predictable and prompt movement of business and editorial matter, we view the elimination of Saturday delivery as a further delay in the already dreadfully slow and erratic processing of mail which businesses and individuals must now tolerate.

To eliminate 1 day in this process would diminish our ability to produce a timely product that will be of interest to our readers, and, once produced, getting it to our readers in time for its contents to be meaningful and useful.

Daily, weekly, and twice-a-week newspapers all enter some portion of their subscription list through the mail. Seventy-three weekly newspapers enter their papers in the mail by 4:30 p.m. on Wednesday in order to reach mailboxes of subscribers by Friday. But that is not always the case.

In my newspaper at Magee, subscribers in the Braxton community sometimes do not receive their newspapers until Saturday. The papers

first go to the district post office in Jackson before being sent back to the county. If Saturday delivery were eliminated, chances are these subscribers would not receive their copies until Monday. And then Monday holidays, which have become numerous, would extend delivery to Tuesday.

Every weekly newspaper has pockets of subscribers which would be similarly affected. And for those seven weeklies which do not enter newspapers in the mail until Thursday, the consequences would be even more bleak.

For years newspapers have moved their deadlines and publishing times back to adjust to slower delivery of their mailed copies. Today, weeklies effectively have 2 days, Monday and Tuesday, to produce the advertising and editorial content of their issues. Pages must be ready early Wednesday morning for printing and the rest of Wednesday spent stuffing inserts, addressing, bundling, bagging, and mailing.

Although weeklies would be hampered by eliminating Saturday delivery, daily newspapers in rural areas which depend on mail delivery for a sizable segment of their subscriptions would be dealt a harsh blow.

Clay County is one such area in Mississippi. About 15 percent of the subscribers of the West Point Daily Times Leader receive their papers 5 days a week through the mail. Friday editions of the Daily Times Leader would not be received until Monday if Saturday delivery were eliminated. The Friday edition is the second largest issue of the week with advertisements from grocery stores, discount stores, and retail stores aimed at generating weekend sales in the trade area. This advertising's effectiveness would be lost both to the advertiser and to the subscriber. And the newspaper would be faced with the possible loss of revenue for that Friday edition.

Announcements and news items would be stale and would have lost one of the textbook essentials of news, the element of timeliness.

There are five twice-a-week publications in Mississippi. Although they have already adopted methods of home delivery for most of their copies to avoid delay in reaching subscribers, they would nonetheless suffer greater delays for that portion of their readership copies which must go through the mail.

Saturdays are heavy mail days for newspapers and other businesses in rural areas like Mississippi. In the small towns and communities across the State, Saturday is just another workday.

Publications are able to get a jump on the tightly scheduled work-week if they are able to edit and process the Saturday mail copy, having it at least in a form ready for typesetting early Monday.

If it were Monday morning before the arrival of this mail copy—such as press releases and reports from Congressmen in Washington and the thousands of other items of news which come through the mail every week—there is no doubt an even heavier strain would be put on those personnel responsible for preparation of news copy. Some items could not be processed in time and others might be left from last week. The editorial quality would certainly be affected.

Newspapers receive advertising materials and insertion orders through the mail, often under tight timetables. Getting advertising agencies and advertisers to think ahead and plan for mail delays has always been a problem. Elimination of Saturday delivery would

further aggravate the problem. The overall impact would be missed insertions, confusion and possible loss of business because newspapers would not be able to perform under tight schedules.

In the infant stages of a Nation dedicated to the principle of free enterprise, the Government undertook the task of providing a growing country with the service of postal delivery to bind the Nation together. — It was not something private enterprise could do profitably and at the same time, effectively. It was the first and foremost public service of our Nation.

Last year's decision by a Federal Appeals Court that postal rates must not be based on considerations of public policy and public service will have a staggering effect on all classes of mail users, especially newspapers.

It is our feeling that the postal system of this Nation must be returned to the principle of performing a public service for the citizens and taxpayers of this Nation. The continuation of Saturday mail delivery is an important aspect of that public service performance.

We don't say—and we couldn't say—that it would be cost-effective to have Saturday mail delivery to Braxton, Miss. But unless there is delivery of mail there on Saturday, citizens in that community and other rural communities throughout the State and Nation may experience the frustration of finding a stale local newspaper in their mailbox on Monday which was printed only a few miles away 4 days before.

We support continuation of Saturday delivery as outlined in the Hanley-Wilson bill currently before Congress, and suggest that Congress insure the public service nature of the U.S. Postal Service through an appropriate level of appropriations.

Thank you for your consideration and interest. If you have any questions, we will be glad to do our best to answer them.

Mr. LOTT. Thank you, Mr. Dickson. That was a very fine statement and you covered every area where I had some questions. I appreciate it very much. Mr. Wanstrath, would you like to add to that?

Mr. WANSTRATH. No; that pretty well summarizes it.

Mr. LOTT. Mr. Weidie?

Mr. WEIDIE. No.

Mr. LOTT. Let me ask you this. Do either of you have any statistical information you could provide us? How many papers are we talking about in your situation with the Magee Courier that would possibly be affected by this Saturday delivery?

Mr. DICKSON. Well, I only provided you with one example. Actually there are about five communities in my county, in my trade area that are affected similarly. The mailtruck picks up our mail on Wednesday evening, it only goes out once a day—picked up once a day. It passes about three of these communities on the way to Jackson, and then the mail is resorted and put back aboard a truck and brought back to these communities. So it's not just one community, it's the entire western portion of our county.

Mr. LOTT. Mr. Wanstrath, do you have any statistical information that you might provide us as to how it affects the Hattiesburg American? You serve a hub area there of about three, four, or five counties.

Mr. WANSTRATH. That's correct. The impact on a daily newspaper is not to the extent that it is on our weekly counterparts. Our mail subscription is not the biggest percentage of our daily distribution, so it does not really from the standpoint of our ability from a daily newspaper's standpoint to disseminate the news, not that greatly affected. But certainly with the dropping of the Saturday delivery that would affect a certain portion of our subscribers who do receive the mail within Forrest and Lamar Counties. So in terms of percentages it is a fairly small percentage that affect the daily newspaper.

Mr. LOTT. All right. Mr. Weidie, you do have a weekly newspaper and of course it varies from weekly to weekly. Some of them actually, I guess, get their papers out on Wednesday and some of them Thursday and some of them probably don't hit the street until Friday. Can you give me a couple of examples or maybe your own personal example of how it might affect a weekly newspaper?

Mr. WEIDIE. I think it is general, you know, that most of us now are going to press on Wednesdays, put in the post office on Wednesday night and mailed on Thursday. We haven't had any delays like Tom was talking about, but we have a number of subscribers across the bridge over here in what we refer to as the north Biloxi area and some sections of St. Martin that are not delivered out of the Ocean Springs Post Office. And we get frequent complaints that these people don't get our newspaper until Monday. So discontinuance of Saturday delivery would back up even further, I'm sure.

Mr. HARRIS. Your basic notion I think is somewhat different from the testimony we've received so far here today, although not a great deal different from a lot of other testimony we've received from across the country and in Washington. It seems to me that the basic philosophy here is that the Postal Service is not just a business; it's a public service that the Government has the responsibility to perform because of strong public policy basis. Is that basically the kernel notion that you hold?

Mr. DICKSON. Yes.

Mr. HARRIS. That service that it supplies to the news media seems to be especially relevant in your mind, that there is a strong public policy reason to make sure that people can receive the information and news and what-have-you that the newspaper performs, and that the only way you can do that is by assuring fairly prompt delivery.

Mr. DICKSON. One reason that we're especially mindful of the public service aspect of this question is the fact that a great part of our business is public service. There are many, many items that appear every newspaper that appear in there absolutely free of charge. And even some of the services that we do charge for are of a public service nature. And if this information cannot be disseminated quickly then its effectiveness is lost.

Mr. HARRIS. So you basically feel that the Government should subsidize the operation so as to make sure that it is done the way that's most economic?

Mr. DICKSON. Definitely, yes, sir.

Mr. HARRIS. Do you have any measurement in your mind as to how strong that subsidization should be? We've got the principle that public policy requires some Government financial resources into the operation. Do you have any measurement of how much that should be?

Mr. DICKSON. Well, I have no actual figures in this area, but it would seem to me that the experiment we've tried with the postal system most recently it's obvious that we have seen increasing decrease—if you want to say it that way—in services. And I think that along with appropriations naturally goes oversight, and we feel that this is the historical way that the post office was set up and we would like to see this oversight restored. And of course as far as placing a quantitative value on it, I have no expertise but we feel that whatever is necessary should be expended to make it a public service.

Mr. HARRIS. Thank you very much, Mr. Chairman.

Mr. ROUSSELOT. Gentlemen, we appreciate your being here. You were here when Mr. Miller from the university spoke of the fact that he thought it was his judgment that the public could adapt to a 5-day delivery system but it wants to see a positive savings that the Postmaster General said would accrue, the \$400 million figure or whatever it is. Do you think that's a positive trade off?

Mr. DICKSON. You're asking me, sir?

Mr. ROUSSELOT. Any one of you. You are all participating with an editorial comment here and there.

Mr. DICKSON. I have been speaking for the Mississippi Press Association; I'd like to speak for myself to that question. I don't think we'll receive a trade off because historically this has not been the case.

Mr. ROUSSELOT. By the way it works?

Mr. DICKSON. We've seen decreases in services and increases in cost throughout the whole history of this thing. One thing that was interesting to me, when this idea was first put forward about let's have an individual rate for mail service and then a business rate for mail service that "We're going to give all you individuals out there a break." And yet when they proposed this they didn't propose giving a break, they just proposed an increase. They'd just gone up to 13 cents from, I think, 10 and they said, "OK. We're going to give you a break, but we're going to leave your rate where it is at the new rate and we're going to charge businesses 3 more cents." So that was not a trade off; they weren't giving anybody a break, they were just giving somebody a hard time as far as business is concerned by increasing the rates. And I just don't think there'll be a trade off; it never has happened in the past.

Mr. ROUSSELOT. I think it is obvious to you that I am not convinced we're going to get a \$400 million savings. Assuming we could get the \$400 million, is it a worthwhile trade off? Do the rest of you want to comment?

Mr. WEIDIE. I'm not so positive because all this time we're operating under the assumption and I think some of the witnesses later today will say that the Postal Service is different from the Defense Department or any other Government agency, so why should it pay for itself. I'm sure this causes as much problem as anything else.

Mr. WANSTRATH. I also wanted to maybe inject the thought about this philosophical role, if you will, about the history of the Postal Department. From the standpoint of it providing the service and I think the binding of the Nation, so to speak, can't be underplayed. I don't think simply from the standpoint that it has to be a service. I think in my own mind, that to try to equate \$400 million with the

services just doesn't come out in a wash. I think a lot of these questions and the trend that we see about the subsequent legislation that has come out of Congress over the last 5 or 10 years was trying to change the very nature of the Postal Service. And I think it's really—that's the question that has to be decided, I guess, in terms of, well, is it going to be run as a business or is it going to be run as a service. If it is to be run as a business then you're absolutely correct in trying to make these determinations about where and how the Postal Department is going to function in the future if it is to continue its role or let's say put it back on track of its role in providing service at fairly low cost to average persons and average businessmen for efficient mail distribution, then that's the fact that I think we should be reasonably seeing. And I would certainly 100 percent support the public service aspect of the Postal Service.

Mr. HARRIS. This is a question and if I may, since I'm from out of town, I want to challenge you a little bit on this. We can't deal with this question on a black and white situation. The question in fact is that it is a public service and this country has held it a public service and especially direct delivery of mail since 1863. The question is how much does the user pay for it and how much does the taxpayer pay for it? And that's the question that we have to decide really, with regard to the balancing of efficiency in operation economic efficiency with regard to the public service aspect. So what we need, I think—I think what Congress needs is how much of it should the user pay for and how much of it should be subsidized by the taxpayers. And is that one-third to two-thirds, one-half to one-half, 9 to 10? Tell us what it is.

Mr. LOTT. Who wants to take that one?

Mr. WANSTRATH. I knew I should have come with a 10-foot pole.

Mr. WEIDIE. Gentlemen, this is a question—last night when the press association contacted me—answering George and Tom—I had some doubts but I had reconciled myself. And as a result of the press conference you people had today I think one of my questions today relate to the Associated Press quote of the Postmaster General that 80 percent of the use of the mails is business. Now if business is using the mails, should the taxpaying subsidies make that up or as an individual should the average taxpayer? I think that should be a genuine concern to the people. And my personal feeling is that Congress should take greater control back of the Post Office Department and make that consideration itself and balance it off.

Mr. HARRIS. What we wanted to make clear and we might have misunderstood exactly what you said this morning, that 80 percent figure is business-related mail. That's not just mail by business; that's mail to businesses as well as away from businesses. So that includes a whole lot of things that individual citizens mail too.

Mr. WANSTRATH. But it doesn't include individual citizen's mail?

Mr. ROUSSELOT. Most business related mail pays its way. In other words, the cost is covered. What we get into the general taxpayer or the Treasury subsidizing are nonprofit organizations, charitable organizations, et cetera, including your type unions and others that pay a lesser rate compared to what the cost is. So those are the judgments we have to make or we used to make until the 1970 law.

Mr. LOTT. Thank you very much, gentlemen.

I believe our next witness is either Ms. Joyce O'Keefe or a representative of the Harrison County Home Demonstration Clubs.

If you would, please state your name and position and then proceed with your presentation.

TESTIMONY OF JOYCE O'KEEFE

Ms. O'KEEFE. I am Joyce O'Keefe, Mississippi Cooperative Extension Service home economist for Harrison County. And we do appreciate the opportunity for a representative of our organization, someone to speak for the average homemaker, to have an opportunity to appear before this hearing. In my position as home economist and as a private citizen I make extensive use of the services of the Postal Service.

Also, when I was a child my father was a rural mail carrier in the mountains of Tennessee and I have followed efforts to reorganize the Postal Service over the years with interest, but had not discussed it to any length with others until asked to appear at this hearing.

Within the past few days I have made a point of talking to a cross section of other citizens, primarily the homemaker audiences with which I work as extension home economist, to sample their feelings relative to the matters you are considering, especially the proposal of eliminating Saturday mail delivery.

Almost without exception I found that everyone was aware of the matters under consideration; they know of your congressional committee, that you were conducting public hearings, and they were anxious to express their opinions.

Although a few stated they personally would be willing to forego mail delivery on Saturday, all said they would hate to see it discontinued. Those most opposed to the discontinuance of Saturday delivery were those living in rural areas, the elderly, and those with ties to small businesses that were in some way dependent on mail services.

The majority of opinion seemed to be that people in general would be willing to forego mail service on Saturday if there was some guarantee that this would, first, strengthen the economy and, second, cut the cost of postage for the average individual. However, there was general agreement that with the current concern over unemployment they could not see how the elimination of large numbers of jobs as proposed could have anything other than a detrimental effect on the economy.

In relation to the cost of postage, people seem to have accepted continually rising postal costs as a fact of life, with no end in sight.

To one group I posed the question: "What would you be willing to pay for delivery of one piece of mail?" This was perhaps best answered by a woman who said, "I guess whatever it costs, depending on how important that piece of mail is to me." Another stated, "You simply cannot put a price on service, and in this country daily mail delivery is a service we expect."

A point I thought well taken was brought up by those I identified as tied to small businesses. With a number of legal holidays now assigned to fall on Monday, discontinuance of Saturday mail delivery would mean a number of 3-day weekends without mail delivery which would place a further strain on their businesses. Also, the

longer weekends would result in a large backlog of mail, further delaying the delivery of low priority mail.

The elderly and others dependent on income delivered through the mail also expressed concern that the longer weekends would delay their checks, and these are people who strictly live from check to check, depending on its arrival to buy the next day's food.

I would also like to share with you some of the concerns expressed other than those relating directly to the Saturday delivery.

Many felt they were now paying much more for less efficient mail service, citing examples of long delays in mail delivery, misdirected mail, lack of courtesy by postal employees, and unreasonably long lines at the post office especially during peak seasons.

Others were concerned about what they consider unreasonably high rates for parcel post and special handling. Many stated they are now making increased use of private parcel shipping firms, feeling they get better service at considerable savings.

A source of displeasure is a general classification of mail described by many as junk mail which people feel does not pay its proportionate share of the postal costs. I am not clear as to the exact nature of what people in general consider junk mail, I know for some this is unsolicited advertising, but I believe some feel all mail should be assessed at the same first-class rate as this is the service they personally use.

As my own office makes extensive use of third-class bulk-rate mailings, I personally feel people in general are not aware of the presorting, bundling, weighing, et cetera, et cetera, that is required to take advantage of these special rates.

One other concern found among those receiving checks regularly, especially the elderly, was the danger of checks being stolen from their mailboxes. On days that checks are expected, many are afraid to leave home until after the mail arrives.

In conclusion, the general consensus seems to be that people want at least the same service or perhaps improvements in service, but they don't want to pay the price, either personally or with their tax dollars.

Mr. LOTT. You've made a very interesting statement, Ms. O'Keefe. We appreciate your speaking on behalf of the Mississippi Cooperative Extension Service. I think it's important we hear from the homemakers. Mr. Harris?

Mr. HARRIS. Yes, I appreciate the testimony offered, Mr. Chairman. I have no questions.

Mr. LOTT. Mr. Rousselot?

Mr. ROUSSELOT. I am most pleased with your testimony because you took the time to go out and poll some of the people that you work with and I think that was a helpful thing to have so that we could have the benefit, of other views. I also am very appreciative because a lot of people don't know this. What they call junk mail, third-class mail, does pay its way. And the reason is because the people who send it have to do all kinds of presorting, bundling, all kinds of other things that other mailers do not have to do. So it maybe costs 7½ cents and they say, "Oh, wow that's a great reduction in rate." But they make up for that in all the work that is put in to get that prepared for mailing.

So the best we can do, I guess, is just put it in the wastebasket when we don't like it or agree with it.

Mr. LOTT. If you'll yield on that. Also that so-called junk mail is not delivered immediately. It can be set aside until the Postal Service office has an opportunity—a little break in their other work to put that mail out. I think that is a point.

Mr. ROUSSELOT. It's not a popular thing to talk about, but it still is the truth. And also it is many times set aside for other first-class mail that must be delivered.

Ms. KEEFE. Those of us who use third-class mail know these things.

Mr. ROUSSELOT. Thank you for making that point.

Ms. O'KEEFE. I think that this is some of the things that we do need to maybe better inform the consumer so that they do know actually what they're paying for. One of the points that was brought up just a few minutes ago by someone is the fact that people have no idea as to what proportion of the mail service they are actually paying for and what portion is subsidized through tax money. This is something that people have no idea. There are many people who don't realize that so many cents does not carry that letter, whether it be hand to hand delivery or what.

Mr. LOTT. You can't imagine the difficulty we have in getting that information also. A couple of years ago when we were voting on the bill Congress was very disturbed and in fact delayed the bill, the subsidy, because we couldn't get that statistical information from the offices in Washington, D.C. So you make a very good point.

Mr. HARRIS. Mr. Chairman, if I can, this is far more poignant than the one I was making before, frankly. There is a question that we're dealing with a public service here, but if anyone can convince me that some of the stuff I get in the mail is a public service—it's very difficult. So then immediately you're placed in the position of making a political determination of what is a public service and what is not.

Following up on the representations that have been made to us it is a determination of how much taxpayers' money should be allotted to do this or do something else. It's not an easy balance of judgment to make. All right. I would tell any of my friends from the media that there are many newspapers that I do not think should be subsidized through the mail, and that is because they disagree with me. But somehow I know that Government should not be making the determination of which one of those should be treated one way and which one of those should be treated another; we'd be doing great harm to our system if we did that.

So it is not easy to make a judgment with regard to public service and then make a judgment of which mail deserves the subsidy and which mail does not.

Ms. O'KEEFE. I wish that when I talked with these people I had had a chance to explore just a little bit more what they did consider junk mail, because I think this is something that we all talk about but nobody can define.

Mr. ROUSSELOT. It is 7½ cents a piece.

Mr. LOTT. Thank you very much, Ms. O'Keefe.

Next we have a representative or representatives of the area agency on aging. Would they come forward, please? Please state

your name and your position, and if you have a copy of your statement we'd like to have that.

I might say to the people here that in the California hearings the most impressive, most emotional statements we heard came from representatives of the senior citizens. And they cited some points I really had not thought about before.

TESTIMONY OF PAT BALDEN, ACCOMPANIED BY VIOLET RILEY

Ms. BALDEN. I'm Pat Balden. I will be presenting Ms. Kennedy's statement for her. She was unable to be here today.

Mr. LOTT. Get just a little bit closer to the microphone so we can all hear.

Ms. BALDEN. Joining me I have Violet Riley, our media specialist for the Southern Planning and Development District.

I would like to thank Congressman Lott for allowing us to be a part of this hearing and welcome to Mississippi to your colleagues.

Mr. HARRIS. Thank you.

Mr. ROUSSELOT. Thank you.

Ms. BALDEN. As director of an Area Agency on Aging which has as a prime responsibility the development of a comprehensive, co-ordinated service delivery system for approximately 70,000 persons 60 years old and older in the 15 counties of southern Mississippi, I feel this committee would wish to be aware that statistical data compiled as a planning base indicates that perhaps 40 percent of these elderly citizens subsist on below poverty-level incomes. In addition, many rural elderly earn an annual family income which places them at the threshold of poverty.

Therefore, sensitized to their needs and serving as an advocate for this vulnerable societal segment, I would be unable to endorse any plan which would add to their further isolation. Absence of Saturday mail delivery could perhaps contribute to just such a situation.

However, of more decided concern would be a postal rate increase that would create more of a burden in the conduction of their monetary affairs, realizing that the great majority must necessarily conduct such business by mail due to the problem of lack of availability of transportation services.

In 34 incorporated municipalities, less than half have available taxicabs. Public transportation systems serve only 2 of the 15 counties.

Many older persons have confided to our agency workers that they have had to forego the sending of holiday greetings to distant family and friends due to the cost of postage.

The law which govern mail-out schedules for Veterans' Administration checks and social security checks to avoid Saturday or holiday delivery dates clearly compensates for any inconvenience older persons would experience as a result of delayed delivery of those checks. In addition, many older citizens utilize the privilege of direct deposit of such checks. However, a former postmaster related that equipment breakdowns has sometimes necessitated Saturday delivery.

In closing, I would quote one elderly person as follows:

If the Postal Service plans to save \$400 million a year by cutting out Saturday delivery of mail, but would add 30,000 persons to the jobless rolls, how can we justify this move? Would it not be more feasible to reduce the cost of first-class

mail to encourage more volume use of the service, therefore increasing the Postal Service coffers? Further, would this savings of \$400 million eliminate the need for a 25-percent increase in rates as requested?

These are grave questions of vital concern to the elderly in particular. Thank you for the opportunity of speaking on their behalf.

Mr. LOTT. Mrs. Riley, would you like to make any comments at this point?

Mrs. RILEY. No.

Mr. LOTT. Thank you very much for your statement. I think it summed up very well what I'd already heard, and I appreciate it. I'd just like to ask you a couple of questions.

The two major points that you wanted to make, I take it, on behalf of senior citizens, first, that they're concerned with regard to possible additional delay in the delivery of their checks, based on the loss of Saturday mail delivery and coupled with holiday periods it gets to be a very serious thing with them when they are living from day to day or at least month to month, to get those checks anyway. And, second, that it would contribute further to an already, in some instances, severe isolation. Is that correct?

Ms. BALDEN. I would like to echo further what our newspaper representatives said. We had several older persons, as we went around to the different senior citizens trying to poll some of the feelings of older people, say, "Oh, goodness, I would really hate to do without Saturday mail because that is when I get my own county newspaper." And she was really concerned about it because she spends the weekend reading the newspaper from the county which she grew up in.

Mr. LOTT. Ms. Balden, you touched on the next point I want to discuss. So the record will be clear that you're not speaking just as workers or officials of these senior citizen programs, what did you do to get the feelings of these senior citizens? Did you go around to some senior citizen centers and ask questions of a large group of individuals?

Ms. BALDEN. Right. We basically talked with individuals in the different centers. Of course we operate centers in the three coastal counties, but we did poll volunteers who are all mostly persons 60 years of age and older. And most of them had the same feelings as were expressed in the statements I made.

Mr. LOTT. One perhaps political statement but one I feel very genuinely, I want to thank you ladies for the job you're doing. I want to say I think it is one of the finest programs that has been developed in the last 10 years, and one that's being assisted by the Federal Government. If there's any so-called minority in America that we have not properly considered their problems, I think it is our senior citizens, and I think you all are doing a great job.

Ms. BALDEN. Thank you for that.

Mr. LOTT. If you will before you leave, let's see if these other gentlemen might have questions and comments too. I didn't mean to make a speech. Herb?

Mr. HARRIS. Thank you, Mr. Chairman. It was a particularly good speech, a very relevant one and one which I concur with a great deal.

In past activities I have been connected with the initiation of some of the senior citizen programs. I know the difficulties, and the chief one usually is the lack of adequate funding to make the program go.

I happen to think it's an awfully good investment and I don't look at a program like this in any respect, whether it is security, welfare, or anything else, except as society coming of age and recognizing the contributions which you have made to the society we have today. And I couldn't possibly think of a more important work than you are doing.

Ms. BALDEN. Thank you.

Mr. ROUSSELOT. We are grateful for what you do. We have many of these groups throughout the country, and I know a lot of it is just plain voluntary work. We are grateful to you for taking the time to help us on this issue.

To answer your questions about whether the savings of \$400 million would eliminate the need for a 25 percent rate increase in first-class postage, we have not gotten that commitment from the Postmaster General. He won't make it. He is still going to advocate the increase from 13 to 16 cents, so the answer to that question unfortunately is no. I think you raised an excellent point; if we're going to save \$400 million why not represent that by not increasing the first-class postal rate, but we can't get that commitment. So far.

Mr. LOTT. Ms. Riley.

Ms. RILEY. Correct me if I'm wrong, but I understand that — regarding the Social Security Administration—that there has just recently been a law passed that governs the checks that if a holiday falls on Monday or Friday or Saturday, that they will be delivered on, say, Friday prior to this holiday. That this was just passed. I believe I got a call 2 days ago.

Mr. LOTT. I think that's probably a regulation. Neither of us remember it being specifically in the bill, but I think it probably would be a regulation.

Ms. RILEY. Something to do with keeping their social security checks being delivered on time.

Mr. ROUSSELOT. Of course, you know now the social security system is moving to a delivery through electronic transfer, to the individual financial institution wherever the recipients keep their funds if they so desire. So the 33 million social security checks that now go out a month, many of those soon will be what we call electronic fund transfer system, which means it goes to their financial institution where they keep their deposits.

Ms. RILEY. Yes, we mentioned that in our comment with our reference to direct deposit.

Mr. LOTT. Thank you very much. Our next witness is Mr. James Rester, president, Hancock Farm Bureau, speaking on behalf of the Mississippi Farm Bureau.

We do have an official statement from Frances Adkins, director, senior AIDES program, which is part of the Southern Mississippi Planning and Development District. This statement will be made a part of the record.

Please proceed, Mr. Rester.

TESTIMONY OF JAMES A. RESTER

Mr. RESTER. Thank you, Trent, and gentlemen of the committee. First of all I want to thank you all for bringing this hearing to south Mississippi. To me this is grassroots democracy at work; I think

it is a wonderful opportunity for we citizens to have a chance to have input into some congressional action, more than just our vote when it comes election time. We appreciate that.

I might say that I didn't write a very lengthy statement due to the fact that the mail was slow in delivering my letter from your office.

Mr. Dubuisson called me several days ago and asked me if I would come and I told him I would. He said I would receive a letter. I looked for the letter day after day and finally received it where I needed to make a written statement.

But anyway, as stated I am James Rester. I'm a farmer living in rural Hancock County, Miss., 10 miles due east of the nearest post office. Also, I am agency manager for Hancock County Farm Bureau, an insurance agency representing 2,000 members of Hancock County Farm Bureau. Our office is located at Kiln, Miss. and served by the post office at Kiln, Miss.

I'm glad you stated there earlier that we could address things other than this 6-day mail delivery as there is another thing that I want to make mention of in my statement. Also, I am president of the board of directors of the Coast Electric Power Association, that's Hancock, Harrison, and Pearl River Counties, representing some 24,000 rural electrical people in a co-op that depends directly on the delivery of mail.

Continued 6-day mail delivery is very important to rural Mississippi and the United States because the mail is still our main communication link with our daily newspaper, marketing bulletins and other mail vital to our business of farming. And our personal lives. To discontinue this 6-day mail delivery would cause a hardship on rural Mississippi and the United States.

Another objection that has been mentioned by others to discontinuing 6-day or Saturday delivery is if post offices are allowed to start cutting services to make up for losses incurred by poor management, what would the next cut be? And certainly I think I am qualified to say poor management because this point I mentioned here about the faithful service of the mail that we used to enjoy, and a few years ago we heard that the Post Office was modernizing and everything that has come forward that indicates that it will be modernized as more efficient our mail has gotten more sloppy and sloppy. We come along with ZIP codes that I have a heck of a time remembering and have to get books and hunt up and so forth. Seems like every time I put a ZIP code on a letter it takes an extra day to get where it's going.

I think it's a sad day when within Hancock County if I mail a letter at Kiln, Miss. to Waveland, Miss., which is 9 miles away, that it takes it 4 days to get there.

I don't know what the answer is. I'm not here to say. But, again, I'd like to emphasize the fact that it is not only my thinking but a lot of other peoples' that I'm connected with and I have talked to, we feel like we should not stand for any cut in the services of the mail. It is so vitally needed for rural Mississippi and the United States.

Now another thing I wanted to address was continued operation of community post offices such as Kiln, Miss. This has become a problem in a lot of areas where the Post Office is attempting to save money by cutting out community post offices. These are vital to the

economic growth of the rural area and the suburban area of Mississippi and throughout the United States. One of the things that happened to our community post offices, the larger post offices went out and solicited mail routes surrounding them and took up the area that was served by the community post office. The community post office such as Kiln, Miss. can render a lot more service to the local people than a mail carrier with the services that he's able to offer.

So I would like to suggest that the community post office—a special effort be made to keep those open for the needs of the people. That's all I have.

Mr. LOTT. Thank you very much, Mr. Rester, for your very fine statement. We feel like you made a good statement on behalf of rural America and Mississippi and the farmers, as I knew you would. Now you made some very good points and I'm particularly interested in your statement with regard to the rural small post offices.

As you know, in 1976 there was some consideration given to closing the post office there at Kiln and because of your interest and the others in Hancock County the decision was made not to close that post office and I was very pleased with that. It's something we are concerned about and we're working on. We are trying to get the Postal Service to consider what it does to these rural small communities not to have that service, and also trying to at least guarantee when they do it that it's done in some formal set procedure or manner than just coming and closing them. You made a fine statement and we appreciate it. Mr. Harris?

Mr. HARRIS. Thank you. I have a great respect for the Farm Bureau and the Mississippi Farm Bureau especially. It is a pleasure for me to be able to have this platform down here to express that appreciation. We know how hard you all work to represent agriculture, and I happen to think that no one knows how important the mail is if someone is sitting out on a lonely farm wanting to get that mail. I think it is important for us to know, and I think it is of very special importance to rural America.

Mr. LOTT. Thank you, Herb. I might make this point. If some of you have noticed that John Rousselot—even though he's from California he talks very similarly to the way we do. I understand his great grandfather was originally from Durant, Miss., so he's got good roots.

Mr. ROUSSELOT. My daddy was born in Durant, Miss.

Mr. LOTT. Is that right? You're all right. Go ahead.

Mr. ROUSSELOT. I think he said it all in a language I can understand. I don't know what else I can add.

Mr. LOTT. Thank you very much. Mr. Bob Pittman, executive director of the Mississippi Economic Council from Jackson also was unable to be here with us because of the weather that they're having all across Mississippi. So next we'll have our second panel, a panel composed of Mr. Bob Reed, president, Mississippi Chapter, National Association of Postmasters of the United States. He is postmaster at Hattiesburg. He'll be joined, I believe, by others—Mrs. Mauldin—Mrs. McInnis, postmaster at Perkinston. Is Mr. Robinson here with you?

Mr. REED. No, sir, he's not.

Mr. Lorr. They will give us some information as to how it would actually affect the post office from the postmaster or management position. We will next hear from representatives of the letter carriers, the Rural Letter Carriers Association and the Postal Workers Union.

Mr. Reed, we're glad to have you here and we'll be glad to hear your statement now.

TESTIMONY OF BOB REED, ACCOMPANIED BY DELORES MAULDIN

Mr. REED. Thank you, Mr. Chairman. I would like to introduce Mrs. Delores Mauldin, to my right. She is the postmistress at Perkinston who is currently on detail as the officer in charge of the Long Beach Post Office. She also serves on the national legislative committee of the National Association of Postmasters.

As president of the Mississippi chapter, National Association of Postmasters, also as postmaster in Hattiesburg and as a single individual I'm here today. I would like to add for the benefit of the people behind me that I was invited, I came on my own time at the cost of my vacation and I'm very proud to have the opportunity to speak to our Congressmen. My statement is this:

As a very young man I was honored to be present during a question and answer session between a Congressman and a group of highschool students. The one dominant memory of that occasion is a single statement made by the Congressman in response to a question from a student as to what position the Congressman took on a very controversial issue. He responded, "Some of my friends are in favor of the bill and some of my friends are opposed to the bill. I'm in agreement with my friends."

Today, I am aware that the association which I represent in the State of Mississippi is on record as opposing any reduction in the services of the U.S. Postal Service; however, I am also aware of the purpose of the National Association of Postmasters of the United States and that purpose is to better serve the people of these great United States. It is for the purpose of better serving the people of Hattiesburg, Miss., the State of Mississippi and the United States that I appear before you today.

It has been said, "The prospect of paying more to get less isn't very attractive to most Americans." And with this I agree. If given a choice, however, I find that most people do in fact choose products and services that are the most cost effective to them. The proposition we face today is not unlike the proposition faced by many Americans every day. One such comparison could be drawn with the Hershey Candy Co.

It is very doubtful that Hershey felt they were cheapening their product or cheating the American public when they reduced the size of their product and then later increased the price of that product. More likely they believed the buying public, if given a choice, would prefer a smaller product at a lower price rather than a larger bar of candy at a proportionately larger price.

This position is further supported by the comparison of the United Parcel Service versus the U.S. Postal Service. We hear the outcries of local residents when proposals are made to reduce the number of

post offices, but those same people often prefer to pick up packages from the United Parcel Service at unairconditioned, unheated and centralized only in larger cities warehouses.

We hear some few oppose the reduction of 6-day delivery to 5-day delivery because of their own personal interests, and yet the United Parcel Service, to which we are so frequently compared, delivers no packages on Saturday or Sunday.

Like the Congressman's statement mentioned earlier, I am for my friends, but I am hearing a different voice rising. I hear the voice of customers saying a cost avoidance has to be a cost savings. If not immediate, then in the future. I hear the voice of carriers saying that they would like not to have to work on Saturday.

I, as you gentlemen here today, want only to know and to serve the will of the people. The people are telling me they favor the 5-day delivery proposal.

Mr. LOTT. Are you telling us in your statement as president of the Mississippi Chapter of the National Association of Postmasters that your association favors termination of Saturday mail delivery?

Mr. REED. No, sir, I am not.

Mr. LOTT. What are you saying?

Mr. REED. I'm saying that the association as such is opposed to any reduction of service, but I'm also saying that the membership, individuals, people that I talk to.

Mr. LOTT. Are you talking about the general public, or are you talking about the people that are in the post office?

Mr. REED. I'm talking about the postmasters.

Mr. LOTT. Postmasters?

Mr. REED. I'm talking about the general public and I'm talking about the employees in the Hattiesburg Post Office.

Mr. LOTT. But the association does not take that position, even though you hear these other comments?

Mr. REED. That's correct. I feel like that possibly this position might change in the future.

Mr. LOTT. Mrs. Mauldin, we'll be glad to hear from you any comments you'd like to make.

Ms. MAULDIN. Thank you, Congressman, I, too, am here on my own time.

An ad hoc committee was formed by the National Association of Postmasters, the National League of Postmasters and the Supervisors in the Crafts Organization. This committee represents approximately 700,000 postal employees and has gone on record as being opposed to the cut proposed in delivery services.

It has been pointed out here that the 3-cent increase in first-class postage rates will reflect a 23 percent increase in cost, while the ending of the 6-days of delivery represents a 16-percent decrease in service. NAPUS members feel that postal service should provide public service in a responsible fashion. We also feel that it should be operated on good business principles.

Doing away with the 6-day delivery will do away with the flexibility we now enjoy. All types of relief are provided by our flexibility of our part time employees. A typical example of this is pointed up by the fact that in my office in Perkinston I have had a young man to have as many as six other service cards in one pay period working in as

many as four installations. Without this type of flexibility management would be losing one of its best tools.

The Postal Service itself has this under study and they themselves have not yet determined that it would be in the best interest of the Postal Service to abolish 6-day delivery.

Mr. LOTT. Thank you very much, I'd like to ask you two questions to clear up some questions I have had. I made the statement upon being interviewed at a local television station when asked how is Saturday mail delivered; was there overtime involved? And I responded incorrectly; yes.

Exactly how does this work so the general public will understand? The workers work 5 days. How does your system work? Will you explain that?

Ms. MAULDIN. This is the flexibility that I am telling you of.

Mr. LOTT. Do you have some people that are off on Mondays and Tuesdays and others on Wednesdays and Thursdays?

Ms. MAULDIN. Well, down at Long Beach we have five regular city carriers and they each have a day off. We have this flexible carrier who relieves each one of those men for 1 day.

Mr. LOTT. He runs five different routes, a different one each day?

Ms. MAULDIN. Right. So if you're going to have five regulars, then when this man wants a day off to take his vacation who is going to know that route?

Mr. LOTT. All right. Mr. Reed, what's going to happen to your volume of mail without this Saturday delivery, and especially when you have a Monday holiday following right behind it? Are you going to have a lot to stack up? Obviously the answer is yes. How in the world are you going to get it out?

Ms. MAULDIN. Make the route smaller.

Mr. REED. Obviously the question is not yes—I start in the middle. In looking at the Postal Service the fault that I find with most observers is that they are either closely associated with or they are limited to only one particular type of size of post office. Now you cannot take a post office in New York City and compare it with the post office in Hattiesburg; nor can you take Hattiesburg and compare it to Perkinston.

Mr. ROUSSELOT. You'll be glad to know we're not going to try to do that.

Mr. REED. In dealing with the question you posed, the mail volume, whether or not the Postal Service function is 1 day a week or 7 days a week, obviously there would be some difference in mail volume. But in order to answer the question as best I can, I will have to compare it with a bank. When you have banking business needs to be done you go to a bank and you make yourself available to the service when it is available. The same is true as I pointed out with United Parcel Service. You don't go to United Parcel Service and mail packages on Saturday; you do in the Postal Service. So be it.

Whichever way the people of the United States want the Postal Service to go is the way that I want it to go. I love the Postal Service; I've put in 14 years with it and it has been good to me, and I would like to make one comment about the third-class mail. I realize that you're not here today to discuss all the aspects of the Postal Service, but I'm delighted to stay here till midnight and discuss it with you.

In Hattiesburg, Miss., which is the only office that I have any say-so about, you will not find third-class mail treated in a nonpriority fashion. You will not find it put back until the Postal Service can get to it, which is the comment that has been made. Third-class mail, second-class mail, fourth-class mail, the people behind me do not know what the meaning of that is. The only significance of first-class mail as opposed to fourth-class mail is the fact that the Postal Service in its origin delivered what we know today as first-class mail. The next type of mail, they said, "Hey, why don't we start delivering newspapers?" This was many years later, so they called it the second class, and so forth and so on, being the last class of mail that we ever undertook was parcels and they called this the fourth class of mail. It does not denote priority in any means.

I will admit that the Postal Service and some individuals in the Postal Service look upon third-class mail as nonpriority, as junk mail; and in my opinion they're very poor managers and they ought to be removed from the service.

Mr. LOTT. That's a good point, and I'm glad you get that kind of service in Hattiesburg. But frankly I have heard witnesses state that in fact the Postal Service has 10 days within which to deliver junk mail.

Ms. MAULDIN. That's right.

Mr. LOTT. Sometimes because of volume third-class mail in an area like Los Angeles, it might wait 3 or 4 or 5 days. So they do have that option or that problem and they have to deal with it realistically.

But let me ask you this point, Mrs. Mauldin. I want to get to a particular point. How in the world is that carrier that runs that route on Tuesday going to be able to pack that extra volume of mail? He's not going to be able to do it physically. What are you going to do about that then, as a postmaster?

Ms. MAULDIN. It's not going to all go, even with an hour's overtime or 2 hours.

Mr. LOTT. Are you going to have to shorten the routes?

Ms. MAULDIN. You'd have to split the routes.

Mr. LOTT. You'll have to split the routes. That's just what I was trying to get to.

Mr. ROUSSELOT. Or go to overtime.

Ms. MAULDIN. Or overtime, an hour or two.

Mr. LOTT. Or both. Mr. Harris?

Mr. HARRIS. Or use a dropoff?

Mr. REED. I didn't understand you, sir.

Mr. HARRIS. A carrier, of course, can either take his full route load out on a full route or he can use a box dropoff.

Ms. MAULDIN. We don't have any in Long Beach.

Mr. ROUSSELOT. What is a box dropoff?

Ms. MAULDIN. Relay boxes.

Mr. REED. We don't have them in Hattiesburg.

Mr. HARRIS. I didn't know whether you had any of those left or not. But when I used to carry mail we used box drops.

Ms. MAULDIN. Getting back to the third-class mail though, we have 30 hours from the time that mail hits until we get it delivered.

Mr. HARRIS. Thirty hours?

Ms. MAULDIN. One of the comments, Mr. Reed alluded to the fact that the post offices—I've worked in offices from fourth and now this first class that I'm in, but I think it's an interesting fact that the city of New York handles more mail in a day than all of the British Empire. It handles 9 billion pieces of mail.

Mr. LOTT. Thank goodness, we don't want to follow the British Empire in handling the delivery of mail.

Ms. MAULDIN. No; we don't, because they charge 26 cents for a letter.

Mr. HARRIS. May I inquire of Mr. Reed. I was impressed with your statement and the forthrightness with which you gave it.

Mr. REED. I hope I have a job when I get back.

Mr. HARRIS. I can tell from your statement that it took courage and was expressed with some feeling on your part. But with regard to the organization, if you feel that most of the postmasters that you talked to and what-have-you were—disagreed with the association's position, why is that not reflected in their policy?

Mr. REED. Mr. Harris, the National Association of Postmasters is just that, it is an association. I was elected as executive vice president and because Mr. Dubuisson's resignation from the Postal Service I stepped up a year earlier. I've been in office 12 days now, and it is my firm conviction that before the year is out Mississippi will be on record as in support of the 5-day delivery. That is one person's opinion—mine—based on conversations with postmasters throughout the State of Mississippi.

Mr. HARRIS. You think their attitude or their feeling on it has changed or that their feeling has not been fully vocalized?

Mr. REED. No, sir. I feel like the organization at the national level is not unlike many organizations at the national level; they say what they feel like will keep them there.

Mr. HARRIS. Their policies right now do not reflect the attitude you feel the people in your organization in Mississippi have, is that correct?

Mr. REED. That's correct. Again, that's not unusual. Many times out of 50 States you will have some States that do not agree necessarily with the national.

Mr. HARRIS. Mississippi has been known to go its own way a time or two.

Mr. LOTT. Usually with our friends from Virginia.

Mr. HARRIS. I don't know how much attitude you attempt to reflect with regard to usage, but you are familiar with the questionnaire results?

Mr. REED. Yes, sir. I am.

Mr. HARRIS. Which show a 3½ to 1 preference for continuance of Saturday delivery?

Mr. REED. Yes, sir.

Mr. HARRIS. Do you want to try to handle that?

Mr. REED. Yes, sir, I sure would. I took a small marketing class at the University of Southern Mississippi one-quarter, so I'm an expert in marketing now. But I did learn one thing in marketing class and that is that surveys are very seldom realistic with the true feelings of people. They will answer a survey either like they feel

like they should answer it or they will reflect some particular hatred or particular like that is on their mind at the time. In this respect with your survey, obviously from the stacks you have behind you, it is very much in favor of retaining Saturday delivery. But I find that in talking with individual people, not presidents of postmasters associations or any other heads of organizations but individuals, that for the most part people could care less whether or not they receive mail on Saturdays. Addressing the problem of the checks already—you don't have to guess about what it might be like—already when the 1st or the 3d falls on Sunday the checks come out on Fridays and Saturdays and I have no reason to suspect that this would not be also the case if there was no delivery on Saturdays, they would come out on Fridays. We are talking about Government checks.

Mr. HARRIS. On the questionnaire question, you feel that the questionnaire and response to the questionnaire, somehow the person felt that they were supposed to answer the question in a certain way?

Mr. REED. No, sir, I was not speaking to your particular questionnaire. I'm just saying questionnaires in general. This is the way they are looked at. The way I look at them is the way the class in general that I was in with at Southern looked at them. That when you ask a question—of course, the way the question is posed also. I'm sorry, Trent, I did not see the questionnaire.

Mr. LOTT. It was sent in this area; it was not sent in the Hattiesburg area. By the way, we've been accused of, if anything, loading the question that would result in a higher no response by some people, because we indicate in there that there may be a \$400 million savings. Well, immediately the person says, "Oh, man, with that kind of savings then, yeah, I'll manage to get along without it." But you see what the results have been in spite of that.

Mr. REED. One other point that I would like to bring out. The question of the \$400 million savings, obviously if you eliminate one out of every six delivery employees, this is a savings that you can talk about. Whether or not there's an additional savings because of interior workers in the Postal Service, clerks organizations and these things, these are things that have to be ironed out. I don't have any idea that is what we're talking about when we say eliminate Saturday mail delivery, other than the street delivery of mail. And obviously here, again, as the reference I made to the Hershey candy bar, if you avoid a cost factor of \$1, a penny saved is a penny earned. Now what the Postal Service or any other business or any other Government agency is going to do with that savings is anybody's question. I would like to see personally that Congress had the ability to control those type decisions. I do think that Congress made a wise decision back in 1969 and 1970 when they attempted to do what they did with the Postal Service. Congress did it and I felt like it had some very, very good thinking behind it. We may need to modify that; I'd be the first to admit that.

Mr. HARRIS. You did feel from your experience that the cutback of 1-day delivery, supposedly and ostensibly based on the idea that you would continue all the internal sorting and distribution, that this would result in cost savings as far as the operation is concerned?

Mr. REED. Well, to me it's black and white, Mr. Harris. If you eliminate one-sixth of the delivery force you're obviously not going to be paying out that money in salaries. Now, again, you can either squander that money or you can save it.

Ms. MAULDIN. Routes have to get smaller.

Mr. HARRIS. I understand and basically agree to some degree with your reasoning. I understand what you're saying. It clips off some loss of volume. You could suffer some loss in utilization of personnel that are going to have to be kept on the payroll anyway.

Mr. REED. Yes, that's right.

Mr. HARRIS. And so just by eliminating one-sixth of your delivery schedule it would necessarily reduce net cost.

Mr. REED. That's true. This is something that I would have no way to answer. I would comment though from my experience with the mail, you show quite a bit of concern about how in the world we can deliver it on Monday, and I would point out that on Saturday the majority of businesses are not open and the mail volume—it's very easy to see, you walk in any post office, New York, Perkinston, or Hattiesburg, walk in any post office and look at the mail receipt on Saturday as compared to Monday through Friday and you will obviously see that there is a difference in the mail received on Saturday.

Mr. HARRIS. That's true.

Mr. REED. Therefore, if the mail is processed on Saturday morning you're processing not Saturday mail but Friday's mail that was deposited. This mail is processed for Monday rather than for Saturday. That would be the only difference, I do not see a tremendous overload that's talked about.

Mr. HARRIS. One final question. There is quite a variation, is there not, between the amounts of mail delivered from day to day and from season to season also?

Mr. REED. Not as much as you would think. Ten years ago the average businessman sent statements out on the first of the month. The average bank sent their statements out on the first of the month. More and more you find that banks and business people also are dividing their delivery dates throughout the month and so the flow of mail is much smoother than a person might imagine.

Mr. HARRIS. Even season to season?

Mr. REED. Yes, sir, even from season to season. Particularly at Christmas your first-class mail increases obviously with all the Christmas cards, but your third class—some people call it junk mail—decreases because there are no sales going on 2 or 3 weeks prior to Christmas. They are in November with the sales papers and catalogs for delivery at that time, and then after Christmas they start again.

Mr. HARRIS. That's very interesting. I had some recollection based on some memory of hating that Friday that Time magazine came out and all the other magazines came out. That's changed?

Mr. REED. It has changed!

Mr. HARRIS. I guess with variation dates it changes that. Thank you.

Mr. LOTT. Mr. Rousselot?

Mr. ROUSSELOT. I wonder if you could define for me what you will do if the Postmaster General orders you to discontinue Saturday service. Tell me what you'll do. How many employees will be discontinued?

Mr. REED. I'm going to discontinue it.

Mr. ROUSSELOT. What?

Mr. REED. If he orders me to discontinue it I'm going to discontinue it.

Mr. ROUSSELOT. Yes, I know that. Let's talk about what happens in your post office. How many mail carriers do you have now, how many will you dismiss or phase out or transfer to another place? Or whatever?

Mr. REED. We have 40 routes out of the Hattiesburg office; 11 of them are rural routes around the city. We have one regular carrier for each of these routes. We have a substitute or a utility carrier—for every five regulars we have one in the city. Then you have a ratio approximately 1 to 5 for our flexible employees which are called substitutes. We have very strong-unions. We have no layoff clause.

Mr. ROUSSELOT. We know that.

Mr. REED. Yes. I have no answers for you as to what would be done with these employees. This would be decided on the national level. If you're asking what I think might be done I can elaborate on that.

Mr. ROUSSELOT. Yes; go ahead.

Mr. REED. First of all, the intelligent thing in my opinion would be to announce it 6 months to 9 months in advance. When you have a vacancy caused through attrition you will not fill that vacancy. You would work overtime for that 6-month period as in most businesses when contemplating a reduction in work force, So that's the first thing you would do.

Mr. ROUSSELOT. So it would be done gradually, the reduction of force?

Mr. REED. I would suggest that it would be, yes, sir.

Mr. ROUSSELOT. OK. Next, would you reduce your internal force on Saturday? Would there be no clerks working on Saturday internally?

Mr. REED. Here again, if you're asking for supposition on my part, if I were doing it, no, sir, I would not reduce the internal force because I would continue to provide the post office box service for those people who are paying a premium for that service.

Mr. ROUSSELOT. How many would be reduced, assuming that you were able to reduce the force, and we're talking about your letter carriers basically, and they now are 40, roughly?

Mr. REED. No, sir, we have approximately 65.

Mr. ROUSSELOT. Sixty-five. How many of those would be reduced?

Mr. REED. It would be reduced by—

Mr. ROUSSELOT. I realize this is guesswork.

Mr. REED. Yes. One-sixth of the 40 to start with, and then I would say you'd probably reduce about 6, 7, or eight.

Mr. ROUSSELOT. Six, seven, or eight out of sixty-five?

Mr. REED. Yes; something like that.

Mr. ROUSSELOT. Mail carriers?

Mr. REED. That's right.

Mr. ROUSSELOT. But nobody internally?

Mr. REED. I wouldn't think so.

[A brief recess was taken.]

Mr. LOTT. Please take your seats. We do have some vital testimony we want to receive. If we could go back now to the questioning by

Mr. Rousselot. Do you happen to recall your last question, John?

Mr. ROUSSELOT. Very easily. I was trying to elicit their participation in a dry run here, that if the Postmaster General did ask them to eliminate Saturday delivery how much of a savings are we talking about in personnel. I think Mr. Reed said you might reduce five to six letter carriers and you would try to do it on the basis of attrition, that is, when they either retire, resign, or whatever, and only then not replace them. But you would not replace any of your clerks in the internal system. How many do you have in that category?

Mr. REED. We have approximately 35 clerks.

Mr. ROUSSELOT. Thirty-five clerks. You wouldn't try to change that because they are all on a schedule which includes Saturday and I think you said it's a lesser staffing situation. None of those would be reduced. So you have well over 100 people and the most that would be reduced on an attrition basis would be 6.

Mr. REED. I would estimate probably eight. I'd say we'd probably reduce eight carriers in the Hattiesburg situation.

Mr. ROUSSELOT. If the Postmaster General ordered you tomorrow to stop Saturday service it would account for a reduction of about eight?

Mr. REED. Eight positions, yes, sir.

Mr. ROUSSELOT. What does that represent in payroll savings, roughly?

Mr. REED. All right. Coming down this morning we were talking about the average city letter carrier's salary. Now it depends on how you want to look at it. We can talk about take-home pay or actual salary or salary plus 12 percent fringe benefits.

Mr. ROUSSELOT. Well, to try to get into fringe benefits I'm sure would be difficult. So let's just take salary.

Mr. REED. A good average salary for a city letter carrier is between \$15,000 and \$16,000 a year. Taking the \$15,000 and multiplying it by 8 would be all I can do.

Mr. ROUSSELOT. All right. So that's roughly \$120,000.

What does that represent in your payroll annually?

Mr. REED. It represents approximately 6 percent.

Mr. ROUSSELOT. Is it that high?

Mr. REED. Yes, sir.

Mr. ROUSSELOT. Including your clerks and everything else?

Mr. REED. We have an office of approximately 103 employees and that is probably about 8 percent. We're talking about 8 of them, so 8 percent.

Mr. ROUSSELOT. OK. Now do you want to comment?

Ms. MAULDIN. Yes, sir. According to Mr. Reed's formula I would lose one part-time flexible at Long Beach. But I can't really lose that employee because nobody has said anything about a decrease in volume of mail. So I'm going to have to use that extra carrier possibly to work on those other cases for those carriers because we've still got that extra day's mail to carry on a different week.

Mr. ROUSSELOT. All right. Would you explain your point about the volume of mail and the requirement to handle that?

Ms. MAULDIN. As I've already told you, we have 30 hours to get that mail out, you know, even the third class.

Mr. ROUSSELOT. So one of the things governing what you do is not just the number of employees but the volume of mail and what's required to go with that?

Ms. MAULDIN. Yes; to get that mail out of that office.

Mr. ROUSSELOT. All right. So you're saying it probably wouldn't eliminate any?

Ms. MAULDIN. Probably would not.

Mr. ROUSSELOT. Mr. Reed, can you comment on that?

Mr. REED. Yes, sir. As I explained earlier, if you're going to look at the Postal Service, first you have to look at each office individually.

In Hattiesburg's case you're talking about a reduction of eight positions. There would be some underlying factors that do come to mind. Obviously you gentlemen have been on this thing days and days and days. Some of the people during the break a moment ago came up and brought out a couple of very good points and one being that obviously you've got 6 days volume of mail and you're delivering it in 5 days so the routes you have would have to have some adjustments to them. Now whether or not they would be adjusted to the point of absorbing all of these eight positions is quite questionable. Obviously they would in being shortened an the number of routes being enlarged it wouldn't absorb a portion of it, so this would have to be taken into consideration. It would not be hard to sit down with a few facts and figures in any particular post office and really analyze it and come up with a realistic savings on the thing. I could do it.

Mr. ROUSSELOT. Well, if what Ms. Mauldin says is correct, there is a requirement to have a certain number of types of employees in order to have a given volume; we're assuming that by eliminating Saturday deliveries, that doesn't reduce the volume; the volume still supposedly stays the same.

Mr. REED. That's correct.

Mr. ROUSSELOT. Therefore the revenues supposedly stay the same; it's just the way it is delivered and you eliminate 1 day's delivery. But the volume still has to remain the same. What about Ms. Mauldin's comment that you might be required to go to overtime on Monday in order to accommodate the additional mail that hasn't been delivered on Saturday?

Mr. REED. Well, obviously the volume of mail as it fluctuates up and down is going to cause fluctuation in man-hours. Now whether or not this is overtime depends on the number of part-time flexible or substitute employees you had on the rolls. Obviously also in the case of Perkinston where you might not eliminate a position or individual, this does not mean that you would not in fact reduce the hours that he works which would be a savings.

Mr. ROUSSELOT. How could you reduce his hours if the volume is still the same?

Mr. REED. Because of the fact that when you're delivering mail you have "X" number of stops to make. Now the time spent delivering the mail on one particular route does not fluctuate in proportion to the volume. In other words, if a carrier had 100 pieces of mail as opposed to 1,000 pieces of mail, you'll never convince me if you sit here all night long that that carrier would deliver that entire round in just an hour or an hour and a half when with the 1,000 pieces of mail it would take him 8 hours.

Mr. ROUSSELOT. Depending on what the delivery system is, whether he has some kind of a motor vehicle that he's going box to box as opposed to walking, I can clearly understand because I've watched postmen do this. If they have a lot of magazines on a given day they may not be able to carry as much so they have to go back to the box a little more often because of the weight of the thing. Now that's true?

Mr. REED. That's right.

Mr. ROUSSELOT. So I'm sure I could say that the difference between delivering 100 magazines and 1,000 magazines would be substantial in that the carrier would have to go back to his box more often to compensate for the additional weight.

Mr. REED. That's true.

Mr. ROUSSELOT. Or if he has a lot of packages.

Mr. REED. That's right.

Mr. ROUSSELOT. Now, Ms. Mauldin, do you want to comment?

Ms. MAULDIN. Just one other thing, there possibly would be a savings at Perkinston because that's a noncity delivery office and we have three heavy-duty routes which means that each carrier gets a day off a week, so our subs of records for those 3 days would be eliminated. That would be a savings.

Mr. LOTT. Thank you both very much. We appreciate your taking your time.

Our next panel is the third panel. Holly Morton, president, Mississippi chapter, National Association of Letter Carriers; Pat Nolan, president, Mississippi chapter, Rural Letter Carriers Association; and Ray Walker, legislative director, Mississippi chapter, American Postal Workers Union. We'd like you to come as a panel, make the statement that you would like to make and we'll ask questions as a group or perhaps individually. To make sure that the court reporter or that the stenographer here has your name and title correctly I hope that you will introduced yourself and state your position.

This will be our last panel, our last scheduled witnesses. Beginning after this we will go to the general public and will be happy to receive your comments. We will ask if you would like to make a statement that you would come to the microphones which have been set up for your convenience in the aisle on each side and we will recognize you as long as you have a statement to make or we have time.

At this point do you have one of you to lead off? If not we'll start and come down the table. If you will, first identify yourself.

TESTIMONY OF HOLLY MORTON, ACCOMPANIED BY J. J. WILLIAMS, ROY WALKER, AND PAT NOLAN

Mr. MORTON. My name is Holly Morton. I'm president of the Mississippi chapter, National Association of Letter Carriers. I'm a letter carrier in Gulfport, Miss. Post Office. I have with me today a letter carrier, Mr. J. J. Williams, from Ocean Springs. He would like to also make a few comments to the committee.

Mr. Chairman and members of the committee. I feel like a squirrel that lives with a rope around his neck after that last guy that was up here.

Please accept my personal commendation for your convening this committee in Ocean Springs, and for your strong interest in the

opinions of Americans as to the further attempts to cut back an already severely deteriorated postal service.

As a letter carrier, I and my fellow carriers are constantly in close personal contact with our postal patrons. After a few years on a particular route, the letter carrier not only becomes acquainted with those whom he serves, but in many instances becomes close friends with his patrons.

As a result we learn earlier than most the views of our patrons as to mail service. Certainly we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service hire.

Therefore, I can tell you with confidence that the postal patrons of this area are angry with the present levels of service they receive and with the constantly increasing costs they must pay for this poor service.

A proposal then conceived in far-off Washington, D.C. that Ocean Springs postal patrons must pay 3 cents more on an already overpriced first-class stamp, and in addition will receive 1 day a week less of mail delivery, simply makes no sense to them or to me. This amounts to a 25-percent cost increase combined with a 16-percent decrease in service.

As I have said, I am pleased you are here to learn of our views. But, as often is the case, the person who really should be here for that purpose—the Postmaster General—is back in Washington, D.C.

After all, the Congress has indicated quite clearly that they understand the fallacy of this proposed reduction in service. The overwhelming votes in the House and on the Dole-Clark amendment in the Senate in favor of the continuation of 6-day delivery demonstrate that the Members of Congress are aware of public sentiment outside of Washington, D.C. That support of high standards of delivery service shows that Congress is listening to the postal patrons in Ocean Springs and other cities and rural areas throughout this Nation.

That the Members of Congress who supported our efforts to retain 6-day delivery were accurately reflecting the views of their constituents was dramatically demonstrated by your committee in Honolulu, Denver, Philadelphia, and upstate New York. It is my understanding that your survey of postal patron sentiment in those cities demonstrated support for Saturday delivery by margins of better than 3 to 1. And yours was 3½ to 1. I believe the patrons in Ocean Springs will respond in a similar manner to your local survey. Which they have. But the Postmaster General is apparently deaf to both the postal patron and to the Members of Congress.

The proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more and more, year after year. This decision is a continuation of the present policy of the U.S. Postal Service to increase rates and decrease service, with the ultimate end being the destruction of the once proud Postal Service.

Less obvious, but equally compelling, is the impact of this cutback in mail service to the economy of this area.

The loss of postal jobs will be significant. On the gulf coast alone we have approximately 30 part-time flexible letter carriers now fully

employed. The no-lay off clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per day—per pay period. Sorry. Obviously, no man or woman can earn a living subject to 4 hours' work every 2 weeks.

These employees, then, would no longer have income as a result of working. The loss to the already hard-pressed economy of this monthly payroll would amount to about a half a million dollars annually to this area, in a period of decreasing employment, particularly.

The cost to our area in providing income to these displaced workers in the way of welfare and unemployment benefits will similarly be unavoidable.

In conclusion, Mr. Chairman, please take back to Washington, D.C., that opinion from Ocean Springs, which your previous vote on this issue demonstrates that you share—namely, we are against any further cuts in an already deteriorated Postal Service.

What our area really needs, and what the United States is entitled to, is better, less costly postal service—not worse, more expensive service. Thank you.

Mr. LOTT. Would you like to make your statement now, sir? As a carrier?

Mr. WILLIAMS. Yes, sir. Mr. Chairman and members of the committee. My name is Jack Williams; I'm a letter carrier and I'm secretary-treasurer of the Postal and National Association of Letter Carriers branch, and I'm vice president of the southern district in the State.

As a citizen of Ocean Springs and an employee of the Postal Service, I wish to express my strong opposition to any reduction in postal service. With an impending rate increase I can see no rationale in a reduction of service. No Government agency pays, so why the post office? The Constitution, article I, section 8, paragraph 7, specifically charges the Federal Government with the responsibility to establish post offices and post roads. The 1970 Postal Reorganization Act further emphasizes that the function of the U.S. Postal Service is to bind the Nation together through personal, educational, literary, and business correspondence of the people.

Many Government decisions, such as whether to build the neutron bomb, require the technical advice of experts. But postal policy is not a terribly complex issue. A good definition is provided in the first lines of the Postal Reorganization Act: "A basic and fundamental service to the people, authorized by the Constitution, created by an act of Congress, and supported by the people."

It does no good to have a law express our national postal policy in such eloquent words if these words are going to be ignored.

The Postal Service, which is considered vital to all Americans, should no more be required to operate at a profit than the Defense Department, the Department of Health, Education, and Welfare, the Justice Department, the National Park Service or any other Government agency which is important to the country.

Why can't the Federal Treasury subsidize the Postal Service as it does Lockheed or the airlines? Is there something wrong in serving the people?

In closing, though we are distracted for a time by the crisis posed to our jobs as a result of the 5-day delivery issue, we will continue our efforts for a more responsive postal service by seeking adoption of H.R. 7700, which will freeze 6-day delivery into law. Thank you.

Mr. LOTT. Thank you, Mr. Williams. Mr. Nolan? Who is next? Go ahead, please.

Mr. WALKER. Thank you, Mr. Chairman, gentlemen, I am Roy Walker, the legislative director of the Mississippi Postal Workers Union.

We wish to express our appreciation for the opportunity to appear before this hearing and express our views concerning cuts in services proposed or already in effect by the USPS.

First, we would like to explain a service cut situation presently in effect within the State of Mississippi. At the direction of the southern region of the U.S. Postal Service in late October and early November of 1977, the delta district began to process all mail which entered the Postal Service within Mississippi on each Saturday at one central location, Jackson, Miss. This outgoing mail, collected from throughout the State, was gathered together in several locations each Saturday and shipped to Jackson by truck for cancellation and processing on Sunday of the same weekend.

In a labor-management meeting held between the Gulfport local of the American Postal Worker's Union and management personnel, Mr. Jerry Garth, a management representative from the delta district informed the local labor representatives that the Saturday area mail processing was designed to get better utilization of the processing machines located in Jackson on Sundays. He stated that management expected to save \$50,000 to \$70,000 a year from such a move. The disturbing result of this meeting was management's acceptance of a minimum of 24 hours delay in delivery of much of this outgoing mail to points outside the State of Mississippi. In effect, the USPS expected to save money at the expense of delivery.

We are happy to report that management has returned all outgoing mail from the gulf coast area (SCF 395) to the Gulfport sectional center for processing on Saturdays, thus restoring normal service for our customers in this area. Unfortunately, this is not the case for the rest of the State of Mississippi.

On the subject of 5-day-a-week delivery of mail to the postal customers, there is no question but that the USPS could possibly save money. They could possibly eliminate one of every six full-time carrier employees. This proposal keeps reappearing with such frequency that we do not question management's intention to eventually institute this major cut in service. This proposal strikes at the very heart of this question of whether the U.S. Postal Service is a public service or a moneymaking enterprise. We ask ourselves the following questions and have supplied the answers as we see them.

Who would be most affected by reducing delivery to 5 days a week? As postal employees, we know that those on social security and other pensions are often checking their mailboxes at the crack of dawn on the day their checks are due or patiently waiting for the carrier to bring their check. Few of them have sufficient funds to carry them very far if the check doesn't show up.

How about the businessman? He works 6 days a week—and I'm speaking of the small businessman—and many of them conduct their out-of-town business by mail. He won't be satisfied to wait 2 days or, in case of a Monday holiday, 3 days for his important mail.

Would the clerk work force be reduced? Those that work the mail know that it takes so many man-hours to process a certain volume of mail and that mail must be processed 7 days a week if delivery standards are to be met. We do not anticipate any reduction in the clerk work force without a reduction in delivery standards.

Would the public enjoy cheaper rates? No rate reduction has been proposed to offset reduced services.

We see no benefits in service to the public. Instead, we do see a scenario of events as follows:

No. 1, those on subsistence pensions would be the first to suffer and demand some action be taken. Others, particularly businessmen, would join the outcry for action to improve services.

No. 2, those who were not concerned by the reduction of delivery services would begin to make another point: Why continue the present subsidy for less service?

No. 3, Congress would probably refuse requests to increase the subsidy. While the subsidies might not decrease, the same effect as decreasing the amount would be felt as a result of inflation.

No. 4, raises in rates would also meet stiff opposition, further compounding the poor financial position of the U.S. Postal Service.

No. 5, at some point in time the Postmaster would be forced to further cut services in some manner to meet the USPS budget. At this point the cycle would repeat itself: declining services and higher rates with an ever-increasing outcry by the public and business to have Congress do something about the postal mess.

No. 6, in such a climate, the pressures on Congress to change the private express statutes to allow private enterprise to deliver the U.S. mail would prevail.

No. 7, once the private sector entered into delivery of the mail, we can be sure that only the profitable portion of the mail market would be affected. In a short period of time the U.S. Postal Service would be bankrupt and still tasked with delivery of mail throughout the entire country. How much money would it take to support the U.S. Postal Service at this point?

What we are trying to say is that we firmly believe that the U.S. Postal Service is a public service and should be managed like a service. Reduction in services is a step backward that will eventually lead to chaos and a much bigger mess than we now have.

We think that now is the time for the USPS to attempt to win back the parcel post business it has lost to private enterprise. Our bulk mail centers are now all on line and our prices for services are not out of line with those of the private sector. An aggressive campaign by management to regain some of this business should have an even chance of success.

We believe that management should make window service more available to the working public. Many post offices are closed on Saturday and their weekday hours are such that the working American cannot even buy stamps, much less money orders, at his local post office.

We believe that all U.S. post offices should have vending machines in their lobbies available for the afterhours customers.

A publicly campaign should be initiated by the USPS management to sell the public on the extra advantages in delivery service available in special deliveries. It is unfortunate that the U.S. Postal Service is trying to price this service out of public reach, thus reducing it to a mere trickle of business which can eventually be eliminated with little public outcry. A further reduction in service.

Finally, we believe that the USPS is making a major blunder in not going into the business of electronic transmission of mail. The American public is an ever increasing user of all kinds of services and the USPS failure to capitalize on this public desire for better and faster service is a serious misjudgment.

In closing, we would like to point out that management has reduced the work force by cutting the fat from some offices, consolidating others, and through mechanization. Yet, over the past few years since postal reorganization, we find that management has almost doubled its own ranks. More chiefs and fewer Indians is not effective management and we suggest management cut some of their fat before reducing services in order to economize. Thank you very much.

Mr. Lorr. Thank you very much, Mr. Walker. And now Mr. Nolan, representative of the Rural Letter Carriers.

Mr. NOLAN. I am Pat Nolan, president of the Mississippi Rural Letter Carrier's Association. I am accompanied at this meeting by J. M. McLeod, vice president, Evans Williams, secretary, and Truette Cutrer, past State steward.

This association is comprised of 1,300 regular, substitute, and retired rural letter carriers. We travel approximately 75,000 miles daily delivering mail to more than 1½ million people.

The Postal Service is a service, and it is the only Government agency that touches and affects the lives of every citizen every day.

The reduction of mail delivery from 6 to 5 days a week seems inconsistent with the recommendation of the Postal Service Commission that the Postal Service should make timely delivery its primary service objective. Elimination of 1 day of delivery and curtailment of mail on many of the remaining days does not lend itself to dependability of timely delivery.

We feel the savings of 5-day delivery would be far less than has been estimated. The volume of mail to be handled would be the same, and only the delivery trip would be eliminated if the 5-day schedule were adopted. There would be a double volume of mail on Monday, and when a holiday falls on Monday, a triple volume on Tuesday to be delivered.

Mail would have to be curtailed or auxiliary help provided, eliminating much of the savings predicted.

We believe that Congress should establish minimum delivery standards for the U.S. Postal Service below which service levels could not be reduced. A decision as important as that of frequency of delivery—5 or 6 days—should not be made by anyone other than the elected representatives of the people themselves, the Congress.

I want to thank each of you for allowing me the opportunity to present our views. And in closing I'd like to say that my State As-

sociation, my national association, and I are in complete agreement on what we believe and what we are working for, retention of the 6-day delivery—and they know I'm here.

Mr. LOTT. All right, sir. Those of you that are here and the general public will know they are interested and concerned. Mr. Nolan is from azoo City. Mr. McLeod who accompanies him is vice president from Mt. Olive. Mr. Williams is from Carthage. And your State steward, Mr. Cutrer, where is he from?

Mr. CUTRER. Magnolia.

Mr. LOTT. So they came a long way to present this statement and their feelings. We appreciate the statements of all four of you gentlemen representing the workers of the Postal Service and the people truly that are out there on the front lines. Mr. Harris.

Mr. HARRIS. Thank you, Mr. Chairman. I appreciate and was helped by your statements a great deal. I would ask any of you to respond in any specific terms that you can as to how much real cut in personnel would be accomplished with regard to this, and how you think it would be done.

Mr. LOTT. Mr. Nolan? Maybe we should go in reverse order.

Mr. HARRIS. Let me talk just this much. I've heard a lot of testimony that seems to have dealt with just full-time employees. And from some of the other discussions and studies it seems to me like we have not heard any comments with regard to part-time employees, and this sort of situation I think exists in a lot of post offices. I just wondered in your own experiences, specific situations that you're familiar with if you have any specific notions as to how the cuts would be made if cuts in fact will be made.

Mr. MORTON. From what I understand from all that I've read, this is primarily going to affect part-time flexible letter carriers. Some people have referred to them today as substitutes. They're not substitutes, they're part-time flexible employees. And according to the contract the National Association of Letter Carriers has with the USPS there will be no layoffs and they are guaranteed 4 hours work every 2-week pay period, and that's the only guarantee.

Now in our office we have a complement of nine part-time flexibles and from testimony I've heard and things I've read, these are the ones that will be affected if this is put into effect. These are the ones that all lose their jobs. Now part-time flexible employees are the most recently acquired employees; they're not the longtime employees. Most of these are what I call young people. They have families, young children, and the income loss from losing their job or even being cut down to 4 hours a pay period, there's no way to sustain themselves on that. So the job situation as it is, we're talking about these people being out of work.

Mr. NOLAN. I would say even though I'm a rural carrier—I would say in your city carriers you would probably lose your swing man, the relief man that relieves these other carriers 1 day a week, due to the fact that you'd have Saturdays and Sundays off then and they would each work Monday through Friday. But in the rural carrier services I can't see any cut in service because the volume of mail is there still and you still have just one rural carrier for each route and the route has to be run 5 days a week. But I can foresee some auxiliary help on

Mondays, especially on heavy duty routes in casing this mail and getting it ready for the delivery. So actually it may be more expensive to get the mail ready to be delivered.

Mr. LOTT. I think that's possible.

Mr. WALKER. If I could I'd like to respond as far as the internal work force is concerned, those men that process the mail, the clerks and mail handlers.

Well, if the public is going to be mailing mail on Saturdays and Sundays we're going to have to process it outgoing, and if we're going to receive any we're going to have to process it in. Thus, assuming that there's no reduction as far as the mail volume is concerned, there's not going to be any reduction in any internal work force as far as the clerks and the mail handlers, various people and et cetera are concerned. If we're going to use that equipment, process the mail and have the same volume, we're going to use the same number of people that we use now.

Mr. WILLIAMS. I would have to agree with Mr. Morton. The part-time flexes, or substitutes as they're called, they are the younger people, and there would be nothing for them to do really. One worked today because I took annual leave to attend here, so somebody had to take my job. But if we go to 5 days we have regular carriers on every one of those routes. The 10 we have here in Ocean Springs work 5 days a week, so, therefore, what need we have to have a substitute, who would that be? That would probably be what has been referred to as the swing man or the utility carrier. This is the person that carries five different routes in his 5-day work week. But the part-time flexes, and I think the impact all over the country would be tremendous.

Mr. HARRIS. I'm trying to visualize what happens to a part-time flex if he or she is reduced to a minimum of 4 hours for a pay period. I just can't imagine anybody keeping a job like that.

Mr. WILLIAMS. No way you could.

Mr. MORTON. I don't think I would, and I've been there a long time.

Mr. WALKER. Well, we have a no-lay-off clause in our contract and in effect by working a man 4 hours every 2 weeks you are just starving him off the job. He would be forced to find other employment.

Mr. LOTT. Thank you. Mr. Rousselot?

Mr. ROUSSELOT. Mr. Chairman. Thank you, gentlemen, for being here. Each of you brought a little different reflection on the problem of eliminating Saturday deliveries as you see it and understand what the impact would be. Do you have a comment?

Mr. MORTON. Yes, excuse me. Back to this part-time question just a moment. If the part-time flexible were to choose to stay on and the 4-hour pay period working, this would prohibit him from drawing any unemployment.

Mr. ROUSSELOT. Thank you for that further clarification.

Mr. Walker, I was fascinated by your statement—and you changed it. You had "U.S. Postal Service possibly could eliminate one out of every six full-time employees." In other words, you're challenging that figure and you are correct, it has been used over and over again by the Postmaster General and other people who have just accepted

that it would automatically happen that one out of six employees in the Postal Service would be reduced by eliminating Saturday delivery. Why do you challenge that figure? Do you want to describe that for us on the basis of your experience?

Mr. WALKER. Yes, sir. I challenge that along these lines. First of all, on Saturday he gets his regular mail and on Monday he gets his mail and so forth, but if we eliminate Saturday, then on Monday morning instead of him getting a normal load of Monday morning mail he's going to get Saturday and Monday mail. Or in the event Monday is a holiday, Tuesday he's going to get 3 days worth of mail. Now before he can go out and deliver that mail he has to perform a sort of his own. Mr. Morton is more familiar with that than I am.

Mr. ROUSSELOT. You mean an add-on sort?

Mr. WALKER. Yes, sir. He has to break it down because when it's given to him it is given to him by all the mail that belongs on his route. Then he has to case it in his case according to the way in which he travels his route. And this just takes time.

Mr. ROUSSELOT. Thank you. In other words, because he's picking up an extra load of mail, the volume, as a result of whatever collects on Saturday and Sunday, he must re-sort on Monday. I mean he must do an added sort I should say.

Mr. WALKER. Well he has to do an added sort every day.

Mr. ROUSSELOT. How much time will that take?

Mr. WALKER. I'd rather defer the answer to that to Mr. Morton over here...

Mr. MORTON. If you have twice as much mail to put in your case, or a third more mail, it takes you that much longer to do it.

Mr. ROUSSELOT. You spend that much more time inside rather than being on your route?

Mr. MORTON. This expands the total hours of the day. Whatever time that you go over and whatever situation, say the parcels are heavier, this will take more time on the route. And, as you mentioned before, magazines, this could also extend it. No route is set up 100 percent delivery—no route. The routes are set up on what they are checked on the day that the route inspector goes with you, be it 25 percent, 75 percent, or whatever percentage of the number of possible deliveries you have. That's the way the route is set up and you continue on that until the next route inspection. No route is set up for 100-percent delivery. If you have mail from 2 days you have more deliveries to make than you do on a normal delivery day.

Mr. ROUSSELOT. Thank you for making that explanation. Now do you want to continue on why you challenge that figure?

Mr. Walker. Well, that's basically why, sir, because it's going to take the carrier himself longer to prepare his mail for delivery on his route. And since he has more mail it's going to take him longer to deliver it once he gets out on his route. Consequently, they're not going to be able to eliminate one out of every six men totally. Somebody is either going to have to assist that carrier or they're going to have to delay some of the mail.

Mr. ROUSSELOT. Well, the reason I think that's important is because I am sure that what the Postmaster General has done and the people who help him keep his statistics is to say, "Well, we're going

to eliminate one out of six letter carriers; that will result in 'X' number eventually of a savings." That's their suggestion, and we need somehow to know what the facts are as to whether in fact one out of six will be eliminated.

Mr. WALKER. Well, it's all based on mail volume. It takes so many men so many hours to work so much mail. And if the carrier has twice as much on Mondays as he normally would have if Saturday is eliminated, it's going to take him twice as long to process the mail and deliver it. He is set up on an 8-hour day, the carrier. The regular full-time carrier works an 8-hour day, so many hours devoted to processing and so many hours to loading and delivering and so many hours devoted to coming back in and taking care of his mark up mail and so forth. He's got twice as much mail so he has twice as much work to do and it's going to take him twice as long.

Mr. ROUSSELOT. Mr. Chairman, I think this is critical to the whole discussion because if in fact the saving will be one out of six, that's one thing. But in fact, several people have indicated here today, that will not occurred, and some of the postmasters we've heard previously have said they're not sure they're going to be able to eliminate as many employees or reduce the number of employees as the estimates are from the central office. So I think that's critical to the question, as to whether we want to eliminate the services.

Mr. WILLIAMS. Mr. Rousselot, may I comment?

Mr. ROUSSELOT. Yes, certainly.

Mr. WILLIAMS. The saving of the day, we get back to the mail volume—"x" pieces of mail. Now when I go in there on Monday morning to case my route, as Holly explained to you, I've got to take Mr. and Mrs. Lott's Christmas card and put it at 123 Fig Street. It's got to go in that case. That takes time. Now with an extra day's mail it's going to take me more time to do that, isn't it? So when I go past my 4 o'clock quitting time, what happens then? I go on overtime. There's no way that you can save money because that overtime rate is going to eat it up.

Mr. ROUSSELOT. Thank you.

Mr. LOTT. Thank you all for the very fine presentation on behalf of the associations you represent.

Briefly before we ask to hear from the general public, I'd like to introduce a few of the people that are here. I'll ask you to hold your applause until I've introduced them all, but I think they should be recognized.

First of all, we have with us Mr. Sheldon Alexander, who is president of the Alabama chapter, National Association of Postmasters of the United States. Would Mr. Alexander stand? Mr. Alexander, over here.

Also, I can't help but recognize some other people who worked putting this together. My own staff, Mr. Cecil Dubuisson, former postmaster at Long Beach, and further back a sergeant-major in the Marine Reserves, out of our Gulfport office. Miss Bobbye Thomas of my Gulfport office. Buddy Bynum, back in the back. We're assisted today by Miss Gilich who helped us with our visiting Congressmen, a native of Biloxi.

We'd like to thank Ocean Springs officials for their cooperation and for the flowers behind us; the news media for their interest and coverage of this occasion, and also for those of you that are here, I

think it's a very fine cross section. I want to say a special thanks to those I've mentioned, and I express our appreciation to them for helping us out.

And now we'd like to hear from any of you that would like to make any comments on this 6-day mail delivery, and I believe we have a gentleman standing at the microphone. If you will, use the microphones that we have set up for your convenience there in the center aisle. We'd like to ask that you identify yourself so we'll have your name and position, if you have one, and also if you could be brief we'd appreciate that too. Please proceed.

TESTIMONY OF RUSSELL GOULD

Congressman Lott, Chairman, and members of the committee of Congress, I am Russell Gould. I draw cartoons for Spotlight in Washington, D.C., and I have three brief comments.

One, we are most fortunate, and I state this with full conviction, we are most fortunate to be represented in that terrible condition in Washington by good Trent Lott.

Trent Lott cannot be bought.

Two, I have no trouble with the Long Beach Post Office. The only trouble I have is when Washington takes 15 days to send a first-class letter down there, and it ties up production in Army Times, as well as Spotlight, for which I do work.

Three, starting in about 1913 and accelerated by the man who said some of his best friends were Communists, Franklin Delano Roosevelt have been going slowly and slower and slowly into more and more controls. And that's socialism, and you can't get economy out of socialism.

—So I want you to carry this idea back, if you gentlemen will, to Washington, to see somehow if we can't get first class delivery into the hands of competition. Because this is people that are running the post office. It's people that are making these dumb things up in Washington, and they need competition, and that means free enterprise. Thank you, gentlemen.

Mr. LOTT. Next we have a lady over here. Please identify yourself.

TESTIMONY OF CLAIRE HAAS

Ms. HAAS. Claire Haas from Biloxi, a former postal clerk and past president of Mississippi Federation of Postal Workers.

Where did we get off the way that the post office or the Postal Service was a service? When we let the Post Office Department title go by we put the Postal Service but we're rendering less service. We're crying about a service that goes to everyone. The Postal Service serves everyone in the country, rich, poor, whether it is business or personal correspondence, and the post office was created to better keep our transient population in touch with each other. We're forgetting that. We are creating favors for businesses. If they sort their mail they get a lesser amount to pay—12 cents if they have in excess of a certain volume.

Also, we have never cried about subsidies of such things as Am-track—which I have availed myself of riding Amtrack—and that

does not serve everyone. Amtrack doesn't serve the coast right here—none of us are served by Amtrack directly. We have not cried about subsidies to airplane service, jet service, and we don't avail ourselves of that every day. It's not possible for everyone to avail themselves of this.

So why are we counting the values of those few, that the difference of 6 days of service to every man on an equal basis, whether he be rich or poor, in the rural area or a big city, let's see if we are following the true thinking.

It is a service to everyone. It will be subsidized because everything else in the country is subsidized. We don't worry about subsidies for things that take care of only one group of people. But this is a service for all of the people.

Let's all of us let our Congressman—not only Congressman Lott but the others—let's all let them know what a service the post office renders. I worked for it in the Post Office Department for 30 years and 6 years under U.S. Postal Service, and I have seen it deteriorate in the service from poor management and an excess of leaders—more chiefs than Indians.

Mr. LOTT. Claire, we need you back. All right, let's alternate back and forth. Over here now.

TESTIMONY OF CHARLES CLARK

Mr. CLARK. My name is Charles Clark and I'm a librarian at the Junior College in Perkinston.

I would like to make some mention of the fact that many people do get subsidies throughout the Nation, such as myself. I wasn't going to mention political, but I feel bound to now. The Libertarian Party of which I'm a member, chairman in this State, for that matter, takes vital exceptions to Government being in business. Government has no business being in business, whether it is propping up Lockheed or penitential or Amtrack or the post office. Forgive me for that, but there are people who take exception to the Government in all these things which are not part of the Government.

Mr. Chairman and members of the committee, I would like to offer a constructive libertarian alternative to the answers we have heard today. But first, it should be asked why this forum is apparently intended to consider only the lesser of two evils. The choice taxpayers are confronted with here is between reduced mail delivery or higher mailing costs. I think the lesser of these two evils is still an evil, and that if we are forced to choose one of them, I would rather abstain from voting and plead "none of the above."

The choice between reduced mail delivery or higher costs could only be posed in a hearing conducted by those who accept the implicit premise that the post office should be allowed to maintain its Government protected, closed market status. Some reject this premise for the unpleasant choice between reduced delivery and higher costs would be totally unnecessary if delivery of the mail were placed in the private sector of our economy where it belongs.

According to Postmaster General Bailar, "The agency is in its best financial condition since it was reorganized in 1971." This is

the post office. "Its \$700 million deficit in 1977 compares to a \$1 billion loss in each of the 2 previous years." Is that something to be proud of? Only a \$700 million deficit in 1977? Currently the post office guzzles an annual subsidy of \$920 million, and there has been talk of its going much higher to the tune of \$2 billion a year according to the U.S. News & World Report. How long can we chalk up such astronomical sums to vague excuses of increased costs and "inflation"?

There can be no more clear cut illustration of the inability of Government to compete successfully with the free market than the present post office mess. Unlike the little private delivery services springing up all over America, many of them in rural areas, the Government monopoly post office cannot go bankrupt or fail due to inefficiency. Protected from competition and losses, it lacks free market incentives and so need only cut its services or raise its prices—witness the focus of today's hearings.

Inadvertently answering today's sad tradeoff question, U.S. Representative Bill Archer of Texas stated last year that:

If the American people are not getting the kind of Postal Service they want, they should have the right to use some competing organization that can provide better service. Competition has always been a great incentive for efficiency and I think its time we increased efficiency in postal delivery by permitting competition in that area.

Phillip Crane, another U.S. Representative, has said that:

The Postal Service is clear evidence that the most outrageous monopolies are those created by government. I might add such as Amtrack. It is inflicting on Americans deteriorating service and higher costs. There simply are no incentives for improvement in the present arrangement.

This is two U.S. Congressmen I'm quoting. Congressman Crane, by the way, has sponsored a bill to repeal the Postal Service monopoly of first-class mail delivery.

In conclusion I would like to simply say that free market competition, not massive annual Government subsidies, is by far the best answer to our postal problems. Thank you.

Mr. Lott. Thank you very much.

TESTIMONY OF BILLY BUSH

Mr. Bush. My name is Billy Bush. I live at 842 Oakley Ave., Handsboro, which is in Gulfport. I have two comments that I would like to make.

One of them is that has not been touched on and I would like to touch on it briefly, and that is pertaining to the mail delivery, the implications of the mail service to inmates in our jails and our prisons. Now the reason I'm interested in speaking for this is that 3 years ago this spring I spent 21 days in the jail in northern Alabama. I spent 9 days in solitary confinement and a total of 21 days, and during this time I really and truly got an insight into the mail situation. Incidentally, let me say that I was in there, but I've never been convicted of a crime and I was just passing through the State. That's just incidental, but how I got my experience involving the mail.

What I am trying to tell you gentlemen is in regard to the constitutional issues that are involved in when prisoners, people in jail, on

their mail is a very vital and constitutional issue, and I think that it pertains to you people and to this hearing that it should be brought up and you should at least be made cognizant of these problems. Because, gentlemen, I can assure you there are problems involved in this.

Most of these people have no experience. They know nothing about constitutional issues, they could care less about such things as the mail. Most people dealing with jails and prisoners and things think that the prisoners have no rights at all, no constitutional rights, which is ridiculous.

Mr. LOTT. Did you get any mail while you were there, Billy?

Mr. BUSH. Well, when I went back for my hearing afterwards, I was given mail then. When I was in jail though I never did receive any.

Mr. LOTT. Any Saturday mail or any other?

Mr. BUSH. No; when I got home I went to the postal inspector in Gulfport and made a complaint in regards to this. And the postal inspector assured me that he was going to look into it as to my complaint and so forth, and that I would hear from him. This was 3 years ago this spring, and to this date I have never heard from that gentleman or anyone else in the post office.

Mr. LOTT. Did you write your Congressman on that, Billy?

Mr. BUSH. No, sir. I won't tell you that I did not because my Congressman helped me get out of jail.

And I would also tell you that my Congressman was the only one who directly called George Wallace. And I thank you very much for that.

Mr. LOTT. I may get arrested, Billy.

Mr. BUSH. The second point I would like to touch on is on a fringe area. The Congressman said something, but as I understand it now you gentlemen are also members of the Civil Service Committee. Is that correct?

Mr. LOTT. Yes, sir.

Mr. BUSH. The next area touches on that.

Let me give you an example. I kept up with and I am knowledgeable on the Watergate hearings; and I am sure that most of the American public did. I watched the Watergate burglars on their talk shows and making money and writing their books and so forth.

But there is one question that I have never been able to get an answer to, and I don't expect you to give me an answer on it but I'm posing it, because this is a legitimate question. Two of those Watergate burglars were retired Government employees from the CIA. Now my question is: Are Mr. E. Howard Hunt and Mr. James W. Macord still drawing their Government pensions or annuity as a retired from the CIA? Now this is a vital important question because these people were convicted felons, and according to the Civil Service—if this has been a redneck postal employee here in Mississippi and he had been convicted on some minor crime here on his job I can assure you that that gentleman would have never received a retirement annuity. Thank you.

Mr. LOTT. We appreciate your comments, Billy. We'll be glad to hear from the next gentleman.

TESTIMONY OF PERCY MILLER

Mr. MILLER. Mr. Chairman Lott, I'm Percy Miller, and I'm a hospital administrator, but I'm talking as a private citizen. I do not have a prepared statement, but in listening to this today I find that there's no mention of one thing that I'd like to charge the committee to check with before you do anything, and this is the fact that in rural Mississippi—and I'm sure other States—there's a lot of doctors, a lot of hospitals that use the mail for different laboratory tests, specimens and this thing. This is a real concern that should be brought out. I don't have anything to say except you should check into that because it could be a detriment to the people if it's not caught.

Mr. LOTT. That's a good point, Percy, and I hadn't heard it mentioned before. Thank you very much for your comment. Could we go back on this side? Yes, sir.

TESTIMONY OF KEITH NOBLE

Mr. NOBLE. Congressman Lott, my name is Keith Noble. I'm here today representing a group of people from Vancleave, a community north of here.

One thing I'd like to say is the postal system does seem to have some concern for money because we all tie up the post office for about \$9 a week. That was the increase that would have been necessary to update the billing stuff, and when it went to rebid they said there was too much money and they could not continue to supply us with a post office.

Now there are people that drive as much as I'd say 60 miles to mail a package. And so rather than a group of people—accused of being redneck maybe—

Mr. LOTT. I don't mind that. I think that's a flattering term.

Mr. NOBLE. I agree with you. I was asked to come in on behalf of these people and to submit our request that we be reinstated with our post office. And I don't think it will be any additional expense. I think it would speed up and simplify a lot. Routes 2 and 4 could be run very simply out of the Vancleave area. They are really serious about the part of the economic cost venture.

And so with this in mind I petition you men with this thought and I will probably be in correspondence with one or two of you.

Mr. LOTT. Thank you, Mr. Noble, for coming down and making that point. As you know, I am aware of it. What you're talking about was mentioned earlier today by Mr. Rester with regard to the Kiln Post Office. We're still having a running battle with the Postal Service to try to stop them from doing that even more. A lot of these small and rural post offices, we're fighting a rearguard action, but I think in the case of Vancleave you've got a very valid argument. It's an area that is growing and will continue to grow, and I assure we'll be looking into it and helping you every way we can.

Mr. NOBLE. I might add one other thing. We have a school up there and we have between 1,200 and 1,500 people—I'm not sure how many students are in there, and of course each one of them has parents and grandparents—and so we're looking at a place that needs the help,

you know. Possibly 5,000 or 6,000 people in this area that have been forgotten just because, not even a rate increase came by.

Mr. LOTT. And that doesn't even count the Sandhill cranes, does it, Keith?

Mr. NOBLE. No, sir. They're in addition to that.

Mr. LOTT. Thank you very much. A person over here on this side. All right. Then anybody on this side? Fred, I didn't think you were going to pass up this opportunity.

TESTIMONY OF FRED LEMON

Mr. LEMON. I never like to pass up the opportunity.

I am Fred Lemon, and I'm an Ocean Springs businessman. And I'd like to welcome you gentlemen. It was nice of you to come, and the Congressman from California. I was out in your beautiful State in the U.S. Coast Guard and enjoyed it very much. Congressman from Virginia, I helped put the natural gas through there, to keep you warm.

Mr. HARRIS. The Columbia line going through Mason Neck there, you mean?

Mr. LEMON. Yes; in Virginia, we were in Fredericksburg and Charlottesville. That's where we worked out of.

Mr. HARRIS. The last time we checked you didn't make that line big enough.

Mr. LEMON. We really didn't. Especially when a goat got up in there and we had to go up in there and get him.

But anyway, when I started in business a little over a quarter of a century ago I was about 75 yards from the old post office which was in the old Ocean Springs State Bank, we bought a stamp for 3 cents. They had one and a half people at the window, and the way they came by that naturally there was one man working the window and then if they got busy somebody else would jump up and help. And then the post office moved to Washington and, I believe, DeSoto, then they had two and a half people. And now the post office has moved back up behind the bank. I don't know what the—

Mr. LOTT. Where is that, Fred?

Mr. LEMON. Well, it was on Washington and Robinson Street, and now it's on DeSoto and Jackson. Is that right? DeSoto and Jackson. When it was on Robinson and Washington they had two and a half people. You'd got in there a lot of times and you could really get waited on quick. And now that we have grown double, triple, whatever, there's one man at the window.

Now that doesn't look efficiency to me. It looks like we're going somewhere wrong. Now I would like to say here and now I'm not pointing my finger at anybody. Mr. Mayhon Johnson, the postmaster, has never been anything but fine to me and given me good service. But there's inefficiency, Gentlemen, somewhere in the Post Office Department.

Now I'm a little businessman and y'all are not going to hire me and I don't want to be hired, but you should be able to hire somebody to come in this inefficiency and stop it. Whether it's the Saturday delivery or not, if you save the \$400 million and it goes for a good cause, fine. If it makes it just more inefficient, you know, we haven't done anything. But there's inefficiency somewhere, the way I see it.

And of course I have friends on both sides of this thing, in the management deal and Pat, walking on the street, so to speak, you know. But there's something wrong. Now whether it's in the lower or higher I don't know, but something is wrong somewhere or other. And we'll just have to get that inefficiency out.

Now UPS has taken over part of the postal deliveries and they seem in this area to be very efficient. I don't know, as far as my business is concerned they are. But this is what I think you need to look at as much as the Saturday delivery. Thank you.

Mr. LOTT. Thank you very much, Fred. Any other person like to comment?

TESTIMONY OF KEN BRADDOCK

Mr. BRADDOCK. Trent, I'm Ken Braddock of Pascagoula. I'm a city carrier over there. My route consists of 688 stops and is set on 59 percent delivery and it checks out 8 hours and 5 minutes. This is by the Department's own admission. That's what they're checking me on today. I don't know, if they think that I can do any more than I'm doing and they'll show me a way to do it I'll be glad to do it. But the complaint that I've got or where I see they're wasting money is in supervision. They've got them crawling all over themselves, all over the place. In our post office they've got four. I don't need four people to supervise me to deliver a letter. And most of them draw a good bit more money than a carrier or a clerk.

And you read in the paper where they've got hundreds of people that's surplus, they don't know what else to do with them so they're up training them for a spy school. They go out and spy on the carriers. Well, I don't need anybody to spy on me. If I'm not doing my job you send me out the back door and I won't open my mouth. But I have always given 8 hours work for 8 hours of pay, and I'm going to continue to do that until next February 28 and then they can have it. I'm going to retire.

But now if the Department really wants to look into what the waste is, get into the upstairs department and they'll find it by the ton. That's all I've got to say.

Mr. LOTT. Thank you very much.

TESTIMONY OF DELIA CALLOWAY

Ms. CALLOWAY. I am Delia Calloway.

I want to say thank you for coming. Mr. Trent Lott, that's my Congressman.

Mr. LOTT. You haven't called me lately.

Ms. CALLOWAY. I got tired of talking to you. [Laughter.] When Mr. Colmer was in there he said, "Delia, we need somebody." I said, "What's the matter with Trent? You come on home, Bill." He came home and we're glad to have him home because we're all going up to see the Mardi Gras. He will be the head man for the Mardi Gras. I keep up with the paper. But I want to say I sure thank you folks for coming. This is one town that's been the greatest town on the coast of Mississippi.

Since 1896 in our school the blacks and whites were going to school, ever since 1896. We went everywhere we wanted to go. This is a great city if you know it. We found it so before there was youth and

so we came in and got to talking on the phone. I said, "History and demonstration." And I'm going on home this evening. I'm getting ready to go home, but I wanted to say let's make identity with children, and instead of going up we're going down. If we could live off a 3-cent stamp and didn't have any children and debt, wasn't we going to put these children in debt because all of us going to be gone in a few days. Why not make this world better for these children coming on behind us? We're not helping the children; we're only looking for our pocket. And these children are going to have to wait 990 years to get out of debt we're putting on them now. So let's look out for our children. We're not doing nothing but looking out for ourselves.

I watch you all on the meters, I watch everything. And one thing the United States is looking for is who's going to get the most money. We lived off of one loaf of bread, eight of us. And why can't you live off a piece of bread, two of us? I want to say to you about this mail on Saturday, the only thing I look forward to is seeing that mailman out that window. I'm 65 years old. When I see him come I'll stop my story to see the mailman. He don't have to give me nothing, just so he talks with me. I don't get mail every time he comes—I go out and talk with him. It'll do me good. When you get old you're glad to see somebody; and, just let him come on Saturday. I can look at that Sunday, but Monday morning I know the mailman will be there.

I didn't live too far from the mailman when it was on Robinson Street because I live on Robinson and State, and I didn't care how late he'd get there, just since he got there. And now today let's don't break our children. The fellow awhile ago talking about subsidizing, and all you people what you do is upside down. Let's upside up. Now what you all do is bring back economy for all us old folks. Let's do better instead of doing it worse.

Mr. LOTT. Delia, I'm going to tell them you said that.

Ms. CALLOWAY. Sixteen cents on a letter won't make it go no faster. If you mail a letter in Gulfport it takes it 4 days to get to Biloxi.

Someone was talking about America going tough. I could walk to Biloxi in 2 hours. I am 65 years old and I can walk it, and I do when I want to cross that bridge and my car won't run. We are not doing this because people are talking about who's going to work on Saturday. We used to work every day of the week and it didn't hurt you, and so let us do more and do better.

And when we get to thinking about it let's think about the children coming behind us. You say the height we reached in certain years? We are not thinking about certain height. There have been a many that slipped who were climbing up to those heights, standing at the feet, gazing towards the sky. How could you ever get there, brother, if you never try. When you have a task to do, do it with a will. One, that's America. Who'll reach the top first? We got to climb the hill.

Mr. LOTT. You're a walking chamber of commerce.

Yes, ma'am. Please.

TESTIMONY OF MS. ROBERT NEAL

Ms. NEAL. I just wanted to say amen to what Delia said and I'm headed in the same direction she is. I'm Mrs. Robert Neal from

Ellisville, Miss. I'm a homemaker and a confirmed Christian patriot. And about the only thing I have to say is the Postal Service, being a quasi-private organization, I oppose that. Our Founding Fathers organized the Postal Department as a service and it should not be a moneymaking organization. I know that's been mentioned here today.

And I would like to see the Post Office Department return to a Cabinet post and under the jurisdiction of Congress.

Mr. LOTT. Thank you, Mrs. Neal.

TESTIMONY OF MS. TOMMIE REAUX

Ms. REAUX. My name is Tommie Reaux from Biloxi.

On the question of flexible workers, if they are cut out of a job, which will be the first ones to go, all right. They are allowed 4 hours only for a 2-week period. All right. If they lose their job and can't find another one and can't draw unemployment, what happens? Now my husband is a part time flexible; he goes first, and I can't go back to work and he doesn't have another job. So what will President Carter do for us?

Mr. LOTT. I think you make a very good point and others have made it. There'll be more people unemployed, perhaps drawing welfare and food stamps and in the final analysis it would wind up costing more than if they continued where they were working in the Postal Service.

TESTIMONY OF MS. MILDRED RILEE

Ms. RILEE. I'm Mildred Rilee and I live at Pascagoula. I'm a city carrier at Pascagoula. I haven't worked in over a year but I still stand up for the post office and what it means. I've not heard too much comment on one particular thing. I mean if we're going to do a job, do it good. And how in the world can you do it like it's supposed to be done when they're pushing you and shoving you and just keep expecting a little more and a little more out of you.

And as the lady said, they look forward. Most of the time I've ever worked I've worked in departments where they were almost everyone past 65, and I've seen them where they couldn't walk. I've seen them where they couldn't talk but they were still glad to see the postman. And just a little word or a wave or something like that, they were always glad to see you coming. They would say they appreciated it. But if you can't do your work like that, you don't have to even stop in your tracks, but you have got to feel like smiling and you can't do it whenever you're trying to put 10 hours of work in 8 hours time.

And I just don't think that they're being fair to the public nor to workers for the post office. I haven't worked, as I said, in over a year because a drunk man ran into the back of the mail truck—while I was on duty, that's exactly right. As they say, "Work Safely," well, that day I was working safely. I had my seat belt on; I had the flashers going, but he had celebrated Christmas about 4 days early and he plowed into the back end of me.

That's my problem, I guess, but I thought it belonged to the post office too and to the upstairs people that we've been discussing. But I've had one problem right after another ever since then, and I appreciate what Trent has done for me. I'll have to say that, unlike the

rest of them. Give credit where credit is due, because Santa Claus sure was good to me this year. And I feel for these people though that are trying to do more than they're capable of doing, and then—as my husband said—the people upstairs, that all they're doing is running around harassing the ones that are trying to do the work. And they're working just as hard as they can. They harass them and just push them. I don't blame them for trying to push them, but don't push them beyond what they're capable of doing and keep their health. Because I've seen so many people just in the 10 years I've been at the post office just health-wise, you could just almost see them go down.

You'd have to be there to know how much it has changed and how much the supervision has pushed us. I just don't believe they can push people very much farther, Mr. Lott, and then be able to stand up under it.

It's a wonderful thing to give our best, but whenever you're asked to give more than you're capable of doing, then you're asking too much. I think if some of those people up there would try to fill the shoes of the ones downstairs, that they're trying to cut down and shove and push so, that they'd change their tune.

I'm just glad that you came to our part of the country. We appreciate all of you.

Mr. LOTT. Thank you, Mrs. Rilee. Any other comments?

If there are no other comments then this congressional hearing on 6-day mail delivery in Ocean Springs, Miss., is concluded. Thank you for coming.

[The statement which follows was referred to in the hearing by Mr. Lott:]

STATEMENT OF FRANCES Y. ADKINS, SOUTHERN MISSISSIPPI PLANNING AND DEVELOPMENT DISTRICT

My name is Frances Y. Adkins. I am the Director of Senior AIDES Program, sponsored by Southern Mississippi Planning and Development District, Gulfport, Mississippi, and I hereby offer the following testimony for the record on behalf of Senior Citizens:

1. By eliminating Saturday mail delivery, the Post Office feels it can save \$400 million dollars and at the same time shave 30,000 jobs; 30,000 jobs—30,000 heads of Household—will cost more than \$400 million dollars when it becomes necessary to expend funds from Unemployment Compensation, Welfare, Educational and Vocational Training Programs, Subsidized Housing and other government Programs that would become involved due to loss of jobs.

2. Some of the 30,000 jobless may have to take early retirement. This could bring on economic and psychological problems if retirement had not been planned by the individuals for several more years.

3. Social Security and Veterans Administration checks to be delivered on Mondays and Fridays. No doubt these are the largest compensation/pension issuing agencies in the United States but many payroll checks are mailed on Friday to be delivered on Saturday in the coastal area.

Equipment and trucks are not aware of Congressional laws and do not plan breakdowns accordingly. A mail truck delayed in reaching its destination in time for a Friday delivery would mean NO delivery until the following Monday. For those whose checks go directly to a bank, their accounts are credited on a certain day; but thousands of people do not have checking accounts and Saturday mail delivery is vitally important to them.

4. The Post Office speaks of saving money. The Post Office speaks of raising rates. The Post Office at the present rates is speaking of less service. What we do not need is higher rates and less service. We do need a revamping of existing services ever mindful of efficiency.

SIX-DAY MAIL DELIVERY

MONDAY, JANUARY 9, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,

Alhambra, Calif.

The committee met at 9 a.m., in the county courthouse building, Alhambra, Calif., Hon. John R. Rousselot presiding.

Members present: Congressman John R. Rousselot and Congressman Trent Lott.

Staff present: Victor Smirollo, executive director and general counsel; Robert Lockhart, deputy general counsel; and Sydney Olson, staff assistant.

Mr. ROUSSELOT. Good morning. I will call this hearing of the Post Office and Civil Service Committee to order and explain briefly that we are meeting this morning to hear testimony from the general public and business interests and mail users of all kinds on the proposal that the Postmaster General has made to discontinue delivering mail on Saturday.

With me today is Congressman Trent Lott from Mississippi, a very active member of this committee. On my right is Sydney Olson who is a member of our committee staff, and Victor Smirollo who is executive director and general counsel of our committee.

Earlier this year, the Commission on Postal Service, a special study group created by Congress last year, recommended that Saturday delivery be discontinued in order to reduce postal cost increases. Since that time, the Postal Service itself has been studying the proposal recommended by this group and, though they have made no formal proposal, recently statements made by various postal officials indicate that they are leaning towards making such a recommendation.

The Postmaster General has told our committee and claimed to many other groups that by eliminating Saturday delivery the Postal Service would save up to \$400 million a year and reduce roughly 30,000 jobs throughout the country as a result of that change in policy. We on the committee decided to hold hearings across the country to assess the impact on the public, since the Postal Service is there to serve the public. We are going to try to determine what the public needs are, have been, and what the effect would be on the general public.

Now, we have held hearings earlier this year in Denver, Colo.; Honolulu, Hawaii; Philadelphia, Pa.; Bear Mountain, N.Y.; and we will hold some additional hearings this year in other places in the country. Today, we are here, of course, in Alhambra, Calif. We are grateful to the administrators of the county courthouse for giving us the use of this space.

We have found in each of these cities that the public is skeptical to some degree of any claims of savings; particularly, in view of the announced rate increases which the Postal Service is now seeking and already planning to put into effect next year. To pay more to have less service is obviously not well accepted by the public.

Here in this San Gabriel area where the employment situation is certainly critical, the elimination of Saturday delivery, we estimate, would mean the loss of anywhere from 600 to 700 positions and would also contribute to other problems of dislocation to those who are used to having their mail delivered on Saturday. Five-day delivery could be the beginning of 5-day postal operations which would mean other job losses; and, consequently, we want to be sure we give everybody a chance to discuss that with us and tell us what it would mean and what the end result would be to our city and our general area.

After the various people who have agreed to testify do so, and we have a list of roughly 14 here before us, we will invite the opinions of any of you that are here in the audience, assuming that we have time and plan to set time for that.

We have also sent out, as many of you know, a mail sampling of some 25,000 households and businesses in which we asked people to respond yes or no relating to the question of Saturday delivery. Behind us we have those responses. You can see from what we have received as of today these are the people who believe we should continue Saturday mail and these are the people who said no Saturday mail and they agree with the idea of the Postmaster General that it would be a savings, many have made comments. So we wanted to show you that we are paying attention to the public. I can tell you what the count is behind us; 875 have said that they believe we should continue Saturday service, and 278 have said yes; they agree with the Postmaster General that it should be discontinued. That was our sampling, thus far.

Now, I would like to call on my colleague, Mr. Lott. We are glad to have you here in sunny California.

[Laughter.]

Mr. LOTT. It was sunny yesterday.

I do have a brief speech: I would like to say it is a pleasure to be here in California. I have not been here too often. This is my third trip, so I have thoroughly enjoyed my trip. Congressman Rousselot showed me your surrounding areas and I am very much impressed with California and the people of California. He didn't have to ask but one time that I join him for these hearings. Anytime I have a chance to come to California to this beautiful area which is John Rousselot's congressional district, it is a pleasure.

I have known John for 8 years. Before I was elected I watched John and I know what an outstanding job he does as your Congressman in Washington, and I think it is great that he chair this hearing, and it is only of eight or nine they will have. Your Congressman is giving you a chance to be heard.

I would like to say that our courthouses in Mississippi are a little bit older and not as large and I am also pleased to see the list of witnesses you have here. I think it is a good diversified list and we are looking forward to hearing from you today. The hearing is con-

centrating on Saturday mail and that is a very important question because the Postal Service touches all of our lives almost every day; but also, we are interested or I am interested to hear what you might have to say about the Postal Service in general. It is a service—we view it that way—and we are trying to find out ways to help improve the Postal Service without always increasing the cost to the people. That is not an easy task, but we don't want to have less and less service while the cost goes up and we want to hear from the people, and that's why we are here. Thank you.

Mr. ROUSSELOT. Thank you, Trent.

Trent also serves on the House Rules Committee, a sort of traffic cop of the Congress which tells us what bills are coming to the floor and in what form they will be considered. Since I agree with many positions Mr. Lott takes, I invited him here; of course, I get to go to Ocean Springs, Miss., for another of these hearings. I guess you know Congress is out of session until January 19. We think the country will be safe until then.

[Laughter.]

Mr. ROUSSELOT. Now we are looking forward to hearing from you who have agreed to come here today. I would like to mention that besides Sydney and Vic, we have Robert Lockhart with us who is the deputy general counsel of our committee, and both Vic and Bob have been to other hearings throughout the country. If you are unable to, for whatever reason, speak to one of us, you can feel free to discuss any questions or feelings you have with them.

I understand Mr. Lon Harmon, president of the Alhambra Chamber of Commerce is here. And also, incidentally, Lon is president of Progressive Savings and Loan Association.

We appreciate your being here in two capacities as a businessman and the president of the Alhambra Chamber of Commerce. We hope people will keep their remarks to 5 minutes and we might have some questions—since we have a 5-minute rule in the House, we thought it would be appropriate here.

STATEMENT OF LON HARMON, PRESIDENT, ALHAMBRA CHAMBER OF COMMERCE, PRESIDENT, PROGRESSIVE SAVINGS & LOAN ASSOCIATION

Mr. HARMON. Thank you, Mr. Rousselot and members of the committee. I am president of the Alhambra Chamber of Commerce. We discussed this this morning at our chamber meeting. It was unanimous by the directors that I come this morning to say that we want Saturday mail continued. There was 15 of the directors present this morning. It was a unanimous vote that I come and make the view known that we want Saturday mail.

As president of the Progressive Savings and Loan Association, the effect that it would have on us is, as you know, the Federal Government requires that any deposit received by the 10th earns from the 1st. This is general policy, I think, throughout the United States with most savings and loans. It has nothing to do with postmarks. It is when it is received. A lot of savings and loans are open on Saturdays. If the little old lady down the street sends in her deposit and it is not

received until Monday and the 10th falls on a Saturday, she's going to lose interest. I think this will have a tremendous effect on people.

Mr. ROUSSELOT. Let me interject here: Do you actually have your mail counted in on a Saturday, if you receive it?

Mr. HARMON. Right.

Mr. ROUSSELOT. So if the checks were received on a Saturday, interest would start on that day?

Mr. HARMON. If the 10th happened to be a Saturday, they would receive interest from the 1st of the month. If Saturday happened to be the 10th and the deposit wasn't received until Monday, the interest would start on Monday. I think it should be made very clear to people what effect this could have on earnings on a savings and loan association.

Now, we pay a lot of postage. We do a lot of business with our branch in Century City where our law branch is today. It is 2 days delivery to get there. We are using Red Arrow Messengers for important mail. I personally believe that there should be some kind of free enterprise system for important mail that goes to the west side of town. It seems that we should be able to get it over there in 1 day when you can get mail to Oklahoma or Texas in the same time you can get it to Beverly Hills. I am totally opposed to no delivery on Saturday because it would probably be a 3-day delivery. That's all I could say.

Mr. ROUSSELOT. That was brief and to the point. Don't you wish all witnesses in Congress could be that brief, Trent?

Mr. Lorr. Yes. [Laughter.]

And your board did take a vote. We have heard how it would affect your business and, of course, you made a very good statement of how it could affect the savings of individuals. What about your other small businessmen and women, the local store owner, perhaps? Did you have any of them there? Did they make any comments of why they felt it should be continued? It is said that \$400 million can be saved and that's important because we are there to try to look after people's money. And the postal service is a service; it is a subsidized service, and always will be. But in weighing the cost opposed to service, we want to know why it is important to businessmen and women in Alhambra, Calif. that it be continued. Can you give me any other examples?

Mr. HARMON. I think a small businessman is depending on his receivables to pay his bills. And in our business, we use direct mail a lot, and a direct mail campaign may be geared for a Monday mail opening and usually it is. Now we are having a grand opening at one of our branches this morning. We had 40,000 pieces of mail go out asking them to come in and open a savings and loan account this morning. I would say that most businesses do their promotions that way. The promotions start on Monday and they use the mail to tell the public on Saturday or Sunday. Newspaper advertising is very expensive and television is almost prohibited to people, and therefore, you use the mail to tell people you are having your annual sale. I think this would affect a lot of small businessmen that cannot afford the luxury of the Los Angeles Times or television.

Mr. ROUSSELOT. Now, so that you can appreciate why we are here, let me try to reiterate some of the arguments so that we can all understand the issue as much as possible.

Of course, it wasn't until 1863 or so that we started home delivery of the post office. Prior to that time, everybody went to the post office and picked their mail up themselves. Well, the claim is that most businesses could have post office boxes and will be able to receive mail there. For instance, a lot of credit card people have post office boxes, I know, because I send my Carte Blanche payments to a box number. They already have a system and can pick up on Saturday and can pick up on Sunday if they make arrangements. How do you answer that in connection with your complaint that you can't handle your checks?

Mr. HARMON. Right now, what is happening, delivery is being cut up; but where do we start out? Are we going to cut out post office box pickup over the weekend? This has nothing to do with the housewife that we are trying to reach to tell her we are having a sale or that we are open for business on Monday? She doesn't have a post office box.

Mr. ROUSSELOT. Well, I am sure that they would claim to us, as they always do, that they will have it delivered on Friday or Thursday and that that is adequate time for a Monday or Tuesday sale.

Mr. HARMON. But then you have stale, dated material. I can mail it out a week before also.

Mr. ROUSSELOT. Yes. So your point is that the target advantage of having it hit on a Saturday is advantageous to the standpoint of stimulus and so forth?

Mr. HARMON. Yes.

Mr. LOTT. Do you have any idea how many small businesses have these post office boxes?

Mr. HARMON. I don't have any idea, really.

Mr. ROUSSELOT. Well, maybe we can find out when we hear from the local postmaster.

We are grateful to you for taking the time to be here and to the Chamber of Commerce for taking a stated position. If you have additional comments, they can certainly be submitted for the record. Thank you.

Mr. HARMON. Thank you.

Mr. ROUSSELOT. The next witness is Mr. Bill Ivers who is president of the Ivers Department Store and also a member of the Independent Retailers of California.

Good morning.

STATEMENT OF BILL IVERS, PRESIDENT, IVERS DEPARTMENT STORE, MEMBER, INDEPENDENT RETAILERS OF CALIFORNIA

Mr. IVERS. Good morning and thank you for the invitation. I am a partner, somebody might get upset if I don't say that. We have two stores; one in Highland Park and one in La Canada.

Mr. ROUSSELOT. And you are active in the Independent Retailers of California?

Mr. IVERS. Yes, I am past chairman of that group.

Mr. ROUSSELOT. How many members?

Mr. IVERS. We have 16 members statewide including stores in San Diego, Bakersfield, and Eureka.

Mr. ROUSSELOT. Small independent stores?

Mr. IVERS. Right. I also have a letter from our secretary, Bill McNeany. I asked him last Tuesday to give us some reasons and he sent us a nice letter.

Mr. ROUSSELOT. We will make that part of the record.
[The letter follows:]

BILL IVERS,
Iver's Department Store,
La Canada, Calif.

ROSENBERG'S
Santa Rosa, Calif., January 4, 1977.

DEAR MR. IVERS: The following are reasons why a five-day postal schedule would have a serious affect on business operations:

1. Customers' payments on account ordinarily received in the Saturday morning mail would be delayed until Monday and possibly Tuesday, and would not be properly credited to their account the day the payment should ordinarily arrive at the store. Also, the deposit of these checks would be delayed until Tuesday because of no mail Saturday and would seriously affect the cash flow. Regardless of the fact that we are on cycle billing, most of our customers still pay before the 10th of the month, and hundreds of payments on account are received in our Saturday morning mail.

2. Now that banks are open on Saturday and paychecks mailed or given out late on Friday night, could not be cashed and used for Saturday purchases, which would seriously affect Saturday as a business day.

3. Invoices received in Saturday morning's mail and not drawn that day could affect loss of discount or even loss of anticipation, as used with one or another particular manufacturer.

4. Bulletins from major buying markets are usually handled the same day they arrive. Orders against information received in Saturday morning's mail could be in the New York and Los Angeles markets by Monday morning and would hasten delivery of merchandise.

5. Finally, we have already had many serious problems as a result of slow mail, letters taking anywhere from three to seven days within even a five mile radius, regardless of weather conditions. Any further delay would seriously affect business.

I can only believe that the absence of Saturday morning mail would very seriously affect our business, as well as profits in our size business.

Sincerely yours,

WILLIAM E. MCNEANY,
President and Manager.

Mr. ROUSSELOT. Thank you. Did you want to summarize what you and the others are saying?

Mr. IVERS. Well, first of all, we have several adverse effects as far as we are concerned at Ivers: Reduced cash flow, our revolving account bills that are previously delivered in the mail and paid on Saturday will now be delayed a week—for those who cannot come in on weekdays—and at least 2 or 3 days if mail service is used.

Curtaiment of Saturday delivery of major first-class mail sales promotions timed for the big weekend sales volume would create a communications gap seriously hampering the success of these promotions reducing not only sales volume, but also the government revenue derived from this volume.

Thanks to the excellent cooperation of our local postmasters, we have been able to minimize, somewhat, the 10-day timelag of bulk mail delivered to terminal annex. However, material still hits the mailboxes of our customers anywhere from 10 days to 1 day prior to the event because they don't have to deliver those because they can take any period within that 5-day workweek to deliver that mail. If Saturday delivery is discontinued, the timelag to insure complete delivery will be at least 2 weeks. The effect on the promotion would be devastating. People receiving the material 2 weeks in advance

would probably forget the whole thing and the sales volume would be reduced accordingly.

If the lock boxes are closed or post office boxes are closed or the post office is closed, our receipt of invoices would be delayed at least 2 days, resulting in loss of trade discounts or anticipation.

Weekend Business Trends, retail sales on Saturday are double to triple the normal weekday sales and, with Sunday openings, weekend sales have become a major factor for our very survival. This is the day families shop, eat out and pay their bills.

In a time when more and more businesses are opening on Sunday, and many banks and other financial institutions are open on Saturday in response to the needs of their customers, it would seem that the postal service is going against the trend and the best interests of both business and consumer alike in requesting Saturday closing. That's the official comment.

Mr. ROUSSELOT. Thank you for taking the time not only to bring your own comments but those of others who represent different merchant associations. Please express our appreciation. Are there any additional comments?

Mr. IVERS. Yes. John Malcomb Brock says: "Don't know why we keep getting less and less and paying more and more."

Mr. ROUSSELOT. I would say that's to the point.

Mr. IVERS. There are a couple of other things that Mr. McNeany mentions. Bulletins from major buying markets are usually handled the same day they arrive. Orders against information received in Saturday morning's mail could be in the New York and Los Angeles markets by Monday morning and would hasten delivery of merchandise.

Mr. ROUSSELOT. Could you describe these bulletins from major buying markets?

Mr. IVERS. Well, we get a bulletin from New York from IRS or one of the buying offices in New York. And if we want to take advantage of the opportunity, timing is very important. If we don't get our order in first, there is no chance of getting it; so we get it off by return mail and then we usually have the order filled. And if not, we will have to phone it in and all the businesses are closed, as you know, all the wholesale businesses.

And he has another thing here: Finally, we have already had many serious problems as a result of slow mail, letters taking anywhere from three to seven days within even a five-mile radius, regardless of weather conditions. Any further delay would seriously affect business.

I am just wondering what's going to happen when we have a Monday weekend holiday.

Mr. ROUSSELOT. Trent?

Mr. LOTT. Thank you very much. There are two points I would like to go over. First of all, one of the most important points that you made was that it would be harmful to your weekend bulk promotional mail.

Mr. IVERS. Bulk and direct mail. We do a lot of mail promotion. Of course, we have been switching a little more to newspaper promotion because of the delivery and cost of mail. But we still do a substantial sum of our business on Saturday. Saturday is a big day for us, so we try to time a lot of our promotion—like a 10-percent day and days like that—right. In years past, if we just left it to terminal annex,

we would have first-class mail—it actually happened to us—held for five days. We learned our lesson and we talked to our local postmaster who has been excellent in cooperating in getting our first-class mail out and also bulk mail. If we really want to make sure that everybody gets their bulk mail by the time the event starts, we have to have that in terminal annex by at least 10 days; and some of the customers will get it the very next day.

Mr. LOTT. For a weekend sale, you would try to time it where it would hit the homes before Saturday?

Mr. IVERS. If it is afterwards, forget it.

Mr. LOTT. But it would still be beneficial if hit on a Saturday?

Mr. IVERS. Oh, marvelous.

Mr. LOTT. And another thing you mentioned was that you get a notice where you prepare a mail order that could hit New York and Los Angeles by Monday and help you get promoted?

Mr. IVERS. Right.

Mr. ROUSSELOT. On those major buying orders, I didn't realize most of those come in by mail.

Mr. IVERS. The notices or bulletins of a hot item or something comes in the mail.

Mr. ROUSSELOT. So you order them immediately?

Mr. IVERS. Yes.

Mr. ROUSSELOT. And because many of those offices are not open on Saturday, you are saying that the only way you can be assured that the process is started is to put it in the mail and, hopefully, it will arrive on Monday. Do you still call anyway?

Mr. IVERS. If we can't use the mail, we use mail-o-gram to make sure there is a hard copy of what we have ordered.

Mr. ROUSSELOT. Well, we are grateful for your being here and also would you pass it on to your colleagues who were nice enough to send letters, and thanks to responding to our request to hear how the discontinuance of Saturday mail would affect retail businesses and especially smaller businesses. The other association that you mentioned, what was the name of it?

Mr. IVERS. The Independent Retailers of California, and Mr. Robert Shilto is executive secretary and handles all of the problems of all of the major department stores and independent stores.

Mr. ROUSSELOT. How many members are there?

Mr. IVERS. I have no idea.

Mr. ROUSSELOT. So most of the retailers in the State belong to that association?

Mr. IVERS. Yes; and Mr. Brock is the secretary, I believe.

Mr. ROUSSELOT. Are they of like mind?

Mr. IVERS. I would say that if you polled the directors, it would probably be about 2 to 1.

Mr. ROUSSELOT. For keeping Saturday mail?

Mr. IVERS. Right, and the independent retailers would probably be 4 to 1 because we are a smaller entity.

Mr. ROUSSELOT. Thank you very much.

Mr. IVERS. Thank you.

Mr. ROUSSELOT. We have Mr. Richard Carman who is the president of the Better Government Association of California.

Mr. Carman, thank you for coming. Do you have a statement you want to make?

**STATEMENT OF RICHARD CARMAN, PRESIDENT, BETTER
GOVERNMENT ASSOCIATION OF CALIFORNIA**

Mr. CARMAN. Yes.

Mr. LOTT. Before you get started, tell me a little bit about your Better Government Association. What does your association do?

Mr. CARMAN. We are trying to get a better government. We are trying to get taxes down, so we do a lot of research on taxes. We usually cue in on local, more than national, because it is too much to get into the national picture; but I was invited here, so that's why I came.

We think if we get the local people to spending less, it might create some osmosis and get back to Washington. So really, we concentrate on the local and county.

Mr. LOTT. We think it ought to work the other way, perhaps, but the same goes the other way.

Mr. CARMAN. Well, it is cheaper for us this way. We don't have that much money.

Most people want their taxes reduced, but they don't want to put their money into an organization. They hoot and holler over the back fence, but that's as far as it goes, so we have to do the best we can.

Five-day service is sufficient with a few exceptions, reasons, and alternatives.

For far too many years governments have not run their business end of business like a business would. The main idea of going into business is to have that business make a profit.

As soon as we subsidize any enterprise it is an automatic signal that every employee can become careless and money is no object. If a surplus is discovered at the end of the year, the main objective is to get rid of it, otherwise next year's appropriations will be less. The name of the game is get more, more, more.

The taxpayer is never told the truth about postal service subsidies, but they should be appraised.

If true reports were to flow they would include capital investment, comparable interest, loss of property taxes, et cetera, along with current expenses. It is apparent that capital investment loss of both interest and property taxes is a preconceived gift that is never carried on the books as an ongoing cost. If private enterprise ran their operations on a similar basis our country would become a shambles.

It is about time that local, State and Federal Governments operated the departments wherein they charge for a service on a pay as you go basis, especially after front money for land, buildings and equipment is furnished by the taxpayers, with no pay back amortization, interest or taxes.

Once front money is put up for a Government business, it should create an overall profit before another branch is built, in other words the capital investment paybacks should build up and become the nucleus for financing the second branch and so on. This is what is called sound fiscal responsibility.

The main reason Government is in dire economic trouble today is because in effect they think they have access to a thousand credit cards. They offer too much service to the public as appeasement for confiscatory taxes. This theory is not unlike getting stuck in quick-

sand and plunging straight ahead instead of backing up. Junk mail subsidies is another waste of taxpayers money that should be drastically curtailed.

On Sunday, January 8, the CBS channel 2 commentary "Sixty Minutes" portrayed the credit card calamity pertaining to individuals and families. It was a very important object lesson as to how people spend without thinking of the ludicrous consequences.

The narrative told of 200 "consumer credit counseling services" throughout the county that place overspenders back on the right track. Perhaps our Government and school systems should avail themselves of these valuable services.

No business should give more service than it can afford, especially when that additional service tends to upset the sensible economic routine of a service.

Six-day mail service especially to residences and also to businesses that are closed on Saturdays is a service that is too costly. It necessitates substitute mail carriers each week on each mail route because post office employees normally work a 5-day week.

Inefficiency becomes rampant when coupled with substitute carriers for sick days and lengthy vacations. One mail carrier on a route is all the public can afford.

Many people complain because they do not receive next day delivery. The public would benefit more if the postal service concentrated on improving next day delivery service instead of continuing Saturday deliveries.

You will find that most of the residential customers who insist on Saturday delivery are those who complain most about high government costs. They can't have their cake and eat it too; don't hesitate to tell them so. Let the senders who want their mail delivered on Saturdays use the special delivery service that is available to them. Businesses who want Saturday deliveries should pay a monthly rate based on an average number of first-, second-, or third-class pieces of mail delivered.

It is time for our government to initiate "Operation Efficiency", savings must be effected if taxes are to be lowered. Some of the public is demanding too much, but they want someone else to pay for it.

The politician is between a rock and a hard spot, he has given taxpayers' money away too long; it has caught up with him. A continuance is political and economic suicide. He must bite the bullet and learn to say no to the less important issues. When confronted by spenders he must retort with, "Will you personally pay for it?" If so, put your money where your mouth is.

Do you have any questions?

Mr. ROUSSELOT. That's it?

Mr. CARMAN. Yes.

Mr. ROUSSELOT. I assume you favor discontinuing the service?

Mr. CARMAN. Definitely. I think when I mentioned special delivery, I don't mean if you are going to deliver advertisements, they should pay that high cost or even a high cost of a stamp, but something on the basis that will pay for that delivery.

Mr. ROUSSELOT. Mr. Carman, you mentioned something in your statement that comes up many times and since it comes up, I would like to take this chance to make sure it is properly understood. You

talked about junk mail receiving a subsidy. Most of junk mail is third-class mail and it pays its way. I think you should know and understand that because that is a great theme that is used by a lot of people who don't really know what the facts are, and the fact is that junk mail, as you refer to it, does pay its way and it is presorted by the people who sent it and presorted by routes. The only reason I speak out on that is because that is a mistake that is often made.

Mr. CARMAN. Fine. I'm glad that you feel——

Mr. ROUSSELOT. It isn't a matter of feeling. It is a matter of statistics.

Mr. CARMAN. They get a lower rate. They get——

Mr. ROUSSELOT. Do you know what it is per piece now?

Mr. CARMAN. 3 cents.

Mr. ROUSSELOT. No. It is $7\frac{1}{2}$ to 8 cents, and you have to presort it and bundle it according to route. And, by the way, it doesn't get preferential treatment. It is set aside and only worked on in what we call off hours or off times when the mail is not heavy. First class must go out first. I am not saying it is perfect, but what I am trying to say is that is a misnomer that many times is used.

We, too, in Congress often make that mistake, but third-class mail does pay its way. I have made my little speech.

Trent?

Mr. LOTT. That was a pretty good speech.

Mr. CARMAN. We, as a nonprofit association—I represent the Better Government Association of California—find it is almost impossible for us to get anything out for less than 13 cents, and we are trying to do some good for the people in the country.

Mr. ROUSSELOT. I'm sure you do.

Mr. CARMAN. We pay the tab and we have to sweat for every dime we get.

Mr. ROUSSELOT. But third-class mail means you have to presort and all the rest of it.

Mr. CARMAN. It gets to be too many rules. We have a heck of a time really trying to get something for less than 13 cents. I would just as soon pay the 13 cents and then we know we are paying our way.

Mr. ROUSSELOT. Third-class mail pays its way too, and I want you to know that.

Trent?

Mr. LOTT. I want to summarize what you are trying to say: You feel there is a way you can save the taxpayers dollars and there must be some way that we can get by without the 6-day delivery, but you are not sure exactly how it might be done?

Mr. CARMAN. I can tell you when you finish.

Mr. LOTT. Well, you mentioned a couple of things where you could maybe cut out the home delivery or maybe have some special provisions for businesses that still want Saturday delivery. But the main argument is that this is one way you could save \$400 million or however many million it is, and, for that reason, your association would support it. Is that correct?

Mr. CARMAN. That's correct. I say, let the sender pay. He knows something is not supposed to be delivered on Saturday. Let him pay a double postage or whatever it takes. If it is that important, let him pay it. It is guaranteed Saturday delivery.

Mr. ROUSSELOT. He would pay extra then?

Mr. CARMAN. Or the receiver could pay extra, not by putting an extra stamp on there or not, but he gets x pieces of mail. What is his average? Like a business, charge him, OK. You want a permit to have this delivered, fine. Otherwise, go to the post office and pick it up. Many businesses, if they are really important businesses, will go and pick it up anyway. I don't think they should get this extra service if they don't pay an extra charge. Otherwise, we are just going into deficit and more deficit.

Another thing is, we have businesses that are in the business of delivering packages and mail. This is unfair competition to them. As I point out here, you never figure in the original cost of the post office or the interest that money would carry when you take extra money from me to build a post office and what not. That's money I don't have and lose interest on, and there should be a pay back thing when you build a golf course or anything else where we pay. Let's see what kind of business you are. Let that be paid back and build another one and another one—and then that's fair to these business people.

Mr. ROUSSELOT. You are talking about the postal service. You understand we don't run that service.

Mr. CARMAN. We know they are supposed to make a profit, but they got the buildings and everything for nothing.

Mr. ROUSSELOT. So your solution is to make the sender or receiver pay an extra charge to guarantee Saturday delivery?

Mr. CARMAN. That's correct.

Mr. ROUSSELOT. What would you charge instead of 13 cents?

Mr. CARMAN. I wouldn't say you charge double, but something in reason.

Mr. ROUSSELOT. I guess what we are asking is, what is your idea of what is reasonable?

Mr. CARMAN. I would say perhaps 5 cents.

Mr. ROUSSELOT. Five cents from either the sender or receiver in order to receive it or to guarantee that it would be delivered on Saturday? I want you to know that I don't think I have heard that before.

Mr. CARMAN. I don't mean a system where the postman has to ring the doorbell and collect 5 cents; that's wasting too much time. They will figure out real quick whether or not they should run down and pick it up or whether it is cheaper to have you deliver it. This could be done.

Mr. LOTT. Thank you.

Mr. ROUSSELOT. Certainly you have given us a new suggestion.

Mr. CARMAN. I put this statement together in a hurry. I wrote it about 4 o'clock in the morning.

Mr. ROUSSELOT. Thank you for staying up late.

Mr. Ben Ellison, senior citizen, representing Los Angeles County Department of Senior Citizens' Affairs.

STATEMENT OF BEN ELLISON, SENIOR CITIZEN, REPRESENTING LOS ANGELES COUNTY DEPARTMENT OF SENIOR CITIZENS' AFFAIRS

Mr. ELLISON. Sir, could I have Mr. Neill sit with me?

Mr. ROUSSELOT. Yes.

Mr. ELLISON. He's very well known.

Mr. ROUSSELOT. That would be fine.

Mr. ELLISON. I want him with me since mine is more of an emotional thing.

Mr. ROUSSELOT. May we know your friend's name again so the transcriber can know the name?

Mr. ELLISON. Mr. Ed Neill, of the Senior Citizens' Information Referral Center of West Alhambra. We have the Board of Senior Citizens' Affairs that covers Los Angeles County. The reason I happen to be here is because I am at 601 Kingsley in Los Angeles. At age 75, I answer phone calls from all over the county for 4 hours a day sometimes 65 or 75 calls. I am working with people who are in constant contact with the senior citizens. I was, for 3 years, out here on what they call SSI Alert, alerting the people to what their benefits were; so they took me in there. But in the meantime, I would like to tell you that in 1956, 22 years ago, I was carrying mail.

I just got this letter [indicating].

Dear Mr. Ellison, it has come to my attention that you will be celebrating your 75th birthday on Monday, November the 7th, 1977. I have been told that you have done an outstanding job for the Information Referral Center at the Los Angeles County Department of Senior Citizens' Affairs, and on behalf of Los Angeles, I would like to extend our congratulations as you commence your 75th year and thank you for the fine work you have done for the seniors throughout the county. I wish you continued success and happiness for years to come. That's from Ed Edelman. I only tell you this because I am serious about this.

In 1933, I wrote the songs for "I'm No Angel" with Mae West; and, if I was to ask her if she wanted 5-day delivery or 6-day delivery, I am sure she'd say she would like 7-day mail service, but 6-day service would be OK for 1 day of rest.

I talked to a woman who is in a wheelchair today, representing five different cities out of Huntington Park. She said that the people out there want mail on Saturday. It is an emotional thing. It is a psychological thing. She told me a woman out there helping the seniors—she is a senior herself—lost her watch up at the university out there and if she hadn't gotten her mail on Saturday recently, she wouldn't have gotten it back because a university student found it.

What I am trying to say is that when Mr. Bob Medina, our director, called me in an emergency and said "Here, Ben." I said, "Well, I don't know anything about this other than talking to people generally." I found it is a consensus of the senior citizens. It means a great deal to them to receive their mail on Saturday.

I was a former editor of the Central Manufacturing District, CMD magazine, to all this area, so I feel very close to the people in Alhambra. And in being in this position, I have been to 500 stores of every type and kind. I know what it means to them.

As a former U.S. Director of the Military, I know that for the retired people, for their pensions, their social security, and many other benefits, if it is around the first of the month and that first falls on Saturday and they don't always get it, it will create a hardship. In fact, I came across a case this past Wednesday of a man who had done the best he could but was in meager circumstances. They were threatening to increase his rent. So he didn't get his Social Security check on time. He didn't get it on time which was on a Saturday. On Monday, when the mail did come, his landlady came and said "You didn't get your payments on time and we are going to raise

your rent \$30." He can't even pay \$180 and so he couldn't pay an extra \$30.

I can only talk off the top of my head, saying to you we have 25,000 seniors in Glendale where I am chairman of public relations and over 25 million are seniors of our population. They are due consideration.

The reason I mention the Central Manufacturing Committee is because when you ask who put America together, it was these seniors. And with all these new things and different things that have been cut down with taxes and everything else, they should still have a say of what's happening to them. It is more than just money, it means a lot to them to receive their money on Saturday. I haven't had a great deal of chance to prepare statistics. But when you talk to as many people as I do you know what they think and you know how dire this is to them.

Their best friend is the mailman. I can only make a plea to you that in our America where so many different things that are happening—all this money we are spending, billions of dollars to help other nations—why can't we keep some of the services we have.

I did a story on Xerox in which at the time that I did it they were talking about new instruments working with the telephone companies whereby you could push a button and see a copy and see the person. Businesses do that now. If you cut all these things out, what have we got in our country? So I am making an all-out plea, representing the senior citizens, that we please give serious consideration to those people who have given their all. It means a great deal to have their mail on Saturday.

Mr. ROUSSELOT. Will you say anything, sir?

STATEMENT OF ED NEILL, SENIOR CITIZENS' INFORMATION REFERRAL CENTER, WEST ALHAMBRA

Mr. NEILL. I concur in everything he says. I also offer a rebuttal to Mr. Carman. I know him personally. I know his deep dedication in saving in government service, but let's put it this way as far as the seniors are concerned. In the Information and Referral Center, some people wonder what they are doing there. They are trying to overdo the chaos and emotionalism of older people. They are very much upset and they are upset over this. Anything extra thrown in there will confuse them more than ever. We have to have I and R to funnel information coming to us.

Can you imagine them having to pay 5 cents more to have their social security check mailed on Saturday when they need it? And one of the things they will ask is this: Is this an extension of the 3-day holiday? Did that come out of bureaucracy? Is this another bureaucratic idea? When are they going to take their names away from them? When are they going to tattoo their numbers and cause more confusion? They are disturbed and they are disturbed because after they gave America what they got today, now they are trying to take more away from them. They feel very strongly that there is in America a form known as silent genocide.

We all know what Hitler did. He gassed them. Over here, they are upset and the postman that comes around means a lot to them; he represents the Government to them. I even know of cases where

they have a glass of orange juice when he comes around. They love him. He is the last vintage of Government to them. They are fed up.

I want to add this one thing: In the West San Gabriel area—that's 5 cities and that's 40,000—tomorrow, all day long, there will be a workshop on the east end because the East San Gabriel Valley and West are getting together.

Mr. ROUSSELOT. Thank you both. I would like to tell you this because I don't know if you were both here when we started the hearings. We sent out 25,000 questionnaires and in the replies so far, 875 said to continue Saturday service and 278 said they would be willing to have it discontinued. Both of you are in touch with senior citizens' organizations. In the hearings we have had in other places in the country, the estimates are that the option for discontinuation is anywhere from 2 to 1 to 3 to 1. What is your estimate of your option to discontinuing?

Mr. ELLISON. I would say it is about 75 percent of the people.

Mr. NEILL. I would say 90 percent want it. I have made a personal survey. We didn't get the message soon enough.

Mr. ROUSSELOT. If you can get a survey among your own members or the senior organizations in which you play a part, we would be glad to receive that.

Mr. ELLISON. I think you will get the message there.

Mr. ROUSSELOT. I think you have both made it very clear.

Mr. ELLISON. Would you send a letter to Mr. Robert Medina, Director of the Senior Citizens' Affairs of Los Angeles County, at 601 Kingsley, L. A., 90005 and send some of these? We have departments that really go into that. I think it will be toward 95 percent.

Mr. ROUSSELOT. We will send a supply.

Mr. LOTT. Before you go, I might interject: This was on a census of 25,000 of mail recipients in the immediate area.

Mr. ELLISON. No, it should go to Los Angeles County, sir, because there we carry all the areas. Every day I get calls from Azusa and Lancaster.

Mr. ROUSSELOT. To mail all Los Angeles County would be rather substantial. We could mail you a supply and you could duplicate it if you need it or ask the organizations that you work with to do so.

Mr. ELLISON. Here's what you can do: At 601 Kingsley, we have skilled consultants that reach out to these people. If they just have a limited supply, they could take them into the meetings.

Mr. NEILL. We respect people like Mr. Carman who want to help.

Mr. ELLISON. Gentlemen, help us and we will vote for you.

Mr. LOTT. You are going to help me out in Mississippi too?

[Laughter.]

Mr. ROUSSELOT. Mr. Carl Thams, president of the Azusa Golden Age Club.

STATEMENT OF CAL THAMS, PRESIDENT, AZUSA GOLDEN AGE CLUB

Mr. THAMS. Mr. Roussetot and Mr. Lott, I really can't say much after these gentlemen.

Mr. ROUSSELOT. They have said it for you?

Mr. THAMS. They really said the whole thing.

Mr. ROUSSELOT. You don't have something different to report, different than they did?

Mr. THAMS. I have very little different to report. The only thing I want to say is that at our last meeting we took a vote. We didn't take a copied vote or anything like that. We just asked who is in favor and who is against.

Mr. ROUSSELOT. Was this at one of your regular meetings?

Mr. THAMS. At one of our regular meetings last Friday.

Mr. ROUSSELOT. All right.

Mr. THAMS. There was at least 90 percent of the people that wanted Saturday mail.

Mr. ROUSSELOT. They want to keep it?

Mr. THAMS. They want to keep Saturday mail.

Mr. ROUSSELOT. All right.

Mr. THAMS. There are a lot of senior citizens who depend on social security; there is no doubt about it. And if the check doesn't come on Saturday it is a hardship. Some say you can't cash it anyway, but there are very few places where you can't cash social security checks. You don't have to go to a bank. If you have an identification card, you don't have any trouble cashing it. So as representative for the Azusa Golden Age Club, we are for Saturday mail delivery.

Mr. ROUSSELOT. Thank you for coming. I know it is not a short distance from Azusa. Tell your group we appreciate their input and thoughts and we will be out to see them soon.

Mr. THAMS. I didn't take the 5 minutes, so somebody else can.

Mr. ROUSSELOT. No, you didn't. We will give you an extra hand. [Laughter and applause.]

Mr. ROUSSELOT. Mr. Elliot Rohssler, State officer of the Southern California Region, National Association of Postal Supervisors.

Glad to see you.

STATEMENT OF ELLIOT ROHSSLER, STATE OFFICER, SOUTHERN CALIFORNIA REGION, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Mr. ROHSSLER. Good morning.

Mr. Chairman and members of the committee, my name is Elliot Rohssler. I am an officer for the California State branch of the National Association of Postal Supervisors. My responsibility as a State officer encompasses all NAPS branches and managerial personnel in the areas of Alhambra, Long Beach, Los Angeles, Pasadena and associate offices of the San Gabriel Valley.

Postal supervisors are seriously concerned about the proposed curtailment of 6-day mail delivery service to a 5-day program. By implementing this, the Postal Service is not taking into consideration the needs of the public and the extreme effect it will have on the small businessman who is always the one to suffer the most.

I am sure your committee is aware of the many services which have been eliminated or reduced in the last 6 years. Add to this, a new curtailment program consisting of 5-day delivery which will have built into it a situation whereby a letter posted in a mailbox after 5 p.m. on Thursday, locally, will not be delivered until sometime Monday. It is

also important that you visualize the carrier's work load on Monday mornings. I question the reality of the proposed savings involved in this program when it is obvious that overtime or assistance will be required in order to connect all mail and meet our service standards.

As we look around, note that more and more savings and loan institutions, in addition to some banks, are finding it advantageous to be open on Saturdays in order to accommodate the needs of the small businessman and general public. Furthermore, consider our senior citizens with all the inequities thrust upon them having to face another burden. We are all aware that these elderly people, who are living hand to mouth, look forward to their monthly social security and assistance checks; consequently would have to wait an additional weekend when the delivery date falls on a Saturday.

Testimony offered in the past by various administrative offices of both mail users and advertising associations, have demanded from the post office faster and better service in all areas for their customers.

The Postal Service is basically a customer oriented public service and should be recognized as such. The proposed 5-day delivery program will in no way be a cure-all for the need of an annual subsidy.

In conclusion, as an average American citizen, I tend to question the philosophy behind any program which would eliminate thousands of jobs at a time when the executive branch of the Government is striving to reduce the percentage of unemployment, and the Congress is considering legislation in the billions of dollars to create new work opportunities.

Thank you for the opportunity to present our views to the committee.

Mr. ROUSSELOT. Thank you for taking the time to do it. Please tell your association we are grateful. We know you supervisors have the grass roots jobs of making sure the mail moves. We appreciate your taking the time to appear today.

In your statement, you question the reality involved in this program when it is obvious that overtime or assistance will be required in order to connect all mail and meet our service standards. Can you elaborate on that a little bit? In other words, the postmaster is saying a savings of \$400 million. You are challenging that?

Mr. ROHSSLER. In order to connect 2-day mail, you are going to have mail that would normally go out on Saturday, and mail that would normally go out on Monday, both go out on Monday. Now the mail carrier is going to carry 2 days' mail on 1 day.

Mr. ROUSSELOT. So you are saying that will require overtime, et cetera, in order to fill that delivery problem?

Mr. ROHSSLER. In order to connect all the mail.

Mr. ROUSSELOT. And then I suppose on a 3-day holiday or on a Monday holiday, it would be even more?

Mr. ROHSSLER. On Tuesday, yes.

Mr. ROUSSELOT. And we have eight of those usually a year.

Mr. ROHSSLER. You would have mail for Saturday and Monday, and that would have to go out on Tuesday.

Mr. ROUSSELOT. So what you are saying, as someone inside the post office, is that overtime would clearly be required to get the job done, in order to meet the service standards. Do you want to comment on that?

Mr. ROHSSLER. I am talking about the service standards of what the service is saying when mail should be delivered properly in order to meet the service requirement.

Mr. ROUSSELOT. You are talking about the time?

Mr. ROHSSLER. Yes.

Mr. ROUSSELOT. Trent?

Mr. LOTT. First, I would like to say we appreciate your coming here to present this testimony and that most of the problems, in my opinion, could be resolved if they would get out of Washington, D.C. in their fancy offices and talk to people like you and other people here who are day to day in the front line of the Postal Service. The people don't really understand the Postal Service. They have not been carriers and they don't understand the mechanics of moving the mail. So I have a great deal of respect for you and your cohorts across the country.

Mr. ROHSSLER. Thank you, very much.

Mr. LOTT. Do you think that perhaps this very likely could be just the first step of further reduction of mail service? For instance, do you think the next logical step would be closing the lock boxes and closing the post office entirely on Saturday?

Mr. ROHSSLER. I am not privy to what is going on at postal headquarters, but, as I mentioned, you gentlemen who are members of the Post Office Committee have seen the decreasing situation. This would be another one; and where the next step on the ladder goes, I can't tell you.

Mr. ROUSSELOT. Do you think it is apt to be?

Mr. ROHSSLER. It would be obvious if we are trying to hold down our costs.

Mr. ROUSSELOT. So it could well lead to that?

Mr. ROHSSLER. Possibly.

Mr. LOTT. One other thing I would like you to clear up is that a lot of people who are opposed to Saturday delivery or in favor of terminating it are really not sure how it works under the present system. The people think that because it is delivered on Saturday, these people are getting overtime pay because most Americans' workweek is 5 days. That is not the case. How does it work?

Mr. ROHSSLER. Each carrier who is on a rotating schedule has an off day; 1 week he would be off Monday, Tuesday, Wednesday, Thursday, and so on down the line. There are utility carriers who come in on the normal straight salary and they carry five different routes 1 day, 5 days a week so that extra delivery does not create an overtime situation, not on the general procedure of the routine schedule.

Mr. LOTT. That's all. Thank you.

Mr. ROUSSELOT. We have had the suggestion that the solution would be to have delivery on Saturday but not to have delivery on Wednesday. What would you think about that?

Mr. ROHSSLER. I can't condone that either because—

Mr. ROUSSELOT. I want you to understand that's not our idea.

Mr. ROHSSLER. Your businesses are all going full blast on Wednesday. You are really going to create a problem.

Mr. ROUSSELOT. So that "solution" would not be a solution?

Mr. ROHSSLER. No.

Mr. LOTT. Let me interject here: I appreciate the comments from the gentlemen representing the senior citizens and they told us about the emotional impact on the senior citizens. Of course, this is one of the reasons we lean—or I lean—toward continuation of Saturday delivery. Of course, I must say the savings looked very good initially. Expenditures of the Federal Government is one of the things which is creating inflation which makes it so hard on senior citizens. Do you have an idea to reduce the trends of Postal Service and getting it back on providing the service it should provide?

Mr. ROSSLER. Unfortunately, when the Reorganization Act was passed, many of your knowledgeable managerial personnel left the service. I think it is the man on the front line that knows what's going on and I would like to see them listen to him, rather than individuals who are really not adverse to the Postal Service.

Mr. LOTT. Thank you.

Mr. ROUSSELOT. There is a hand up in the audience.

Yes, sir? We are going to have comments from the general public as soon as we finish.

VOICE. I understand that. I am a postal clerk at the Alhambra Sectional Center and I would like to follow him if you could make that exception.

Mr. ROUSSELOT. I would like to do that, but we have promised these other people.

VOICE. I am on the front line and I have ideas.

Mr. ROUSSELOT. I am sure you do, and lots of you come by to see me in my office in Arcadia and I am glad to see you. If you will give your name to the staff, we will be able to hear you right after Mr. Painter, our final scheduled witness.

Mrs. Doris C. Lewis, president of district No. 10, local 1003, National Alliance of Postal and Federal Employees is next.

Now, Mrs. Lewis, do you want to have your colleague identify himself?

Mrs. LEWIS. Yes, I would.

Mr. ROUSSELOT. All right.

Mr. CHESTANG. I am Charles Chestang from Altadena, Calif. I am the national organizer for Mail Handlers of the U.S. Postal Service.

Mr. ROUSSELOT. Thank you both for being here. Mrs. Lewis, why don't you proceed?

**STATEMENT OF DORIS COX LEWIS, PRESIDENT, DISTRICT NO. 10,
LOCAL 1003, NATIONAL ALLIANCE OF POSTAL AND FEDERAL
EMPLOYEES**

Mrs. LEWIS. Congressman John H. Roussetot and members of the committee, I am Doris C. Lewis, president of district 10 of the National Alliance of Postal and Federal Employees. I am accompanied by Mr. Charles Chestang of Altadena, Calif., who is national organizer for mailhandlers of the U.S. Postal Service. For the record, district 10 of the alliance covers Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, The Pacific Islands and Washington State.

Mr. Chairman, members of the union in California and throughout the Nation feel a sense of affection for you as a person and highly

regard you as a legislator because of the unique and solid contribution which you have made since you were first elected to the U.S. House of Representatives many years ago.

You are commended for holding this hearing today at the grass roots level where the residents of your congressional district are being given an opportunity to express their views on an issue which troubles people of good will who are users of the mail and who are taxpayers, consumers and occasionally postal employees. For the record Mr. Charles Chestang and I are long term career employees of the Los Angeles Post Office.

As we understand the issue before us today, the committee is trying to determine whether the people, if given a choice, would prefer or accept 5-day mail delivery in lieu of an increase in postage. When the question is framed in this manner it may give the impression that elimination of the current 6-day delivery is the only alternative to an additional rate increase on first-class mail.

As we see it, a true picture would show that at least one other option exists, that is a subsidy. This means that the U.S. Treasury would fund that part of the 6-day delivery which would be eliminated in the name of saving money. Thus, the added costs of the continuance of the 6-day delivery would fall on all taxpayers on a national service to all of the American people. In an attempt to take our comments today out of the area of guesswork or a doctrinaire union position we have talked with several hundred people during the last week and they overwhelmingly stated that the 6-day delivery should be continued.

Most of them felt that the current plight of the U.S. Postal Service was the result of gross mismanagement. They viewed the proposal to eliminate 1 day of delivery service as a further deterioration of the Postal Service and an increasing disregard for the rights of the little people in America. The people contacted in our informal survey were postal employees, Federal employees, small business people, homeowners, renters, and people whom we met on the street. All of them were in the area of Los Angeles.

Mr. Chairman, this union opposed the Postal Reorganization Act of 1970 and has continued to ask for changes which would give this agency back to the people. We declared then that the so-called break-even concept was a mistake. We now know that it was a disaster. You and members of Congress who are struggling to improve the Postal Service are commended.

The opportunity to appear before you this morning and to testify is deeply appreciated and we shall try to answer questions which you may have. Thank you.

Mr. ROUSSLEOT. Thank you for your concise statement. I am very interested in your comment here that in order to make sure you weren't just talking to your own union members that you surveyed several hundred people during the past week. How was this done?

Mrs. LEWIS. I say in the psst week, but it should have been past weeks. My father goes to Braille and I go to Braille quite often. Going to Braille, they have other handicapped persons there, and my father is a senior citizen and I'm one now myself—I forgot about that. [Laughter.]

We are both senior citizens, but he's a little older than I am. I have talked to the senior citizens. Although my father and others can't see

as much, they see the red, white, and blue car; and they would miss that.

I would like to say that over this past weekend where the checks should have been mailed to the senior citizens for Saturday or delivered Saturday, that maybe it is a communication gap or maybe they didn't know. They didn't tell us. They didn't tell the people. But so many people didn't get the checks on the 3d when the Government said they would give them the checks. They were upset about that.

We have one lady that sits out in the hall in a chair. She brings her own chair and waits daily for her mail.

Mr. ROUSSELOT. So you and your father have informally contacted several people?

Mrs. LEWIS. Yes.

Mr. ROUSSELOT. Mr. Chestang?

Mr. CHESTANG. Last night, just out of Chicago, we were having a district meeting. We were covering all the districts of the United States, but we only had 250 people there. It was a strategy meeting we were holding, and we represent all postal employees. So we had people from the supervisors on down to the custodians, and it was 100-percent support. And coming up again this week, we will be in Memphis and we will have the southern region and we will have the western region there and we plan to poll them again as we have these meetings. This is the utmost thing in the minds of the people, and especially the carriers.

Now, you mentioned the fact about what would be the next thing that took place. The next thing that took place after delivery is reduced is just what management is thinking about now, and that is to reduce it to two tours. That would cause thousands of people to be eliminated. The next thing they will recommend will be that they come up with processing the mail on tour three and getting the mail on tour one and eliminating a whole tour. These are the things that I work with very closely.

Mr. ROUSSELOT. Would you explain what you mean by reduced to two tours?

Mr. CHESTANG. They have bulk mail facilities where they have been losing millions.

Mr. ROUSSELOT. We know about that.

Mr. CHESTANG. I am talking about in the bulk mail. They were using this two-tour service. It is no problem for the management to push mail in the corner and hold it there. In other words, they would start the tour at 3 and some of them start early around 2:30. And then it would be from 2:30 to 12 and then the next tour would be 12 to 7 in the morning; and then for the day tour, they would only use a skeleton tour. And you can imagine how many jobs would be eliminated that way, and this is in the back of the management's mind today.

I heard you questioning some of the other people who were before us. When you talk in terms of the cost factor that we are running up in these areas, like the bulk mail facilities where we have lost millions, it is amazing. We have a bulk facility in Los Angeles that we built new and we put everything in it and we are not using it any more. And if you go out there, you have—

Mr. ROUSSELOT. That was Mr. Lang's—

Mr. CHESTANG. Right. And they are following the same pattern and duplication of managerial positions. We have lost over 5,000 employees in the past 7 years in the Los Angeles Post Office, so what they are doing is at the top. They are making jobs just like you have duplication of service where you have a district postmaster general and a local postmaster. This is where the cost is. This is where the cost goes up, so when you talk about post office, you better look at the top and forget about reducing the delivery day. This is where the money is being lost.

They are not utilizing the money they have properly and they are throwing away too much money and have thrown away too much money in bulk mail facilities. This is where the money is, but they are not looking at this because this is part of management's gimmick.

Mr. ROUSSELOT. You are right. They have thrown away a lot.

Mr. CHESTANG. No, they are still throwing away. And some of the supervisors I see right now, at one time, they manage one by themselves and now they use 15 to 20 people to do the same thing and they claim efficiency hasn't changed any. They have modernized the buildings and equipment and everything else, and now they use approximately 12 to 20 people to do the same job. So it is at the top where we are being murdered in post office department.

Mr. ROUSSELOT. We appreciate your comments.

Mr. CHESTANG. Yes.

Mr. LOTT. Let me just ask you again, when you say only two tours, you don't mean two delivery days?

Mr. CHESTANG. I am talking in terms of processing the mail. In other words, if they would eliminate Saturdays, this means that they would also eliminate a certain amount of the people who would have to process the mail. So if they eliminate Saturday, they would eliminate all those carriers. The work that those people who prepare that mail for those carriers would be eliminated.

I speak with authority on this because I am in and out of all major post offices. I have been in 12 major post offices in the past 6 weeks and they use three tours.

Mr. ROUSSELOT. Tours of duty during the day?

Mr. CHESTANG. Yes. Tour two which runs from 7 to 6:30 and then tour three which runs from 6:30 to 12 and then tour one from 12 to 7 in the morning.

Their next gimmick would be to eliminate this day tour because in some post offices they are tempted to do that in not processing any of their mail. I know what they are doing. They push the mail over on the side that is supposed to be run and postmarked and then process this mail at night.

So after they get this reduction of the workweek, the next thing would be this very serious and major issue which they are working in that direction now.

Mr. LOTT. I just want to say thanks to both of you.

Mr. ROUSSELOT. Thank you.

Mrs. LEWIS. I would like to say something.

Mr. ROUSSELOT. It is something relating to Saturday service?

Mrs. LEWIS. Yes. I would like to say—and I think we touched on it—in eliminating 6-day mail, you are going to also eliminate one-sixth of the postal department.

Mr. ROUSSELOT. Thank you.

Mr. Halline Overby, president of the Los Angeles Branch, National Association of Letter Carriers. Here comes someone that really delivers the mail. Thank you for coming.

STATEMENT OF HALLINE OVERBY, PRESIDENT, LOS ANGELES BRANCH, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. OVERBY. Thank you for the opportunity to come.

Mr. Chairman and members of the committee, my name is Halline Overby, and I am president of Branch 24 of the National Association of Letter Carriers, in Los Angeles, Calif.

Please accept my personal commendation for your convening this committee in Los Angeles County and for your strong interest in the opinions of Americans as to further attempts to cutback an already severely deteriorated postal service.

As a letter carrier, I and my fellow carriers are constantly in close, personal contact with our postal patrons. After a few years on a particular route, the letter carrier not only becomes acquainted with those whom he serves, but in many instances, becomes close friends with his patrons.

As a result, we learn earlier than most, the views of our patrons as to mail service. Certainly, we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service hire.

Therefore, I can tell you with confidence that the postal patrons of this area are angry with the present levels of service they receive and with the constantly increasing costs they must pay for this poor service.

A proposal then, conceived in far-off Washington, D.C., that Alhambra, Calif. postal patrons must pay 3 cents more on an already overpriced first-class stamp, and in addition, will receive 1 day a week less of mail delivery, simply makes no sense to them or to me.

As I have said, I am pleased you are here to learn of our views. But, as often is the case, the person who really should be here for that purpose—the Postmaster General—is back in Washington, D.C.

After all, the Congress has indicated quite clearly that they understand the fallacy of this proposed reduction in service. The overwhelming votes in the House and on the Dole-Clark amendment in the Senate in favor of the continuation of 6-day delivery, demonstrate that the Members of Congress are aware of public sentiment outside of Washington, D.C. That support of high standards of delivery service shows that Congress is listening to the postal patrons throughout this nation.

That the Members of Congress who supported our efforts to retain 6-day delivery were accurately reflecting the views of their constituents was dramatically demonstrated by your committee in Honolulu, Denver, Philadelphia and upstate New York. It is my understanding that your survey of postal patron sentiment in those cities demonstrated support for Saturday delivery by margins of better than 3 to 1. I believe the patrons in Los Angeles County will respond in a similar manner to your local survey.

The Postmaster General is apparently deaf to both the postal patron and to the Members of Congress.

The proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more and more, year after year. That is an obvious result of that policy.

Less obvious, but equally compelling, is the impact of this cutback in mail service to the economy of this area.

The loss of postal jobs will be significant. In Los Angeles County, alone, we have approximately 3,000 part-time flexibles now fully employed. The no-layoff clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period. Obviously, no one can earn a living with a \$28 take-home pay every 2 weeks.

These employees would no longer have income as a result of employment. The loss to the already hard pressed economy of this monthly payroll would be severe in a period of decreasing employment.

The cost to our area in providing income to these displaced workers in the way of welfare and unemployment benefits will be unavoidable.

In conclusion, Mr. Chairman, please take back to Washington, D.C., that opinion from the county of Los Angeles—which your previous vote on this issue demonstrates that you share—namely, we are against any further cuts in an already deteriorated Postal Service.

What our area really wants, and what the United States is entitled to, is better, less costly postal service—not a more expensive service—which is less responsive to the needs of the American people.

I would like to thank you for this opportunity, and if there is anything I can add, I would like to do so.

Mr. ROUSSELOT. Thank you. I presume you are fairly representing your members and your officers and their opinions. My understanding is that one in six letter carriers would be excessed—I think you call it—and that, therefore, the more senior members of the postal carriers would be more susceptible to the idea of terminating the Saturday service because they would not be the ones that would be excessed or let go. Is that true?

Mr. OVERBY. I don't think that's true. At least, I am going to speak for the people that I know.

Mr. ROUSSELOT. All right.

Mr. OVERBY. I want to be accurate.

Mr. ROUSSELOT. That's what we want you to do.

Mr. OVERBY. I am president of the NALC and we have approximately 100 cities in that group. A poll of the presidents of those locals showed, I think, one city in the United States where the letter carriers of that city agree that a 5-day delivery was preferable to a 6-day delivery. I think that our first concern should be the people we serve and not ourselves. It would be very desirable to have a Monday through Friday workweek, but the Postal Service is what the last word implies—a service. And we are going to shortchange the American people by taking away one day of delivery.

I have listened to the seniors. We have a program, Operation Alert, that is geared to the seniors. I think the letter carrier on the route knows the people out there and we know what they want and what

they want is what we want. And so I disagree and our local, with almost 400 members—and we cover Alhambra, Monterey Park, Monrovia and also Bell, Cudahy and Maywood and all the city of Los Angeles—had an overwhelming vote by the membership of this local that we maintain the 6-day delivery. I think the first concern is with the people.

Mr. LOTT. Thank you. I want to say I particularly appreciate your just past-stated comments about the fact that it is a service and your duty is primarily to the people you serve. If we had more people around with that attitude, we would be better off.

Mr. OVERBY. Thank you.

Mr. ROUSSELOT. In view of the no-lay-off clause, what would happen to the carriers who are no longer needed?

Mr. OVERBY. Under the no-lay-off contract of not laying an employee off, if within a 2-week period they gave the man or the woman 4 hours work, they would comply with the contract. There is no way in the world a family can exist on approximately \$28. These would be the junior people that would be affected by a delivery cutback.

Mr. ROUSSELOT. They would just reduce their time?

Mr. OVERBY. They would reduce their time to 4 hours and meet their contractual commitment. The members per se would not be reduced, but the effect on the workers would be devastating. They would end up on welfare or drawing unemployment checks or whatever. With 4 hours a paycheck, they are entitled to unemployment.

Mr. ROUSSELOT. Thank you very much.

Mr. LOTT. Thank you.

Mr. ROUSSELOT. Now we have the president of the National Association of Postmasters, Joyce Turney.

STATEMENT OF JOYCE TURNEY, PRESIDENT, NATIONAL ASSOCIATION OF POSTMASTERS; AND POSTMASTER, CITY OF SOUTH PASADENA

Mrs. TURNEY. Hello.

Mr. ROUSSELOT. Some of your fellow postmasters are here, do we have them here—Terry Williams, State legislative director of the League of Postmasters; Hal Hemmingsen, past president of the National Association of Postmasters; and Carl Tice, postmaster, city of Yorba Linda.

Mrs. TURNEY. I don't know Mr. Williams. I don't know if he is here or not.

Mr. ROUSSELOT. He told us he would be.

Mrs. TURNEY. Apparently he isn't.

Mr. ROUSSELOT. Thank you for coming.

Mrs. TURNEY. Thank you for inviting us, Mr. Roussetot. We particularly appreciate the opportunity because we are in a process now where we welcome continuing contact with Members of the Congress.

Mr. ROUSSELOT. I want you to know that Mrs. Turney is the best-looking postmaster I know.

Mr. LOTT. I agree.

Mrs. TURNER. I had the opportunity of meeting Mr. Lott in Mississippi in January, I believe.

Mr. LOTT. I believe you are going to have your meeting in Mississippi?

Mrs. TURNER. In 5 years.

Mr. LOTT. We will be waiting for you.

Mrs. TURNER. I have been asked to present my views and the position of the National Association of Postmasters on the reduction of 6 to 5 days a week, and I do have a prepared written statement which I will provide in adequate copies for you and I will try to capulize that so if you do have any questions there will be a bit of time left.

As postmasters, we have been required to implement things which we did not agree with but seemed to be necessary from a budget point of view; but I would like to point out that the post office has not taken a position that they do plan to reduce delivery days or that they even want to. They did conduct a poll that indicated that the American people did not feel they needed 6-day delivery. The validity of that poll was challenged and a second one produced somewhat different results. I think the one that is being conducted now throughout the country shows a different result; and as everyone knows, public opinions are somewhat affected by the manner in which the questions are worded.

The National Association of Postmasters has gone on record as being in favor of continuing Saturday mail service. I have noted some reasons for that position in the paper that I have prepared that I won't go into because I think other people have mentioned them today.

We are concerned about the impact on small businesses, we are concerned about the impact on senior citizens where people get their daily newspapers in the mail, they would not be getting a newspaper until Monday.

What I want to speak to you about is the impact that I feel and that the National Association of Postmasters feels that reduction of 6-day delivery would have on postal operation: Anyone who has been on the workroom floor of a post office recently knows that mail volume is up, that we are already sore pressed to handle the volume we have and that to get it out on time takes all the ingenuity that we possess.

I spent a few hours in my office yesterday compiling statistics of the amount of mail which would have to be delivered in South Pasadena on Monday if we terminate Saturday delivery. And remember that there will not be any savings in handling the mail at the post office. We still have to sort every letter, we still have to deliver it to a carrier who has to again sort it in a case for delivery; so the maximum amount of time that could be saved by going into 5-day delivery would be the street time that a carrier would actually walk or drive, if he is in a vehicle, his route on 1 day a week.

Based on the volume of mail processed in the fiscal year 1977, we would be faced on a typical Monday of a mail volume of from 147 percent of normal up to a maximum of 234 percent of normal. If you add to that the additional Monday volume when a holiday falls on a

Monday, on the following Tuesday we would be confronted with a totally unmanageable situation. For example, to be quite specific, on the Tuesday following Memorial Day last year, to maintain service standards—that's overnight delivery over the Los Angeles basin—we would have had to sort and deliver 261 percent of our normal daily mail volume. On the Tuesday following Washington's birthday observance, it was even worse. If we had not delivered mail the previous Saturday, we would have had 271 percent of normal daily mail volume to handle and deliver on that Tuesday.

I must tell you that it would have been an absolute impossibility. There isn't even that much space to put that mail in our post office. Not only would there have been no mail service on Saturday or Monday, but there would have been hundreds and even thousands of first-class mail, bills, and letters that might not have made it until Wednesday. The only thing we can do is to compel people not to mail letters on weekends, or to flood the post office with dozens of part time workers on Monday and Tuesday and that is a management practice which has been long since discarded. It is inefficient and ineffective.

I am concerned too about the impact on our handling of third-class advertising mail—which I was very pleased to hear Congressman Rousselot point out pays its way—if we go to a 5-day delivery week. We have really made some substantial progress in more timely handling of this mail because we do have the flexibility to phase it in within a 2- to 3-day period, and phase it in to mesh with days of lighter first-class mail volume on Saturday and Monday when we do have lighter first-class mail. But on those 2 days, we are able to deliver a significant amount of the first-class mail. If we terminated the Saturday delivery, our flexibility under the 5-day delivery would be seriously reduced, if not completely destroyed.

The only savings of time would be the time it takes a carrier to walk or drive his route on Saturday. This can range from 3 to 5 hours a day, so in some instances, the maximum, even if we recaptured some of it, would be 3 hours a week on one route. Any delivery service analyst can tell you that if you are referring to 100-percent delivery points, for the carrier out on the street, it will require more time on the street than if he delivers to 50 percent of them. If he has to take 6-days' mail out in 5 days, he is going to be delivering to a higher percentage, so we have already lost part of that possible 3 hours.

I do not know where the Postal Service got its estimate of \$300 to \$400 million of savings—

Mr. ROUSSELOT. Not from the postmasters?

Mrs. TURNER. Not from the postmasters. And we are of the opinion that that saving is far more illusory than real.

We are also concerned that what we view as the likely result of poorer service to third-class mailers will further erode our competitive position in this market and that we will lose more first-class mail to our competitors—newspaper advertisers or throwaways. We are beginning to recover some of that market and I would hate to see us lose that again.

I was interested in Congressman Lott's request of alternative ways to save money, and I have suggested a way that I won't go into in

detail: I believe that if we standardize curbside or lot-line delivery of mail in residential areas throughout the United States, that we could save far more money than we can in reducing delivery days. Undoubtedly, there would be some resistance to that.

Mr. ROUSSELOT. We have already heard it, too.

Mrs. TURNER. I really feel if we could provide daily delivery service to the box at the lot line, I don't think it is asking too much of people to walk up to the box and take the mail out of it.

I thank you for the opportunity to appear before the committee today. We are concerned, as is the Postmaster General, about holding down costs. We feel very keenly our obligation to operate as efficiently and effectively as we can, but we remain foremost committed to the tradition of service to the American people which has been the hallmark of the American people for 200 years.

[The prepared statement follows:]

STATEMENT OF JOYCE TURNER

I have been asked to present my views and the position of the National Association of Postmasters on reduction of delivery days from six to five days a week.

I welcome this opportunity, as our organization has taken the position that a service reduction of this impact is not warranted, that the American people (particularly in suburban and rural areas) need this service, and that the savings projected by such a service reduction are more illusory than real.

As Postmasters we have sometimes been required to implement service reductions with which we were not in agreement, but I would like to point out that the Postal Service has up to this point made no determination that they will seek to reduce delivery days. When the reliability of an earlier public opinion poll was challenged, the Postal Service undertook other studies with conflicting results, and are still considering the desirability of this service reduction.

The National Association of Postmasters will continue to attempt to influence that decision, with the Postal Service, with the public, and with the Congress.

We are concerned about two things—loss of Saturday service, which we believe our customers need, and the loss of management flexibility if delivery days are reduced to five.

Many small businesses which operate on a six day week basis would be faced with the loss of mail service for one-sixth of their workweek. Retired persons, elderly people dependent on Social Security annuities, checks which are normally delivered on the first or the third of the month, and young mothers who are dependent on aid to families with dependent children would undergo real hardship if checks are delayed. These checks, which are normally delivered on the first or the third of the month would be delayed on at least four days in 1978, if post offices could manage to maintain delivery service standards in the face of unmanageable volumes on Mondays, and particularly on Tuesdays after a Monday holiday.

But I am even more concerned about the manageability of the volume of mail which we would be handling on a Monday after a Saturday non-delivery day, or even worse, on a Tuesday after no deliveries on either Saturday or Monday.

Anyone who has been on the workroom floor of a post office recently knows that mail volume is up, that we are already sore pressed to process this increased volume, get it to the carriers on time, and for the carriers to case and deliver it within service standards.

I spent a few hours in my office yesterday compiling statistics of the amount of mail which would have to be delivered in South Pasadena on a Monday if this reduction is effected. Remember that there will be no savings in office time—every letter must still be sorted by a clerk, then by the carrier, so that no savings can be realized in this operation. Based on volumes of mail processed in fiscal year 1977, we would be faced on a typical Monday with a mail volume of from 147 percent of normal to 234 percent of normal. If you add to that the additional Monday volume when a holiday falls on a Monday, on the following Tuesdays we would be confronted with a totally unmanageable situation. For example, on the Tuesday following Memorial Day last year, to maintain service

standards we would have had to sort and deliver 261 percent of our normal daily mail volume. On the Tuesday following Washington's birthday observance, it was even worse—had we not delivered mail the previous Saturday, we would have had 271 percent of normal daily mail volume to handle.

I must tell you that it would have been an absolute impossibility. Not only would there have been no mail service on Saturday or Monday, but there would have been hundreds, and even thousands, of those letters which we still would not have been able to process in time for Tuesday delivery. The only solution would be to compel people not to mail on weekends, or to flood the post office with dozens of part time workers on Monday and Tuesday, a grossly inefficient practice which was long since discarded in our Christmas operations.

I am concerned too about the impact on our handling of third class advertising material, and government mailings such as Congressional newsletters, if we go to a five day delivery week. Under our present operation we have made substantial progress in more timely handling of this important category of mail because we have the flexibility to deliver it within a two to three day period, and phase it in to mesh with days of lighter first class mail volume. Our flexibility under a five day delivery system would be greatly reduced, if not virtually destroyed.

The only possible savings would be in the amount of time it takes a carrier to walk or drive his route on a Saturday. Depending on the demographic characteristics of the areas, the topography, mail volume, and population density, this can range from about three to five hours daily. Any delivery service analyst knows that a carrier delivering to 100 percent of his delivery points will require more time on the street than if he delivers to 50 percent of them. The percentage of delivery points served on a Monday or Tuesday will certainly be substantially increased if Saturday delivery is terminated, thus reducing the potential savings. And it should be noted that the inevitable Monday and Tuesday overtime must be compensated at 150 percent of base pay plus an additional 10 percent for early morning hours which are also highly probable. Since a given volume of mail is now being processed in six days, it is apparent that if it is to be done in five days, routes must be reduced in length, thus requiring additional costly vehicles for the resulting additional routes.

We are concerned too that what we view as the likely result of poorer service to third class mailers will further erode our competitive position in this market, a large portion of which we have already lost, and are only beginning to recover.

All of these factors lead us to believe that minimal savings can be effected by this service reduction.

I believe that there are more effective ways to reduce costs which would not impose to heavy a burden on our customers. For example, an alternative would be standardized curbside or lot-line delivery of mail in residential areas throughout the United States.

Undoubtedly this would meet with some customer resistance and perhaps union opposition, but I do not feel it is unreasonable, if we are to continue to provide daily delivery service, to expect people to walk from their front doors to the curb or sidewalk to collect their mail. In South Pasadena I believe we could save up to 15 percent of our delivery costs if all mail could be delivered in this manner.

Other types of door delivery services have virtually disappeared from the American scene. The bread truck, grocery delivery, the milkman, and even the Good Humor ice cream man are virtually extinct. And Western Union now routinely telephones messages or uses the U.S. Postal Service to deliver them through the Mailgram program.

Additionally such a policy would standardize service to our customers. Our current policy of restricting new deliveries to curbside, while continuing door delivery to older customers, is difficult to administer, and incomprehensible to the new home owner who is required to install a curbside box while his neighbor a few feet away continues to have the mailman-walk to his door.

Thank you for the opportunity of appearing before your committee. The National Association of Postmasters fully supports the current direction of your committee in exercising increasing oversight over the operations of the U.S. Postal Service. We are concerned, as is the Postmaster General, about efficient management and holding down costs, but we remain committed to maintenance of our 200 year old tradition of service to the American people.

We look to your committee and to the Congress as our best hope of full realization of that tradition of service. Thank you.

Mr. ROUSSELOT. Thank you.

Would one of you like to comment further?

STATEMENT OF HAL HEMMINGSEN, PAST PRESIDENT, NATIONAL ASSOCIATION OF POSTMASTERS; AND POSTMASTER, CITY OF GLENDALE

Mr. HEMMINGSEN. Yes. My name is Hal Hemmingsen. I am the postmaster of Glendale, I am the past president of the National Association of Postmasters, and I am now the editor of the Gazette which is their official publication. Before I became a postmaster, I served as an executive with the Yellow Cab Co. of Los Angeles, and that was an intensive service-oriented organization whose recent bankruptcy follows a decade of service cuts and rate hikes. I am no newcomer to service organizations. I have spent almost all my life in some kind of a managerial position with organizations whose function it is to provide service to the American people.

One can state with absolute confidence that a service-oriented organization does not survive by reducing service to its consumers, rather it flourishes by providing them with new, better, and extended services. What kind of service cuts have you heard the American telephone companies proposing lately? The answer, of course, is none at all. As a matter of fact, the telephone companies have extended service at cheaper rates on Saturdays, Sundays and holidays to make use of facilities in low usage times. These are the kinds of things that the postal service should be looking at instead of depriving the citizens of Glendale of mail delivery on Saturday.

Now, we do have to call attention here to the fact that the postal service has done some of these things. The mailgram program which was discussed earlier is a beautiful program. Right now, you can mail to 100 people, if you have 100 select customers, and that's going to be delivered almost anywhere in the United States tomorrow if that's Saturday; but not if Saturday delivery is curtailed. And what's going to happen to the express mail program which is a wonderful new program the postal service has come up with where for \$5 and \$6 you can mail from here to New York and get guaranteed overnight service and you can even get same day service if you mail airport to airport?

Glendale is a city of thousands of small businesses who, unlike bureaucrats, have to work on Saturday. They need that mail on Saturdays. It contains checks, orders, and correspondence from their customers. Now, I know the answer to that from the postal service is to let them rent a box or eat cake. Glendale is a city of thousands of elderly people whose big joy each day is to greet the mailman. He may bring them a letter from a friend or loved one or maybe just an advertisement—that junk mail we were talking about—even that might brighten their day. There are a lot of people in Glendale who live on social security checks, and 1 day's difference in the receipt of a check can mean they don't eat unless they eat cake.

The curtailment of Saturday delivery will certainly be followed by closing of window service on Saturdays. When are working couples and persons who can't get off supposed to go to the post office to buy stamps, make money orders, and pick up parcels? And as Mrs. Turney pointed out, the really frightening thing is what will happen when a holiday falls on a Friday or Monday? Everyone will agree that we have problems enough digging out of a 2-day holiday now,

and someone mentioned if you mail now after 5 o'clock at night, you are not guaranteed next-day delivery. So if you had a 3-day holiday and you mailed something out on Thursday and it is not going to go out Saturday and it is not going to be delivered Monday on the holiday, it is not going to be delivered Tuesday because they won't be able to get it out on the street.

Mr. ROUSSELOT. Mr. Tice.

STATEMENT OF CARL TICE, POSTMASTER, CITY OF YORBA LINDA

Mr. TICE. Yes, I am Carl Tice. I am postmaster for the city of Yorba Linda, Chuck Wiggins' district, by the way. I don't have a whole lot to add to my colleagues' statements except perhaps I can give you a slant of a very urban area that's a bedroom town from all the other areas that do supply the manufacturing of business for Orange County. Land is very high in Yorba Linda, so most of the people who have moved there, both husband and wife, do have to work to keep the payments up on the place. So they are out of town 5 days a week and the only time they see a postman is on Saturday and, adversely, the only contact they have with the postal service is on Saturday; and thereby, I am old-fashioned enough to say the only contact they have with Federal Government is with that postman on Saturday. I think they are entitled to that.

For instance, if we have insured parcels that have to be signed for or certified letters that have to be signed for or registered letters that have to be signed for, and if they aren't home all those 5 days, all they get is a notice that it is at the post office; come get it. Well, we haven't been open on Saturdays for 4 years. We were compelled to close our window services 4 years ago. Many of the smaller offices were; in fact, a lot of the larger ones were. So they couldn't even come then to pick them up. So we do deliver notified parcels, certified mail, and so forth on Saturday. If we didn't have the Saturday delivery, I don't know how they would get it, I really don't. And to me, that's a very deep concern in a community like mine.

The only other comment I would like to make is on this illusory cost savings. I don't know how they figured it or what basis they figured it from. No one asked any postmaster, I think, how much he would save. They tell you you are going to save this much, but they don't tell you how, but they say this year you are going to save this much and it is up to us to do our best to save that. It is very easy to save money. All you have to do is cut service, and it seems this is a trend. I know the National Association of Postmasters' stand is—and my personal stand is—that this cut in service has to cease and I would rather see, as Mr. Hemmingsen says, the service increase for a change.

Mr. ROUSSELOT. I thank the three of you for being here. We appreciate all of you coming from different areas and telling us what your views are. I am sure that many postmasters were not consulted on the basis of what we have seen so far, so we don't know where the Postal Service in Washington has gotten its estimates either.

Your analysis, Mrs. Turney, that there would be no inhouse savings because you would still have to process that mail whether you did it on Monday or whatever—

Mrs. TURNER. The only savings would be if we had a loss of mail volume, and anytime we have a loss of mail volume that is counter-productive. If we save hours, we are going to lose more revenue.

Mr. ROUSSELOT. Your statement is that the only savings would be in so-called street time and yet to make up for that on Monday or Tuesday, depending on whether or not there was a holiday, you would have to increase the time of the carrier in order to get it all delivered or find another way to get it processed; so the street time would clearly supposedly be the only saving area. Now do you work your crews on Saturday?

Mrs. TURNER. Yes, but in the manner that was explained to you. We have one carrier for each route on Saturday as well as on any other day, but we have a relief carrier who carries 1 day of each route, 5 days a week; but the only solution would be with overtime which is compensated with 150 percent.

Mr. ROUSSELOT. So what you are really saying is the mail still has to be processed, so it still has to go through the system—whenever that may be. So there is no real savings there.

Mrs. TURNER. The maximum saving would be the street time on a Saturday.

Mr. ROUSSELOT. And you have now tried to show us how that may even be pushed back in savings because of the time that would have to be put in maybe to deliver it the following week.

Trent, do you have any questions?

Mr. LOTT. I believe the postal service indicates that a certain number of jobs would be eliminated with the elimination of Saturday delivery. Would that just be the part-time flexible carriers they are talking about?

Mrs. TURNER. Those are the only jobs that could be eliminated because of the no-lay-off clause because the full time employee is guaranteed 40 hours. Part-time flexibles, which might make up—and I don't have any figures—but they might make up 10 or 15 percent of your work force—those positions could be cut down to 4 hours a week and once you do that, people either resign or go collect unemployment insurance. That would be the maximum saving, but I don't believe the saving is possible because the work is still going to be there.

Mr. LOTT. That's the point I am getting to.

Mr. TICE. My personal opinion is that it would not result in saving the number of positions, as the Postal Service has estimated.

Mr. ROUSSELOT. I gather from your testimony that you have tried to think out what you would do in your own post office in South Pasadena, and what is your guess as to how many employees you would be able to reduce as a result of no Saturday delivery?

Mrs. TURNER. I think perhaps the first thing we would do is the relief carriers would have excess positions because there would be no relief. These persons then would be faced with arbitrary transfers to other offices because there is no full-time regular position for them. We would have to handle additional routes; if he is doing it 5 days instead of 6 days, he cannot handle it as long as he did before, so we might have to add a couple of routes; so we would, theoretically, save three positions.

Mr. ROUSSELOT. Out of how many employees?

Mrs. TURNER. That's out of a total of 58 employees.

Mr. ROUSSELOT. Mr. Hemmingsen, have you estimated what it would be in your situation?

Mr. HEMMINGSEN. No; I haven't.

At headquarters they save a billion dollars, but they always come in for \$1 billion increase the next year. A lot of those savings are going to vanish because someone is going to have to go there to provide overtime or auxiliary assistance after this 2-day break.

Mr. ROUSSELOT. Do you want to comment?

Mr. TICE. I want to make sure that someone brought out the fact that the routes are long now and the carriers do a fine job and they do a maximum job. If our routes are at maximum now, with this additional load, they could not continue those routes at that length; so you would definitely have to make some route adjustments that may result in 5- or 10-percent increase in routes, depending on terrain and so forth.

Mr. LOTT. Thank you all very much.

Mr. ROUSSELOT. Thank you very much. We appreciate your being here.

Mr. Tom Mew, owner of Galaxie Awards in El Monte, a businessman.

Good morning.

STATEMENT OF TOM MEW, OWNER, GALAXIE AWARDS, EL MONTE, CALIF.

Mr. MEW. Good morning.

Mr. ROUSSELOT. You are on.

Mr. MEW. I am on? I feel I can't even try to follow these super testifiers who were before me.

Sitting here this morning, I decided that perhaps the thing I could best do is to single out a personal look at a very small businessman, a very small person on the street.

I'm always impressed with people who represent and can represent large organizations and have a lot of facts and statistics to provide a hearing such as this; but I think that there is a very important side of this which I am sure you have heard before, but let me briefly, in a few brief remarks cover it. If you are a small retailer or manufacturing concern as I am—I have one and a half employees besides myself and you can't get much smaller than that—you need this service. We are faced on a daily basis of trying to compete, trying to stay alive in a world that is becoming more and more restrictive with regulations and orders and rules and so on.

One of the things I find that I had to do is stay open on Saturdays, and I have to do it for several reasons. My competitors stay open on Saturdays and on Saturdays I need to stay open to catch up on work, and I need to stay open for people who work to come in on Saturday. It is a great possibility of staying open on Sunday, but I feel I am entitled to one day off to spend with my family.

Therefore, I rely on the Saturday mail service to receive mail orders from customers, to receive commodities that can be sent through the mail to me in order to get instructions from customers or suppliers. Without this, I would be faced with great extra hardship in order to compete in the open market.

I took some time to talk to three or four people in small businesses in South El Monte who are open on Saturday to find out if they felt the same way I did. I think the businessmen expressed to me in five instances that they were very much opposed to the discontinuance of mail on Saturday; that if it ended up that it would cost them a few cents more per letter to say that that was paid for, they would be willing to accept that cost; but underlying this was the feeling that many of us have that where would the next step lead to if Saturday mail was discontinued.

Congressman Rousselot said something about Wednesday or not having the mail delivered on Wednesday. It just excites me that then it would be Tuesday and then Monday and then I would have to go to Los Angeles and stand in long lines to pick up my mail 1 day a week. I just think it is unreal. I have another one who is the A.R.E. Chapter in El Monte. They have been in existence for some time and the president and I were talking about this hearing and about me coming over here. I asked if he could do something and see how the seniors feel about this because I know, and as you have heard this morning, of course, this is a terrible concern. When I talked to him, of those he could reach—he didn't give me the number—there wasn't one that wasn't very adamant about the fear of losing their Saturday home delivery.

So if you look at the large department stores for their business and all the other associations are looking at it for continuation of employment and so forth, there are a lot of us single individual little guys who need it and want it and hope it will continue.

Mr. ROUSSELOT. Very good statement, even though you don't have big organization behind you.

Mr. MEW. There are a lot of little guys behind me.

Mr. ROUSSELOT. I appreciate your taking the time to consult with others around you.

I hope you understood that when I mentioned the Wednesday thing, that's merely a suggestion from those who are in favor of having a 5-day delivery to terminate delivery on Wednesday as an alternative to terminating Saturday delivery.

I think you are probably right that there would eventually be attempts to have everybody come in to a given location to pick up their mail.

Mr. MEW. I was interested in what the professionals said this morning because it has been a concern of mine about this overloading. If you didn't deliver on Saturday, when would you get it? And I don't like to be facetious, but when it does take sometimes 3 days to get to Beverly Hills from Los Angeles and this 3 days now becomes 4, 5, 6 and who knows how many days; you can't rely on this any more.

Mr. ROUSSELOT. Thank you.

Trent?

Mr. LOTT. Excellent statement. Thank you.

Mr. ROUSSELOT. Thank you for taking your time and thank you for representing the other businessmen you talked to.

Mr. Bob Johansen, owner of Mission World Travel in Pasadena.

**STATEMENT OF BOB JOHANSEN, OWNER, MISSION WORLD TRAVEL,
PASADENA, CALIF.**

Mr. JOHANSEN. Good morning.

Mr. ROUSSELOT. Nice to see you again.

Mr. JOHANSEN. I represent a small enterprise, a travel agency, and when I was asked whether the mail service should be discontinued or not, in my opinion, I elected to say that I could get by without it. And you wonder why, because the travel business has documents coming through and tickets coming through, how could you get by without it? The service with the Postal Service and the people in our industry has gotten up to the point where they cannot rely on next day delivery. Documents we need for people on trips which to a certain extent are not available for us to give to our clients, until maybe 1 or 2 days before they go someplace, they have geared it to a week before or it is picked up or handled by special messenger. We are not open on Saturdays. We do use what mail we get on Saturdays, but we are not banking on things that we receive on Saturday.

I am in a complex with six other businesses and two are open on Saturday; one is a beauty shop, one is a real estate office. However, they are not banking on Saturday delivery now. I can't—

Mr. ROUSSELOT. Now, on those other businesses, you say they are not banking on it. Do they object to the Saturday service?

Mr. JOHANSEN. No; the real estate man, in his opinion, it would make no difference if he got his mail or not.

Mr. LOTT. It sounds to me like what you are saying is the situation has already deteriorated to the point where it couldn't affect you any more adversely?

Mr. JOHANSEN. Like I say, they have geared themselves not to rely on next day or 2-day delivery on important documents.

Mr. ROUSSELOT. So you have developed other systems?

Mr. JOHANSEN. Yes; we had to.

Mr. ROUSSELOT. There are certainly people that would not be adversely affected and we are also hearing from those who would be.

Mr. JOHANSEN. Right.

Mr. ROUSSELOT. Had you consulted anybody else in the travel business?

Mr. JOHANSEN. Yes. I have several cohorts in the travel business. Out of four or five of us that have talked about it, a couple of them feel that Saturdays are important to them. They say they come in on Saturdays and they have nobody in front of them and they can do a lot of catchup work on Saturdays.

Mr. ROUSSELOT. If they had the personnel there, it would be important to them?

Mr. JOHANSEN. Yes.

Mr. ROUSSELOT. Very good. Do you have any further comments?

Mr. JOHANSEN. That's all.

Mr. ROUSSELOT. Thank you for taking the time to come. I appreciate it.

Mr. Wallace Raley, owner of Delta Technical Coatings, Inc. in South El Monte.

STATEMENT OF WALLACE RALEY, OWNER, DELTA TECHNICAL COATINGS, INC., SOUTH EL MONTE, CALIF.

Mr. RALEY. Congressmen, I thank you gentlemen both for inviting us here this morning. I have had a most enlightening morning and, shall we say, educational. I did work for the post office during the Christmas rush. I had the opportunity of delivering packages to people in the community. It was quite an enlightening experience. I certainly would vote with the "Yes, do not discontinue the Saturday delivery."

Mr. ROUSSELOT. You want it continued?

Mr. RALEY. Oh, most definitely.

In listening to the testimony of various employees and postmasters and people here, it occurs to me that if they can't deliver the mail on 322 days, how can they deliver it in 270 days? I am not angry with them. I get real good postal service; I really do. But I don't see how we would possibly discontinue and cut back on services that are so desperately needed.

The post office is a very important part of our total lives. In my business, if I need to deliver more product, I hire more employees. Maybe instead of laying off people and creating an economic hardship of tremendous numbers of people, maybe they should hire a number of people in the post office department. [Applause.]

Now, I know people say the post office department is inefficient and that sort of thing, but I have used it and I have not found it to be. I have used the express mail and I found it is very efficient. But to cut out jobs, I think this is very foolish. I think more people need jobs. Unemployment figures are high now and to cut off one-sixth of our postal employees, I don't see any particular advantage of doing that in terms of service.

Well, that's my particular statement. I know I haven't taken as long as many of the experts, but they are more prepared. I am a lay person. I appreciate the post office.

Mr. ROUSSELOT. Are you open on Saturday or do you make use of the Saturday delivery?

Mr. RALEY. I am glad you asked that. We were open every Saturday in the summer. We discontinued being open on Saturday, but we still go to the post office and get the mail.

Mr. ROUSSELOT. You have a post office box?

Mr. RALEY. There is a neighbor business in back of me and we have a common gate that we lock so people can't reserve our materials—

Mr. ROUSSELOT. It is called stealing.

Mr. RALEY. I think they call that stealing. [Laughter.]

We have a common gate, and while we were open on Saturdays, we were always sure that the gate was open so the mailman could go in to take his mail. As a courtesy to my neighbor, we opened the gate for him and he depends on that Saturday mail. We do have a post office box and there are obvious reasons for having a post office box.

Mr. ROUSSELOT. Well, I think you have made your contribution in the statement by having figured out that if we can't get the mail delivered in 322 days, reducing it to 270 days won't help. That's a statistic that nobody presented. I am sure people thought about it, though.

Mr. RALEY. There is another way of saying that—if they can't screw it up in 322 days, how can they screw it up in 270 days?

Mr. ROUSSELOT. I don't know that I want to comment on that. [Laughter.]

Mr. LOTT. What is your business?

Mr. RALEY. We manufacture paint. Thank you for the opportunity to let me do a commercial here. I appreciate that very much.

Mr. ROUSSELOT. Could you describe for my colleague from Mississippi what you do?

Mr. RALEY. We manufacture paint.

Mr. ROUSSELOT. Are they specialized coatings?

Mr. LOTT: In Ocean Springs, maybe some of our people could use it. I will check it.

Mr. RALEY. Will you check it, please? I will leave my card. [Laughter.]

Mr. ROUSSELOT. Thank you for taking your time. I think you did make a contribution, even though you didn't have a prepared statement or big organization, as the others have said.

Mr. RALEY. Thank you for the opportunity.

Mr. ROUSSELOT. Mr. Blair Painter, an independent businessman of Sierra Madre.

STATEMENT OF BLAIR PAINTER, INDEPENDENT BUSINESSMAN, SIERRA MADRE, CALIF.

Mr. PAINTER. Congressman Roussetot and Congressman Lott, I am glad to be here and glad to have the chance to give you some of my views with regards to the Saturday and other deliveries of mail.

My own notes, just going through them, would indicate, first of all, that what we are here for is to discuss the 6-day delivery and any dollar savings that could be effected as a result of the elimination of that 6-day delivery. And the obvious point, then, is that what we're really discussing is the need for efficiency and less cost, whether it is a 6-day delivery or whether it is a Saturday or a Wednesday or whatever. The real reason for the hearing is because costs are exceeding the available funds.

Mr. ROUSSELOT. Anywhere from \$1 to \$2 billion a year.

Mr. PAINTER. That's a number I didn't have; I will use that one.

So that the problem then is not too many deliveries. The problem really is excessive expenditures or costs that exceed income. Now, the perpetual question, obviously, then is what do we do? What can we do? We have these problems in businesses. When our costs start exceeding our income, we have to figure out what we are going to do about it. I think one of the comments made, about sometimes you increase employee participation rather than cutting back, is a very valid one.

The 6-day mail, however, is a point I would like to set aside for just a minute, and I would like to address two other thoughts along those lines, then, thinking in terms of dollars. First of all is the bulk-mail situation. Now, I am a direct mailman type. My business is direct mail selling. I mail to anywhere from 5,000 to 50,000 people, 3 to 4 times a year. I ship products to those people as a result of the

orders that I receive from them. I must say that I was very surprised to find out that the Postal Service delivers as reliably as they do.

Mr. ROUSSELOT. Could you say that again?

Mr. PAINTER. I was very surprised, over the past 7 years, to find out that the Postal Service delivers as reliably as they do.

Mr. ROUSSELOT. What do you ship?

Mr. PAINTER. Basically small packages, something that's 1 to 2 pounds. There has been a problem created in the last 6 months of which I am concerned. I am getting quite a number of small pieces back; packages are being broken. I understand this is due to some mechanical equipment that has been installed, and maybe that's the reason they closed some of these big facilities. Whatever the problem is, I don't care. That's the only thing I have noted.

The deliveries are good and the response from my customers is good. There is the perpetual problem of 3 days to go across town, sometimes 5 days to go across town, sometimes 1 day; so you can never tell. Reliability of delivery is something which I have just been astounded by. You'd think it would be a little more consistent.

But, at any rate, the point being that I find bulk mail very good. I find it quite consistent for me. I like it.

Then also, however, I find out—as you were discussing, Congressman Rousselot—that third class pays its way, while we're talking about third-class bulk. This is something we can go into in terms for some of the people here that don't understand bulk.

I think it should pay its way. I sit there and spend literally hours making sure that all of my mail is in ZIP Code order and I get very angry at the guy at the post office sometimes when he wants to send it back because I didn't bundle it correctly. But I do put a lot of my time and effort and money, therefore, into presorting that mail; and it does go out and I am very happy to find out that 7½ cents does it. This then means that another 6½ cents or 5½ cents—whatever 7½ of 13 is—is what it is taking the post office to sort the mail.

Since it is being routed and handled within the cost of 7½ cents at a profit, then the extra is what they are spending just to collect or deliver or do something with it. I am not trying to make a point there other than bulk mail at 7½ cents is paying its way, and I am glad because that's one of the premises I went on in making this presentation. My feeling is, then, that what needs to be done in the Postal Service is find more revenues within the system. And this is going to hit a lot of people, but I think that one of the greatest places that they can accomplish this is in the area of nonprofit and franked mail.

Now, I have right here in front of me five letters that I received in the last 3 days—one addressed to Mr. and Mrs. Blair Painter, another addressed to G. A. Commun. I. Cations; another addressed to G. A. Communications; another addressed to L & G Communicat.; and another addressed to G. L. & Co. M. Munications—a very very reliable mail list I must say. One of them is correct. The others all have the titles incorrect.

I don't care how many mailing lists the people buy. I think they should buy as many as they want. I think they should send out as many letters as they want, but I do feel that I shouldn't have to subsidize those letters because they all came to me at 2 cents.

Now, the point being here then, with regards to this kind of mail, if the person making that mailing has spent somewhere in the order of 5 to 6 cents or less or more per letter to stuff it and another 2 cents to mail it and another 4 cents to buy the name, he's got a pretty good investment in each one of these letters.

Therefore, he's going to be interested and make sure he doesn't have a lot of duplications; he wants to get the lists cleaned and avoid the duplications. If he was to pay the 7½ cents that I pay to make his mailings, he is going to be a little more careful with his lists. Several things will happen. One of them is the amount of mail going through that has to be sorted will be substantially reduced.

And the same thing is true with congressional mail. But the guy says, "You are only taking it from this hand and putting it in that hand." And I say, "That's not true." In a business, if you have two divisions, you make this division pay this other division the same amount of money as anybody else would so that the division can show whether it is profitable or not. And, this division over here has an expense. This corporation doesn't care; it is all in the same bucket. But divisional accounting is correct and this is the same thing that can be done in the Postal Service.

I see no reason for millions and millions of pieces of mail coming out from Congress free, and then we are having to subsidize—

Mr. ROUSSELOT. It isn't free.

Mr. PAINTER. Well, it is not free.

Mr. ROUSSELOT. It is coming out of the Treasury.

Mr. PAINTER. It is coming out of my pocket. It is not coming out of the Treasury, it is coming out of my pocket. And it is not free is true, but if it goes over and the Postal Service can get out of this position of constantly being harangued because they are inefficient—I don't know really whether they are or not when I get a lot of this 2 cent mail and a lot of free mail.

My point then is if there is some way that the system can be re-adjusted to get it into maybe just two classes of mail—first and third—this might have a tremendous economic effect on the system itself. So there's that point.

Then the other point that I had, again, comes back to this area of competition. I know frankly that I can't put a group of people together and go out and deliver mail to a post office box. I have to literally go up and hang it on the front door. I think that's wrong. I think that people should be allowed to decide whether they want their post office box opened to the general public for distribution or not. That's my property. I paid for it. I put it up in my front yard. I don't think the Government should tell me that nobody else can put anything in it. And if other people could put something—

Mr. ROUSSELOT. That would require repealing the Private Express Statute.

Mr. PAINTER. Fine; repeal it.

Mr. ROUSSELOT. I'm afraid if I offered that amendment, it would create a great catastrophe.

Mr. PAINTER. Well, then we are in agreement.

Mr. ROUSSELOT. Now, the main point that you made, though, is about having two categories of mail users such as nonprofit organizations. Are you saying education, the churches—

Mr. PAINTER. That's right; churches, you bet.

Mr. ROUSSELOT. You would be surprised what you run into to make them quote "pay" their way.

Mr. PAINTER. I'm sure I would, but that's the point. Whose ox is being gored? It is the people back here who want more Saturday mail. Well, sure they don't want people laid off—

Mr. ROUSSELOT. Your point is well taken and it has been offered before to try to have those classes of mail that do not pay their way or to get the postmaster to do an internal accounting to find out what really pays and what doesn't pay it's a real tough issue—especially when we have now delegated away to the Postal Service so much independent authority.

Mr. PAINTER. The post office monopoly.

Mr. ROUSSELOT. Your point is well taken.

Mr. PAINTER. OK. I can close it up by saying that we concur in general I suppose for my own benefit with regards to some of these measures that could be used to increase or improve the revenue position or picture. Let the people get mad, and maybe we could open this thing up for some competition.

UPS, for example, can deliver a package faster, quicker, and cheaper by air to the east coast than can the Postal Service. The Postal Service says, "Yes, but they don't have to handle all the pieces of mail." And I say, "That hasn't got anything to do with it."

Mr. ROUSSELOT. Well, the proof of your statement there that UPS is fairly good is there are now 22 Federal agencies using it very extensively in certain areas.

Mr. PAINTER. Excellent, I'm all for it. Isn't that nice? Free enterprise may be coming through.

I know I'm probably running over my time. I have, I'm 5 minutes over. I was angry about the time I have been sitting there listening to people that were 5 or 10 minutes over. But on the subject of Saturday mail, I have no big objection on my part if it is canceled. I think there is a lot of emotion here. I think people like to see the postman; they like to see the red, white and blue truck and all this kind of stuff.

The average businessman, I'm sure, can adjust to a 5-day delivery. I have basically adjusted to it. I think most of us have because really we don't depend on it anyhow. We talk about direct mail and getting the mail in there on Monday. Fine. We are talking about getting it on Monday—you know—on Saturday. And then also, the lady who is the head of the postmasters' group, said that Saturday and Monday mail is typically lighter than the rest of the week anyway. So I don't think her statistics would hold with regards to percentages on the overall.

So, again, closing it off then, I'd say I had these points. Some object, but few use Saturday delivery anyway; that it is a matter of adjustment; and that the major objective must be cost efficiency; and I would suggest that by eliminating the nonprofit and franked mail, to open up the post offices to competition, and I do think it is a good idea of having everybody go to a lot-line delivery. We are that way in Sierra Madre. It poses no hardship on any of us and it certainly must speed up the system.

I had some answers to some of the questions you gentlemen have asked, but that's not part of my statement.

Mr. ROUSSELOT. Thank you very much. We appreciate it.

Mr. LOTT. I just want to thank you. You do present a little different viewpoint in your statement.

Mr. PAINTER. It is consistent with me.

Mr. ROUSSELOT. Hugo P. Cipriani. You are the gentleman who wanted to testify, so you are on.

STATEMENT OF HUGO P. CIPRIANI, POSTAL CLERK, ALHAMBRA SECTIONAL CENTER

Mr. CIPRIANI. I will try to give you a different point of view and make it simple. I may have a naive point of view, but I know it firsthand. I worked in Alhambra and then we were transferred to the City of Industry and we have a big warehouse and it is a very complex situation. It is not simple, naive, and easy. I have seen and thought of and got angry all these years at the whole setup; 2 or 3 years ago, I think, during the energy crunch, I took the trouble, even though I knew nothing would come of it, of suggesting that all post offices in the United States close down on all Sundays and holidays only to save gas, save fuel; close the door and save lights, save heating. There are no deliveries on Sunday. I'm talking about the inside workers, not the letter carriers.

On this issue here, I would say no on Saturday delivery as a last resort. After you go through 10 or 15 different other ways of saving money and costs which I know of, you—

Mr. ROUSSELOT. So you are saying eliminating Saturday service should be a last resort?

Mr. CIPRIANI. Yes. Churchill said "First things first." Do your duty. First things first. And that's what the Postmaster General should do and right down the line.

Mr. ROUSSELOT. Well, that's what he thinks he is doing.

Mr. CIPRIANI. Well, he's not.

The professional supervisors and leaders here that have testified were right in this sense. They don't delegate authority. They don't delegate responsibility.

Mr. ROUSSELOT. You mean the central officers?

Mr. CIPRIANI. Management. What is management? It is everybody from the Postmaster General on down. They don't give the worker any incentive. I don't mean more pay, because they do have that; or fringe benefits; I don't mean that way. I mean, incentive in doing a good job, in sweeping the corner clean, being responsible for a certain section.

I am off Sunday and Mondays, and, therefore, I was able to come to these hearings and let off some steam. But in my work, I have maybe one supervisor. I work an 8-hour day. There are only three people in that massive warehouse.

Mr. ROUSSELOT. You mean down in the City of Industry?

Mr. CIPRIANI. Yes; in the other building, it takes 10 minutes to walk there. They are working the so-called junk mail and there might be 15 people there in the day shift and whenever we need it, we have

a dispatch come in which is meaningless—very little mail. The crunch comes on the swing shift, like they indicated. On the graveyard shift, they call three, four, or five people to help out and they walk back. There are 10 minutes walking back daily every 2 or 3 days to get this machine mail out, or back and forth. That is inefficiency galore. That's just an example, but to be more brief, let me throw some things at you gentlemen—you know—to delve into.

My suggestion is to close post offices on Sundays and holidays. We have overtime now let alone what we will have if you don't deliver on Saturday. We have premium time now of 10 percent. When amounted to 25 cents an hour. If you worked from 8 to 6, in between those hours, you got maybe \$23 extra a day and 10 percent of \$10 an hour or \$8 an hour comes to about \$6.50. I am just guessing that 90 percent of all the employees in the inside post office work on premium time. They either start work at 1:30, some 2:30, some 3:30; and premium time starts at 6 and they go all around the clock.

Mr. ROUSSELOT. Ninety percent?

Mr. CIPRIANI. I would say 85 to 90 percent. That's my guess just by looking at my sectional center. There are three people on my floor in the warehouse where we are not processing mail. We are taking care of a little dispatch coming in and we are kind of cleaning up.

Mr. ROUSSELOT. Your theme is move in more mail from regular time to premium time?

Mr. CIPRIANI. You could transfer the two shifts to day shifts and make the graveyard crew the cleanup crew. Maybe the mail will be delayed. I can see where mail would be delayed no more than one day on that basis, but the saving nationwide in all post offices would be tremendous.

Mr. ROUSSELOT. I hate to tell you this, but you are running over 5 minutes; so could you summarize?

Mr. CIPRIANI. I guess the best thing is to give you my suggestions. Another point I wanted to make is that on Sunday the 25-cent premium is paid, and there are plenty of people working on Sunday inside the post offices.

Mr. ROUSSELOT. You mean the 25 percent is in addition?

Mr. CIPRIANI. No. Let's say you work Sunday during the day, there is no premium time involved because you are not working at night; but for working on Sunday there is a 25-percent premium. And people who work Sunday, they work every Sunday. They are off Tuesday or Wednesday. The girl that works with me on my tour, she works every Sunday and is off Thursday and Friday. I'm sure this is all over.

One other area I know where they could save money—do you know what the Postal Employment Development Center, in this week's bulletin—

Mr. ROUSSELOT. What bulletin?

Mr. CIPRIANI. The post office bulletin. I'm going to give it to you. There are 187 of these, I presume, sectional centers in the United States. We have one in the city of Industry. I call it the Acapulco Hilton. It has carpets, is beautiful, everything you could imagine in the best hotel. This is in the factory. This is supposedly a training center for all of the employees to move up; and you can learn to type there. And you can learn—

Mr. ROUSSELOT. You are saying they spent excessively on the furnishings or what?

Mr. CIPRIANI. Everything—furnishings and personnel. My guess is—I just did this roughly by the employees we have there. They are at a higher level pay. We have at least five. They must make \$18,000 to \$19,000 a year and you multiply it by 187. Here's the list of every city in the United States.

Mr. ROUSSELOT. I am sure you don't disagree with educational work. What you are saying is the surroundings are too plush. Have you been to many of them?

Mr. CIPRIANI. I have been to this one.

Mr. ROUSSELOT. You obviously wouldn't want to judge all of them.

Mr. CIPRIANI. I am just saying you should look into it. I figure this would be \$18 billion in just salary if they are staffed say four or five in each one like mine.

Now, I can take typing at night school.

Mr. ROUSSELOT. What do we call these again?

Mr. CIPRIANI. Postal Employee Development Centers.

Doing first things first, I would definitely look into this before cutting out Saturday mail delivery.

Mr. ROUSSELOT. Where would you send these people if you didn't send them to the centers?

Mr. CIPRIANI. Where were they before?

Mr. ROUSSELOT. I imagine they met someplace in a hotel or something.

Mr. CIPRIANI. No. This was just started 3 or 4 years ago. I worked 12 years—

Mr. ROUSSELOT. I don't think that's true. I think they have had in-house training for some time.

Mr. CIPRIANI. Not like this.

Mr. ROUSSELOT. All right. We will look at these and see if they are furnished too extravagantly.

Mr. CIPRIANI. The reason I bring this up is because I think what we have here is something we have to do. I'm not saying it is all bad.

For instance, the LSM machines, these big machines that process the mail, I would like to put this in as why the mail is delayed. There is all kinds of reasons. Just the operator, in moving the left finger before the right finger, will send mail to Seattle instead of Alhambra. If the operator punches the 9 before the 1 or the 1 before the 9, you have mail crisscrossing the State because no one looks at that. Nobody sees it until it gets to the other end. I know, because every day I personally handle two or three rubberband bundles of letters for Seattle. It was mailed in Seattle and it comes to Alhambra and we mail it back.

Mr. ROUSSELOT. Well, we know that mistakes do occur.

Mr. CIPRIANI. Well, this is what I wanted to say. The LSM operators, which is a part of this which is a good part, could have five simulated machines working in the plant without these that they have here.

Mr. ROUSSELOT. Mr. Cipriani, we have given you better than 10 minutes. I think we have done our part. Thank you.

Mr. Kenneth E. Carr, city manager, Alhambra, Calif., is next.

STATEMENT OF KENNETH E. CARR, CITY MANAGER, ALHAMBRA, CALIF.

Mr. CARR. Mr. Chairman and members of the committee, first of all, I would like to point out that the city of Alhambra has taken no expressed position, but I think it would be timely to convey to the committee that from the standpoint of the city of Alhambra, we would see not any adverse impact in the discontinuance of delivery on Saturday. City government may be one of the largest users of the Postal Service because we have approximately 100,000 utilities that we mail annually and each one of those probably constitutes a return by mail return. Most of them constitute a return, so we are a very large user. But being a Monday through Friday operation, if the Saturday mail was discontinued, we want to point out we do not necessarily feel an adverse impact.

The issue that is before the Congress, we have not been before—

Mr. ROUSSELOT. It is not really before the Congress. It is really in the hands of the management of the Postal Service. We have delegated a lot of authority to them to do many things. The reason we are holding these hearings is because Members of Congress have heard from a lot of citizens with different opinions from those of postal management.

Mr. CARR. Apparently, one of the things they are considering and you have heard about is the possibility of discontinuance of mail on Saturday.

Mr. ROUSSELOT. Well, it is more than just a possibility. They have gone further than that in their paperwork and their discussion and their promise to us as individual Members of Congress; so it is more than just a whim.

Mr. CARR. As an objective of local government which is supposed to be that unit closest to the people, so they say, we don't really know what the proposal that has been advanced by the—

Mr. ROUSSELOT. If it was implemented the way the independent study suggested in that report and/or others that we have heard talk about it, there would just be no delivery on Saturday, period.

Mr. CARR. Well, again, we don't understand what all the financial concerns are of the Postal Service. I can recall from my own experience in government, it seems when I entered in local government service 20 years ago, at that time, we were paying 3 cents postage for the mailing of utility bills. Now we are paying 13 cents, so we have seen a rise in cost. This reflects our budgets because we now send out 100,000 utility bills annually, so I say the local government has a concern.

We would naturally be just as interested in those as I am sure the Postal Service is, but we are not, again, privy to all of the problems or what the solution might be to what this alternative might do. We are not here to make judgment. We are just here to make or offer, like I think the Congressman from Mississippi said earlier, we want to hear different views.

I just want to convey to the committee that we do not feel the elimination of Saturday mail would create a great impact on us. Thank you.

Mr. ROUSSELOT. Thank you.

Mr. Jackson B. Kuehnle is next.

**STATEMENT OF JACKSON B. KUEHNLE, EXECUTIVE MANAGER,
ALHAMBRA CHAMBER OF COMMERCE, ALHAMBRA, CALIF.**

Mr. KUEHNLE. Mr. Chairman and members of the committee, I deem it a pleasure to be here; and without Saturday mail delivery, I wouldn't have had the invitation to be here to speak with you today.

The position of the chamber of commerce which had a meeting at 8 o'clock this morning in which we discussed this quite thoroughly is to return the postal system to the people, really put the responsibility of the management of the postal service back in the hands of Congress where it belongs and where the restrictions are monitored and the Congress is responsible to the people to get rid of this quasi-corporation that we have right now. And at the same time, while putting it back to the responsibility of Congress, take the restrictions off of free enterprise that they can compete on the open market with the delivery of mail in the country and you will find it being done a lot more efficiently than it is being done now.

There seems to be some question of \$400 million of it is suggested by your form of cost by your people who live in the palace in Washington. I don't know where the reduction is going to come from. I don't know that it would ever be saved because if it was saved, it would only be absorbed by labor unions in their demands in the next contract. So I don't really think it will be saved. I think we also have to be concerned about the fiscal cash flow of this country.

Obviously, the administration is very concerned about the economy. You cut out Saturday mail service in this country and you are going to see a very substantial and adverse effect on the cash flow; and it is going to be passed on to the individual consumer because business cannot afford to absorb it. So I think we have to think about that also. If you want to keep the cash flow going, you will keep the Saturday mail going.

One other area that has had a lot of discussion this morning is bulk rate mailing. Certainly I think all nonprofit organizations that are paying 7.5 cents are very pleased that they get that break from the Postal Service, but it really is not understood by me fully how the labor unions in the country who are supposed to be nonprofit organizations who mail their bulk piece rate at 2.2 cents if they are nonprofit. They are as big as everybody else. Let's give everybody a break and let's give everybody the same break because they do not comply with the antitrust laws as they are designed right now.

As was pointed out by Mr. Ivers earlier this morning, to sales promotions and things like that that go to the retailers, Saturday delivery is very important. It is very important. He pointed out also that if the people get the advertisements 10 days in advance, they forget about it; but 3 or 4 days before, those are the key days and the public reacts to that.

I know that I am probably taking too much of your time, but I want to give you one cost saving item that I think should be considered: If they do away with all the color-coded buildings that they have put in this particular area in the last 3 years, if they take away all the carpet and all the pigeonholes that are not needed, if they do away with all the multigraphics that they are putting up because we could read them in black and white, and they do away with the TV

commercials, and do away with this plant program which I am told support themselves, if we take away three of the four, I am sure we will save, and all these fancy centers that they have designed and closed up is absolutely ridiculous.

It has taken 6 years for a community of this size or any other community in the United States to get a hearing on the Postal Service. I hope these hearings are not futile. I hope all the testimony is used, that the heirarchy of all the postal service is cognizant of what the people feel at the local level and the Congress does take the responsibility and take it away from the U.S. Postal Service and put it back and open it up and I think you are going to see reduction in cost, improved efficiency and the people are going to be happier.

Thank you very much for your time.

[Applause.]

Mr. ROUSSELOT. Thank you.

I should emphasize that these witnesses are the ones who have come today and asked to be heard.

Jerome M. Applebaum, an attorney, is next.

STATEMENT OF JEROME M. APPLEBAUM, ATTORNEY, EL MONTE, CALIF.

Mr. APPLEBAUM. Good afternoon, gentlemen. I am here merely by coincidence. I was here on another matter this morning and didn't have an opportunity to hear all of Congressman Roussetot's remarks this morning because of a busy schedule.

I am one that provides a service to the community. I happen to practice in El Monte and live in Arcadia about three houses away from a former one of yours. To get a post office box, it is practically impossible. If you don't wait 4 to 6 months, you are not going to get one. I attempted to rent one in Rosemead and I had to wait several weeks before I was notified to come back, that I wasn't going to get one either.

I represent small clients. I represent small corporations who contribute considerable sums of money in the area and we find it difficult to get a post office box of adequate size. In my own practice, it would be impossible for me to use a post office box for the reason we get things that are too big. I can't get a set of books in the mail.

Mr. ROUSSELOT. It takes 4 to 6 months to get a post office box?

Mr. APPLEBAUM. That's a new post office box. I might add they were supposed to absorb the smaller substations, and I have not noticed an increased service.

Let's talk about this off day problem with the substitute carrier. I have big signs on my front office window which faces the street which say room 210 and which points to 210. Room 211, right next door to me, gets half my mail and it gets it from the substitute carrier. So when I want to find it, I get it from my landlord who is a client and I pick up my mail and so does everybody else; and so do a number of my clients. If they have multiple offices in one building, everybody gets somebody else's mail or they don't get any mail at all.

There is a 6:30 time limit at the El Monte Post Office. For a later pickup time, you can drive over to the city of Industry. That's just terrific. What about the energy crunch problem? I wrote to Senator

Cranston—when all the notices went up to drive to the City of Industry—during the time I was also standing in line to fill up my gas tank. So excuse me because I only have a legal mind and not an energy mind; but I really can't understand the logic.

Let me cover a couple of other things rather quickly. We have some practical problems in the tax area, the practice of law, and other things that are very important. There are State statutes and some Federal statutes that regulate the number of days that you have when you mail something from one place to another. I don't know how you are going to get the people in Sacramento to change the rules. For California, you are allowed one day. There is another statute where you are allowed 12 days if it goes 350 miles. I can't get anything to San Francisco or Sacramento in 2 days unless I give it to one of those policemen in that annual run they make from Los Angeles to San Francisco by way of competition.

As to mail-o-grams, I use them occasionally and I try to restrict their use on weekends.

My daughter who goes to school works with me. I am there on Saturdays. I usually don't see clients on Saturdays, but I am trying to answer the volume of mail that comes in and we prepare certain pleadings and we have things that have specific court deadlines. I am sure you have some knowledge about this kind of thing where you have a 2- or 3-day limitation. Those are not calendar-day limitations, those are court workday limitations. If I have a hearing on Monday, it must be in the court's hands by Wednesday night or Thursday morning. That means if I'm going to do that, I also have to deliver a copy to my opponent or answer every other interested party and multiinterested parties. What I do is either I or my daughter stop by UPS and say "Here are all these packages" because I am not a regular UPS user. I can't use the regular guaranteed mailer because we don't get to waste the time of standing in line to the mail service.

Mr. ROUSSELOT. I don't think too many people know that legal deadline problems exist.

Mr. APPLEBAUM. It is an important point in public contracts. I am sure you are familiar with contract administration.

In the Federal Government, one of my reserve and one full time active duty was to act as a contract administrator for the Government. Many of the Government offices are not open on Friday, they are open on Saturdays; and the same thing pertains to States and counties. I have a number of clients who have that specific problem. If you open a bid on Saturday and there is no Saturday mail, what do you do? You send out a messenger or send it by UPS; and that's no guarantee either.

Mr. ROUSSELOT. Well, we have one more witness, and my poor stenographer is working overtime. I am surprised the young lady hasn't collapsed or hit me. [Laughter.]

Mr. APPLEBAUM. As to cost, there is an important point to be made. We constructed a new courthouse in Rio Hondo that is across the street. We proved to our local supervisor, Pete Schabarum, the courthouse was paying for itself because it takes in fines and other costs levied upon the public 7 to 10 times the amount of its own operation.

Again, I think the local post offices could be made just as cost efficient; and that considers that fact that judges are operating on a retirement system. There is no way, without proper use of funds, that without dipping into Government revenue we still are operating in a profitable sense with the courthouse which is making 7 to 10 times the amount of money it costs to operate it and pay all of the public employees to operate it.

If we can do that with the court system, as complex as it is, it is peculiar, I think, that we cannot do that with the post office.

Mr. ROUSSELOT. Thank you.

Mr. Ed Waters, CLU, is next.

STATEMENT OF ED WATERS, CLU

Mr. WATERS. My name is Ed Waters of the CLU. I do want to affirm something that has been said over and over here this morning, and that is the importance of Saturday delivery. If you look at the profile of a whole week of 7 days—and realize that from Friday through Monday, sometimes through Tuesday—it involves more than a half of the week. Most of the things that we do, including business analysis planning, pension and profit sharing, all these things are involved in date times. In fact, we have been taken to court for date times. We were finally alleviated from the lawsuit because the Government finally tumbled in and said it was the mail service and, fortunately, it was date stamped in the terminal service.

I heard this morning on a talk show that the employees were prepared to argue that all the money that they saved would be taken by what it takes to carry 6-days' mail in 5 days and that they felt they should be getting more salaries. So it seems to me that's going to be self-defeating and most of what we will get out of it is bad service.

I would like to speak about how erratic and unreliable our mail is. I do a lot of business out of Boston and New York. We received a letter 11 days late from our Boston office to our Los Angeles office. We have been timing our mail. We said, well, usually it comes out in one day, so they mailed it on Monday and we received it on Friday. That becomes a very serious matter.

The attorney that was before me said something about deadlines. I have been the president of a group consisting of attorneys and we all have these same problems meeting deadlines all the time. My office is a small office compared with most. I probably mail 5,000 pieces of mail a year.

I went to the substation across the street at 999 East Valley, the big apartment complex over there, and mailed a letter. And it didn't help the PR any because I put a dollar bill in the change machine and it kept it. So maybe the post office should do something about the equipment. So I went from there to San Gabriel and to Alhambra so I could mail a letter at 7 o'clock. It seems to me perhaps that more intelligence could be applied to accommodate the needs of more people, and I don't think this is anything that is common just to business, but to common people. They want to get their taxes in, they have mail that has to meet a dated time.

The people who carry the mail to us have been great. I want to compliment them, but to have to take the mail from Friday, Monday, and Tuesday, I can see that's a tremendous problem.

Now, one of the things I talked to your associate, Jack—I talked to him about this when we met down at our legislative committee of chamber of commerce meeting here in Alhambra—is whether or not the mail being mailed in Alhambra was going out to the city of Industry and back again. We had thought, numbers of us, that it ceased to do that, but I received 50—

Mr. ROUSSELOT. You are talking about your local mail?

Mr. WATERS. Yes. Mail in Alhambra goes out to the terminal annex. Out of about 50 Christmas cards—I hardly get mail at home—practically all had the city of Industry on them.

Mr. ROUSSELOT. You mean the service center stamp or what?

Mr. WATERS. Well, they use the postmark showing that it went out to the city of Industry and then came back.

Mr. ROUSSELOT. I think most local mail is to be processed in the city now.

Mr. WATERS. Jack was of that impression and thought it was.

I think that pretty largely summarizes what I wanted to say.

The erraticness and particularly unreliability of mail into most Los Angeles offices is something I really want to point out. I think most of us share that same anxiety that I share for businessmen.

Mr. ROUSSELOT. Thank you all. We will declare this hearing adjourned.

[Whereupon the hearing was adjourned at 1:10 p.m.]

SIX-DAY MAIL DELIVERY

THURSDAY, JANUARY 12, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE, CIVIL SERVICE COMMITTEE,
Pontiac, Ill.

The committee met, pursuant to notice, at 1:30 p.m. in room 201, Livingston County Courthouse, Hon. Tom Corcoran presiding.

Also present: Congressman Jim Leach of Iowa.

Mr. CORCORAN. The Pontiac hearing of the U.S. House of Representatives Post Office and Civil Service Committee will now come to order. Pursuant to the rules of the House, if there is no objection, we will go ahead with the privilege of allowing the electronic media to participate in the filming of the proceedings. Hearing no objection, we will suspend the rules for that purpose.

Our Post Office Committee has been holding hearings all over the country, using this time before we convene the second session of the 95th Congress to consider the question of whether or not we ought to keep Saturday mail service.

The chairman of the committee, Bob Nix of Pennsylvania, is to be commended for taking the initiative and organizing these hearings all over the United States, because it's something that we need to do more often. It does not continue the pattern that we have seen so often where the decision seems to be made in Washington with little consideration for and recognition of what the impact of rules and regulations or, in this instance, changes in service would have on the people of the United States.

So, I am very pleased that Chairman Bob Nix has consented to hold these hearings. This is an issue that we are finding is of great concern to many, many people.

We know, for instance, that in the response to our questionnaire there has been a tremendously strong reaction and showing of determination and desire on the part of the people to participate in this decision. Clearly, with 89 percent of the people that responded saying that they want to keep Saturday mail service, this is a message that we want to take back to Washington, and take back particularly to the ivory tower where the Postmaster General now makes these decisions. I think that in the coming months, and hopefully the years to come, we can return the Postal Service to a great deal more accountability by exercising more control over the operations of the Postal Service through the Congress of the United States.

The issue that is before us is whether or not to keep Saturday mail service. This is an issue which has been brought to the forefront because the Postmaster General and the Board of Governors of the

Postal Service have been indicating for some time that they think that one of the ways to deal with the high cost of the Postal Service is to eliminate Saturday mail service.

It's interesting to me that at the same time that there is consideration of cutting back on this important service, there is also pending before the Postal Rate Commission a proposal for an increase of 23 percent in first class rates. Furthermore, there are additional service cutbacks that are being contemplated. It seems to me that what we have to do is find out from the people themselves what their reaction to this is.

My colleague, Jim Leach, who is with me this afternoon, and I participated in a hearing in Iowa yesterday. We had much the same reaction with respect to the response to the questionnaire. I'm anxious to hear from the witnesses who have come here this afternoon. We have a very large list of witnesses. That indicates that there is a great deal of concern. Obviously, the packed house here is further evidence that people are quite concerned about Saturday mail service and that they are willing to, and want to, participate in the shaping of that decision.

At this point it might also be well to read into the record some of the written responses that we have received on the question of whether or not Saturday mail service ought to be continued.

In the comment section, I'm going to take two or three representative responses and make sure that they are included in the record.

A woman from Sibley says that service is so slow and rates are so high that it hardly makes much difference whether it takes 10 days for letters to go from Sibley to Gibson City. It's hardly worth the effort to write.

And here's one from a gentleman from Flanagan who says he would go along with eliminating Saturday mail service if you can save that much money, and if you can hold the rates to the level that they are now. Well, of course, everybody who has studied the situation knows that it's not an either/or proposition. It's both higher rates and the elimination of Saturday mail service.

Here's a comment from a woman in Paxton. She writes, "I'm a senior citizen. Why should I be deprived of receiving my daily newspaper on Saturday? I have no transportation to pick up my mail at the Post Office on days there is no delivery." The comments go on and on.

In addition to that, I think it would be worth taking a minute to give some consideration to the history of 6-day delivery of mail.

It began in 1863 when the Postmaster General initiated door to door delivery in 49 cities. The concept spread after the Civil War to hundreds of smaller cities which enabled them to have the convenience of having their mail brought to them, rather than going to the Post Office to pick it up. The political issue evolved into an urban/rural conflict which was resolved only after rural free delivery was established in the 1890's. No successful effort to sustain a financial break-even point occurred after letter carrier delivery became popular.

Mail was delivered twice daily until 1950, when Postmaster General Donaldson established the elimination of afternoon residential delivery in order to save, he claimed, \$80 million a year. Despite the change, which coincided with the fiscal constraints of the Korean war, postal costs continued to increase and costs rose \$100 million in fiscal year 1952, the first full year for which Donaldson cut out afternoon delivery.

Delivery to business offices in major cities was made three times a day until 1969, when Postmaster General Winson Blount eliminated the third afternoon delivery on the grounds that very little mail was distributed in the afternoon delivery.

Since 1971, as a cost reduction measure, the Postal Service has eliminated the second delivery in the eastern region of the United States. Today, only one delivery is made to any one residential address and, with some exceptions, to any business address.

The Postal Service has apparently been considering the elimination of Saturday delivery for several years as a means of reducing or controlling postal costs, but it was not until 1976 that formal steps were taken in order to make this change. In 1976, the Postal Service conducted a study of the proposed change. A formal proposal was prepared in early 1977 to submit to the Postal Rate Commission for an advisory opinion for a change in nationwide service. That proposal itself was not submitted. However, on April 18, 1977, the Commission on Postal Service, which was created by Congress in 1975, submitted its report to the President and Congress.

In that report, the Commission recommended that mail delivery be reduced from 6 days to 5 days a week, but did not designate that Saturday necessarily be the day eliminated.

Following that lead, the current leadership within the Postal Service, the Postmaster General and the Board of Governors, have decided that they want to pursue the postal cutback of eliminating Saturday postal service.

The reaction we are getting here and from the mail in my office is overwhelmingly opposed to this.

For that reason, at this time, I am very pleased to bring the committee to this district, in order that we may have an opportunity to hear from those people who are concerned about this issue, and to go into some detail with the panelists that we have.

I might say that the format of the meeting will be to hear from the 13 witnesses who have already indicated that they would like to testify. Furthermore, afterwards, anybody in the audience who would like to testify is certainly welcome to do so, and we would encourage that. Before we proceed to hear from the witnesses, I would like to ask my colleague on the committee, Jim Leach, if he has any comments to make.

Mr. LEACH. Thank you, Tom. It's a pleasure to be here. This is the second opportunity I've had to be in the 15th Congressional District in Illinois, having been in DeKalb last year for hearings.

I just would like to make a couple of comments more about Tom and about the subject matter at hand.

On the Post Office Committee there has been no single representative that has worked harder than Tom Corcoran trying to bring greater accountability and change to the Postal Service. I think he should be commended for his exceptional service. He has the respect of the minority and the majority.

Second, I don't know of another Member of Congress that has worked as hard on agricultural issues and rural issues. I stress this because 6-day delivery has different meaning when you are in a rural area than if you're in an urban one. One of the issues of concern to Congress is simply this rural/urban series of differences. I think we're

losing sight of the fact that rural concerns need to be equally represented. I'm honored to serve in the same body with Congressman Corcoran, whom you have elected, and I'm sure will elect for years to come.

I look forward to hearing your testimony. Please be assured you are among friends. We look forward to taking a real rural voice back to Washington.

Thank you.

Mr. CORCORAN. Thank you.

Our first witness is State Representative Ewing.

STATEMENT OF HON. TOM EWING, STATE REPRESENTATIVE

Mr. EWING. Thank you, Congressman Corcoran, and welcome home, and welcome to Congressman Leach from Iowa, to what I think Mr. Corcoran and I would agree is the heartland of Illinois and a great part of the country.

Mr. CORCORAN. Undoubtedly.

Mr. EWING. We have a vested interest here, Tom.

It's a pleasure to have the opportunity to report to you my feelings on the proposed cutback in Saturday mail service which has been offered by the U.S. Postal Service.

As an elected State official, I must strongly object to a cutback in Saturday mail delivery. I feel this cutback would create hardship and delay for private citizens, the business community, and other governmental agencies while not providing the needed savings that the Postal Service must have to cut its deficit.

The first of my objections stems from the lack of concrete evidence that the proposed cutback in service will translate into the necessary budgetary savings to remove the Postal Service deficit. It is my position that a cutback in service will not solve the postal system's problems, rather it will only tend to complicate matters.

The Postal Service's proposal seems to hinge on the misguided assumption that a reduction in service will result in a reduction in the volume of the mails. Reducing service by one-sixth will not reduce the need or use of postal services.

Undoubtedly, the workload will increase correspondingly on other days to deliver the excess created by a Saturday backlog. This in itself will create problems as more help will have to be hired to get rid of the backlog, thereby defeating the purpose of the cutback. If that is not the case, then present manpower capabilities will absorb the overload. If, after a cutback, the present help is able to handle an increased volume, then the present help is underutilized and should be examined before any cutback in service occurs.

My main concern with the proposal is the effect it will have on business and commerce. The business sector depends on Saturday service, and elimination of that service would create further hardship for a sagging economic climate. Considering the seven Federal Monday holidays, there would be a minimum of seven weekends where both the business and private sector would be forced to wait 3 days for mail delivery. The added cost and delay for some establishments would be prohibitive to their doing business. A high volume establishment which

relies on mail transactions would open on a Tuesday to find 3 days of orders and correspondence in Tuesday's mail delivery.

Before any cancellation of Saturday service occurs, I feel there are several questions that the Post Office must publicly answer:

(a) What area of the Postal Service is causing the deficit and what other alternatives are there to elimination of Saturday service?

(b) Have all classes of mail been paying their fair share? Are bulk rates being increased as first-class rates are raised?

(c) Why is present mail service periodically slow? Why has 5 days to get a letter into the Chicago loop become many times the rule and not the exception?

In conclusion, I feel that the proposed reduction of Saturday mail service would not help economic growth and development. Other alternatives must be explored, such as increasing third-class bulk rates to carry a proportionate share of the load, before a questionable reduction in first-class Saturday service is implemented. Finally, if a reduction in Saturday service is inevitable, why not levy it against third class while exempting first class and newspapers.

Mr. CORCORAN. Thank you very much, Representative Ewing.

I know, because of our personal friendship and work over the years, that before you become active in the legislature and before you began your career as an attorney, you were involved with the work of various chambers of commerce. I was particularly struck by your comment regarding the effect that the elimination of Saturday mail service would have on economic activity, particularly during the weekend.

Could you elaborate a little bit on how this might affect small merchants?

Mr. EWING. All of us need to get our bills in the mail and get our checks out in the mail. I had a rather substantial farmer call me. He said, "You know, sometimes I get checks in the bank and there isn't enough money to cover them. For every check that I may have written on a large business, I get charged a dollar." He said, "If I don't get that notice from the bank that I'm a little short on Saturday, and it may not come until Tuesday, I could run up a \$10 to \$20 bill." To this man, this is important. I think this is the kind of thing we have to have to keep commerce afoot.

I think as an excellent example right here in Pontiac, at one time the banks wanted to close on Saturdays. They closed the banks on Saturdays. And you could shoot a cannon down Main Street. This is a Saturday town. I don't know if you have them left in Iowa, but we shop here on Saturday night. It's one of the few places in Illinois where they are still doing that.

Mr. CORCORAN. Would you say that the merchant who is running ads on the weekend in order to take advantage of the Saturday business would be affected by Saturday mail service elimination?

Mr. EWING. Absolutely. If they don't get the papers in the community, they're just going to have to put their ads in that much earlier. It's going to make it that much more difficult because the people in town have that much more time to come in and pick up the bargains, so to speak.

But, back to when they closed the banks. It hurt the business community. I think the postal service has a lot the same effect. They

opened the banks back up, and we opened our Saturday bank up. It's important.

Mr. LEACH. I was impressed with your idea, which is unique, of just allowing first class and newspapers to be delivered on Saturday. It reminds me of a response I received to a questionnaire I sent similar to Tom's which wanted to keep Saturday delivery, but not allow bills on Saturday. I thank you for your testimony. I think it's very helpful.

Mr. CORCORAN. I realize that you can't segregate the mails, but I think that all of us, and particularly those of us in public office and those in business, receive junk mail. I throw away a can full of junk mail every week, and through the mail I receive a stack every day that I don't have time to read, don't intend to read, and don't ask for; yet it comes to me. I wish we could eliminate some of that. I'm sure we would lessen the costs if we could eliminate the junk mail.

Thank you very much.

Mr. EWING. Thank you.

Mr. CORCORAN. Our next witness is Jim Roberts.

He is editor and publisher of the Fairbury Blade, and some of you people in the audience know that he is State chairman of the National News Association (NNA).

Jim, we look forward to your testimony.

STATEMENT OF JIM ROBERTS, EDITOR AND PUBLISHER, FAIRBURY BLADE

Mr. ROBERTS. You've taken care of the first line of my testimony.

I am publisher of the Fairbury Blade, and nine other community newspapers in four adjacent counties, Livingston, McLean, Ford and Iroquois. I am also vice-president of the Illinois Press Association—the Nation's largest State press group—and am Illinois State chairman for National Newspaper Association, with 7,000 members, and in whose name I also speak today.

Besides those three "hats" which I wear here today I also claim a fourth one, that of a private citizen who happens to have more than average knowledge of the postal system, since from day one of my life, I have been connected with it!

I grew up with the postal system, as my late father was for more than 25 years connected with it, as a railway mail clerk, as a transfer clerk at a major rail junction in Indiana, and as a superintendent. Since he had to know the rail connections for every post office in States, by the time I was in the fourth grade, I was correcting the cards after he "cased" them while preparing for the annual exams.

I knew about Cobden and Equality and Nauvoo in Illinois; about Churubusco and Cynthiana and Boswell in Indiana; about Ada and Au Gres and L'Anse in Michigan; about Brilliant and Pandora and Rushsylvania in Ohio; and about Baraboo, Bloomer, and Boscobel in Wisconsin by the time I was 10.

Those names are not exactly household words across the country, but to the residents in and near them, they are important, and each of them has a local newspaper, either there or nearby, which binds them into a viable community. Similarly, from the days of the famed

pony express of the Far West, and the mail packets of our coastal areas, it was the Post Office Department which bound our Nation together.

And while I was learning about these obscure Midwest communities back in the thirties, I was thus on the scene when the Post Office Department made its first retreat, and incidentally, I might add, launched the decline and fall of another American tradition, the railroad passenger system.

When railway mail cars were taken off trains "as an economy measure," the train itself, with the mail revenue gone, soon also bit the dust. Now people wonder "what happened to the passenger trains?" If you put mail cars on a couple of these crack Amtrak runs, you might be surprised how much their profit picture, and their roadbeds, picked up.

That was done to cut the "deficit." Let me ask, do we expect the Army and the Navy to make money? Or the Agricultural Department?

The point is often made that newspapers and magazines have a "cheap" rate. So do churches and charities have a "cheap" rate and material for the blind is handled free. The reason is to aid the general public.

Now, after growing up as the son of a postal employee, my first job was with a firm in this State which published both newspaper and magazines, and I have been continuously involved with second-class mail matter for over 30 years, plus normal use of the other classes.

During this time, we came to the name change, when the Congress decided that the U.S. Post Office Department would become the "Postal Service," and that's when the real anomaly begins.

The mail system was already declining at that point, but when "Service" went into the name, "service" went out the window. The Congress, in its wisdom, also decreed that the Postal Service was to be operated like a moneymaking business. Costs were to be distributed, attributed, and recouped.

All well and good, providing that it was really operated as a business. But it wasn't. Some 200 years ago, the Government took unto itself the exclusive right to operate the mail system; thus ruling out competition and preventing the application of the ancient "fish or cut bait" rule of the open market, where you either become efficient or you die.

The Postal Service enjoys a monopoly, and just this week a Federal judge enjoined a husband-wife team from continuing the delivery of business mail by their private system, which offered same-day service in their city, Rochester, N.Y.

Since the Government thus wants the exclusive privilege of providing this service, even on a next-day basis at best, it should live up to the letter of the law, and the word, and that means to provide "service."

That's enough of the philosophy, now for some specifics:

As I said, we publish 10 community weeklies, 1 of them often the best in the State. They are printed on Wednesday and Thursday, delivered on Thursday and Friday locally and hopefully on Saturday in most of the areas where our natives have migrated. This is symptomatic of the traditional community weekly. So Saturday curtailment doesn't hurt our delivery locally, although it does at a distance.

But, it would hurt us deeply on the start of the next issue. Each of our outlying offices mails a large packet of material—news matter,

advertising, and film to be developed—on Friday afternoon via first-class mail, so that we get it Saturday. Many other sources—churches, college publicity departments, ad agencies, the extension services—also tend to mail us things on Friday afternoon as part of the regular syndrome of “getting things out by the end of the week.”

Our plant works on Saturday, regularly, paying overtime to several people and providing part-time jobs for others. This is how we get a head start on producing 100 or more pages of metro-size pages by midweek. Without Saturday mail, we are crippled seriously and a number of paychecks are affected.

Similarly, outside of Washington, D.C., Saturday elsewhere in the United States is a normal business day. In the Chicago suburban area, there are many community newspapers issued twice a week, some of them on a Thursday-Saturday basis.

In the case of just 1 group, the Lerner Newspapers who have more than 50 in the Chicago area, 3 that I know of, totaling some 45,000 copies, have issues which go into the Postal Service for delivery on Saturday. They take them to the local substations, all separated for each individual mail carrier, about dawn each Saturday.

Elimination of Saturday delivery would hurt Lerner severely. They estimate classified advertising alone would drop 40 percent, or about \$16,000 a week. Retail advertising would be reduced proportionately.

One of the reasons for their existence is that they offer an economical alternative for their advertisers who want regional or neighborhood coverage at a rate they can afford, as opposed to the rates of the metropolitan dailies.

Similarly, the rural and “non-metro” dailies, in Illinois and elsewhere, especially in the vast Great Plains, rely on the Postal Service for Saturday delivery. If an edition timed for Saturday morning mail delivery is shunted to Monday, it not only hurts the publisher, it hurts the advertising patron and also the person who subscribed to that newspaper in the first place. Newspapers are bought by people who want to read them.

So you have hundreds of thousands of people who in addition to subscribing to a local or nearby daily, also have a mail subscription of that State’s most influential daily, whether it be the Chicago Tribune, the Davenport Times-Democrat, the Des Moines Register-Tribune, the Sioux Falls, S. Dak., Argus-Leader, or the Mitchell, S. Dak., Republic.

I mention the latter newspaper because 56 percent of its 16,000 daily circulation is delivered by mail. I know the publishers rather well; we buy our newsprint from the same Canadian mill, and the same salesman for that mill calls on both of us.

I mention that to verify my reference to their statistics, and to point out that publishers of newspapers, whether they come out weekly, twice or three times a week, or daily, are deeply concerned about the impact this proposal would have on their communities.

The Sioux Falls Argus-Leader’s annual postal bill is in excess of \$200,000. I’m sure you realize that if they lost one-sixth of that distribution, their bill will likewise be reduced by that fraction, and thus the postal revenue by the same amount. The Lerner publications I mentioned would find their payments to the Postal Service reduced

about the same amount of dollars. I wonder if the person who calculated how much elimination of Saturday service would save in wages, took account how much revenue they would also lose.

So, I say to you, that besides hindering seriously the preparatory steps for my personal publications, elimination of Saturday mail would seriously cripple those semiweeklies and all dailies who rely on mail delivery of their product that day, and the hundreds of thousands of subscribers who expect one or more of the major metro dailies every day but Sunday by mail.

And, of course, that "get it out of the office by Friday" syndrome also affects bill payments to thousands and thousands of small businesses who get lots of checks, and make lots of bank deposits on Saturday mornings. So you are also tampering with a lot of cash flow.

The postal carrier, or the clerk in the Post Office, is normally the only representative of the U.S. Government with whom most citizens come in contact on a regular, frequently a daily, basis. The others, ranging from IRS, to ag extension, grain or meat inspectors, air traffic controllers, and even Congressmen, most of us see on a declining scale; some rarely, some never.

Yet, in other parts of the world, for more than 40 years, the U.S. Government has been very visible through thousands of commissions and contributions, whose costs have made the postal deficits look like chicken feed.

So, now, we come back to the anomaly; is the Postal Service to be a business, or a "service"?

If elimination of Saturday service is to be a business efficiency measure, then fine; let's run it as a true business. Remove the legislative restraint and the injunctions which prevent competition from private enterprise and instead permits the Postal Service to have a no-win, no-alumni-pressure, no-profit, no-banker-frowning-down-your-back situation. Let some of the rest of us in there to see who can "fish or cut bait."

Otherwise, let's run it as a "service," as their name implies, and be prepared to pay the price. I don't think you can claim to be both a monopoly run only on your terms, and a "service." That's the best of both worlds, and I seem to recall that the Justice Department's "trust-busters" frown on that conduct by other firms. If we're to have a "Postal Service," and it's little enough that we get today, then Saturday service is part of it.

Thank you.

Mr. CORCORAN. Jim, I do have one question.

I appreciate very much the several points that you have made. But there is one point that I would like to draw you out on a little bit, and that is the reference to the Lerner papers. One of the facts that we have discovered in the course of our hearings is that there is a feeling that this is primarily a rural consideration, a rural problem. I am finding, as we get further into the subject, that it's not just the farmer and it's not just the person who lives in a rural town who is affected.

Here you have the Lerner papers, a well-known suburban chain of papers, and I'd like you to comment just a little bit more extensively on what you think would be the effect of the termination of Saturday

mail service. Would that be the straw that broke the camel's back, and would the Lerner papers subsequently go out of business?

What would the result be, in your professional opinion?

Mr. ROBERTS. Well, I don't think, in all honesty, that the elimination of three newspapers from a chain which has 50 of them in the tight, close-in suburban area of Chicago—I'm not talking about way out toward St. Charles, but closer in, and taking away the Saturday delivery of the one group of three papers I mentioned, which has twice-a-week circulation, one part of it keyed to Saturday delivery—would put the Lerner papers out of business. It would affect the performance of that particular trio of newspapers. It would affect the people who were involved in producing them, the jobs involved there. But primarily it would affect the people that are patronizing those newspapers, that are supporting them as merchants in the area. Not everybody in Chicago, you know, is down on State Street or out in Oakbrook and the other big shopping centers. The merchants that make those newspapers possible aren't people that read them. The people that want to find what is in the paper. So many times, emphasis is placed on the fact that the only reason for newspapers is that news that's in them. I happen to be news oriented, but I would be very stupid if I didn't say that advertising is a key part of keeping the wheels turning. And that's one of the reasons—not only to help pay the bills.

One of the other reasons for our existence is that people buy newspapers to read advertising. They look for bargains. When our papers come out, why, there's a rush to get them. One of the first places they go is to the classified ads. If you give x amount of the readership access to a group of classified ads at, say, call it 3 o'clock on today, then you take 20 percent, 30 percent, 50 percent of your readership, and they don't get those same classified ads until Monday morning, all of those automobiles, boats, hip boots, what-have-you, are gone.

So, the advertising content of a newspaper, regardless of what people say about it, has demand in the general public. And I daresay that you won't get any argument from the people in here behind me. I'm sure they all take one or more newspapers, and it's not just to find out what the editor has to say.

Mr. CORCORAN. Although that wouldn't be a bad thing in itself.

Mr. ROBERTS. Well, we hope they want that, too. But I'm not so stupid to think that's the only reason.

Mr. CORCORAN. One other question, Jim, and that is this: You have an interesting background relating to your family and personal familiarity with the Postal Service when it was called the Post Office Department.

Could you give us a little insight into what the difference in response was prior to, say, 1971, when you had a problem in terms of delivery difficulties or a general service problem? I know there are service problems that you have in the publishing business.

How does the response differ now in your communications with the postmaster and others in the system from what it was before 1971?

Mr. ROBERTS. We've managed to work with the Post Office Department, and by us doing part of the work which was formerly done by

postal employees, we've eliminated some of the drawbacks we had and the hindrances that we had 4 or 5 years ago. Also, development of the brown bag and the yellow tag, to identify priority mail; presorting, we've been doing that for years. The Post Office Department is not just coming around promoting it. But those things have tended to overcome the handicaps that we encountered, as the efficiency and I think the morale of the Postal Service declined. As I viewed it through my boyhood eyes, there was great morale and pride among all the people connected with the Postal Service, especially the branch that my father was with. And when he used to buckle his holster with his banker's special .38 on his hip and take the pouch of registered mail, et cetera, and climb in his mail car, that got a little boy pretty good.

Mr. CORCORAN. Congressman Leach?

Mr. LEACH. I'd just like to comment about your one reference to the declining visibility of some components of the Federal Government, whether it be Congressmen or whatever. I think it's clear that the Postal Service is the Federal Government in many rural areas, and in many parts of America. Some of the criticism of the Postal Service is a criticism really of the Army, social welfare system, everything people are increasingly concerned with in regard to the Federal Government. And if you compare the Postal Service to these other programs, as much as its declined, I think it's still better than any other part of the Federal Government and certainly has served a more useful role in rural America. I think there is a challenge here directly related to what you stated on service. If we eliminate it, maybe the Postal Service will go the same way as the railroad passenger service. You cut services in one place to save money, suddenly people start ceasing to use the entirety of the services.

Mr. ROBERTS. You close up the door one more day and they look for an alternative.

Mr. LEACH. Exactly.

Mr. ROBERTS. You open any kind of business in this town or any other town, and you only have the doors open about 3 days a week—if you start out open 6 or 7 days a week, and you keep backing it up, it won't be long before you don't have your doors open at all.

Mr. LEACH. That's right. Thank you.

Mr. CORCORAN. Thank you very much, Jim.

Our next witness is Adelle Eisenhower. Adelle is the secretary-treasurer of the Livingston County Senior Citizen Advisory Council.

STATEMENT OF ADELLE EISENHOWER, SECRETARY-TREASURER OF THE LIVINGSTON COUNTY SENIOR ADVISORY COUNCIL

Mrs. EISENHOWER. Congressman Corcoran and Congressman Leach, I wish to further identify myself and explain why I am speaking for the senior citizens of this area.

I am the director of the party line, a program under the East Central Illinois Area Agency on Aging, Inc. I am in contact with all the senior citizen groups in Livingston County, and have an information and referral program where they may call in asking for help or voicing their opinions. My phone number is 815-842-3851. I have heard from several of the senior citizen groups concerning the problem of discontinuing Saturday mail delivery.

Mail is very important to the businessmen in urban communities and to people in general, but it plays an even more important role in the lives of senior citizens. Unless you are around senior citizens any length of time, the vital part mail plays in their lives is not realized. You may think that many of them keep in touch with others by means of their telephone.

It is true that more use is being made of the phone by those who have one. However, the reasoning of some senior citizens is that they can economize by not having a phone. They are in contact with their community by neighbors, church members, et cetera. They then depend on the mail and papers that come daily to inform them of the events outside their community and in the homes of their loved ones who do not live nearby.

The mailman soon learns to know these seniors on his route. By the amount of mail received he often knows when important events such as birthdays fall due. He is often greeted with a cup of cool water in the hot summer or a cup of hot cocoa in the cold winter. He soon knows if the shades are not up when the mail is delivered, or if the paper is on the porch and the mail has not been picked up that an inquiry should be made. He has often been instrumental in saving the lives of people in his route. Now, this is not his duty, but it does give the senior citizens, and relatives, too, a feeling of security knowing someone will be there 6 days a week.

Even with the present mail system, those in rural communities find that a friend of theirs may have died and been buried before they get their papers that announced the death, let alone the funeral arrangements. And the loss of their friends plays a very important part in their lives—for there are not too many of them left.

Since many of these senior citizens are very conscious of the high cost of living, they watch the ads in the papers where sales will be held. Again, later delivery would affect the rural residents and those in very small communities for their papers would be received long after the sale is over. Even if they get them on time, many have to make arrangements to be taken, for transportation is a problem and they must ask friends or relatives to come to their rescue.

You might not think that mail would play an important part in the lives of those who are blind—senior citizen or not. However, many do participate in the use of talking books and magazines. These come by mail and then, in turn, are sent from one home to another. Particularly for the person who lives alone, it's like having someone come in and visit. Cutting the delivery would surely affect this program to a certain degree.

We have heard that if the Saturday delivery is continued, there's the possibility of stopping the delivery on Wednesday. Now, if you really want to upset a senior citizen, you start rearranging the days of the week. Many will put the daily paper in a special place and rely on it to tell them what day it is instead of using the calendar. If they have been accustomed to a regular 6-day mail delivery, throwing a day in the middle of the week on which mail is not delivered would really upset them.

I have checked to see how many Monday holidays will fall during 1978, Lincoln's birthday, Washington's birthday, Labor Day, Colum-

bus, Christmas, and New Year's Day in 1979. That would mean mail would be delivered on a Friday and the next time it would be received on a Tuesday. I help distribute the mail to the 160 some residents of Evenglow Lodge. The residents almost know what is coming and when it is supposed to come. Catalogs and magazines are not considered trash mail by them. You might say that living under these conditions would be different than living in one's own home. I know it isn't for my 97-year-old mother who eagerly waits for the coming of the mailman and reads and reads everything he brings.

I have had responses from senior citizen groups in several Livingston County communities. Dwight took a poll at their January 10, meeting, Flanagan reported on several groups, and I spoke to several individuals in other localities. They all requested that I speak for them and ask that the Saturday mail delivery be continued.

I can hear some people say that if the senior citizen is so interested in economizing, the request for Saturday delivery is contradictory. Often an individual is willing to save on some experience in order to continue the service he considers more valuable and I believe this might be the answer to that line of thinking. My own personal opinion is that the postal rates will go up whether we continue the Saturday mail delivery or not, and I don't think I would hear from a lot of my Iowa relatives as soon as I do if I didn't get my Saturday delivery.

Thank you.

Mr. CORCORAN. Adelle, in your role as a representative of the Livingston County senior citizens organizations, you have touched on several aspects of the effect that the elimination of Saturday mail delivery would have.

One of the aspects that you didn't touch on, that I would like your comments on, is the impact that elimination of Saturday delivery would have on those senior citizens who depend on the mail for receiving their social security checks.

Do you care to comment on that?

Mrs. EISENHOWER. I suppose I should have been more specific on when they know what is coming and when it comes, because those checks in the cases where I have been working, they must sign for their checks, so that we know they have received them. And they come in, and the check isn't there, they ask how come it isn't there.

Also, in my role as working with the senior citizens, particularly those who are coming into the retirement home and have had to change their address, and you see, you can see their retirement checks are not coming in. Often I have to call social security offices for them, and I certainly would. Because you see, this first of the month delivery deal is very important. Some of them, of course, rely entirely on this money that is coming in. It's their spending money, it's their money to pay their food and lodging, and it's their livelihood.

Mr. CORCORAN. Today, because of the options afforded by the Social Security Administration, there is the opportunity for directly depositing checks into banks and savings and loans, and also, I think, into the credit unions, through the use of electronic distribution.

Would you have any idea what percentage of the senior citizens that you know of take advantage of this opportunity, and what percentage prefer to receive the check themselves?

Mrs. EISENHOWER. I think our enrollment—enrollment is the wrong term, but our residency now is 163. I would say at least half get it in their own hands. Speaking for my own mother at 97, she wants it.

Mr. LEACH. I'd just like to comment briefly.

I certainly appreciated your comments about a postal worker being more than a mail carrier. He's there to provide customers with extra services, like help, for example, they are the last line of defense in an emergency. I think that's something which is often overlooked when you talk about running a postal service under a very rigid set of criteria, emphasizing savings at every single point of it. I think that is something very appreciated.

Thank you, very much.

Mr. CORCORAN. Thank you very much, Adelle.

Our next witness is Bruce Lowry. Bruce is the executive director of the Livingston County Farm Bureau.

Bruce, we are very happy to have you with us.

STATEMENT OF BRUCE LOWRY, EXECUTIVE DIRECTOR OF THE LIVINGSTON COUNTY FARM BUREAU

Mr. LOWRY. First, I want to take this opportunity to thank you, Congressman Corcoran and Congressman Leach, for giving us this opportunity for input on this important subject.

Due to my brogue this probably will be no surprise to you for me to say that I'm familiar with some of those southern Illinois towns that Jim was talking about awhile ago.

I am manager of the Livingston County Farm Bureau, a voluntary farm organization with one of its purposes being to further and assist the economic and social welfare of its members. The Livingston County Farm Bureau has a membership of 3,784 farmers, 2,210 which have a particular interest in the production of agricultural products. This farm bureau is affiliated with the Illinois Farm Bureau legally known as the Illinois Agricultural Association.

5-DAY MAIL SERVICE

The April 1977 report of the Commission on Postal Service specifically states the majority opinion of the Commissioners of this congressional-sponsored study group. Their recommendation, concerning levels of service which have already been repeated here today, is, and I quote, "Mail delivery to all addresses should be reduced from 6 days to 5 days a week, but the service should be available on the day mail is not delivered."

To defend this recommendation, the Commissioner cited a Nielsen survey, conducted at their direction. The survey found that 80 percent of those citizens surveyed favored a 5-day delivery schedule over other alternatives. The Commissioners based their recommendation on a test of public preference. Basically the public was asked to choose between two major alternatives:

One, do you favor 5-day delivery or higher postal charges?

Two, do you favor 5-day delivery or higher congressional subsidies of the Postal Service?

The questions were stated in this tradeoff fashion. Unfortunately, the Commission did not consider the next obvious question in this area. What would be the actual impact of 5-day delivery on the Nation and its people? In the final report of the Commission, two of the seven Commissioners strongly objected to majority view of this crosscutting measure.

In their dissenting statement, Commissioners Readmaker and Cribbs stated, and I quote :

The Commission conducted no research on the impact of reducing deliveries to five days a week. We do note, however, from testimony presented at our hearings that in rural areas, farmers rely on delivery of agricultural reports to keep them abreast of market developments.

Readmaker and Cribbs stated the 6-day delivery could be maintained by increasing congressional public service appropriations for the Postal Service to 13 percent of prior years postal operating expenses. This contrasts with a 10-percent public service appropriation being necessary by the Commission for maintaining a reduced-service, 5-day-delivery postal system.

In addition to the comments of the two Commissioners mentioned above, Commissioner Taylor expressed his concern about this issue and supplemented remarks appended to the Commissioners' report.

Taylor stated :

The elimination of the sixth day of delivery and the reduction of the levels of mail processing will lead to delays in the receiving of mails of a magnitude that has not as yet fully been ascertained.

All of this strongly suggests that the Commission's recommendation to discontinue 6-day postal delivery is based on an incomplete assessment of the results of such action. The position of Illinois farmers on this issue was explicitly expressed in the resolution adopted by voting delegates at the 1977 annual meeting of the Illinois Farm Bureau. This policy position states :

We will continue to study the postal service. We support programs to provide efficient, essential mail service to rural America, including the continuation of 6-day postal service.

Farmers feel that 6-day mail delivery is essential to their business needs. Farmers depend heavily on print to carry complex market information to them as quickly as possible. The electronic media has not replaced print in providing charts, graphs, and columns apprising information used by farmers on a daily basis. It is essential that the mails carry this information to farmers as quickly as possible.

The five-day service proposal suggested by the Commission on Postal Service threatens this farm business communication link.

Mr. CORCORAN. Thank you very much, Bruce.

I have a couple of questions, but, first of all, let me refer to the Nielsen survey that you mentioned. We happen to have the exact language that they used and it certainly supports your contention that they gave the people the opportunity to say whether, if they could hold down the postal rates, elimination of Saturday delivery would be acceptable. But they didn't say that they might eliminate Saturday mail service and increase the rates simultaneously.

The question is as follows : "There are a number of changes that can be made to help hold down postal rates." The clear implication of that is that they are going to hold down the rates. "One of these is the

frequency of delivery. In order to hold down postage rates, would you be willing to have 5-day delivery instead of 6-day delivery? If 1 day of delivery was eliminated, which one would you choose to give up? Would you be willing to have less than 5-day delivery? The clear insinuation of the question is that this is the way to keep first class at 13¢. But, as we all know, a first-class rate change is under consideration and the increase is going to be 23 percent if the pending rate case is approved.

Second, let me ask you a question, Bruce.

Based on your work with farmers over the years, you referred at the end of your statement to increased activity. Interms of mail and communications that come to the farmer, pricing information, market information, and other types of information that the farmer needs for production and marketing, would you say that today the farmer is getting about the same amount of communication as he did 10 or 15 years ago, or has that changed in some ways?

Mr. LOWRY. No; as we moved into a more market-oriented system, the trend has increased more in the last 10 years, and the trend is going more toward that.

Mr. CORCORAN. Congressman Leach?

Mr. LEACH. I would like your assessment from a farm perspective. When you look at all Federal programs, would you rate the service provided by the Post Service, as average in comparison to other Federal programs, above average, or less than average?

Mr. LOWRY. Of course, the Postal Service was already alluded to—it's sometimes talked about like the weather is. But it's a very vital service to rural people in general, not only the farmers.

Mr. LEACH. I stress this point simply because in rural areas when you look at where tax dollars go—and right now, rural areas provide a very significant percentage of the tax dollars going to Washington, D.C.—in a vast majority of the programs, rural areas get a very poor return on their investment. Rural areas don't have the costs of urban areas. They don't have all the social problems, and the Postal Service is one of the few areas, at least, where there is a direct benefit returned in terms of service paid for by tax dollars.

I think that's a point, very definitely worth making.

Mr. LOWRY. Yes; I do, too.

Mr. LEACH. Thank you.

Mr. CORCORAN. Thank you very much, Bruce.

It gives me great pleasure to invite the next person, Rodney Yoder, to testify. He is a senior at the Forrest-Strawn-Wing High School. I believe he's here at Eastern Park because we have a program whereby we talk directly to various high school classes, and last week, I think it was, in the class that I had in which Rodney was a member, I invited the class to come here to see, on a fieldtrip so to speak, the operation of a congressional committee at the courthouse in Pontiac. I suggested that somebody might want to testify on this subject, assuming that they did a little homework beforehand.

I'm confident that Rodney has. Rod, I'm very pleased because of the concern the people about Saturday mail service, but also because this gives you an opportunity to participate in something that I hope you will continue after high school.

**STATEMENT OF RODNEY YODER, SENIOR AT THE FORREST-
STRAWN-WING HIGH SCHOOL**

Mr. YODER. Thank you.

My name is Rodney Yoder. I am currently a senior at Forrest-Strawn-Wing High School. I am testifying strongly against the idea of eliminating Saturday postal service. My negative opinion on this matter was basically formulated from my interviews of a sampling of twelve Forrest business-related people. Among those interviewed were: the postmaster, a bank president, a savings and loan manager, a pastor, the town supervisor, a restaurant owner, the milk plant manager, a gas station owner, the coil factory manager, a jewelry store owner, a sales clerk, and a newspaper editor. Ten of these twelve (83 percent) were opposed to the idea of the 5-day postal service.

Some of their reasons were:

No. 1, their businesses enjoy the Saturday postal service.

No. 2, "The Government will be spending \$10 to save a nickel."

No. 3, for some, Saturday is the only day they have a chance to conduct their postal business, such as buying stamps or sending certified mail.

No. 4, rural homes will not receive their Saturday newspaper.

No. 5, the mail not delivered on Saturday will carry over on Monday, thereby creating a load which would impair efficiency.

No. 6, due dates for bills and applications would be a serious problem area.

No. 7, this action may lead to more serious cutbacks.

No. 8, the money saved would be minimal.

No. 9, cutbacks such as this will allow the survival of an outrageously inefficient and unreliable Government service which "ripoff" citizens who are practically forced to use it; the service, privately operated, would be greatly improved.

No. 10, postal employees have extremely high salaries; why not level cost in salaries instead of cutting service?

No. 11, other Federal departments rarely break even; why try to save money in the Postal Department—a service which affects so many people at the grassroots level?

These factors have formed my opinion which I feel is representative of the majority of Forrest citizens. I again state my opposition to the idea of eliminating Saturday postal service. Thank you.

Mr. CORCORAN. Thank you, Rod.

I must say that if our preceding witnesses deserved the applause they got, I think you particularly deserve it because I have a feeling that you do not come before us today with a great deal of prior knowledge of, or involvement in, Postal Service issues. I think, and I certainly hope, that you've learned that it makes good sense to get involved and find out what some of these issues are. You've used a technique that I suspect that you learned in class—the sampling technique of going out and talking to the people in the community, finding out how changes in this service which would affect them would be received.

I commend you for the work you've done, not only because I agree with your conclusion, but because I like your technique. I give you an "A."

Our next witness is Jim Conroy.

While Jim is coming up, let me say that Jim is the State president of the National Association of Rural Letter Carriers.

Jim, we are delighted to have you with us.

**STATEMENT OF JIM CONROY, STATE PRESIDENT OF THE ILLINOIS
RURAL LETTER CARRIERS**

Mr. CONROY. Thank you, Mr. Chairman.

First of all, I would like to say that I am Jim Conroy, as stated, the State president of the Illinois Rural Letter Carriers. I do work for the Postal Department.

I feel that it's the best postal service in the world. We've been getting quite a bit of flak on some things that we are doing or not doing. I would like to take this opportunity to say that I would like to speak on behalf of the 6-day delivery.

My association members total over 3,000 in the State of Illinois. We deliver to approximately 2 million people in the State of Illinois, and the suburban areas of rural Illinois, 6 days each week. I sincerely hope that we may be permitted to continue the 6-day service to rural America.

Now, the Postal Reorganization Act of 1970 set forth a goal of self-sufficiency by 1984. This goal did not take into account the public service cost and did not foresee the double digit of inflation we have seen and experienced in the period of time since then. Both factors have contributed to the Postal Service inability to obtain self-sufficiency. I suspect there is a greater degree of public service rendered by the Postal Service than is currently believed by the people in the rural areas.

The rural delivery service is a part of the public service cost. It never could become self-supporting. It was depending upon the revenue generated by the rural routes or the rural post offices. The rural customers are basically recipients of mail rather than senders of mail. I contend, however, that the recipient of mail is just as important as the mailer, even though it's the mailer who generates the revenue. There could be no complete mail service without delivery service to every patron, 6 days a week. Obviously, such deliveries are most costly due to the distance involved. And no one is more appreciative of mail delivery service than those who reside in the rural areas. I think we have had that brought out before. No job in the Postal Service is more rewarding, I feel, than a rural carrier.

I believe additional appropriations for the Postal Service, from the time it became evident that it could not become self-sufficient and fulfill its public service obligation, should be provide.

This would be in the means of a subsidy or—and also I believe on House bill 7700, where they are talking of a 15-percent appropriation to cover the cost of the preceding years mailings.

There is always a great concern about any reduction in postal service to the American people. I believe that service should be improved rather than reduced. There have already been too many reductions in service to meet the unobtainable goal of self-sufficiency. Any reduction in number of days delivery per week would economically affect

the people we serve more than any other group. Unlike urban dwellers, a vast majority of rural dwellers must rely on the rural carriers for the delivery of their newspapers, market reports, and machinery parts, et cetera. I am sure from what we are hearing today, that the farmers are taking their rural delivery service very seriously.

Implementation of the 5-day week would evidently require substitute jobs, and it has been forecast by our national offices throughout the United States that it would cost approximately 3,000 jobs in the rural service. I'm not speaking about the city service, but it would also cost them possibly more jobs, just by eliminating the 1-day delivery. We already have an unemployment problem. I believe this would only add to rather than help in that respect.

So, I would say the savings of a 5-day delivery service would be far less than it's been estimated. The volume of mail to be handled would be virtually the same, and only the delivery trip would be eliminated in a 5-day schedule.

Now, last year's statistics showed, I believe, that 91 billion piles of mail went through the U.S. Postal System. That's a tremendous amount of mail. The air rate was approximately $1\frac{1}{2}$, which is very good, considering all told, but if you have a patron on your route who failed to get his check that day, or delivery of some piece of mail, it's a little hard to talk to them and say, "Look, we're only making a $1\frac{1}{2}$ percent air." It doesn't mean a thing when you're talking to a patron who was looking for a letter or a check or parcel that did not come that day.

If we did have the 5-day delivery, it has been pointed out before that it would place a double job volume of mail on the carrier the following Monday.

This past year we had eight holidays, I believe, that fell on Monday. That gives you a delay mail situation. We did have that one time due to a storm, and I know many rural carriers could not deliver the volume of mail, couldn't begin to go and deliver the volume of mail the day they went back to work. Actually, they were an entire week or more catching up. This happened just recently on New Year's Day. The holiday was on Monday. I had carriers calling me on Saturday and Sunday saying they had to work overtime on Saturday. They wouldn't let them leave the office until they cleaned this mail up. It had been backlogged. This is not first-class mail. This is other mail, nonpriority mail that was backlogged all week and it had to be cleaned up on Saturday. Many of these carriers worked until 5 o'clock that afternoon.

The only solution I could see to prevent this would be to provide auxiliary assistants to the regular carriers on a following day or following a Monday holiday. This again would be auxiliary assisted. It's merely another employee coming down and helping out, and that would offset many of the dollars that they are going to save by eliminating the 1-day-a-week delivery.

The reduction in mail delivery from 6 days to 5 days a week certainly seems inconsistent to the recommendation of the Postal Service Commission that the Postal Service shall make dependability and timely delivery its primary objective. Elimination of this day would certainly do away with that.

We have had the so-called Nielsen Survey where 79.8 percent of the people said they could do without. You just read the way it was worded. It was sort of misleading. We feel the test that have been run since then have been running much higher in favor of 6-day delivery.

So, I believe that the Congress should establish minimum delivery standards in the U.S. Postal Service below which service levels could not be reduced. A decision as important as the frequency of the delivery, 5 or 6 days, should be made by Congress and not by the Board of Governors.

Therefore, I think that this House bill 770, which continues the frequency of mail delivery service in effect as of June 1, 1977—in other words, no mail delivery less than what we had of June 1, 1977—this provision would assure a 6-day delivery service.

I agree with those who believe that there should be more accountability to Congress and the President. Perhaps the elimination of the Board of Governors is the only applicable way to accomplish this. I do not believe that an appointed Board of Governors should have a right to make such a drastic reduction to the 5-day delivery which is now being considered. After all, it will be the Congressmen who will share the burden of complaints of poor service if this drastic proposal is allowed to become a reality. Therefore, only the elected representatives of the people who are accountable to the people should make this decision.

I urge prompt action on the House bill 7700, and the members I represent have pride in their work and have a deep concern about the future of the Postal Service. Many carriers, many postal employees have devoted a lifetime of service to it. We are looking forward to Congress to save our 6-day delivery. And our motto and our association has always been service with a smile. I would like to add to that, I would hope that we would have service with a smile and maintain the 6-day delivery.

—I sincerely hope that you will make it possible for us to continue rendering the service 6 days a week.

Mr. CORCORAN. Jim, I appreciate very much your coming here to testify this afternoon. One of the opportunities that these hearings are giving people, not only here, but all over the country, is the opportunity to hear from the letter carriers themselves. As I have become better acquainted with them, I find that they are among the most dedicated employees in the Government. Second, they feel, as you have implied, a dissatisfaction with the experimentation that began in 1971 and a feeling that if we could make the Postal Service more accountable to the American people through Congress on some of these service and rate aspects, we would have learned our lesson during the last 7 or 8 years and we would be in a position to profit from that experience.

So, I appreciate very much your willingness to come here. Let me ask you one question, however. The reason the Postmaster General and others, along with the Commission to which you referred, have recommended service cutbacks such as the elimination of Saturday delivery is that they are looking for ways to economize. I think everybody wants economy in any kind of organization.

Based on your experience with the Postal Service over the past couple of years, can you think of any ways today in which the Postal Service might economize?

Mr. CONROY. Yes, I could, I guess. But I don't believe that's quite in my line—to make a policy decision or a decision of that type. I would rather not say.

Mr. CORCORAN. Let me just comment that from what I've heard in talking with people on a private basis, and I'm not disclosing who they are, one of the biggest areas where we could exercise economy would be in the superstructure and the management itself, which is a new level of bureaucracy, which, in my opinion, could be eliminated, with management returned to the professional and dedicated workers. This might enable the letter carrier, in conjunction with the local postmaster, to provide the kind of service that we used to have in this country.

Mr. CONROY. I agree with that 100 percent.

Mr. LEACH. Thank you, no questions, I just want to thank you, very much.

Mr. CONROY. OK, thank you.

Mr. CORCORAN. Our next witness is Dave West, executive director of the Illinois Press Association. Dave, we're very happy that you are with us this afternoon.

STATEMENT OF DAVE WEST, EXECUTIVE DIRECTOR OF THE ILLINOIS PRESS ASSOCIATION

Mr. WEST. Thank you for the opportunity to be here and express our views.

As you stated, I am Dave West, manager of the Illinois Press Association. The IPA is the association of the daily, weekly newspapers of Illinois, representing 800 newspapers. The IPA is the largest press association in the Nation.

I will leave some of the specifics of the various tests of elimination of Saturday delivery to the representatives of the various newspapers here, and if I may, add some of the generalities and the principles involved that we are concerned about.

Speaking today on behalf of all these newspapers, I must point out that elimination of a 6-day delivery will be detrimental and harmful to all of the newspapers of this State. I would imagine the same is true of all the newspapers in the Nation, but the degree of impact will vary from paper to paper. But regardless of the degree, the impact always will be negative. Such a move very likely will have the greatest effect and greatest negative effect on small and medium daily newspapers. These are primarily dailies in the range of 5,000 to 20,000 circulation.

Most of these newspapers are in communities where it is necessary to circulate a majority of their papers by second-class mail. Most of these papers are 5-day dailies now.

If Saturday mail delivery were to be eliminated, some, if not many of these newspapers, would have to drop their fifth editions, as well. This would mean a 20-percent drop in the newspapers' biggest volume. This drop of about one-fifth of their volume would be by newspapers

which today represent the larger number of privately owned newspapers. These are the newspapers which Representative Udall is trying to preserve with legislation he has introduced. Elimination of the Saturday mail delivery would make these newspapers less viable and thereby increase and accelerate the concentration of local newspapers' ownership in the hands of the large chains.

Let us consider for a minute the nature of the newspaper business. Newspapers are a manufacturing industry. Each year a newspaper will produce and deliver hundreds of thousands or even millions of units to the ultimate consumer. As in any other manufacturing operation, there has to be a continual processing of the raw materials which go into the finished product. In this case, their raw material is information. Even a weekly newspaper is greatly affected by 6-day mail service. This processing of information must be done in an orderly flow throughout the weekly cycle.

Most community newspapers have their offices open at least half a day on Saturday. In addition to the business correspondence which is processed that day, information for a week's edition is processed also then. This provides a normal level of material ready for work early Monday morning when the typesetters arrive for work, well before the Monday mail delivery has arrived. This process is already interrupted five or six times a year with Monday mail holidays. Most weekly newspapers are printed on Wednesday and mailed on Wednesday or Thursday. All of the type that has to be set, all of it has to be set no later than Wednesday morning. If the newspaper goes from Friday morning to as late as Tuesday without mail delivery, it will be a tremendous interruption to the regular process. It would be a great hardship on the newspaper and its staff. As in any manufacturing process, the manufacturing effort is worthless if he's unable to deliver his product to his consumers.

For 200 years in our Nation, the local newspaper has been distributed by the U.S. Postal Service. This system was founded on the principle that it was in the public interest, and that principle is no less valid today.

Now, from a broader standpoint, look at the communities these newspapers serve. These are communities up to 30,000 population. In many cases, these communities are fighting for economic survival against the regional shopping centers and the big businesses of the large cities. To reduce by one-sixth or one-fifth the opportunity for these merchants to advertise to their market, puts them at an even greater disadvantage in trying to compete.

I know that the purpose of this proposal is certainly far removed from such dire consequences. However, I honestly can foresee such events being a direct result of this action.

There is another aspect that I wonder if the Postal Service has considered; that is, the effect on public notice. Public notice is part of the due process rights of the citizen. Public notice provides him notice and allows him to act in matters concerning his property, his money, and in some cases, even his freedom. It often is the key means of allowing citizens to participate in their Government by giving notice of public hearings, special meetings, and regular and special elections.

State laws all over the Nation set time limits on publication of public notices, depending upon the type of governmental action covered.

Often a notice is required by State law to be published no later than 10 days before an event. This 10 days is considered the minimum amount of time that the citizen needs to receive the information contained in the notice, as well as for him to take whatever action he needs to take. This action may be to hire his own attorney in a proceeding. This action may be for him to draw up and circulate a petition among his fellow citizens. The action may be for him to research an issue or candidate so he can make a decision on how to vote. If the newspaper a citizen received is delayed until Monday and until Tuesday on a frequent basis, he may lose up to one-third the time he may have had to take action.

Let's take another perspective on the matter. For a newspaper primarily circulated by mail, the responsibility of the publisher is to produce the newspaper and deliver it to the mail system. The U.S. Postal Service then takes the responsibility to deliver the product to the subscriber. The subscriber has entered into a contract with the publisher to receive the product, and has paid for it in advance. Elimination of mail delivery on the sixth day becomes an unwarranted intrusion of the Postal Service into the right and the opportunity of the publisher to perform the terms of his contract with a subscriber. It interferes with the right of the subscriber to receive what he has paid for. The information provided in the local newspaper is quite perishable. Friday's news is not the same on Monday as it is on Saturday.

Finally, as if the foregoing were not enough, it must be realized that the proposal to eliminate a day of mail delivery does not have a single recommendation for it. This is evidenced in part by the lack of proponents for the proposal, especially as balanced against the opponents.

The only possible benefit given for the change is to save money.

A figure I have seen is \$412 million per year. Determination of any amount of money to be saved ignores the obvious fact that such a move is totally counterproductive.

When 5-day daily newspapers become 4-day papers, that is a permanent loss of 20 percent of the postal volume in revenue. When the newspapers which are able to develop alternate means of delivery do so, they will not only use it on the sixth day, they will use it on every day, and the Postal Service will lose all the revenue and volume they produce now.

I submit that these losses would nearly equal the supposed savings by eliminating the 6-day delivery.

Now, adding the cost and the effect of the general slowdown in commerce and industry brought about by a weekly disruption in the flow of information, billings, and payments, how much interest will be lost because payments and deposits lay in the post office over the weekend, when they could have been received and entered on Saturday's business? How much interest will be paid by the average consumer when his charge account payment languishes in a post office over the weekend and misses his payment cutoff date for that month?

I know newspaper publishers all over the State of Illinois that have the feeling that if Saturday delivery goes, it will be the last straw as

far as the U.S. Postal Service is concerned. They share their concerns and frustrations of the businesses and citizens of their communities. If such a ludicrous step is taken, the effect will start to be felt immediately. The Postal Service will have bankrupted its living store of public confidence and support.

Thank you.

Mr. CORCORAN. Thank you very much for your testimony today. We appreciate it.

Could you tell us, first of all, about how many weekly newspapers there are in Illinois?

Mr. WEST. There are about 720.

Mr. CORCORAN. Second, could you respond to an idea that a lot of people have expressed, that one of the ways in which we could help solve the collective problems of the Postal Service would be to increase the rates for the newspapers to the point where the actual economic cost of delivering these newspapers would be borne by the newspapers themselves, rather than by the Postal Service as is the case today? What would be the effect of that on the newspaper business?

Mr. WEST. Well, I must point out I consider that to be somewhat separate an issue than the one at hand; however, quite pertinent.

The effect would be to create a definite physical hardship on a number of primary rural newspapers, if the rates were raised as you indicated.

I must point out that in a matter of 6 or 8 years, the rates have gone up like 225 percent already for second-class postage. So, increasingly, newspapers are paying more, and the increases in the rates that affect all the public are affecting newspapers, too, in higher percentage. We feel that the real issue here is, will be Postal Service be a service or will it be a quasi-governmental corporation, mandated to recover its costs. We feel like there is a significant area of public service, as frankly, every witness has indicated here. We feel that the second-class rate structure essentially as it stands now, reflects that fact.

Mr. CORCORAN. Congressman Leach?

Mr. LEACH. I was struck with one of your comments about 10-day notices. It reminded me of the other day, when a gentleman came in to see me who had a very serious OSHA violation, and he was given 15 days to respond. He was about 4 days into the period when he got his letter. Well, if you start eliminating 6-day service, it could have been 6 or 7 days into the period. His whole time period to respond was about 3 working days for something he never dealt with before in his entire life. That meant hiring an attorney. It meant all sorts of difficulties.

That is something I think we have to be concerned with when we talk about service. If service goes beyond simply delivery of a newspaper, and reaches into the general course of business—certainly to the general course of obligations being placed upon the private citizens by the Federal Government—and if the Government is going to post these time constraints, it must make sure the citizen has enough time to satisfy his needs.

Mr. CORCORAN. Just so that everybody can be informed, our next scheduled witness is Ralph Fergusson.

**STATEMENT OF RALPH FARGUSSON, VICE PRESIDENT FOR
DISTRICT 2 OF THE ILLINOIS POSTAL WORKERS UNION**

Mr. FARGUSSON. Thank you, Congressman Corcoran.

I would like to correct one thing. I am not the State president of the American Postal Workers Union. That is Mr. Sanderson; I think he might be offended if he were here.

Mr. CORCORAN. You are the Illinois president?

Mr. FARGUSSON. No; he's the president of the organization. I'm the vice president for district 2 of the Illinois Postal Workers Union, which encompasses all of the 15th district.

Mr. CORCORAN. With which I am familiar.

Mr. FARGUSSON. With which you are familiar.

Mr. LEACH. Which is well represented, I might add.

Mr. FARGUSSON. Prior to reading my statement, I wish to take this opportunity to thank Congressman Corcoran for inviting me to appear before this committee. I am Ralph Fargusson. I am employed at the Aurora Post Office as a postal clerk. I have been employed there for almost 14 years. I am president of the Aurora Local, American Postal Workers Union. I am also vice president of district 2, Illinois Postal Workers Union, which also is a component of the American Postal Workers Union. I do not represent the U.S. Postal Service.

Needless to say, I am against the 5-day delivery or reduction of any type of service that is rendered by the U.S. Postal Service.

In order to understand the current plight of the U.S. Postal Service (USPS), let us look at the history of parcel post. Most of us do not realize that the parcel post was founded as a separate postal service in 1912. The reason was that private service failed to provide adequate service, particularly for small towns and rural residents. The 1912 service provided by the private carriers did not meet the needs of all the citizens. Just as today we have UPS which provides a nationwide small parcel service, but UPS fails to meet the needs of all citizens, in particular persons who only occasionally need to ship a parcel.

From 1912 until 1970, I am sure that if I said who established parcel post rates, that 90 percent would say that Congress did. This is not true. They were established by the Interstate Commerce Commission, with the requirement that parcel post must pay the full cost of service. This break-even requirement was further strengthened in 1950 by requiring the Postmaster General to certify to the Comptroller General that parcel post cost and revenues were in balance before withdrawing any money from the general fund of the Treasury. The effect of this cost was pronounced on parcel post. The rigid break-even requirement caused a rapid decline in parcel post volume, except for 2 years, from 1952 through 1976, with dramatic rapid decline in USPS parcel post volume. Our chief competitor, the United Parcel Service, shows a drastic increase. To see the reason, we must briefly examine the operation of UPS, as compared to the USPS.

If I were to ask when the UPS was first organized, I'm sure that most would be shocked. The UPS was organized in 1907, but it was in 1953 when UPS began to acquire broad common carrier operating authority from the ICC and various States. In 1975, the ICC authority

gave their approval for the final bloc of Western States. The UPS now enjoys interstate authority for all the contiguous 48 States.

The UPS has patterned its structure and rates after USPS parcel post, with a few exceptions. UPS lacks a local rate. UPS charges consist of a per piece rate and a per pound rate which varies by zone. The greatest difference and the vital one is that UPS has a pickup charge, \$2 per week. This charge effectively eliminates the small and sporadic shipper, but it does attract the large and most profitable shippers to their service. Leaving the most costly traffic to USPS Parcel Post System. It would appear to the average layman that the UPS and USPS are competing for the same traffic. This is just an illusion. The way that UPS is structured, it is able to attract high density, low cost traffic from the post office, while at the same time excluding parcels of small and sporadic shippers. The most important factor is the weekly pickup fee of \$2. Shippers pay this weekly pickup fee and UPS will stop each day at the shipper for pickup. For the high volume shipper, this \$2 is of little significance, but even to the shipper who has 7 to 10 parcels per week, he can still break even.

The UPS does maintain receiving counters at about 1,000 of its terminals, but for the most part, they are located on the outskirts of the center of the population.

How does UPS accomplish advertisement? Look in the yellow pages of your phone book. You will not find them. Nor are they listed in bold face listing in the white pages. Nor will you see their telephone numbers listed on UPS delivery trucks. They are not public oriented, but business oriented.

The USPS maintains about 40,000 receiving points for parcel post compared to 1,000 by UPS. This not only causes higher cost for parcel post, but also allows (as it should) with ease to use parcel post by the occasional shipper, who is not interested in driving miles to a UPS terminal.

What does this whole thing mean? That UPS has taken the top quality shippers, the ones that can show them a profit. Those shippers whom they cannot make a profit from are driven away by the UPS which steers them to the USPS. The UPS get the cream and the USPS gets skimmed milk.

The reason I have shown you this history is to warn against the eroding of the services now performed by your post office. The repealing of the private mail statute would not allow the lowering of mail rates for the average citizen, but would force rates to raise drastically and would require the Federal Government to make large grants to the USPS. The Postal Service would still be required to maintain the same receiving and delivery system it now employs, but with a greatly reduced volume and the mail that is not profitable, mainly yours and mine.

Private enterprise would grab all the local deliveries in the densely populated areas such as Chicago and Springfield. They would handle business mail such as banks, utility companies, telephone companies, these are highly profitable mails, but not your letter to your relatives who live in small towns or on rural routes. They don't want your business because they will lose money on you.

My final word is that the Federal Government functions for only one reason, to provide a service to the citizens of this great country.

Who asks the Department of Agriculture to show a profit? Does the Federal Government charge the farmer or the consumer when they use the service from that Department? Do we require HUD to show a profit? Of course the answer is no.

I say then, the USPS performs more services for more citizens than any other department within the Federal Government. We give service to the young, old, businessman, the poor man, the rich man and we even provide a special service for the blind by providing free mail service so they enjoy the same books you and I read. Mail of Braille books and book recordings are mailed free to a blind person and the blind person may return them free of charge. Yes, we have a service for every citizen. I urge that Congress keep us that way. Do not attempt to make the USPS a profitmaking company, but a service department for all the people.

Thank you.

Mr. CORCORAN. Thank you, Mr. Fargusson. I particularly appreciate the fact that you used your testimony time to provide an analysis of the difference between the Parcel Post and the United Parcel Service.

Something that I've learned as I've talked with postal workers is that they are very concerned about morale. I would like to elicit a response from you concerning how you deal with low morale in the operation of the Postal Service.

Could you tell us why the morale is so low when compared to what it was, say 10 years ago?

Mr. FARGUSSON. I can say this. The system has become so over populated with bureaucracy from the top down. I mean, in this area alone we have the central region, which makes up 13 or 14 States. Then we have a Chicago district, which makes up the south suburban, north suburban areas in the Chicago area. Then we have a south suburban area. All of these must maintain an operational handle of some type of a staff, if you want to call it that. They must have an overhead group, and this has generated a tremendous bureaucracy.

They have developed so that they have no feeling for the worker. Even though a postmaster may want to do something, he can't do it, because his hands are tied by the bureaucracy they have developed. They say, "You have so much budget, and that's it." Then it's up to the postmaster to live within this budget. And if he wants to, or if there is a person that has had disciplinary action, the district manager comes in and says, "Get rid of that man," this postmaster must comply with it. There is not the individual decision by the postmaster. There is no individual decision by the supervisor, which erodes down to the lack of confidence by the employee for their immediate supervisor, postmaster or any body else. They feel they cannot trust them.

Mr. CORCORAN. Congressman Leach?

Mr. LEACH. Thank, very much.

I think when you look at any Government agency, the Postal Service has probably had the greatest morale of any in the country. Now when you look at them, they're undergoing change, and we are hoping it doesn't change too drastically.

Mr. CORCORAN. Our next witness is Robert Timcke who is the president of branch 616 in Pontiac. With him is Tom McNamara, who is the State president of the National Association of Letter Carriers (NALC).

STATEMENT OF TOM McNAMARA, PRESIDENT OF THE ILLINOIS STATE ASSOCIATION OF LETTER CARRIERS

Mr. McNAMARA. Congressman Corcoran and Congressman Leach, my name is Tom McNamara, I am president of the Illinois State Association of Letter Carriers.

Please accept my personal commendation for holding this meeting in Pontiac, Ill. And for your strong interest in the opinion of Americans to further attempts to cut back an already severely deprived postal service.

As a letter carrier, I and my fellow letter carriers are in close contact with our postal patrons. As a letter carrier, one becomes acquainted with those he serves. As a result, we learn earlier than most the views of our patrons as to mail service. Certainly we learned more quickly and more accurately those views and opinions than either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service has hired. Therefore, of course, I can tell you with confidence that the postal people in the area are angry with the present level of service they receive, with the constantly increasing cost they must pay for this poor service.

The proposal then conceived in far-off Washington, if Pontiac postal patrons must pay 3 cents more for an already overpriced 13-cent stamp in addition to receiving 1 day less of mail delivery, simply makes no sense to them or to me.

As I say, I am pleased that you are here to learn our views, but as often is the case, the personal appearance should really be for the Postmaster General, and he is back in Washington, D.C. After all, the Congress has indicated quite clearly that they understand the fallacy of this proposed reduction in service. The overwhelming vote in the House, and the Dole and Clark amendment in the Senate in favor of the continuation of 6-day delivery strongly demonstrates that the Congress is aware of the public sentiment made outside of Washington. That support of high standards of delivery service shows Congress is listening to the postal patrons in Pontiac and in cities and rural areas throughout the Nation.

That is, the Members of Congress will support our effort to maintain 6-day delivery directly and accurately reflecting the views of our constituents as dramatically demonstrated by your committees in Honolulu, Denever, Philadelphia, and upstate New York. It is my understanding that your survey on postal patrons' sentiments in these cities demonstrated support for Saturday deliveries by margins of more than 3-to-1. I believe the patrons of Pontiac will respond in a similar manner to your local survey.

That the Postmaster General is apparently deaf to both the postal patrons and the Members of Congress; that the proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more year after year is the obvious result of that policy.

Less obvious but equally compelling is the impact of our cutback in our mail service on the economy in the area. The loss of postal jobs will be significant to part-time flexible employees. The only protection part-time flexible letter carriers have is no layoff clause in our

contract which protects them to the extent that they must work 4 hours of a pay period. Obviously no man or woman can earn a living subject to 4 hours' work every 2 weeks. These employees then would no longer have income as a result of working. The loss of the hard-pressed economy of this monthly payroll would be severe in the period of decreasing employment particularly.

The cost to the area in providing income to these displaced persons in the way of welfare and unemployment benefits would similarly be unavavoidable.

In conclusion, Mr. Chairman, please take back to Washington, D.C., the opinions you hear in Pontiac. You have previously voted on this issue, which demonstrates that you share our views and are aware of the consequences of any further cuts of the already deteriorated postal service.

What our area really wants is that the United States is entitled to better, less costly service, not worse and more expensive service.

Thank you.

Mr. CORCORAN. Thank you very much, Mr. McNamara.

I appreciate your testimony on behalf of the letter carriers themselves.

One of the concerns that I would like to get your reaction to is the feeling of many people that if we were to eliminate Saturday delivery, it would have some service consequences for the following week. Could you elaborate on that? Would the impact be felt only on Saturday, or would there be an impact on Monday, Tuesday, and Wednesday?

Mr. McNAMARA. The impact would continue through Tuesday and Wednesday because the mail that you have on Friday, you clean up. There would be no carrier service. It was proposed by the Commission that the window service be open when the delivery service is closed, but that means mail will be coming into the post office, filling up over the weekend. You'd only have 5 days of delivery. Monday, Tuesday, and Wednesday would be heavy days. Naturally they would actually have to be held for overtime to deliver the mail.

Mr. CORCORAN. Congressman Leach?

Mr. LEACH. No questions other than one. In terms of overtime, you would have to pay time and a half?

Mr. McNAMARA. Time and a half.

Mr. LEACH. So if you have to pay time and a half on Monday, for example, you would be paying that instead of regular time on Saturday?

Mr. McNAMARA. For Saturday work, that's right.

Mr. CORCORAN. Thank you very much, Tom.

Our next scheduled speaker is Weldon Greenberg, representative from the Pontiac Daily Leader.

STATEMENT OF WELDON GREENBERG, CIRCULATION MANAGER OF THE PONTIAC DAILY LEADER

Mr. GREENBERG. Congressman Corcoran and Congressman Leach, we certainly welcome you to Pontiac and certainly are honored to have one of these hearings in Illinois here in the city of Pontiac.

As a representative of the Daily Leader and many of our subscribers who responded to a questionnaire we published, I strongly urge continuation of 6-day postal delivery.

We urge you to remember that a most important function of second class mail is the dissemination of information to the citizenry which is necessary for our form of government. Television and metropolitan newspapers do not and cannot provide the local news coverage for our area that is essential to carry out this function.

Also, newspaper advertising is an important form of economic communication for small business—and small business is still an important taxpaying and stabilizing factor in the U.S. life—even though governmental regulations are making it tougher every year for small businessmen to compete.

A reduction of service from 6 days to 5 days will affect our capabilities to serve our readers and our advertisers.

Here are some of those effects:

First of all, every citizen will feel the effects of poorer service in some respect. It will affect all classes of postal service.

Friday and Saturday newspapers will not be delivered to mail customers until Monday at best. Whenever there is a Monday holiday, this time lag is even greater. And Congress is creating national holidays at an alarming rate.

Our own inpaper survey on this question reveals that this time lag will affect our circulation and this in turn will affect our advertisers.

Our survey also indicated that many of the elderly in this area are concerned about the delay in receiving their social security or pension checks.

Another interesting fact that came from our survey was a statement by an elderly person who said the daily postal delivery was an important contact with the outside world. Now I realize it is hard to put a monetary benefit on something like that, but I believe that the daily arrival of the postman is more important to more people than we believe. It adds to our quality of life for the elderly, and to all citizens. The Postal Service is the only government service that touches the lives of very citizen—and it should be the last area of service that any Government official should want to cut.

It has been stated that this cut in service would save \$350 million. That figure should be scrutinized carefully.

The loss of Saturday delivery would force all newspapers to take a hard look at their delivery systems. Rather than suffer a loss of circulation and readers, we and many others will be forced to find alternative methods of delivery. This will reduce the revenue to the post office and reduce the savings anticipated by this curtailment of service.

Our newspaper bill for second class in 1970 was \$2,966. Last year it was \$8,500 and this year we anticipate over \$10,000, and we are a very small daily with a relatively small mail circulation. And while our costs have increased over 300 percent the service has been deteriorating. Keep in mind, too, that our circulation department must now zip code all mail, bundle and bag it for the post office and deliver it to the mail truck. In order to get same day delivery in certain areas, we even drive these bundles to the post office at our own expense and

still pay postage on those papers which the post office does not have to carry.

A few years ago we had a visit from a postal inspector who was surprised to discover it can take as much as 3 days to get a second-class newspaper delivered to some points in our own country, 15 miles away.

After explaining the necessary routing, he acknowledged the time factor and said he would look into it.

First-class letters mailed here in Pontiac with a Pontiac destination all are sent first to Bloomington and then returned to Pontiac. This could be the next day or 3 days later. The one exception is for mail mailed at the post office itself.

Don't misunderstand. There have been some improvements, but these have not been on a local level. And this is not the fault of our local postal workers. In the smaller communities the post offices are closer to the public and they are more responsive to the public than you will find in the larger sectional areas.

Most survey forms returned to us recommend that the post office start giving service, start working, and not just wanting more money every year without a corresponding improvement in service.

Large amounts of money are going into salaries and wages and it appears that little is going into improved service. The 167 top executives of the Postal Service draw salaries ranging from \$37,000 to \$58,000. The Postmaster General and his 20 assistants draw salaries from \$40,000 to \$66,000. The Postmaster General and his assistants work in quarters which include a kitchen that cost \$44,000, carpeting that cost \$24,000, and a chandelier that cost \$3,000. Maybe this is necessary to get qualified people, but if we have good managers, they should be instructed to provide good service for all the people. The real victims of the proposed reduction in service are the newspaper subscriber, the small-town resident and the farmer who depend on the Postal Service for news and information. Our recent newspaper survey reflects this. Our response was 99 percent in favor of 6-day delivery.

It seems to us that as we grow older, our outside world shrinks in dimension, and for many the major lifeline to the outside world is the U.S. Postal Service. And we should not forget, the postal system was not established to pay its own way. It was established to serve the people, all the people, and to bind the Nation together into one viable entity.

Our Government spends billions of dollars for projects that serve limited segments of the Nation. Congress seems willing to subsidize nations, governments, private industries, and other governmental services that are not expected to pay their own way.

Why should Congress permit the systematic dismantling of the one governmental agency that serves us all?

Mr. CORCORAN. First of all, for the record, will you tell us what position you hold with the Daily Leader?

Mr. GREENBERG. Yes, sir. I'm circulation manager at the Daily Leader newspaper.

Mr. CORCORAN. Thank you for your very helpful, and eloquent testimony of the need to continue and maintain Saturday service.

One aspect of the newspaper business which I'd like to draw you out on a little bit is not with respect to the outgoing services of your newspaper and your relationship with and dependency on the Postal Service, but with respect to incoming mail. Would there be any effect that the Saturday mail loss would have on incoming deliveries to your newspaper?

For instance, as indicated, columns, films, things like that?

Mr. GREENBERG. Of course, I'm not involved that much with the actual return of mail, but I'm certainly sure it would have some effect on it.

I am responsible for the front office, and I know the girls that go to the post office at the end of the day have a great amount of the mail, and even on Saturdays, when I would definitely need it for operation.

There are always times when information is coming in that would be beneficial to us, and we would need them to get it in.

Mr. CORCORAN. Thank you.

Congressman Leach?

Mr. LEACH. When you were named circulation manager, did the Daily Leader provide you a kitchen?

Mr. GREENBERG. Did they? They didn't even provide me with an office.

Mr. LEACH. Thank you very much.

Mr. CORCORAN. Thank you, very much.

Our next scheduled witness is Bud Vogelsanger who is the president of the Pontiac National Bank.

STATEMENT OF BUD VOGELSANGER, PRESIDENT OF THE PONTIAC NATIONAL BANK

Mr. VOGELSANGER. I didn't write up a speech, Tom, and Congressman Leach. I just jotted down some things that I think are important in banking.

Of course, all of you have heard terms in banking, rush checks, stop payment, overdrafts, et cetera. Well, overdrafts is a Bert Lance favorite expression. It's gone all over the banking industry. We are not a branch banking State. There are about 1,200 banks within the State, and I would say predominantly in this 1,200 banks, they are rural banks, and I would represent the rural bank. I do not represent the Illinois Bankers Association or anybody else.

Right now we are open on Saturdays to noon. We pick up mail in the morning on Saturdays, and I would say it's a stack about a little over a foot high. I can remember Christmas and New Year's which fell on Sunday, was celebrated on Monday. When we came to work on Tuesday, instead of a foot, it was well up to there.

This takes a good part of a day to separate, get it into proper channels, and I think the most important part of this is when I mention insufficient checks, overdrafts, et cetera. We have about 15 to 20 percent of our deposits through the mail. It's dumped through mail deposits. We pay for the postage if you bank with us, and we return a receipt to you, all paid for by the bank.

This is important especially that your deposit gets in on time, particularly when, well, say that you have mailed many bills and checks to various places throughout the United States. These come back through the banking service, through the Federal Reserve. It has not come back through the post office. It's much faster. Therefore, your check is processed electronically so much faster than it would be through the mail service. Consequently, if your deposit does not reach there properly, this can cost you money.

First of all, we charge \$2 for a returned check and an overdraft. So, this could cost the public thousands of dollars, and I'm just speaking of our little bank, not the entire 1,200 banks in Illinois of the 14,000 banks in the United States.

I think this non-Saturday delivery can have a real effect on the public. Naturally we'd like to be off on Saturdays, but we're not; we work. Tom, you alluded to that when you stated we did close on a trial period on Saturdays. You could shoot a cannon downtown and hit no one. It was true, and we reopened. And consequently it has helped the businessmen.

Of this volume of mail we get in, I think some of the big part that I would like to see eliminated is the junk mail as we call it. It takes up a lot of the postmen's time to sort and put into your box and then you've got to resort it.

Banking is important to farming communities, very important. The banking system seems to be the hub of the community.

We also think of an example. We are on I-55 here, and we get a lot of these forgers up and down the highway. Thinking of timeliness at this point, some of the businesses take forged checks, insufficient checks. If it arrived on Saturday and we say the post office didn't deliver our mail, it could be Monday before we find out that this check is forged and it gives us a 2-day jump, to the customer, of trying to run this guy down. And they have been caught because we did get the mail on time. So, there's a lot of things in banking that to us are important.

I think it would be utter chaos for us to pile up this much mail come Monday, or a 3-day holiday, triple it, and I think banking is dependent on the mail on Saturday.

Mr. CORCORAN. Thank you very much. One aspects of the loss of Saturday mail service that many people fail to see and take into account is the consequence for the people of this country—the impact there would be in the form of overdrafts and penalties. Would you care to elaborate on what loss of money there would be to the customer in the event that a deposit that he or she might have in the process were delayed 2 or 3 days, particularly if we were to have a Monday holiday?

Mr. VOLGELSANGER. It would be delayed, and it could be that we would be wondering what to do—here the check arrived, and they depend on getting that check in to cover it. You know as well as I do, Tom, there is a lot of floating going on in the banking business. A fellow says, "I'll write you a check today and I'll have a deposit here by the end of the day," and the mail delivery doesn't get it back. As I said, banking channels get it back quick, but the mail doesn't get it as quick.

Mr. CORCORAN. What about savings accounts?

Mr. VOGELSANGER. They lose interest on that. I'm just thinking of the charges that we have. Say, for example, you had a car you financed and Saturday was the due date of that payment. We charge an extra delay charge if it's not paid on that date. Let's say that came on Monday, your account has been charged for being late on your payment.

Mr. CORCORAN. Thank you.

Congressman Leach?

Mr. LEACH. I would just like to point out that it's simple from a banking point of view to see what would be lost. I can't help but be reminded, serving as I do on the Banking Committee of the House, of some of the practices of Mr. Lance in dealing between banks. He was shuffling checks, back and forth. To think that he was saved by the Postal Service is an irony as well.

Mr. CORCORAN. Our next scheduled witness is a representative of the Bloomington Pantagraph.

STATEMENT OF H. W. STEWART, CIRCULATION MANAGER OF THE DAILY PANTAGRAPH, BLOOMINGTON, ILL.

Mr. STEWART. My name is H. W. Stewart. I am circulation manager of the Daily Pantagraph in Bloomington, Ill.

We have about 11,500 mail subscribers, which is approximately 23 percent of our total circulation, who receive the Pantagraph through the mail each day. As a matter of fact, we have more subscribers who receive the paper through the mail in the rural areas than any other newspaper in the State of Illinois outside of Chicago.

Approximately 10,000 of these mail subscribers live in central Illinois and receive our first, or morning edition on the same day of publication.

A curtailment in the 6-day-per-week mail delivery would certainly prevent the free flow of news and communication to keep a people fully informed.

A free people must be informed daily of the events affecting their lives. Newspapers, have been, and still are, playing an extremely vital and important role in this regard.

The Federal Government should be assisting, not hindering, newspapers in their efforts to carry out this role. I would like to make a comment about the Saturday delivery.

I am hearing through the grapevine out of Washington that now they are not talking about stopping Saturday delivery, they are now talking about, well, maybe it would be Wednesday or some other day. So my comments are just as important for whatever sixth day of delivery.

It isn't that we are not paying more for second-class postage. For example, back in 1970, our postage, our second-class postage bill was \$65,735. In the year just ended, 1977, it was a staggering \$205,054. That is an increase of 212 percent, and the end is not in sight. Another rate increase which the general public doesn't hear about is scheduled, if I am correct on this, to go into effect this coming July as it did last July, and the July prior to that.

We hope Congress will understand the hardship a cut in mail service would mean to the farmers, the backbone of our country. The U.S. Postal Service in Washington, D.C., does not seem to understand this.

If you would give me permission, I would also have a note from Peter Oakley, who is circulation manager of the Quincy, Ill., Herald Wig. He was hoping to be here today, but due to the weather and certain things—

Mr. CORCORAN. We'd be happy to include his testimony. Why don't you give it?

Mr. STEWART. He says—

DEAR SIR: The cut back of Saturday or any other day mail would be working a major hardship on many rural newspaper subscribers in our area.

The Herald Wig delivers nearly 8,000 newspapers in our retail trade territory by mail. Many of these subscribers live in the very rural areas of Illinois and Missouri as many of them live 50 to 80 miles away from Quincy. The mail is the only method of getting their newspaper to them. This would mean making these people wait several days to get the news. It would hardly be very satisfactory to get your Friday news on Monday.

We certainly support your efforts to maintain six day a week mail delivery.

PETER OAKLEY.

Mr. CORCORAN. Thank you very much, Mr. Stewart. I also appreciate your assistance in adding the testimony of the gentleman from Quincy.

Let me ask you one question that has to do with the economic consequences of eliminating Saturday delivery.

You testified very skillfully and aptly on the information loss that would result from the elimination of Saturday mail service as it relates to the daily newspapers such as the Bloomington Daily Pantagraph.

Based on your work with the people who depend on the advertising that is contained in the Pantagraph, what would be your estimate as to the economic consequences if they could not place their ads so that they would hit the subscribers on Saturday?

Mr. STEWART. On the same day?

Mr. CORCORAN. Yes.

Mr. STEWART. I really don't know what that answer would be. I know it would certainly affect it. It would certainly have some affect on it. That's not a very good answer, but I don't know.

Mr. CORCORAN. Are there many merchants who advertise in the Bloomington Daily Pantagraph that do so in the hope that farmers will come in on Saturday to conduct their business?

Mr. STEWART. I'm sure they do; yes. Just what exactly is the percentage, I'm not sure.

Mr. CORCORAN. Would it be possible for you to get that percentage?

Mr. STEWART. I could.

Mr. CORCORAN. I would appreciate it if you would find the answer and write me a letter on it, because we have had general testimony already on the economic consequences. I think it would be useful for the Committee to receive some evidence on the specific aspects of that.

Mr. STEWART. On the loss of revenue from the advertising?

Mr. CORCORAN. And the loss of advertising impact due to eliminating Saturday mail service.

Mr. STEWART. I would like to add this. In an article that I read out of Time Magazine a few years ago, it was July 7, 1975, they said—

Until recently, the U.S. Postal operations were no more supposed to pay their way than were the Army, Navy, or dozens of other Federal departments set up to serve the people. From 1861 to 1971 when it went out of business, the Post Office made money in only 13 years. Before the turn of the century, its subsidy was far larger in proportion to the national budget than it was in 1970, and postal officials were constantly seeking ways to extend, not curtail services.

I'll write you on that.

Mr. CORCORAN. I'd appreciate that, very much.

Mr. LEACH. I just have one question.

Did the name Pantagraph come from the postman as he went up the long trek to the farm house or from the publisher as he looked at the \$205,000 bill?

Mr. STEWART. The Pantagraph was named years before that \$205,000 bill arrived in 1977. We are a 133-year-old newspaper. I understand that the word Pantagraph is a Greek word meaning "write all."

Mr. LEACH. All the words that are fit to print in Bloomington.

Mr. STEWART. Right.

Mr. LEACH. Thank you, very much.

Mr. CORCORAN. Our next schedule witness is Mr. John Fornof, general manager of the Streator Times-Press.

John, I am very happy to see you again in Pontiac.

STATEMENT OF JOHN FORNOF, GENERAL MANAGER OF THE STREATOR TIMES-PRESS

Mr. FORNOF. Thank you Congressman Corcoran and Congressman Leach.

I also am happy to testify here today. I think everybody has said today, and has covered almost every nook and cranny you can think of. I think that the response that we've had here is over 250 people that have come here and some of them left work and have maybe lost some money to come and testify here, and hear testimony. There is also a travelers advisory out and they still have come here as testimony to the sincerity and seriousness of the problem at hand. I thank everybody that has come there today.

Mr. CORCORAN. We do, too.

Mr. FORNOF. One thing I might point out is that I'm trying to fill in the places that haven't been covered or maybe haven't been covered with much emphasis, and that is the service aspect.

In the past we've talked some here today about some of the cuts in postal services such as two times deliveries in 1 day, or delivery to the business community.

Some things that haven't been mentioned are star routes that have been eliminated which affect newspapers probably more than anybody else. Cuts in the number of post offices that we have in the rural community now, and presorting that goes on that was talked about by Mr. Roberts a little bit. Newspapers do this and they have done this in most places and still do it as a service, ultimately for the customer. It helps the post office so they don't have to do any of this sort-

ing. It gets the newspaper out quicker. Newspapers are really service oriented and they pride themselves on their service. In fact, most newspapers provide the same day service or same day delivery—80 percent of our paper is same day delivery. And about 23 percent of our paper does go through the mail. Some of that is same day delivery, even though it goes through the mail.

To point out one problem that newspapers do have, and it's not just the Streator newspaper, it's other newspapers also, we feel that on a local level we don't really have much of a problem. Our problem is not with the carriers. It isn't with the postmasters. It isn't with anything locally. It's more in the system.

For example, if we want to mail a letter from Streator to rural Ransom, Ill., 9 miles away to the east, that letter has to go from Streator, through the Streator Post Office, to the La Salle Post Office, which is 30 miles or so to the northwest, and it goes from La Salle up to South Chicago, 80 miles to the northeast, and it comes back through Joliet, to the south, and then southwest back to the Ransom Post Office and then from Ransom Post Office down to the rural route, wherever it is. Now, that is over 170 miles for a letter to go 9 miles away. Santa Fe tracks go right through La Salle from Streator. Railroads aren't used anymore. It's hard to imagine that in the name of service, in the name of economy, we eliminate service to economize when there are so many other ways that are around in most instances that can help to save money. One such way is a different routing system or a different system with a new way of handling the mail.

This is just one example of many examples that we experience all the time. As Mr. West kind of touched on too, a practical application of what newspapers are going to have to do if Saturday mail is eliminated—and I really feel strongly about this, since we are service oriented—elimination of Saturday mail is going to force newspapers, which is one of the largest users of the mail service, to find another means of delivering their newspapers which is not carrier route. It would be private services that have sprung up in some parts of the country already for delivery of newspapers and other periodicals, and also inserts or throwaways. This will grow, which will mean there will be less revenue to the post office, and in return, they will have to do something else to raise rates or eliminate more delivery days.

If we didn't have the Saturday delivery in our own interest, we would have to find as much as is practical, ways of getting the newspaper to those rural routes. Whether it would cost more, there is no question about that. We pay approximately \$24,000 a year for our mail delivery. It would cost us more, and in turn, we would probably have to charge the customer more.

I don't think it's going to put newspapers out of business, but it's going to be an inconvenience and an added cost to those who wish to take their newspaper.

It's going to mean that these people, in order to charge them more, will have to pay more whether they pay directly for their subscription or whether we have to raise advertising rates. If we raise advertising rates to cover more because of cuts of mail, then the prices in stores have to go up to cover the increased cost of advertising, and ultimately goes back to the consumer no matter how you look at it.

We process mail on Saturdays. Incoming mail takes about 2 hours to process every day. We have to separate the bills and our bookkeeper has to process them and this takes approximately 2 hours. If we didn't have Saturday delivery, we would still have to keep the girl on the payroll for her duties, but then on Monday we'd have twice as much mail in approximately 4 hours, and it would probably take more than 4 hours because the larger the load of mail, the longer it takes because of other considerations other than just handling the mail.

So, it would probably be more than 4 hours just in that one instance, which also backlogs everything else where we'd have to bring somebody else in on a part-time basis. These are just some of the things that affect our business. I'm sure that in every business that operates on a Saturday, they would have these same kind of problems.

As I said before, we don't feel that we have any problems at all with our local Post Office or any of our mail carriers. They do a terrific job for us and some of the times the problems are just out of their hands, and that is what our problem is.

Thank you.

Mr. CORCORAN. Thank you very much, John.

Let me ask you one question, because it relates particularly to the daily newspapers.

I know, for instance, with regard to my home north of Ottawa, that we are now receiving the Ottawa daily newspaper by private carrier delivery. Have you been entering into that particular service, and if so, what has been your experience in shifting away from the Postal Service, at least for some of your rural subscribers, and in going towards the private motor carrier delivery?

Mr. FORNOF. We haven't gone into that direction as Ottawa has at this time. But we have been looking into it already. I'm sure a lot of other newspapers are looking into it or have already started entering into it, which I pointed out.

Until this would be mostly in county and routes that you could group together in order to be as efficient as possible, you can't do it for everybody, but you try to do it. What will happen is that the mail will go to those people that are farthest away and those who are close in will be able to get a motor delivery; and the post office will just lose that business.

Mr. CORCORAN. This is the same testimony that we had yesterday at the hearing in Davenport.

In my particular instance, our home is about 5 miles north of Ottawa, so we are pretty close from the standpoint of the availability of delivering the newspaper by private carrier. But farther south, as I imagine would be the case with the Bloomington Daily Pantagraph, there would be many subscribers who would simply have to go without the Saturday paper if we were only to have that option for Saturday delivery of the daily newspaper.

Mr. FORNOF. Yes; and I might point out that 90 percent of our costs for mail delivery are for strictly postal costs—90 percent of the cost that we charge our customers go directly to pay for postal charges.

Mr. CORCORAN. Thank you very much.
Congressman Leach?

Mr. LEACH. Thank you, John, we appreciate it.

Mr. CORCORAN. We do have one other witness who came in and indicated that he would like to testify; Clarence Mund, of the City National Printing Co. in Pontiac.

I might add that Clarence is the last scheduled witness. We will then move to the people in the audience.

Clarence, we're glad to have you here.

**STATEMENT OF CLARENCE MUND, CITY NATIONAL PRINTING CO.,
PONTIAC, ILL.**

Mr. MUND. Thank you, gentlemen.

I didn't come too well prepared, but I did want to put in a few words on behalf of businesses, I think in general, particularly our business.

I represent City National Printing Co. which is here in Pontiac. We have 300 or 400 employees. I think that our customers' product that we produce has to generate quite a substantial income for the postal department. We put hundreds of tons of material into the mail each month of the various classifications. That isn't the main reason I want to put in a few words.

Because we are a publication printer, timing is of utmost importance. Anything that would interrupt service is going to be not only an inconvenience, but it's going to increase costs for us, and ultimately for our customers.

I feel that since our customer is the publisher, I think that some of them are getting pretty hard pressed as it is. And not a small part of that is because of the constantly increasing postal rates.

So, we depend on the mail for delivery of part, at least, of our film, copy, other printing material. If it were interrupted for 2 days off a weekend, it would just mean that there would be a higher pile of work coming in on Monday, and would increase probably every time. It interrupts the scheduling of magazines.

I think that's really all I wanted to say on the subject—just lodge a strong protest against anything that would cause reduced service.

Mr. CORCORAN. Thank you. I appreciate very much your coming here today.

Much of the testimony has pointed out the service consequences for the Postal Service itself were we to go ahead with the proposal to eliminate Saturday mail service. It has been pointed out that there would be a cutback in service that the people depend on. Service would have to suffer and, as a result, mail customers would suffer, and particularly customers of the printing industry.

At this point, I would invite anybody in the audience who would like to make a comment to do so, with one request; that you please state your name.

STATEMENT OF JEAN FOSGRAF

Mrs. FOSGRAF. I am Jean Fosgraf, I am a postal worker. Today I talked to a lady from Blackstone who has a son who works in La Salle. They have private mail service to take their mail to Alton because it's so much faster.

One other question that I wanted to ask: Is Mr. Vogelsanger still here?

Mr. CORCORAN. I believe that he left.

Mrs. FOSGRAF. Well, how do you get your banks to stay open on Saturday? I bank both in Streator and in DuQuoin, and neither of those places have banks open on Saturdays.

Mr. CORCORAN. I think there has been testimony here already, Jean, that the banks in Pontiac had a trial period, and apparently the people reacted so strongly against it, probably through organizations, that the result of that trial period was negative and the banks are now open on Saturdays.

Mrs. FOSGRAF. I wish we could do something about both of them.

Mr. CORCORAN. I might add one other thing. We have a situation in Ottawa where there has been a little additional competition in the banking industry, and that has produced quite a change in the services of the banks. I realize that this is not related to Saturday mail service, but I hope it answers your questions.

Mrs. FOSGRAF. I realize that, too. Thank you.

Mr. CORCORAN. Thank you.

STATEMENT OF BOB HARRISON

Mr. HARRISON. My name is Bob Harrison. I am the postmaster from Streator, Ill.

I say on the list of witnesses there was to be a postmaster from the National Associations of Postmasters.

Mr. CORCORAN. We understand that this individual went to Pontiac, Mich., rather than Pontiac, Ill.

Mr. LEACH. That's no reflection on the postmasters.

Mr. HARRISON. Right. I'd like to maybe make a few remarks as a neutral observer, knowing what the postmasters at the national level want, and they want 6-day delivery. Of course, that is my sentiments. I can only repeat again what so many other people before me have said. One thing which is important, we all want 6-day delivery, but we've got to pay for this. The money has to come from some place. And the people have got to realize this. The Postmaster General has said on numerous occasions, we can give the people any level of service they are willing to pay for.

Now, should this come from increases in postage or should it come from Washington in increased subsidies? The Postal Service cannot pay its own way. I don't think it can even break even, because of increasing inflation we're faced with. We try to take a step forward, and we take two back. So, the people have got to realize the service is available, but they have got to pay for it, either in increased taxes, which comes from Washington in the form of a subsidy, or in increased rates.

That's just about what I have to say, except we do know that the Postal Service has in the last 2 years imposed drastic cutbacks in certain areas, and a lot of belt-tightening measures. We have reduced hours in the post offices. We have pushed the carriers as far as we can. The clerks and window clerks, I don't think there is any fat left in the post office. We can't go anyplace. And we have route inspections, we had them this fall. We send these results of the route inspections to

our sectional centers, and they send back what we should do, add on 10 minutes, add on 15 minutes to these carriers. We just can't find room to add that on anymore.

Now, the Postmaster General and board of governors are doing this so we can live within our budget. Now our budget is getting pretty close to \$16 billion a year. That is beyond \$13 billion, and it's headed for \$16 billion. That is a lot of money. That is more than it takes to run the entire State of Illinois, the penitentiaries and the schools. So, the name of the game is money.

All I can say is thanks for the opportunity to appear. Maybe I can impress upon the people that it's just a money game. We have got to have the money to provide these services.

Mr. CORCORAN. Thanks very much, Bob. I also appreciate the fact that inasmuch as we didn't have any testimony from any of the postmasters, you took this opportunity to represent their point of view.

Mr. HARRISON. I thought someone from the postmasters should have a voice. I didn't come to represent the rural carriers and the clerks, and I didn't come expecting to be a witness; but I thought I'd volunteer.

Mr. CORCORAN. I sincerely appreciate it. I might ask one question. This does not relate directly to the Saturday mail service, but it relates to the overall character of the Postal Service.

I think that you alluded to the fact that in the last several years, since 1971, there has been a change in the concept of how to run the Postal Service. The new idea is that the Postal Service can operate on a profitable or at least break-even basis. We're still operating under this idea, at least according to the law. You've testified, I think, that that is not possible.

My question is, if something like H.R. 7700, which has already come out of our committee, and which is on the floor of the House, were to become law, would we be better able to deal with the present postal problems? I say "something like" because we don't know yet what the Carter administration wants or what will come from the Senate, but I think that bill pretty much goes along the line of what would pass the House, perhaps with some amendments.

Mr. HARRISON. It seems to be on the right track, and it has the endorsement of all the associations, I'm sure. But what is amazing is the President does not even taken a viewpoint. He just wishes the Postal Service would go away and wouldn't bother him. You know, inflation keeps constantly hammering away and the increases in our entire energy needs adds to the further deficit on top of this. Now, I've been a postal employee for 30 years. I started as a clerk and went up through supervisors and became a postmaster under the merit system.

Now, you know that all the crafts are going to negotiate a new contract. That has got to be firmed up by July 1. And the ballots are being drawn up. The crafts are going to fight for what they have gained. And maybe a little more money. Most Postal Service people from the ivory tower are going to come down and try to take things away, start to rattle the militant unions, so it's going to be a very interesting negotiation session starting in April. They are saying that it could be a long, hot summer if they don't get a good contract out of it.

Mr. CORCORAN. You have made clear the problem that all of us have experienced with the Postal Service. I'm sure there are complaints, and I'm sure there are difficulties. I really don't think it's a fair criticism of the organization to criticize the employees. What we are finding is that the legislation that went into effect in 1971 was an experiment which needs to be reexamined by Congress.

Thank you, Mr. Harrison. I appreciate your testimony.

STATEMENT OF STANLEY KENNEDY

Mr. KENNEDY. The time is getting late. My name is Stanley Kennedy. I will try to take up 5 minutes more of your time. I have been a rural carrier for 25 years.

Congressmen, I appreciate the time you are spending here on this and throughout the Nation. I would respectfully request as a voter in this district and a concerned citizen of America, that there are abuses in our postal department as there are in many other organizations.

I would encourage both of you gentlemen to take to Washington the support of H.R. 9148, which would give Congress the power to review any changes in the Postal Service. I think that you gentlemen and the Senators should have the responsibility and the opportunity to appoint the Postmaster General. I think if you're going to employ a man and pay him a salary that you should have the obligation or requirement and responsibility to hire or fire him.

I don't approve of this system and I would be the first to admit, and I think any postal employee, whether he is a postal worker or a supervisor or a postmaster, that there have been some abuses.

I come from a small office where we cut one clerk from 8 hours to 2 hours a day. We have clerk help from 7:15 to 9:15. In my 31 years I have missed 3 days of not getting out on the route, and I don't think that's too bad. Two days were January 28 and 29 of 1977.

There are many dedicated people throughout our work, and I respectfully and humbly say you gentlemen are going to make me supportive of you because of your concern about it. I think everyone in this room here feels the same way. And we at the grassroots that have the opportunity to speak to you gentlemen who are our elected officials, we would feel much relieved. I just want to thank you as one individual, one God-fearing American who loves America. But we have taken—I look to my left—a gentleman, I don't know if he wants to be recognized, but we have a man by the name of Earl Barnhart, who is a gentleman who served in World War II, and was in charge of the European Theater operations of the Postal Service, and has seen many changes. He started, I think in the Streator Post Office as a clerk and worked his way to one of the top positions in the American post office.

I enjoy a good salary. I enjoy a good-looking wife, and I have one. I like to play golf. I am involved in different activities in my community. We built a park district, and we took 7 years to build a swimming pool. I know many of you in this room feel the same way I do. I don't want to get too emotional and I maybe went over my 5 minutes already. But I would like to say, we had a case in Illinois where we have so many district offices, we built a brand new beautiful

post office in one of the largest cities in the State of Illinois, a beautiful post office, brought in a gentleman who had experience in the post office; I'm not taking that away from him, but if they didn't want that gentleman in the post office, they went out and rented a Baptist building out by the Holiday Inn in Springfield, Ill.; and paid a high rent for that office. There was no reason, his office was far superior to this courthouse here. It was a luxurious building, and I like good homes too, but that is the thing that is happening in the Post Office Department.

We have taken away, and we have taken people who have not the experience. If you want to go to a dentist, you don't go to a blacksmith. It's just that simple. You go to someone who has that experience.

I had a good friend of mine who is a lawyer, a good attorney from Peoria who came to my community and we went to a football game in Champaign and said, "Mick, that's beans and that's corn." He didn't know that difference. Why should he? Because he was never involved, but with his legal terminology, he would make me look bad.

I would just respectfully request that we put people in the Post Office Department, who know the post office, that know the operation, that started as a clerk, like the postmaster from Streator, or other individuals in the post office, and in this room, who know their jobs. And, we won't have too many problems in America.

Thank you, very much.

Mr. CORCORAN. Thank you very, very much.

I'd like to make just one comment with reference to H.R. 9146. We will certainly vote for it.

Second, let me say that I appreciate your testimony. You made a point that I'd like to underscore, and that is that the value of this meeting is not just to get the message to Congressman Leach and myself. One of the reasons that I paid tribute at the outset to our chairman, Bob Nix of Pennsylvania, is that this is an official hearing.

There is a court reporter here. He is taking down everything that is being said, so that we can gather evidence to take back to Washington. Then, not just Jim Leach and Tom Corcoran, but you along with us, will be fighting for what we think is right for the Postal Service.

If there are any other people—yes?

STATEMENT OF MELVIE MATTER

Mr. MATTER. Congressman Corcoran, I know a great deal has been said regarding this Postal Service. I have been asked to represent La Salle County Farm Bureau here. I promised them I would.

Therefore, I would just like to add that regarding this Postal Service, people in my area are quite dissatisfied with the slow service we've been getting. We are of the opinion generally, that this trial has not improved the situation at all, physically or regarding service.

I can remember the 3-cent stamp and how far it went. I can see this 3-cent stamp graduated to 13 cents, and although this is more than four times the amount of postage, we are getting less probably than well, let's say, less than half the amount. I can remember when we could send a letter to Chicago on Tuesday and get the reply on Thursday, 2 days later. We could send for a parcel in Chicago on Tuesday,

and get, just about depend on getting it back on a Thursday. This is way gone by now. We live in a different era. This is perhaps some people's idea of progress, which I do not necessarily agree with.

I know we have got to balance our service with funds. I'm not sure whether the post office should be physically soluble; perhaps it shouldn't be. However, I think it's designed to serve the people and it should give the most service to the most people at the cost which is, let's say, economical and efficient. I think that when we went from mail trains back—I don't remember the date, but I understand the mail trains left Chicago and they went to Kansas directly, sorted the mail on the way and threw off the mail along the way, I think this was a very efficient form of service, and in spite of what we call progress, I doubt very much if our mail service has progressed at all in these years.

Congressman, I thank you.

Mr. CORCORAN. Thank you, Melvin.

Let me ask you one question. The implication of what you've said is certainly in accordance with much of the testimony here this afternoon. There probably will have to be a subsidy of some amount from the Government in order to finance in total the requirements of the Postal Service.

Do you think that the farmers in La Salle County would support a subsidy?

Mr. MATTER. Yes. I think they would. However, we in La Salle County, the farmers as a whole, I would say, have been opposed to this great deficit spending of the Government. We recognize that there not only isn't money in the General Treasury to subsidize the post office service, but we recognize that rural postal delivery to these farmers which are scattered—and many of them average a mile apart, cannot be physically solvent from this point of view. Therefore, they would have to subsidize somehow.

I question also, and I know others, do, the rationale of being able to send a letter to, let's say to the west coast, and this coasting the same amount as it would to send one to a neighboring community. Maybe the community is only 10 miles away. Also, we are very skeptical about the idea of transporting letters all over the State, of the northern half of Illinois to send it to a neighboring community maybe 10 or 15 miles away.

Mr. CORCORAN. Assuming we can make some changes in the system and economize, if we ultimately got to the point where there had to be a subsidy, do you think that the farmers in La Salle County would support it?

Mr. MATTER. I can't speak for others. As for myself, I feel that my idea would be fairly popular among my colleagues in La Salle County. Yes; I think this is part of our expectation for good Postal Service.

Mr. CORCORAN. Thank you very much, Melvin.

STATEMENT OF CHARLIE SMITH

Mr. SMITH. My name is Charlie Smith. I am a postal worker, and I'm sitting back here listening to everything that is going on. I'm not here to debate it; just that there are things that I think the public should know when they talk about the 13-cent stamp compared to

the 3-cent stamp. If they look at bread, what it was 10 years ago, and what it is now, your milk, rent, your interest rates, your gasoline, everything has gone up. And as far as I'm concerned, the postal workers of America, and I'm going as far as Postmaster, supervisors, clerks, carriers, they are doing one hell of a job for what they have to work with.

Postal workers right now are handling millions of pieces more of mail with less help than there was 10 years ago. That does cause for some delays which are, that can't be helped, but as far as the service, I think it's the best service around. You look at England, Japan, they're paying more, they are paying terrifically more than we are. And their service is so inferior to ours. That's all I have to say.

Mr. CORCORAN. Thank you very much. I appreciate that.

Would you care to comment on the question I've asked one of the preceding witnesses who represented the postal workers as to your explanation of the lower level of morale among the postal workers compared with what it was 10 years ago? What causes that?

Mr. SMITH. What I can see as far as my office, my regional office up there, there is a lot of pressure being put on the clerks, carriers, and rural routes trying to get something out. They are forgetting the factor that these people are human; they are not machines. In factories you can speed up a machine. There is so many things that a guy can do in a year and that's it. Like you look at a postal service on your workmen's compensation, how many people are out with heart attacks, broken backs and legs, dog bites.

We go through a lot of dog bites. You get too many dog bites in a year, and your supervisor comes over and gives you a letter in writing about being too careless. How can you stop a dog from biting you? This is one of the morale problems we're going through. We say a guy right in my office, who had been bitten 12 times within a 14-month period, and the supervisor wrote him a letter. He had to send him to a safety training school. This is a morale problem we're talking about.

I know the supervisors in our office and your postmasters are getting it from higher up. And the region is getting it from higher up, but there has got to be a stop somewhere. It's time the Postal Service realizes the postal worker, the American postal worker is a human being and not a machine. Thank you.

Mr. CORCORAN. Thank you very much, Charlie.

INDIVIDUAL FROM AUDIENCE. Congressman, I didn't come only to listen, but as Stan says, I probably am the oldest devil around here.

I have been a rail mail clerk, a post office clerk, post office inspector, district manager, regional manager, regional director, and chief of Army postal service—Army European Theater director—

Mr. CORCORAN. You have a very impressive background.

INDIVIDUAL. But you know, seriously, I don't know what the trouble is.

I listen to a lot of postmasters, a lot of postal people, and I still go to most of the meetings and Stan will probably tell you, morale is bad. Why? What is the matter with the Service? I don't know. I've got ideas which I am not going to state publicly. Anyway, I'm convinced that you are going to have to have a subsidy.

I'm also convinced that we are going to have to continue Saturday service. That's all I've got to say.

Mr. CORCORAN. I appreciate your comments very much.

Mr. LEACH. Frankly, you tantalize us just a little bit. I wish you would express yourself.

INDIVIDUAL. Publicly, I have got too many friends around here. Every one of these organizations, they are all friends of mine, I hope.

Mr. CORCORAN. But you say that if there was some change in the Postal Service that it could get back on the track where people would be—

INDIVIDUAL. The only thing I might publicly say and I won't be shot here for that, but I think—and again I'm just thinking—the Postal Service has taken all these so-called managers as soon as they get out of college and they are wonders; they are revolutionizing the Postal Service without any background. That's the only public comment I'm going to make.

Mr. CORCORAN. Is there anyone else who would like to make a comment?

STATEMENT OF HAROLD LIGHTBODY

Mr. LIGHTBODY. I am Harold Lightbody. I am president of the Hardy, Ill. area local, Peoria. I am a constituent of yours.

I have listened to the business community berate the Postal Service. I feel like I should defend it somewhat, even though the purpose of this meeting is for the continuation of Saturday mail service, which my union, the American Postal Workers, is in favor of.

The service has deteriorated not because of the employees, but mainly because of the upper echelon management, the Washington level, Chicago level, and the district level. I would say 90 percent of the employees are dedicated postal employees. They want to get the mail out. That is their primary duty of working for the Postal Service, but the management won't let us do it.

The Pantagraph recently had one of their runs cut off from Indianapolis into Peoria. I know now the Pantagraph goes from Bloomington up to Chicago, back to Galesburg, then back into Peoria. Actually it's only a 40-mile run before. So, the postal employees are dedicated, like I say, 90 percent are in favor of the continuation of 6-day mail service. Thank you.

Mr. CORCORAN. Thank you, Mr. Lightbody.

STATEMENT OF LYDIA MEYER

Mrs. MEYER. My name is Lydia Meyer, and I'm just speaking for consumers, not any business.

With all due respect to the last speaker, I just would like to talk about the service. It would help if we had Saturday delivery. On a Tuesday, my husband was ill and I had to order a prescription drug from Bloomington. I ordered it Tuesday. And I have evidence that it was mailed Tuesday. We didn't receive it by Saturday. So I called the place we ordered it from and he said, "Well, I mailed this on Tuesday." And I said, "Surely it must be at the post office." So this was on Saturday. I called them, and they said no, there was no package there. And he said, "No, I'll look." Finally he looked and he said, "Yes, we have a package here but there's 8 cents due on it." I went up there and paid

the 8 cents. I said, "What should we have done if I wouldn't have come up here?" He said we would have to wait until Monday for the 8 cents due. He said, "Well, this was postmarked on Thursday." So it was mailed on Tuesday, it was postmarked in Bloomington on Thursday and on Saturday we still didn't get it because of the postage due.

We paid the postage. This is just a comment from a consumer of the service.

Mr. CORCORAN. I appreciate that very much.

Mrs. MEYER. Thank you.

Mr. CORCORAN. Any other questions?

Mr. MEYER. We wouldn't have gotten that until Monday, maybe his idea was they'd wait until after I was buried, then they'd send the medicine.

Mr. CORCORAN. We've had a great deal of evidence already at this hearing. There is a routing system which operates on a huge scale. Were it changed back to what we had with respect to the distribution of the mail a few years ago, that sort of thing probably wouldn't have happened. It would have been a local matter and would have been treated as such.

Mr. MEYER. But it's the 8 cents. He could have called up. She was home.

Mr. CORCORAN. Thank you very much. Are there any other people who want to testify?

STATEMENT OF LEROY CORNELL

Mr. CORNELL. I am Leroy Cornell, a big nobody compared to everybody else here. But I think you should keep the mail coming on Saturday for my own reasons. If it's subsidized, the money comes from the taxpayer. If the Government wants to save money, say they subsidize for so many million dollars, if they want to save money, why don't they cut stuff like this school busing which really irritates me all over the place. I'm sure they spend more than \$500 million busing kids back and forth that don't want to be bused. Because of 5 percent of the radicals, leaders, whatever you want to call them think, well, the law states that we're going to have to bus them.

It also seems when you got something really important, the mail service goofs it up, but I have sent stuff from Cornell to Joliet, third class. I put a postcard in, and all I have to do is mark received on this date and send a postcard back. I send it third class and Tuesday they got it and Wednesday they got it, and Thursday they got the postcard back. That's pretty fast service.

Most of the postal employees do a great job, there are a few X-rated postal people who really mess it up for the rest of them, who should be done away with, but they aren't for one reason or another. That's all I have to say.

Mr. CORCORAN. Thank you very much, Mr. Cornell.

Well, I think that pretty well concludes our meeting. I just want to say that I sincerely appreciate your willingness to come here and participate in this. We have collected a lot of evidence concerning the kinds of serious problems we have because of the system we have, as Mrs. Meyer and others have pointed out. The system has to be changed.

Morale has to be improved. We've got to make changes, and I think the evidence here justifies those changes.

Thank you, very much.

[Whereupon, the hearing was adjourned.]

[The statement which follows was submitted for inclusion in the record.]

STATEMENT OF DAVE WEST, MANAGER, ILLINOIS PRESS ASSOCIATION

Thank you Mr. Chairman.

I am Dave West, manager of the Illinois Press Association. The IPA is the association of the daily and weekly newspapers of Illinois, representing 800 newspapers. The IPA is the largest state press association in the nation.

Speaking today on behalf of these newspapers, I must point out that elimination of six-day mail delivery will be detrimental and harmful to *all* the newspapers of this state—and I would imagine all the newspapers of this nation. The degree of impact of such a move will vary from paper to paper, but regardless of the degree, the impact will be negative.

Such a move would have the greatest effect—and the greatest negative effect—on small and medium daily newspapers. These are dailies in the range of 5,000 to 20,000 circulation. Most of these newspapers are in communities where it is necessary to circulate the majority of their papers by second-class mail. Most of these papers are 5-day dailies now. If Saturday mail delivery were to be eliminated, many—if not most—of these newspapers would have to drop their Friday edition as well. This would mean a 20% drop in the newspaper's business volume instantly.

This drop of about one-fifth of their volume would be by newspapers which today represent the largest number of privately owned newspapers. These are the newspapers which Rep. Udall is trying to preserve with his legislation. Elimination of Saturday mail delivery would make these newspapers less viable and thereby increase and accelerate the concentration of local newspaper ownership in the hands of the large chains.

Let us consider for a minute the nature of the newspaper business. Newspapers are a manufacturing industry. Each year a newspaper will produce and deliver hundreds of thousands or millions of units to the ultimate consumers. As in any other manufacturing operation, there has to be a continual processing of the raw materials which go into the finished product. In this case the raw material is information. Even a weekly newspaper is greatly affected by six-day mail delivery. This processing of information must be done in an orderly flow throughout the weekly cycle. Most community newspapers have their offices open at least a half day on Saturday. In addition to the business correspondence which is processed that day, information for that week's edition is processed also. This provides a normal backlog of material to be typeset early Monday morning, before the Monday mail delivery arrives.

This process already is interrupted five or six times a year with Monday mail holidays. Most weekly newspapers are printed on Wednesday and mailed on Wednesday or Thursday. All the type has to be set by no later than Wednesday morning. If the newspaper goes from Friday morning to Tuesday without mail delivery—assuming a Monday holiday—it would be a tremendous interruption to the regular process; working a great hardship on the newspaper and its staff.

As in any manufacturing process, the effort of the manufacturer is worthless if he is unable to effect delivery of his product. For 200 years in our nation the local newspaper has been distributed by the U.S. Postal Service. This system was founded on the principle that it was in the public interest and that principle is no less valid or important today.

From the broader standpoint, look at the communities these newspapers serve. There are communities from 4,000 to 80,000 population. In many cases these communities are fighting for economic survival against the regional shopping centers and the big businesses of the large cities. To reduce by one-sixth or one-fifth the opportunity for these merchants to advertise to their market puts them at an even greater disadvantage in trying to compete.

I know that the purpose of this proposal is certainly far removed from such dire consequences. However, I honestly can foresee such events being a direct result of this action.

There is another aspect that I wonder if this committee has considered. That is the effect on public notice. Public notice is part of the due process rights of the citizen. Public notice provides him notice and allows him to act in matters concerning his property, his money and maybe even his freedom. It often is the key means for allowing the citizen to participate in his government by giving notice of public hearings, special meetings and regular and special elections. State laws all over the nation set time limits on publication of public notices, depending on the type of governmental action covered. Often a notice is required by state law to be published no less than 10 days before an event. This 10 days is considered the minimum amount of time that the citizen needs to receive the information contained in the notice, as well as take whatever action he needs to take in response. This action may be to hire his own attorney in the proceedings. This action may be for him to draw up and circulate a petition among his fellow citizens. This action may be for him to research an issue of a candidate so he can make a decision on how to vote.

If the newspaper the citizen received on Saturday is now delayed until Monday—and until Tuesday six to eight times a year—he has lost up to one-third of the time he has to take action.

Let's take another perspective on the matter. For a newspaper primarily circulated by mail, the responsibility of the publisher is to produce the newspaper and deliver it into the mail system. The U.S. Postal Service then takes the responsibility to deliver the product to the subscriber. The subscriber has entered into a contract with the publisher to receive the product and has paid for it in advance. Elimination of mail delivery on the sixth day becomes an unwarranted intrusion of the Postal Service into the right and opportunity of the publisher to perform the terms of his contract with his subscriber. It interferes with the right of the subscriber to receive what he has paid for. The information provided in the local newspaper is quite perishable. Friday's news is not the same commodity on Monday as it is on Saturday.

Finally, as if the foregoing were not enough, it must be realized that the proposal to eliminate a day of mail delivery does not have a single recommendation for it. This is evidenced in part by the lack of proponents for the proposal—especially as balanced against the opponents. The only possible benefit given for the change is to save money. A figure I have seen is \$412 million per year.

Determination of any amount of money to be saved ignores the obvious fact that such a move is totally counterproductive. When five-day daily newspaper become four-day papers, that is a permanent loss of 20% of the postal volume and revenue they provide. When the newspapers which are able to develop alternate means of delivery do so, they will not use it only on the sixth day, they will use it on every day and the Postal Service will lose *all* the revenue and volume they produce. I submit these losses would nearly equal any supposed savings by eliminating the sixth-day of mail services, especially when the loss of revenue from all classes of mail users is added in.

Now, add in the cost and the effect of the general slowdown in commerce and industry brought about by a weekly disruption in the flow of information, billings and payments. How much interest will be lost because payments and deposits lay in a post office somewhere over a weekend when they could have been received and entered on Saturday's business? How much interest will be paid by the average consumer when his charge account payment languishes in a post office over the weekend and misses the payment cutoff date for that month?

I know newspaper publishers all around Illinois who have the feeling that if Saturday or six-day mail delivery goes, it will be the last straw as far as the U.S. Postal Service is concerned. They share the concerns and frustrations of the businessmen and citizens of their communities. If such a move is taken, the effect will start to be seen immediately. The Postal Service will have bankrupted its dwindling store of public confidence and support.

SIX-DAY MAIL DELIVERY

MONDAY, JANUARY 16, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Chicago, Ill.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 204, Edward M. Dirksen Federal Building, 219 South Dearborn Street, Chicago, Ill., Hon. Ralph H. Metcalfe (acting chairman of the committee) presiding.

Present: Representatives Metcalfe, Derwinski, and Anderson.

Also present: David Minton, counsel; Herman Thompson, counsel; and Joe Fisher, minority counsel.

Mr. METCALFE. The meeting of the Post Office and Civil Service Committee will now come to order.

Good morning. We are having these hearings this morning to hear testimony from the general public and business mail users on the proposal by the Postmaster General to discontinue delivering mail on Saturday.

With me today is my very good friend, the senior Congressman from the Fourth Congressional District of Illinois, Representative Ed Derwinski, the ranking minority member of the full Post Office and Civil Service Committee; and also my good friend Congressman John Anderson of the 16th District of Illinois, who is the chairman of the House Republican Conference among many of his duties and responsibilities. We certainly welcome both of you distinguished Congressmen to this hearing. Also the members of the committee staff, Mr. Herman Thompson, the gentlemen to my immediate left; Mr. David Minton, and Mr. Joseph Fisher.

Last year the Commission on Postal Service, a special study group created by Congress in 1976, recommended that Saturday delivery be discontinued in order to reduce postal cost increases. Since that time, the Postal Service has been studying this proposal and although no formal proposal has been made, recent statements made by postal officials suggest they are leaning towards making such a recommendation.

The Postmaster General has claimed that eliminating Saturday delivery would save \$400 million a year and eliminate some 30,000 jobs. We are holding these hearings to assess the impact upon the public and to determine precisely what the public needs and would like to have in the way of postal services.

In the latter part of 1977, public hearings were held in Denver, Honolulu, and Philadelphia; Bear Mountain, N.Y.; and El Paso, Tex. In January of this year, hearings have also been held in Orange

County, Calif.; Ocean Springs, Miss., and Pontiac, Ill. The response in these cities was overwhelmingly in favor of retaining Saturday delivery.

Additional hearings have been scheduled in San Mateo County, Calif.; Davenport, Iowa; Pontiac and elsewhere in Illinois and in Michigan. This afternoon my colleague, Congressman Derwinski, will hold additional hearings in Oak Forest, Ill., at the Bremen township hall.

On December 29, 1977, I had questionnaires mailed to some of the residents in my district in order to ascertain their feelings about the Postal Service's intention to eliminate Saturday mail delivery. The response, to date, is as follows: 1,747 answered "Yes," to the question as to whether it should be continued. There were 241 who said "No," and that they were in favor of eliminating Saturday delivery. So the mail response, as you can figure quickly, was approximately 10 to 1. There were 30 who gave qualified answers or were undecided. I mean, one would say it was conditioned on various factors. In other words, the response of my constituents mirrors that received in previously-mentioned cities where similar hearings have been held.

Here in Chicago, where the job situation is critical, the elimination of Saturday delivery would mean the elimination of some 710 to 750 letter-carrier positions, all of which are good jobs and contribute substantially to the economic welfare of our city. Furthermore, 5-day delivery could be the beginning of 5-day postal operations, which would mean further job losses in the clerical and mail handling crafts. All told, a couple of thousand jobs could be lost to the people of Chicago. I need not tell you how disastrous that would be to our city.

I would like to express my deep appreciation to Representative Robert Nix, who is chairman of the House Post Office and Civil Service Committee. His foresight and leadership in calling this matter to the attention of the committee and the American people is most commendable. I am certain that had he not intervened with the Postmaster General last April and led the battle in the House of Representatives ever since, the Postal Service would today be in the process of depriving the American people of delivery of mail on Saturday.

I would like to take this opportunity to have the statement of Senator Adlai Stevenson, which will be forthcoming, entered into the record as well as the statement of Congressman Paul Findley read into the record. I request unanimous consent that these statements be included in the record.

Hearing no negative response, it will be so ordered.

I invite you to express your opinions candidly and informally. I hope that this hearing can be helpful to us as much as is possible.

I will now ask my friend, Congressman Ed Derwinski, if he has an opening statement which he would want to make at this particular time. However before doing do, let me draw to your attention that there will be other witnesses to follow. The following have indicated that they would be in attendance, but would not make a statement: State Representative James McCiendon, of the 22d District; Mr. L. Lewis, representing Congressman Philip Crane of the 12th District of Illinois; Ms. Pat York, representing Senator Charles Percy; Alderwoman Eloise Braden of the 16th ward; Mr. Dan Marquez, represent-

ing Congressman John Ferry of the 5th District of Illinois; State Representative Eugene Bonds of the 29th District.

Hopefully, at the end of those who have indicated that they are going to testify, we will have an opportunity for questions from the floor. As you may have observed, there are microphones set up for that particular purpose.

I recognize the distinguished gentleman from the 4th District, Congressman Ed Derwinski.

Mr. DERWINSKI. Thank you, Mr. Chairman.

I am pleased to be with you this morning. As you have indicated, we have had similar hearings across the country and I believe that our Post Office Committee, under the chairmanship of Mr. Nix will write a very detailed record of the public's attitude toward 6-day delivery, which seems to be overwhelming, as shown by the pattern today.

I am also very pleased to join you in welcoming Mayor Bilandic and to express my appreciation to you for the great leadership that you brought to the House Committee on Post Office and Civil Service.

Thank you.

Mr. METCALFE. Thank you. The statement of Senator Stevenson and the statement of Hon. Paul Findley will follow at this point:

[The statements follow:]

U.S. SENATE,

Washington, D.C., January 16, 1978.

HON. RALPH H. METCALFE,
Chicago, Ill.

DEAR RALPH: Thank you for conducting the hearing today on an issue of importance to all residents throughout Illinois. I regret I cannot be present.

I have become increasingly dissatisfied with the operation of the United States Postal Service. Rates have increased while service has deteriorated. Elimination of Saturday delivery would be another manifestation of deteriorated postal service.

I believe that the Postal Service is an essential public service and should be supported from general revenues rather than be run as an independent business. The experience of the last few years, since the Post Office Department was turned into a business, has, I think, proven that it should be returned to the status of a Federal agency supported in part by general revenues, as the Constitution contemplated.

Best personal wishes.

Sincerely,

ADLAI STEVENSON.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 11, 1978.

HON. RALPH METCALFE,
Chicago, Ill.

DEAR MR. CHAIRMAN: Although I cannot be there personally, I did want you to know of my support and the support of my constituents for continuing six-day mail delivery service. In view of your interest in assessing public opinion concerning the issue, I would like to share with you and your committee some of the many letters I have received from constituents who strongly feel six-day mail delivery service is urgently needed.

A farmer from Chambersburg, Illinois stated that this service helps him meet many of his needs. He says that veterinary medicine, machinery parts and the livestock report often come on Saturday. A man from Buffalo, Illinois told me that "any reduction in the number of days per week delivery would affect the rural people. Unlike urban dwellers, the vast majority of rural customers must rely upon the rural carriers for delivery of the daily newspaper. I cannot imagine the wealthiest nation in the world not being able to afford to maintain its postal service at peak performance."

Another constituent put it more succinctly: "Surely the American people deserve six-day delivery of mail. What good is a three-day old newspaper? Farmers many times get discounts by a quick settlement of feed bills and fertilizer bills. They depend on quick, six-day mail service."

An elderly woman from Carthage, Illinois wrote, "We are three aged people, two must use walkers. We live on a rural route. It would be a great hardship for us not to get our check on Saturday in order to buy food or medication. I was a postmistress for 26 years and know the needs of the people."

The wife of a postal employee wrote, "I am very much concerned for my husband's health to carry in five days what is normally carried in six days."

A Quincy resident says "the price we pay for mail service entitles us to better service, not less."

A postal employee told me he thought the plan was discriminating against the rural people. He went on to say, "The Postal Service Commission report states that window service should be available on the day the mail is not delivered. The far point of my rural route is 18 miles from the post office. Considering the energy problem and the price of gasoline it makes more sense to me to have a carrier deliver their mail than have 247 families on my route come to the post office on non-delivery days."

Let me conclude, Mr. Chairman, by saying that I think the elimination of Saturday mail delivery service would be a grave mistake. The American people would experience great inconveniences if forced to go the entire weekend without mail deliveries, especially those who reside in rural areas. Congress and the Postal Service would do well to find other ways to cut postal costs. Eliminating Saturday mail delivery would result in an even greater delay in mail service, this at the same time that we are being asked to pay more for that service.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

MR. METCALFE. Congressman John Anderson, do you care to make a statement?

MR. ANDERSON. Mr. Chairman, I have a brief statement for the record after you have taken testimony; but in deference to the fact that the mayor is a very busy man, I think we can proceed to hear him and I will await my turn.

MR. METCALFE. Well, we are delighted and honored to have as our leadoff witness Mayor Michael Bilandic, knowing of his great concern and love for the people of the city of Chicago. I am very happy to say that we have worked together on other projects before in order to develop the viability of the city and to not only create jobs, but also to make certain that we do not lose any jobs.

Your presence here is another manifestation of your great concern for the people of Chicago. We are very happy to have you present. So if you will proceed, Mayor Bilandic, we will be pleased.

**STATEMENT OF MAYOR MICHAEL BILANDIC, MAYOR OF CITY OF
-- CHICAGO**

Mayor BILANDIC. Thank you very much, Mr. Chairman.

I want to thank the House Post Office and Civil Service Committee for holding this hearing today in Chicago, the center of the largest metropolitan area in the Midwest. My special thanks to Congressman Ralph Metcalfe, with whom I had the privilege of serving as a member of the city council, and my special thanks also to Congressman Derwinski and Congressman Anderson for once again providing a forum for discussing issues which can have an impact on many segments of our population.

As mayor of Chicago, I previously appeared before this committee to urge the retention of jobs and employment opportunities in this city. Most recently, I came here to urge that the South Suburban Postal Facility stay in Chicago, and I thank this committee for its positive recommendations on that issue.

Today I am here to raise issues surrounding the announced intention of the Postal Service to eliminate Saturday mail delivery—issues which deserve the close scrutiny of every member of this committee.

The issues, as I understand them, are employment opportunities for some 650 workers. That is the figure we had, yet I heard Congressman Metcalfe mention 710 and I would yield to his superior source of information to what I had.

Further, the issues of the social and economic implications of such a cutback, and finally will 5-day mail deliveries provide adequate service to the thousands of Chicagoans and their businesses?

Projections of the service cutback indicate this would mean that 600 to 650 current part-time carriers would get a drastic cutback in their hours of work.

Let us look at these people who will most be affected by the decision being discussed here today.

Who are these postal employees? They are middle-class men and women who are vital to the socioeconomic base of our city. Most of them live in Chicago. We have been told that almost 90 percent of these employees, who would be affected by the Saturday delivery decision, live in our city.

They represent stability in our neighborhoods. They pay taxes, maintain their homes and apartments; they shop in our neighborhoods. Most of them have families. Their children attend Chicago schools. Later they may attend city-based public and private colleges and universities. Perhaps they will be the first in their families to attend college. Most of these carriers are also minorities—blacks, women, and Latinos—which traditionally have unemployment rates twice as great as the national average. They are very important, very

vital to the stability of the middle class: the black and white middle class of our city and its neighborhoods and the neighborhoods of every large city in this country.

We recognize the post office's need to reexamine its services in relation to its operating budget. However, such review must take place with a realistic view of what such so-called economies may produce.

If this more would actually result in the loss of 600 to 650 jobs in Chicago, as some predict, this would translate into an economic loss of almost \$9 million in wages to postal workers and the communities in which they live.

It would also result in increased unemployment. Would we then need expanded public employment programs to fill the gap created by curtailing mail deliveries?

We may be creating a false sense of economy in one area, while forcing an increase in spending in another area of government, where employment opportunities for these jobless may have to be found or created.

This is a subject that I talk about quite often. Many times there are Federal policies that are adopted in the name of economy, which are counterproductive to the economy of the country. So by an economy of \$9 million in the Postal Service, we may be creating a greater burden on the economy in the form of welfare and in the form of unemployment problems, in the form of increased time, and in the form of so many other social ills that result from the basic problem of unemployment.

The question of the appropriateness of cutting back service at this time must also be considered. Here in Chicago, as well as throughout the country, a trend is becoming evident toward 6- and 7-day operations for many stores, businesses, and service operations. Is the answer to financial problems necessarily a cutback in service? Or should the post office instead explore improved management techniques and require better productivity from its employees?

With the acceptance of Monday holidays, eliminating Saturday deliveries may delay mail greatly at certain times of the year. If a letter is mailed on a Wednesday or Thursday and Monday is a national holiday, the absence of any Saturday mail delivery may mean that letter will not reach its destination for a full week; and that could happen even if its destination were only across the street or a few blocks away.

The city of Chicago is working hard to retain jobs and industry here, to continue this city's prominence as a center for business and industry.

Therefore, we urge the members of this subcommittee to carefully consider these issues that I have raised and their impact on Chicago and other cities of the United States before recommending that mail delivery be curtailed on Saturday.

Thank you for giving me this opportunity to present my views.

Mr. METCALFE. Thank you very much, Mr. Mayor, for your very fine statement. Let me assure you, with regard to the difference between your figures and ours, it is a question of which you are working with, because there are mail carriers of the level 5 and 14,000 mail carriers:

that are at level 6. I think it is very significant that as we listen to the proposal of the Postal Service System that they claim to reduce service with a saving of \$400 million.

I refer them back to the 1950's when the then-Postmaster Jesse Donaldson raised the question of eliminating afternoon delivery service and claimed that that would save some \$80 million.

Ultimately, after they did eliminate afternoon service, the costs continued to rise to the point where in 2 years it had risen to \$100 million. Rather than a reduction of costs, it was costing us that much more.

Mayor BILANDIC. Well, Congressman, that leads me to an important point. We have here in the city of Chicago with our office of senior citizens worked out a special, additional program with the mail carriers. The mail carrier who comes by in the morning—and as you indicated in the old days used to come by twice a day—was a very important person in the fabric of our neighborhood. He was a friend of all of the people on the block. He knew when someone was not home. He knew when he did not see someone for a while and he or she knew that there might have been a problem in the home, or someone might have gotten sick, or some senior citizen may have collapsed at home and had been unattended for some time.

So we worked out a program with our office of senior citizens and the Mail-Carriers Union, with the cooperation—I say to their credit—of the postal authorities, where we have a special program now in effect where the mail carriers do take an added effort and do leave little calling cards of our office of senior citizens. They do call our office if something unusual seems to be occurring. Then we send our people out to check.

So that when you start to talk about the cost to the country as a whole, and the service to the people and the better environment we have for our senior citizens and others—that personal contact which has been disappearing in this age of computer-aided machines—is something that we have to be a little more cognizant of in terms of the personal contact and the person-to-person approach which the mail carrier has always had.

I know how fond my mother is of the mail carriers, how she welcomes their coming, offers them a cup of coffee; and at Christmas time maybe even something a little better during the cold weather. But they have always had a wonderful and fine relationship. I do not think we should take 710 of these people and just brush them aside in the interest of saying, "We will save some money."

They mean an awful lot more to us than just a statistic on a balance sheet, or just another little number that you throw into a computer. The social and conscience aspect of this is something you cannot measure in dollars and cents, something that does not show even in a footnote in a financial statement. It is the heart of a community, this feeling of compassion that people have for people, irrespective of race, color or creed.

Take the carriers that have been around and the affection that the people have for them, whether it be in an office building downtown or whether it be in the neighborhood, there is a great bond of affection and respect between the mail carriers and the people whom they serve.

Mr. METCALFE. Having lived in Chicago since I was 7 years of age, I can certainly attest to everything that you have said with respect to the importance of the mailman coming to your home and of the mutual appreciation and affection. I think it is a very fine program.

I have no questions that I wish to ask, Mr. Mayor.

Mr. Derwinski?

Mr. DERWINSKI. I have just one suggestion, Mr. Chairman. I was going through the list of hearings our committee members have had elsewhere, scattered across the country, basically in midsized communities. I think that Mayor Bilandic would probably be the most prominent public official to appear before one of these panels. I think we should expedite the proceedings of this meeting and see that his views—especially his additional comments—are available to all of our committee members. I think that it would be very dramatic and helpful for them to understand the adverse effects of moving to 5-day delivery.

Mr. METCALFE. I thank you.

Congressman Anderson?

Mr. ANDERSON. Thank you, Mr. Chairman.

I simply would like to commend the mayor and echo the sentiments just expressed by my colleague, Mr. Derwinski. I think your presence, Mr. Mayor, this morning at this hearing is perhaps the most eloquent testimony of all of the importance of the matter being considered by Chairman Metcalfe and by the ranking minority member, Mr. Derwinski. As the mayor of the great city, you have many responsibilities and many things to occupy your time. The fact that you would take time to come and personally appear and testify on the importance of not cutting back on mail delivery to the citizens of this city, I think speaks volumes both as to the importance of the topic and to the substantive fact that we simply should not rush into drastic cutbacks in service and assume that we are thereby solving problems; but, as you have pointed out, may instead be creating new problems in their place.

Mr. METCALFE. Thank you.

Thank you very much, Mr. Mayor, for those very fine and well-chosen remarks.

The next witness, because of his very tight schedule and the fact that he has committed himself to be some other place very shortly, will be another member of this panel, Congressman John Anderson from the 16th District.

STATEMENT OF HON. JOHN B. ANDERSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. ANDERSON. Thank you very much, Mr. Chairman, and my distinguished colleague and friend, Congressman Derwinski.

I do have a prepared statement for the record, and with your permission, in deference to the time of the subcommittee, I would ask unanimous consent to submit the prepared written statement for the record, and then if I may just briefly summarize some comments, I would like to proceed on that basis.

Mr. METCALFE. If there are no objections, it will be so ordered and the entire statement will appear in the record after your comments.

Mr. ANDERSON. Mr. Chairman, the testimony I can offer, both by way of prepared statement and these few brief extemporaneous remarks, can really only be cumulative and bear out the validity of the results of the survey which you have already announced you had taken in your own district.

I have not taken a formal survey, as you have done, yet from countless visits and conversations and contacts with people in my constituency, I have every reason to believe that they feel in overwhelming number the same way as the constituents of your district here in the city of Chicago.

I was not aware, until I came to your hearing this morning, of the extensive nature of the hearings that you have already conducted; and that many of them have been in cities of medium size. I never miss the opportunity, when I am here in the great city of Chicago, to remind anyone and everyone that, of course, I come from Illinois' second city, second largest city of Rockford, 85 miles to the west. Even though there is some disparity in size and population of these two cities, we do share some very important common goals and aspirations.

The mayor spoke, and you spoke, Mr. Chairman, and Mr. Derwinski echoed those sentiments, of the disastrous effects that could result from severe curtailment and cutbacks in service, as far as this city is concerned.

I simply want to affirm the proposition that as far as my home town of 150,000, and scores—literally scores—of smaller cities and towns in my district, which stretches really from the metropolitan fringes of Chicago, because I have many constituents living in the northern half of McHenry County who commute to Chicago; and then, of course, my district goes westward to the Mississippi. In that whole area and in the smaller towns and communities in rural areas, I find people that are disturbed at the prospect of a cutback in service.

There will be legislation, as I understand it, Mr. Chairman, that is going to shortly be before the 2d session of this 95th Congress that would require that any change that would result in a cutback of service to come before the Congress so that we could, by concurrent resolution, express our disapproval and have a veto on that action.

I predict—and I feel sure, perhaps, that you join me in that prediction—that it is going to pass overwhelmingly. That is how strongly I believe Congress feels about efforts to solve the problem of the Postal Service by simply cutting back continually on service.

Finally, and in conclusion, I do want to speak—even though I am here in one of the great cities of our country—I want to speak for just a moment about my rural constituents and those who live in semirural areas.

One of my constituents from a small town in McConnell, Ill., wrote me and I quote: "No mail from Friday to Monday would be a disaster for the rural route patrons."

If you terminate Saturday delivery, you are terminating delivery service, for example, for many of the rural newspapers that in my district customarily are delivered on a Saturday. This is something that people are going to miss over the weekend when they do not have access to this means of communication that is so important in rural areas—the weekly newspaper.

The mayor spoke here in Chicago about the impact. I have talked to Robert Swenson, president of the local chapter of National Association of Letter Carriers in my home town of Rockford, and he said that "6-day delivery is indeed vital for saving many, many letter-carrier jobs."

For all these reasons—although I am not opposed to postal reform—I do not think that until the evidence is in, that we ought to take abrupt, precipitous action that would damage the postal service. There ought to be some studies on the impact. We ought to know what the impact will be on these rural customers that I mentioned, that would have to travel many miles to the nearest post office to get their Saturday mail. What would be the impact on commerce? This has been alluded to, the impact on commerce if you have this gap, this hiatus in the delivery of mail.

The economic consequences might turn out to be far more severe than the added cost of maintaining our present standards of delivery.

Mr. Chairman, again with my thanks to you and Mr. Derwinski for permitting me to attend and to testify, I am going to apologize for the fact that I will not stay through the morning. There is another hearing going on here in the city of Chicago by another group on the impact of some new legislation on the education of handicapped children. So with your permission, I am going to excuse myself to attend that hearing.

Mr. METCALFE. That sort of reminds you of being in Washington and being in two meetings at one time.

I certainly recognize the importance of your trying to cover as much ground as possible.

Before you do leave, you will recall that in September of 1974—September 26, to be exact—the House voted 377 to 9 not to eliminate any delivery service.

Chairman Nix has presently House bill 9146 which will be before us and hopefully we can have the same support that you have given us.

Finally, let me say your testimony is very significant, because here we are in a big city addressing ourselves to the problems and interests of urban dwellers. You have in your constituency some of those that live in rural area. Therefore, this gives us a better cross section in these hearings as to what the sentiment of the public is—after all, that is so germane to what we are trying to do—considered together with the opinions of others. So we are very grateful to you. I hope we have not delayed you too long.

Let me ask Congressman Derwinski if he has any questions to ask.

Mr. DERWINSKI. I would just like to bring out one point. In your prepared testimony, Congressman Anderson, you referred to the public opinion survey taken by the Postal Commission which showed that 80 percent of the Nation would accept reduction if necessary—and this is the key—"to hold down future rate increases."

Now the round figures that I recollect are that \$400 million would be saved by eliminating Saturday delivery. A 1-cent increase in first-class mail and resulting adjustments of other classes, would bring in \$1 billion. So the facts are that doing away with Saturday delivery would still require rate increases. Eliminating Saturday delivery would save less than a half penny of a 1-cent increase. So the very point you make is that the public would be saddled with a rate increase and a reduction in service. That would not be in the public interest.

Mr. ANDERSON. Mr. Derwinski, I appreciate your bringing up that point, I think it illustrates once again why we should not take hasty action and assume that simply cutbacks and curtailments in service are going to avoid future increases in postal rates.

You have made that point and there isn't anything I can say that would make it any better: That it would not avoid that possibility, that prospect; and at the same time we would see a continuation in the deterioration of the mail service of this country, which can have a very, very adverse effect on commerce, on industry; and, more importantly, I think, as the mayor and others have pointed out, this is an important link of communication in our country. It is one of those services of Government that historically and traditionally we have offered to the people of this country. At a time when there is all too much distrust and disillusionment with government as it is, the cutback in this vital area before we even know what the impact is going to be, would be one of those unwarranted, foolish, premature actions that we ought to avoid.

Mr. DERWINSKI. Thank you.

Mr. METCALFE. Thank you, Mr. Anderson.

[The prepared statement follows:]

PREPARED STATEMENT OF HON. JOHN B. ANDERSON, A REPRESENTATIVE FROM THE STATE OF ILLINOIS

Mr. Chairman, I appreciate the opportunity to testify before you today concerning the Postal Service's announced intention to eliminate Saturday mail delivery. I would like to commend you for convening these hearings to assess public opinion on a proposal which will affect every single American if it is implemented. It is my firm belief that any such reduction in service is not in the public interest at this time.

Mr. Chairman, as you know, last September the House had an opportunity to go on record in opposition to the Postal Commission's recommendation to end six-day mail delivery. The resolution, which I cosponsored along with 225 of my colleagues in the House was passed by the overwhelming vote of 377-9. I might add that the Senate has also gone on record opposing a switch to five-day delivery.

Originally, the Postal Commission based its recommendation to terminate Saturday delivery on a public opinion survey taken last April showing that almost 80 percent of the nation would accept reduction in mail deliveries if necessary to hold down future rate increases or public services subsidies. But the latest survey shows that while 81 percent of the public believes it could do without Saturday mail service, only 45 percent is willing to give it up to hold down postage rates.

Despite the clear message from Congress and the increasing public wariness toward five-day delivery, the Postal Service has not abandoned this ill-conceived plan.

My constituents have commented on the five-day delivery scheme and they are clearly opposed to it. A sampling of my constituent mail will reveal some important drawbacks of the proposal. One constituent from rural McConnell, Illinois wrote that "no mail from Friday to Monday would be a disaster for the rural route patrons." The fact is that terminating Saturday delivery would eliminate a delivery system for many of the rural newspapers in my district which come on Saturday. Another constituent from Freeport, Illinois wrote that "the loss of service would be detrimental to small businesses which depend on a reliable mail service."

Further, despite the Postmaster General's remarks to the contrary, I do believe that eliminating Saturday delivery would mean a loss of jobs. Robert Swenson, President of the local chapter of the National Association of Letter Carriers in Rockford wrote to me that "six-day delivery is vital in that it would save many letter carrier jobs." It has been estimated that ending six-day delivery could result in the loss of 20,000 jobs. In their dissenting opinion to the Postal Commission's recommendations, Commissioners James Rademacher and Paul Krebs wrote, "The Commission should not be recommending that jobs be abolished at the time when the United States has high unemployment."

Major postal reforms should not be taken lightly and without full consideration. And yet, no evidence has been submitted to demonstrate what impact upon service this change would have. To quote Commissioners Rademacher and Krebs again, "The Commission conducted no research on the impact of reducing deliveries to five days a week. We do know, however, from testimony presented at our hearings, that in rural areas farmers rely on delivery of agricultural reports to keep them abreast of market developments. We also heard from senior citizens on their need and reliance on the mails as a primary source of contact with other people."

Where are the studies on the impact of such a service cutback on rural residents? Do we know how this action will be felt by rural customers who would have to travel many miles to the nearest post office to get their Saturday mail? What will the impact be on commerce if we have three-day weekends without any postal delivery? Most importantly, how will it affect those senior citizens who will have to wait perhaps one more day for that Social Security check they need to eat and pay the bills?

Saturday mail service is an historical public service of the American postal system. It should not be discontinued without careful consultation with the Congress and an accurate estimate of the impact of such a change in service upon public opinion and postal operation.

Mr. METCALFE. Our next witness to be called represents the Chicago Urban League, Mr. James E. Taylor. It is always important to have the opinion of the urban league. Mr. James W. Compton, executive director, unfortunately, has a conflict in his schedule. He sends his first assistant, Mr. James E. Taylor, who will speak eloquently for him and for the Chicago Urban League.

Mr. James Taylor, you may summarize your statement, if you care to, or if you wish to, you may read it. Should you choose to summarize, we will ask unanimous consent that the entire statement be included in the record.

You may proceed, Mr. Taylor.

STATEMENT OF JAMES E. TAYLOR ON BEHALF OF JAMES W. COMPTON, EXECUTIVE DIRECTOR OF THE CHICAGO URBAN LEAGUE

Mr. TAYLOR. Thank you, Mr. Chairman.

Chairman Metcalfe, Congressman Derwinski, other members of the House Post Office Committee, I would like to read the prepared statement. I think it is brief enough that the entire statement should be given.

On behalf of James W. Compton, executive director of the Chicago Urban League, I would like to thank you for extending to us the opportunity to comment on the Postal Service's proposal.

The Chicago Urban League is an interracial, nonprofit social service agency, which has provided over 60 years of leadership and service in helping to make metropolitan Chicago a better place for all its citizens through the improvement of race relations. It is from this perspective that this testimony is offered.

The Chicago Urban League is primarily concerned that the proposed elimination of Saturday mail deliveries will result in a cutback of the Postal Service's workforce or pay scale. The Postal Service's workforce is an important source of employment for the inner-city minority population. Though the economy continues to improve, the unemployment rate for blacks does not. In terms of pay scale, it is important to recognize that the urban minority population has excessively borne the economic burdens of inflation and underemployment. Thus, this segment of the population can ill-afford to experience a cutback in working hours and, therefore, total wages. Due in large part to the

continued problem of central city disinvestment, employment opportunities in many central cities continue to stagnate or decline. For these reasons, we feel that it is vital that the Postal Service give particularly careful consideration to the likely impact of its actions on minority, as well as other employees before reaching a final decision.

We recognize that the Postal Service faces a dilemma. Confronted with ever-increasing costs, it can choose to maintain services and thus be forced either to raise prices or to seek increased subsidies, or the Postal Service can choose to reduce services and thus, hopefully, be able to maintain its current price structure. In examining these alternatives, the Postal Service must consider questions of equity as well as of effectiveness.

If the Postal Service chooses to eliminate Saturday mail deliveries, it seems clear that two groups would bear most of the burden of this alternative: The workers whose jobs would be lost or whose working hours would be reduced, and the private citizens who mail no longer would be delivered on Saturdays. We would ask whether or not it is equitable that the burden of the Postal Service's cost-cutting efforts fall on its employees? Are they chiefly responsible for the ever-increasing costs? Or, for that matter, are Saturday mail deliveries primarily to blame for these rising costs? We suspect the answer to these questions is "No."

If present services are maintained and the price of postage climbs, we cannot ignore the question of who must bear the burden of this increase. Will it be the ordinary private citizen? Is it this individual's use of the mails which has created the Postal Service's deficit position?

We often are told that first-class mail pays its way, while third- and fourth-class mails do not. If this is true, we would find it difficult to accept as equitable a solution which makes the general public suffer the consequences of increased cost or reduced service rather than the bulk, reduced rate mailers.

Part of the problem involved in this issue, we would suggest, is the more general question of whether it is appropriate to regard the Postal Service as a profitmaking or break-even institution. We believe this question may warrant reexamination. In principle, operating the Postal Service on a self-supporting basis would not be difficult to achieve. Activities that do not generate sufficient revenues to cover their costs either must be eliminated or the rate structure altered in some way to cover these costs.

An efficient mail service, however, is a public good, necessary for the welfare of the country as a whole. Adherence solely, or even chiefly, to fiscal considerations in operating the Postal Service could result in a serious disservice to the public that it is intended to service. We at the Chicago Urban League believe this essential service ought to be accessible to all segments of the population—a postulate which would be violated if rates become much higher. If the Government chooses to subsidize certain groups through below-cost postal rates, then the Government should, in our estimation, accept the resulting deficit. Certainly, groups that did not cause the deficit should not pay for its elimination through higher rates or reduced services.

While we would be less than candid if we claimed thorough knowledge of cost figures and operational consequences resulting from the various options we have discussed, the Chicago Urban League cannot at this point endorse a policy of discontinued Saturday mail delivery.

Thank you, Mr. Chairman. That completes the formal statement from the Chicago Urban League.

Mr. METCALFE. Thank you very much, Mr. Taylor.

I have two questions, Mr. Taylor: What is the unemployment rate in the city of Chicago; and what is the unemployment rate of blacks in the city of Chicago?

Mr. TAYLOR. The unemployment rate in the city of Chicago, Mr. Chairman, I think if we consider all the factors involved, the Urban League's statistics indicate that unemployment in Chicago is somewhere around 16 percent. That formula also includes the discouraged workers, those people who have been looking for jobs and have not been able to find jobs and have dropped out of the job market, having become discouraged. We think, too, that unemployment among black young people is somewhere around 40 percent, if we consider the same factors, in terms of those who have become discouraged in looking for work and no longer are in the job market. This is a formula of the components that the national formula does not take into consideration—the discouraged worker. I think, based upon these figures and that formula, we make those projections of unemployment in the city of Chicago, particularly among young black people.

Mr. METCALFE. I am trying to differentiate between the figures that we read in the paper as to what the unemployment rate is in the city of Chicago's total population and then distinguishing what it is among the blacks.

Do you have the two figures? You gave me the 16 percent in the city of Chicago which included blacks.

Mr. TAYLOR. Yes.

Mr. METCALFE. Can you break it down further?

Mr. TAYLOR. The 16 percent was a projection of unemployment among blacks.

Mr. METCALFE. What are those for the city? I think I read somewhere about 4 percent or 5 percent.

Mr. TAYLOR. Yes; about 6 percent, I think, was the last.

Mr. METCALFE. I think the unemployment rate among minorities is disproportionately high when one compares them with that of the total population of the city. If one could eliminate blacks and minorities in those statistics, then the unemployment rate would be much lower for the city of Chicago.

Now, getting to the question, the Postal Service has traditionally been a place where many blacks have been employed, many times because there were no other jobs available to them. Many of them have college degrees and yet they find themselves working for the Postal Service.

Would this reduction in Postal Service employees further exacerbate the problem that we now have with regard to disparity between the unemployment among the blacks and minorities, as against the total unemployment? Can we realistically look at this in terms of overall unemployment figures, or must we look at it in terms of what people are going to be affected most by it?

Mr. TAYLOR. I think without doubt, Mr. Chairman, that minority groups would be more disproportionately affected by a cutback in Saturday mail delivery. I think not only would it cut back in terms of the number of people who are employed in the city of Chicago, but also in

terms of increasing the income disparity between the majority group and the minority group. Minorities in Chicago have established considerable employment levels in the Chicago Postal Service, and I think that any elimination of Saturday mail delivery would greatly and disproportionately affect minorities in the city of Chicago without a doubt.

Mr. METCALFE. Thank you, Mr. Taylor.

Congressman Derwinski?

Mr. DERWINSKI. I have no questions, Mr. Chairman, of Mr. Taylor. Mr. Taylor's statement, I think, is quite objective and touches on the major points and is very helpful to our record. Thank you very much.

Mr. METCALFE. Thank you very much, Mr. Taylor.

Mr. TAYLOR. Thank you very much.

Mr. METCALFE. Is Mr. Charles H. Grant here, the president of Branch 11 of the National Association of Letter Carriers?

Mr. GRANT. Yes, Mr. Chairman.

Mr. METCALFE. Mr. Grant, do you have a prepared statement?

Mr. GRANT. Yes; I have a prepared statement. I would also like to read, Mr. Congressman, from that prepared statement.

Mr. METCALFE. It should not take very long. You may proceed.

STATEMENT OF CHARLES H. GRANT, PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS, BRANCH 11

Mr. GRANT. Mr. Chairman and members of the committee, my name is Charles H. Grant and I am president of Branch 11 of the National Association of Letter Carriers of Chicago, Ill.

Please accept my personal commendation for your convening this committee in Chicago and for your strong interest in the opinions of Americans as to further attempt to cut back an already severely deteriorated Postal Service.

As a letter carrier, I and my fellow carriers are constantly in close, personal contact with our postal patrons. After a few years on a particular route, the letter carrier not only becomes acquainted with those whom he serves, but in many instances, becomes close friends with his patrons.

As a result, we learn earlier than most the views of our patrons as to mail service. Certainly, we learn more quickly and more accurately those views and opinions than do either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service hires.

Therefore, I can tell you with confidence that the postal patrons of this area are angry with the present levels of service they receive and with the constantly increasing costs they must pay for this poor service.

A proposal then, conceived in far-off Washington, D.C., that Chicago postal patrons must pay 8 cents more on an already overpriced first-class stamp, and in addition, will receive 1 day a week less of mail delivery, simply makes no sense to them or to me.

As I have said, I am pleased you are here to learn of our views. But, as often is the case, the person who really should be here for that purpose—the Postmaster General—is back in Washington, D.C.

After all, the Congress has indicated quite clearly that they understand the fallacy of this proposed reduction in service. The overwhelming votes in the House and on the Dole-Clark amendment in the Senate, in favor of the continuation of 6-day delivery, demonstrate that the Members of Congress are aware of public sentiment outside of Washington, D.C. That support of high standards of delivery service shows that Congress is listening to the postal patrons in Chicago and other cities and rural areas throughout this Nation.

That the Members of Congress who supported our efforts to retain 6-day delivery were accurately reflecting the views of their constituents was dramatically demonstrated by your committee in Honolulu, Denver, Philadelphia, and upstate New York. It is my understanding that your survey of postal patron sentiment in those cities demonstrated support for Saturday delivery by margins of better than 3 to 1. I believe the patrons in Chicago will respond in a similar manner to your local survey, but the Postmaster General is apparently deaf to both the postal patron and to the Members of Congress.

The proposed elimination of Saturday delivery will only impose visible hardships on those whose mail has constantly been delayed more and more, year after year. That is an obvious result of that policy.

Less obvious, but equally compelling, is the impact of this cutback in mail service to the economy of this area.

The loss of postal jobs will be significant. In Chicago alone, we have approximately 609 part-time flexibles now fully employed. The no-layoff clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period. Obviously, no man or woman can earn a living subject to 4 hours work every 2 weeks.

These employees, then, would no longer have income as a result of working. The loss to the already hard-pressed economy of this monthly payroll would be severe in a period of decreasing employment, particularly.

The cost to our area in providing income to these displaced workers in the way of welfare and unemployment benefit will similarly be unavoidable.

In conclusion, Mr. Chairman, please take back to Washington, D.C., that opinion from Chicago—that you previously voted on this issue demonstrates that you share in it—namely, we are against any further cuts in an already deteriorated Postal Service.

What our area really wants, and what the United States is entitled to, is better, less costly postal service, not worse, more expensive service.

Thank you.

Mr. METCALFE. Thank you very much, Mr. Grant.

Mr. Grant, would you explain for the record the phrase you used, "part-time flexibles?" You are on a 5-day work period now; is that right?

Mr. GRANT. We are on a 6-day delivery.

Mr. METCALFE. You are on a 6-day delivery, I understand, How about the postman? How many days does he work?

Mr. GRANT. The regular employee works 5 days a week.

Mr. METCALFE. Five days a week.

These flexibles, are they the ones that fill in on those routes on the day the regular postman does not deliver? What is a part-time flexible? That is what I am trying to get at.

Mr. GRANT. The part-time flexible is what we used to call a substitute employee. He is a flexible employee who can be called in at any time of day and work for any period of hours, from 4 hours or less, depending upon the needs. He can be told not to report to work on a certain day. Our contract only guarantees that a part-time flexible be called in at least for 4 hours every 2 weeks. That is the substitute, part-time flexible employee.

Mr. METCALFE. I have no further questions. Congressman Derwinski?

Mr. DERWINSKI. I just have one question.

In your concluding paragraph, Mr. Grant, you stated: "What the United States is entitled to is better, less costly postal service." Do you have any basic recommendations as to how this goal could be achieved?

Mr. GRANT. Well, the Postal Service is cutting back, they say, because of the subsidy that is being asked in order to maintain the present service. Without the subsidy, I imagine it is one of the break-even points that the Postmaster General is trying to accomplish. He is also refusing to accept the subsidy that is being asked to maintain an adequate service.

Mr. DERWINSKI. Do you think, therefore, that the emphasis should be on improving service, not on cutting corners and efforts—as in the case of the 5-day delivery, which would basically be a reduction of service?

Mr. GRANT. I definitely believe in improving the service. The postal patron has lost more since 1971, up until the present, without knowing anything about it. We have already had cutbacks in the delivery service, which the patron does not know about, such as in collections, the loss of routes, the loss of employment by the lack of hiring. This has already taken place. We have had news conferences in which we have presented petitions bearing 50,000 signatures from patrons requesting previously the continuation of 6-day delivery. We have those petitions and we were intending to present them to Congress in regard to this, but I did not bring them here because they also suggested other services, too, be brought back to the way it was.

Mr. DERWINSKI. Thank you.

Mr. METCALFE. Thank you very much, Mr. Grant, for your very fine testimony.

The next witness is Mr. Leon Finney, executive director of the Woodlawn Organization.

We are very pleased and feel privileged, Mr. Finney, that with your very heavy schedule, you have found time to be here. We look forward to the contribution your testimony will make on a matter of much concern to the city of Chicago and its citizens.

STATEMENT OF LEON D. FINNEY, EXECUTIVE DIRECTOR, THE WOODLAWN ORGANIZATION

Mr. FINNEY. Thank you very much, Mr. Chairman.

This morning, I would like to speak not only as executive director of the Woodlawn Organization to you, but also as president of the

Woodlawn Community Development Corp. I would like to speak from a broader constituent base; and that is as the president of the Black Illinois Legislative Lobby.

In that regard, my name is Leon Finney, Jr. I am the president of the Black Illinois Legislative Lobby. I reside at 1025 East 48th Street, Chicago, Ill.

Mr. Chairman and committee members, I would like to thank you for the opportunity to appear before you to speak on the issue of the reduction of mail delivery service.

The organization which I am here to represent this morning is broadly representative of the various interest groups of the black and minority community of the State of Illinois.

In this regard, we represent the interests of the poor, the old, black and small businesses, banks and insurance companies, labor unions, and taxpayers in general. All of these groups will be vitally affected by the proposed reduction in our postal service commitment.

As we understand it, the proposed reduction in postal service delivery would reduce our service from 6 to 5 days, sacrificing the day of Saturday. We further understand that this is being done primarily as a cost-saving measure.

While we generally agree at times like this of escalating cost of government and services thereof, we are very much concerned that the reduction in the cost of the service does not negatively affect our community at large; and, certainly, that the reduction does not compromise the benefits that should inure to the public.

Already the people, our people and interest groups and those and I represent in particular, question the efficiency of the existing delivery service and, in general, feel that they are paying far more for what they receive than what they deserve. In essence, what we are saying is that in many instances, our public, the various publics, consider that the postal service that they are paying for is inadequate, inefficient, and does not give them \$1 of service for \$1 paid.

It would appear that the proposed reduction in the service, if it is to be reduced, ought to have some sort of concomitant program to increase the efficiency of the service, while at the same time cut the cost of service to the consumer, rather than the reverse.

It is further our opinion that plan to reduce the service from 6 days per week to 5 days per week, without a careful analysis of the possible negative effect on the following groups, is unwise and one ought to approach it cautiously.

The first group is the poor. For years we have complained, as the poor and on behalf of the poor, that the present 6-day delivery system is inadequate and inefficient with respect to providing for our senior citizens—the vital backbone of this country for many years. Our senior citizens, in most instances, receive their income through the mail and in many instances, the same senior citizens are not being adequately served by getting their income on a timely basis and on an efficient basis, which leads us to question the advisability of cutting the service from 6 days to 5 days, if we just consider that group alone, since they are the most regular complainants about the existing service. I am sure that those of you, the Members of Congress, that are sitting before me now received the letters from the senior citizens complaining about the existing service. I am sure you receive letters far in disproportion

from the senior citizens' group than any other grouping in our country, as it relates to complaints about the Postal Service; because they daily watch for the mailman to bring them their life's blood in many instances, which is their check.

Not to say the least, the senior citizens, but an even larger group, a corollary group exists; and that is the group of the poor, those persons who receive aid to dependent children, those persons who receive general assistance who, for no reason of their own, find they cannot be employed, cannot work. They also have to depend upon the mail for their income. In many instances, a day's delay for a senior citizen, or an aid recipient, or a recipient of general assistance can mean the difference between life and death, or survival and nonexistence.

Therefore, any consideration to change the amount, or dimension, or intensity of delivery of mails ought to consider how it cannot necessarily negatively affect this large group and this ever-growing group of Americans in our community. But it ought to try to figure out a way to positively affect them. How can the Postal Service positively affect the lives of the poor, rather than to try to figure out ways that it might negatively affect the public or this large group.

Now that is not to suggest that we are at this particular moment speaking against something that already exists; but we do know what we have and we certainly do not want to be unduly critical without reason.

The other category that I would like to speak to would be the black and small businessman. As you know, the black and small businessman are the most numerous businessmen throughout the country and certainly throughout the State of Illinois. We find more black and small businessmen than any other classification of businessmen. We also find that they also are quite dependent upon the Postal Service for the various businesses that they transact.

We also note further that as they are dependent, they also tend to be the most marginal. They are less capable of doing without an efficient postal delivery system than any other businessman, the black as well as the small businessman in this State and throughout the States of the United States.

It is for that reason that we feel that any compromise or any reduction in the service, Postal Service, that would negatively affect the well-being or the survival of the businesses should be very cautiously approached. We think that in many instances these businesses require an increased delivery system and an increase in service in order to profit and in order to survive as they should. In particular, we think that at a time when our small businesses and our black businesses are just trying to recover from a very terrible recession, to them, in many instances, from a depression, they are just barely hanging on. What we ought to be doing is trying to figure out how our various governments and how the services provided by various governments can help these businesses, rather than to further compromise an already devastating state of affairs which they find themselves in.

So again, as in the previous case, Mr. Chairman, we would like to propose that you seriously consider how the Postal Service might help this group, rather than how it might further exacerbate an already difficult situation that they are undergoing at the moment.

Now for the final matter. The final matter has already been spoken to and I am sure will be spoken to many times today as you take testimony: That is the issue of employment. We are advised that the reduction in postal delivery services here in the metropolitan Chicago area involves as many as 1,000 jobs; minimally, it could involve 700 jobs.

Now those of us who are black and of color know historically that blacks and minorities have been able to find refuge in our Postal Service for employment. The Postal Service, more than any other governmental agency, national governmental agency that has its impact on a local level, employs blacks and minorities far and away in disproportion to their numbers in the general population. We see that there are approximately 15,000 Postal Service workers in the metropolitan area of Chicago that could be affected by this cut.

The loss of 1,000 jobs could mean 6 or 7 percent of the work force of the Postal Service in the metropolitan area would be negatively affected. If we took 6 or 7 percent off the national work force, that is working in the Postal Services, I am afraid that we would find ourselves having sacrificed a number of jobs and we would find that we would have added materially to the overall unemployment rate in this country.

Now I raise this point at a time when the President of the United States has just announced a reduction in our unemployment. I announce it at a time when we are struggling with trying to reduce our overall unemployment rate. Again, I ask you to very cautiously approach the notion of reducing services and, thereby, reducing jobs and, thereby, adding to the unemployment rate of this country.

Now as I say that, adding to the unemployment rate of the country, I am not just talking about in general. I think that what you will find is that as we cut back on services and thereby cut back on jobs, we are going to find that we hurt that group that we are most concerned about these days. What group is that? The black and minority group that we are most concerned about. Of course, second, we are concerned about the rights of those who are young, the 19 to 24 year olds, where we find that in many instances unemployment runs as high as 40 percent. In the black community, we are running as high as 14½ percent, as has been testified to by my predecessor, Mr. James Taylor of the Urban League.

So I ask you, as you consider the possibility of reducing the Postal Service from 6 to 5 days, I ask you to weigh very carefully the possible impact on the unemployment rate of the United States, as well as on something that is not a statistic. That is this: We always talk about the unemployment rate as some figure; but we forget that when we talk about unemployment rates, that composite figure that we extrapolate from or that we present to the public in general involves American citizens, involves black citizens, involves white citizens, involves taxpayers, involves people. When we talk about a 4-percent or 6-percent or 8-percent unemployment rate, those are Americans out of jobs. They are not just a statistic. They are Americans and they are, as Americans, entitled to every opportunity we can give them for jobs.

Therefore, when we think about jobs and when we think about unemployment rates, let us make sure that as we consider a measure such as this, that we think about the people, the wage earners, and

the fathers and mothers that will be thrown out of work in the event that what I forecast comes true.

So in summary and conclusion, Mr. Chairman, I would like to say that I have been and we are fortunate that you have convened these hearings yourself, that you are coming to these districts, and that you are conducting national hearings in order to determine the effects of this cutback or of the proposed change on not only the public, but the American citizens. In that regard, please remember the poor, please remember the black and small businessmen and please remember the unemployed.

Thank you very much.

Mr. METCALFE. Thank you very much, Mr. Finney, for your very fine presentation. I have no questions to ask of you, because I think you have covered the subject more than adequately and with great thought and perspective.

Congressman Derwinski, do you have any questions?

Mr. DERWINSKI. No; I have no questions.

Mr. METCALFE. Thank you again, Mr. Finney.

The next witness will be Ms. Dianne McCollough, acting executive director of the National Association for the Advancement of Colored People.

Ms. McCollough, do you have a prepared statement?

Ms. MCCOLLOUGH. Yes; Mr. Chairman, I do. It is very brief.

Mr. METCALFE. You will read the entire statement?

Ms. MCCOLLOUGH. Yes.

Chairman METCALFE. Proceed.

STATEMENT OF DIANNE McCOLLOUGH, ACTING EXECUTIVE DIRECTOR, CHICAGO SOUTHSIDE BRANCH, NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Ms. McCollough. Thank you. My name is Dianne McCollough.

To the Honorable Robert Nix, chairman of the House Post Office and Civil Service Committee, the Honorable Ralph Metcalfe, First District of Illinois, and members of this U.S. congressional committee: It is an honor to appear before your distinguished committee as a representative of the National Association for the Advancement of Colored People. I appear before you with concern regarding the announced intention of the Postal Service to eliminate the Saturday mail delivery. Mail delivery is a service that millions of Americans depend upon as their sole source of communication. Society today is plagued with problems resulting from the lack of communication. Correspondence by mail is an affordable system of communication that is utilized by Americans independent of race, color, sex, or socioeconomic condition.

The basic program of the NAACP is designed to eliminate racial discrimination in all aspects of public life. President Lyndon Johnson told the 1965 graduating class of Howard University that, "Freedom is not enough * * *. We seek not just legal equality, but human ability, not just equality as a right and theory, but equality as a fact and equality as a result." In August of 1977 during a hearing of this same Committee, the Chicago NAACP went on record in opposi-

tion to the proposed move of the South Suburban Postal Facility to the bulk mail center site in Forest Park, Ill. Today, we are opposed to the announced intention of the Postal Service to eliminate the Saturday mail delivery.

The NAACP has ascertained the impact of the elimination of Saturday mail delivery on the minority community. This action will cause an increase in unemployment among blacks. According to statistics as of December 1977, unemployment among blacks in Chicago was 7.5 percent with many black areas far exceeding this rate, of course. Among white residents of Chicago during this same period, unemployment was only 3.8 percent. Chicago has been identified by the U.S. Department of Commerce, Economic Development Administration, as an economic depressed area based upon the high unemployment figures.

The issue of the elimination of Saturday mail delivery is of major importance to the NAACP and the constituency we represent. The NAACP has received numerous complaints of employment discrimination and underutilization from postal employees especially in the area of management. In many areas of the Postal Service, it is obvious that the work force does not reflect the percentage of minorities in the labor market. However, based upon statistics the NAACP has received, this discriminatory practice is not reflected in the percentage of minorities in the mail carrier position. Presently there are 4,292 postal carriers in the city of Chicago. There are 2,308 black postal carriers, representing approximately 53 percent of the total postal carrier work force in Chicago. If one working day is eliminated, this action will cause a reduction of 715 postal carrier positions, in general. This will result in the reduction of 379 postal carrier jobs among blacks, in addition to the elimination of other positions associated with postal delivery within the Postal Service system.

Congressman, your committee cannot use only statistics when making your final decision. The psychological, economic and sociological impact of unemployment upon the affected families must be taken into consideration. The Carter administration has promised the citizens of this country that he is deeply committed to the creation and maintenance of jobs for the unemployed and poor in this Nation. The NAACP is in total support of job creation, not job elimination.

A person's job is a key factor in determining the accessibility of other rights and special privileges in America. The elimination of Saturday mail deliveries will have an adverse effect of decreasing employment equality and decreasing the equality of opportunity.

Thank you for providing the opportunity to express the views of the Chicago Southside, NAACP and the people we represent.

Mr. METCALFE. Thank you very much, Ms. McCollough, for your very fine statement.

In your statement you indicated that you testified when we had hearings here before in regard to the proposal of the post office to remove the South Suburban Postal Facility to the suburbs.

You are, of course, aware of the fact that you, as well as others, who have testified today—including Mayor Bilandic, Mr. James Compton as represented by Mr. Taylor, and Mr. Leon Finney—were also witness to that and the fact that we are successful in achieving that goal of keeping the jobs here on the southside.

Hopefully as a result of your dynamic and factual statement, we will have the same success in these hearings that we previously had.

Thank you very much for your presentation.

Congressman Derwinski, do you have any questions you wish to ask Ms. McCollough?

Mr. DERWINSKI. No, thank you, Mr. Chairman. I think you properly noted the effect of the coalition involved in the last problem it had with the Postal Service and it is obvious that there is great interest in this matter.

Thank you for presenting the views of your organization.

Ms. MCCOLLOUGH. Thank you.

Mr. METCALFE. Before I let you go, let me say we are encouraged, among other things, by the fact that there has been a huge outcry through citizen participation and, I might add, organization participation. We have seen the effects of it and we will see the effects of it today.

Thank you very much.

Ms. MCCOLLOUGH. Thank you, gentlemen.

Mr. METCALFE. According to my watch, it is now 9 minutes to 11.

The committee will now stand in recess until 11 o'clock, at which time we will promptly reconvene.

We stand in recess.

[Brief recess.]

Mr. METCALFE. The hearing of the Post Office and Civil Service Committee will again come to order.

Our next witness will be Mr. H. Max Healey, executive director of the Uptown Chamber of Commerce.

Mr. Healey.

**STATEMENT OF H. MAX HEALEY, EXECUTIVE DIRECTOR,
UPTOWN CHAMBER OF COMMERCE**

Mr. HEALEY. Mr. Chairman, Mr. Derwinski, and gentlemen, the testimony which I shall read consists of a letter which the president of the Uptown Chamber of Commerce, Mr. Gerhardt E. Umlauf addressed to you, Mr. Chairman, on the 11th of this month on the subject of the elimination of Saturday mail delivery. [Reading.]

DEAR CONGRESSMAN METCALFE: This letter is in response to your Mailgram invitation to the Hearing of the House Post Office and Civil Service Committee scheduled for Monday, January 16th, at the Dirksen Building beginning at 9:30 a.m. to assess public opinion concerning the announced intention of the Postal Service to eliminate the Saturday mail delivery.

By unanimous approval of the Board of Directors of our Chamber at a meeting on Tuesday, January 10, 1978, I was authorized to make the following statement:

"As representative of sixty-five member firms composing a significant part of the business and financial interests in that area of Chicago commonly known as Uptown, the Uptown Chamber of Commerce strongly opposes the elimination of Saturday mail delivery or any other measure which would reduce the level of postal service to our community. While the reasons are manifold, there is no reason to compile an exhaustive catalog of objections. To cite a few should suffice. One of the principal newspapers circulating in the area is a weekly which normally reaches subscribers by mail on Saturday. There is heavy reliance on the paper as a source of information for news content as well as advertising by local merchants and residents alike."

Mr. HEALEY. Parenthetically, Mr. Chairman, I think it is very interesting that this, coming from the heart of the metropolitan area of Chicago, coincides with the remarks which Congressman Anderson made about his rural constituency in his district. To continue:

Almost without exception, retail establishments, banks, and most professional offices function at full schedule on Saturday. On the other hand, many of these same establishments, including the three principal banks, are closed on Wednesday—a practice which responds to the need of the community. Public aid recipients, Social Security pensioners, and others who might receive funds by Saturday mail delivery when they can cash them would otherwise experience difficulty or undergo hardship if forced to wait over the week-end. There are legal ramifications insofar as public notices, evictions, foreclosures, premium lapses, and similar actions are involved, all of which we believe would have an adverse effect.

In conclusion, our organization can find no affirmative reasons to support the proposition to eliminate Saturday mail delivery except for the argument of alleged economy which, in our opinion, would prove as specious and illusory as other measures advanced to salvage our postal service.

Thank you.

Mr. DERWINSKI. Thank you, Mr. Healey. We do have copies of your letter. We appreciate your emphasis on the impact of this proposal. I would like to emphasize at this point that it is nothing but a proposal and it is quite obvious that it does not receive much support or encouragement from the people who have testified.

On behalf of Congressional Metcalfe, I thank you for joining us this morning and thank you for your views.

Mr. HEALEY. Thank you, Mr. Derwinski.

Mr. DERWINSKI. Is Reverend Pembroke, pastor of St. Mark's Methodist Church, present?

Do you have a prepared statement, Reverend?

Reverend PEMBROKE. No, Mr. Chairman.

Mr. DERWINSKI. You may proceed as you please, then.

Reverend PEMBROKE. Thank you, Mr. Derwinski.

STATEMENT OF MACEO PEMBROKE, PASTOR, ST. MARK'S METHODIST CHURCH

Reverend PEMBROKE. I am Reverend Pembroke, pastor of St. Mark's United Methodist Church and also president of the Minister's Division of PUSH. Therefore, I think I can speak affirmatively for a large part of the religious community.

Let me thank you for coming to the people, for one of the prophets said that "We ought to reason together," to examine even good intentions to see if they are best for all that are concerned.

I have mixed emotions about eliminating one day of service from our postal system, when it is already inadequate. The churches depend greatly upon the postal system. I polled a congregation of about 1,200 persons yesterday and it certainly affirms the poll that has been taken by Congressman Metcalfe. To the person, they were against the elimination of the Saturday mail service.

The church depends upon the mail service for much of our offering. I would suggest that maybe a third of the weekly offering comes through the mail; and much of it arrives in the Saturday mail from parishoners who will not be able to come to church. Then there are a

number of notices that we send to our parishioners to keep our ministry and mission going and we depend upon the mail. We certainly would hate to see it eliminated.

Many of our members, even in the church that I pastor, are employed gainfully in the Postal Service. Therefore, at a time when the President of these United States is trying to create jobs, I cannot understand why we can afford the luxury of even thinking about eliminating a job.

So on behalf of the churches, I would say that we should not cut our mail service, because we depend upon it greatly. Ethnic minorities depend upon it greatly for a livelihood.

Thank you very much.

Mr. METCALFE. Thank you very much, Dr. Pembroke. It is very significant that any very worthwhile venture, that with any challenge to the people of Chicago, any progressive movement as it relates to blacks and citizens of Chicago, that you are always in the forefront.

We are pleased that you made no exception at this time.

We extended you an invitation because we know of your reputation and your vital concern with God's work 7 days of the week. We appreciate your being here.

Your representing the churches is so significant to the importance of this testimony, as was the case of Mr. Healey, who represented the chamber of commerce; because we want both points of view. We want all points of view in order to have a true assessment as to what all of the people of America think with respect to the possibility of eliminating Saturday delivery service.

We are pleased, indeed we are honored, that you would again grace us with your presence by being with us this morning.

Thank you very kindly, Dr. Pembroke.

The next witness will be Mr. Robert Lucas, executive director, Kenwood-Oakland Community Organization, known as KOCO. The remarks I previously made, above, certainly apply equally to you, as one of our great leaders and as a very concerned citizen. We are delighted that you are with us today.

STATEMENT OF ROBERT LUCAS, EXECUTIVE DIRECTOR, KENWOOD-OAKLAND COMMUNITY ORGANIZATION

Mr. LUCAS. Mr. Chairman and members of the committee, I appreciate the opportunity of being able to appear before this distinguished committee on behalf of the Kenwood-Oakland Community Organization. As many people might know in this room, I really represent more than the people in Kenwood-Oakland. I have been involved, as the Congressman indicated, in the struggle for minority and human rights in this city for some 17 or 18 years. I am on many boards and we are part of many umbrella organizations. So in that sense, I am speaking for more than the people in my community.

It might be somewhat of a surprise to some of you that I am an ex-postal worker. I was in the post office for some 18 years. I remember years ago, there used to be two deliveries on Saturday. For whatever the reasons, the post office decided to cut back from two deliveries to one delivery. Now they are thinking about eliminating the Saturday delivery, which I am opposed to and I will give you my reasons.

I think Reverend Pembroke indicated, Mr. Chairman, that the present system is inadequate; and, indeed, it is. I believe, according to one of your staff persons, an invitation was sent to me around January 3, in order to make a prepared statement for this committee. I did not get that invitation and that is the reason I do not have a prepared statement at hand.

I think that Ms. Carter, a member of your staff, did call me up, I believe on Thursday, and asked me if I would come and make a statement. I told her I would be happy to do so. I must apologize for not having a written statement.

The first reason I am opposed or we are opposed to this is because of the jobs that it will eliminate. For any number of reasons in this great city of ours, blacks are still unemployed in large numbers. For example, in my community, it is useless to talk about statistics, whether it is 6 percent or 7 percent or what-have-you. The youth unemployment must be 70 or 80 percent. A couple of years ago, we sat down with some staff personnel from the Urban League and tried to develop a formula to indicate the number of persons that were unemployed in the Kenwood-Oakland Community. The best that we could come up with was something like 40 percent.

So certainly we are opposed to it because of the large number of jobs that will be eliminated. In spite of the progress that has been made in the job field over the last 20 years—and blacks certainly have made some progress—we are still relegated to mainly Government jobs and some other service-kinds of jobs. We have yet really to break into industry in a real way—that is, midmanagement or near the top. I am opposed to it for that reason.

I am also opposed to the cutback or the elimination, because of the fact that in my community, which is made up of some 52 percent public aid recipients, and because of the way the Illinois Department of Public Aid operates, I don't want to say it is inefficient, but there is really no schedule in terms of mailing out checks to public aid recipients. So many of those people, as you can see, rely solely upon their public aid recipient checks. That check may come on Friday, Saturday, or any other day. So we simply do not want to chance it. We would not want a person's check to be in the post office on Saturday, because of a lack of delivery. The people certainly need their checks.

Also, there are some people in my community that are unemployed, a great number of people who are unemployed. There are some of these people that are receiving unemployment compensation. Again, for whatever the reasons, these checks are mailed out by the State in a kind of erratic way. There is no specific time or date that these checks are mailed out. We certainly would not want again people's checks, you know, being in the post office, unemployment checks, because of the elimination of Saturday delivery.

Of course, I could sit here and cite any number of other reasons. There are small businessmen in the community. A number of them would be affected by the elimination of the Saturday delivery.

I think that I have made the point. Again, Congressman Metcalfe and Congressman Derwinski, and you might pass this on to Congressman Anderson, I appreciate the fact of being able to appear before this committee this morning. We do hope and wish that Saturday delivery will not be eliminated.

Thank you very much.

Mr. METCALFE. Mr. Lucas, before you leave, let me say that ironically the letters that were sent here for my signature got lost in the mails, though we finally got them.

Did you not receive a Mailgram from me, Mr. Lucas?

Mr. LUCAS. I received a Mailgram; but I should have received a letter. After your staff discovered they did not have any response from me, they decided, and correctly so, that I had not received the original invitation. So they in turn send me a Mailgram.

Mr. METCALFE. Fine. The main thing is Ms. Carter who is on my staff and is coordinator for these hearings, was alert and recognized the probabilities.

Let me say this: Your testimony is so significant, because you represent the Kenwood-Oakland Community Organization. Kenwood-Oakland has the dubious distinction of probably having the highest unemployment rate in the city of Chicago. I have used that figure in many speeches that I have made, in order to illustrate the importance of unemployment and the drastic effect it has on the community.

Certainly we are very fortunate that you have shown great concern and have given great leadership not only in the Kenwood-Oakland community, but certainly for all of Chicago and for the welfare of all people. We are delighted that you were able to be with us today.

Do you have any questions, Congressman Derwinski?

Mr. DERWINSKI. I would just like to point out, Mr. Chairman, I think it is a dramatic record for this hearing to note that the mail you did send out was somehow lost in the mail. That lends credence to the comments of a number of witnesses that there are erratic patterns in mail delivery. Perhaps, though, the fact that you did receive the Mailgram indicates that at least the Mailgram innovation works.

Mr. LUCAS. Yes. Let me make just one comment about the Mailgram. Being an ex-postal employee, many times a supervisor will make a decision about what is important and what is not important in the day's deliveries, of Mailgrams and so forth. Perhaps that is why the letters got lost.

Mr. METCALFE. Thank you very much.

Is Mr. Alvin Shaw present? Mr. Alvin Shaw is vice president of District 7, National Alliance of Postal and Federal Employees. He is representing Mr. Ronald Parker, president.

We welcome you, Mr. Shaw.

STATEMENT OF ALVIN SHAW, NATIONAL ALLIANCE OF POSTAL AND FEDERAL EMPLOYEES, ON BEHALF OF MR. RONALD PARKER, PRESIDENT

Mr. SHAW. Chairman Metcalfe, Congressman Derwinski, I am representing the National Alliance of Postal and Federal Employees, who have been operating for the last 66 years in the Chicago Postal Service.

Mr. Chairman and members of the Subcommittee on Investigations, I am grateful for this opportunity to appear before you to express our deepest concern for the rank-and-file postal carrier, the general public, patrons of the Postal Service and the plight of the communities that would be further squeezed by more unemployment. These communities are the residences of the poor and minorities, where social turbulence

and family stability is a pattern too much a way of life. The passage of this proposal, the reduction of mail deliveries from 6 days to 5 days, would eliminate between 20,000 and 30,000 jobs. The small businesses which have a built-in dependence on the Postal Service for their selling and collecting, the banks and the wholesalers would all suffer. Recovery from this recession would only lengthen.

Our opposition to the proposal is also reflected in the nature of the crisis—technological displacement of workers by the hopeless automation and costs of the Postal Service as exemplified by the bulk mail center.

Eliot Janeway, renowned economist, typifies the Postal Service, "In the political and economic scheme of things," as being "squarely in the middle of no man's land." The workers and the public are made to pay for the costs and sacrifices.

The Postal Service was not brought into the Government with a profit or "break-even" proposition, but with a constitutional obligation to provide service. We contend that the proposal of a 5-day week is a refutation of that obligation. The Postal Reorganization Act states it is to be "a basic and fundamental service to the people, authorized by the Constitution, created by an act of Congress and supported by the people." It further states that the function of the U.S. Postal Service "is to bind the Nation together through personal, educational, literary, and business correspondence of the people."

To crucify those determinatives on a cross of profit or "break-even" concepts borders on a breach of constitutional precepts.

Paying people to work is value received and will move the mail. Laying them off and paying them when they are not working and cannot find a job is unworthy of the richest country and debasing to the victim.

I want to thank you again for this opportunity.

Mr. METCALFE. Thank you very much for your very fine statement, Mr. Shaw. We appreciate it very much.

I have no questions to ask of you.

Congressman Derwinski?

Mr. DERWINSKI. I just have one comment.

Mr. Shaw, a number of times in your statement you referred to "profit and break-even concept." I think that is a proper point to make. The figures show that this proposed cutback would save \$400 million in expenses. The Postal Service deficit, though, is about \$2 billion. So that this adjustment, if it took place, would hardly be more than a drop in the bucket in the red ink that the post office has anyway. I think it is important that you stressed that there isn't enough justification for this idea, even from the break-even concept, because it would not approach it.

Mr. SHAW. On the contrary, after 29 years in the Postal Service, for the last 29 years all I could hear was "break even." They have not broken even in 29 years. So I am pretty sure they are not going to break even now.

Mr. DERWINSKI. Thank you, Mr. Shaw.

Mr. METCALFE. Thank you.

Our next witness will be Mr. Nelson Duncan, a member of the Windy City chapter, National Paraplegic Foundation.

Mr. Duncan, will you have a seat.

STATEMENT OF J. NELSON DUNCAN, ON BEHALF OF THE WINDY CITY CHAPTER, NATIONAL PARAPLEGIC FOUNDATION

Mr. DUNCAN. Mr. Chairman, and members of the committee, I am J. Nelson Duncan of Chicago, Ill., and a member of the Windy City chapter of the National Paraplegic Foundation.

The Windy City Chapter, National Paraplegic Foundation, is one of the many consumer organizations in the country concerned with the plight of the handicapped.

It has been estimated that 10 percent of the Nation's population is handicapped. For many years they were denied certain rights and benefits. It now appears some of the benefits gained through recent legislation are about to be taken away.

The proposed cutback in postal delivery services can cause some undue hardship to the entire population of the country. Under the proposal, mail scheduled for delivery on Saturday—the current schedule—because of the volume of mail generated in any business or household on Friday, and which would normally be delivered on Saturday, would be held for Monday or Tuesday delivery. As these backlogs accumulate the nondelivered mail can reach astronomical figures.

There was a time when mail deliveries were made more than once a day. For certain reasons, deliveries were cut back to once daily and fees began to increase. Many businesses and households are complaining about the slow delivery of mail. We, the citizens of this progressive country that has put men on the moon and returned them to their families, are deserving of better than a Monday-to-Friday delivery schedule of our mail. The fee we pay for first-class mail is today getting us less in service than what was available under the lesser rates of 1940-50.

Is this proposed cutback in Saturday delivery the beginning of another trend? Are we soon to see additional reductions and curtailments? Are we to see continued increases in the postal rates? What will be accomplished laying off the proposed 10,000 personnel in the Postal Service across the country?

Mr. METCALFE. Does that complete your statement?

Mr. DUNCAN. That completes my statement.

Mr. METCALFE. Thank you very much, Mr. Duncan, for your very fine statement. We are happy and very pleased that you were able to be with us and share with us the views of the National Paraplegic Foundation. It is vitally important to our hearing this morning.

Do you have any questions, Congressman Derwinski?

Mr. DERWINSKI. No; thank you very much.

Mr. METCALFE. Thank you very much, Mr. Duncan.

The prepared statement of David C. Simonson, publisher of the Papers of Pioneer Press, Inc., will be placed in the record.

[The statement follows:]

STATEMENT OF DAVID C. SIMONSON, PUBLISHER OF THE PAPERS OF PIONEER PRESS, INC.

We should like to include this statement as part of the House Post Office and Civil Service Committee hearings in Illinois on Saturday mail delivery.

We are unalterably opposed to the elimination of Saturday postal delivery.

As publishers of 17 newspapers in the Chicago suburban area, we urge the continuation of Saturday mail delivery. Although none of our products are pres-

ently delivered on Saturday, throughout the country there are newspapers relying on postal service delivery, who require multiple-day delivery, many on Saturday. Merchandising habits—large weekend and beginning-of-week marketing—are forcing many other publishers to consider weekend products. Should Saturday postal delivery cease, these publishers, along with others, will seek alternate delivery systems for delivery of their products. To finance these delivery systems, they will not only withdraw their own publications from postal service, but may solicit deliveries of "profitable" items currently being delivered by the postal service.

The proliferation of alternate delivery systems will only weaken the service and force higher rates on the general mail user. The original mission of the postal service was to serve the nation and the free exchange of information—not to make a profit.

Secondly, as lifestyles change throughout the country, more and more families experience both adult members working, with no weekday time for any shopping, chores, et cetera. Saturday has become the only time available to use postal facilities and to do family shopping. The increasing number of families now forced to this schedule to meet inflationary living costs should not be deprived of the ability to use Saturday post office services.

Thirdly, as these lifestyle changes, more retailers, whose cash flow and inventory is so dependent upon mail deliveries, have been forced to conduct business on a six and seven day basis. Mail service is an integral part of their business, their ability to stay afloat, to pay their help, to meet their obligations. Because major corporations may not operate on Saturday does not mean that the local retailer closes down. He requires Saturday mail delivery to stay alive, and he is the backbone of the grass roots economy of this nation.

Mr. METCALFE. That completes our list of scheduled witnesses. We have set up microphones on the floor for anyone who wishes to make a comment or statement, to give their reaction to these hearings.

Is there anyone who would like to do so? If so, we would like you to stand, come forward to one of the mikes or you may even be seated here and give your statement after identifying yourself.

Mr. DI SILVESTRO. If I may, I would just like to make a brief statement.

STATEMENT OF MR. LOUIS P. DI SILVESTRO, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. DI SILVESTRO. First of all, I am Louis Di Silvestro, of the National Association of Letter Carriers.

I want to say I certainly appreciate sitting here this morning, listening very attentively to the testimony given here.

I have had the pleasure of talking with you Congressmen—Mr. Chairman and Mr. Derwinski—at various times about some of our postal problems. One thing, as Mr. Derwinski alluded to many times here this morning, is this concept of breaking even. I think one thing for the record, perhaps it should be stated that since 1972, we have lost something like 13,895 letter carriers and picked up something like 13 million deliveries, which shows that there has been an increase in productivity across the Nation. I think the letter carrier has proven this, has picked up some of that tempo and still there has been no savings in costs.

I think that we are taking, perhaps, the wrong approach again in trying to save money in this area. With the rising costs of living throughout the company, we certainly cannot allude just to the Postal Service. The question, again, that we go right back to is whether we are going to be a business or a service to the American people. I think at some time or another, we are going to have to send out a referendum

of some sort to the American public. Perhaps each and every one in this great country of ours has to make that determination of whether he wants this to be a service or a business.

Thank you very much for allowing me to be heard.

Mr. METCALFE. Please remain where you are momentarily. I think we both want to make a comment with regard to delivery service.

I am of the opinion that alternative proposals should be explored to save money, rather than cutting down service and eliminating jobs. Previous cutback in frequency of Saturday mail delivery has not resulted in cost savings to users, as I previously stated, in 1952, under the then-Postmaster Jesse Donaldson. As a matter of fact, instead of reducing costs it increased the costs of the service.

I would like to point out that when the Postal Service was first initiated back in 1863, it was not intended at that particular time that it would be a profitmaking organization, but rather for the benefit and service to the people; and that the cost of postage would only bear some of the costs of maintaining the postal system.

I do not see any figures that indicate we should be moving in any other direction than that; to ask the public to continue to bear increases in the costs of postage, when right now the value of the dollar has diminished a great deal seems a bit too much.

I just happened to be looking over a file of mine. In 1970, a regular postage stamp cost 6 cents. Now it has more than doubled. Now they are talking about adding another 3 cents to the 13 cents. We can go ad infinitum in regard to postage. The next thing we know, it will be a quarter. Then how long will we stay at a quarter before we go to 30 cents for a regular letter. This has something to do, as witnesses have stated before, with the total structure of the American public and its mode of living. There are many who cannot even afford to write.

Excuse me; I just wanted to make that observation.

Mr. DI SILVESTRO. That is true. In fact, one of your colleagues also stated it may go to \$1, Congressman Metcalfe.

Mr. DERWINSKI. Mr. Di Silvestro, you are a modest gentleman, because you did not give us your title. You hold a major position, do you not?

Mr. DI SILVESTRO. I am national business agent for the Chicago region.

Mr. DERWINSKI. Well, I think we should have that for the record and that you should not be so modest about it.

I would just like to echo the comments Mr. Metcalfe made as to the problem we have. It is sort of incongruous to be cutting service, while at the same time rates are inevitably rising. It would seem to me that if rates are to continue to rise, there should be an effort to somehow improve service in some proportion to the rate increase, rather than raising rates simultaneously with the cut of service. Fairness to the public would require that we try to improve service, not cut it back, when rate increases will be, of necessity, forthcoming.

I guess you gentlemen soon will be busy in negotiating your new contract, will you not?

Mr. DI SILVESTRO. Very true; this coming April.

Mr. DERWINSKI. We will be seeing you in Washington.

Mr. DI SILVESTRO. Yes, indeed. I'll be seeing you next week.

Mr. METCALFE. Thank you very much, Mr. Di Silvestro. Does anyone

else wish to make a statement?

[No response.]

Mr. METCALFE. Let me remind the press there will be another hearing at the Wentworth Township Hall, 15350 South Oak Park Avenue, starting this afternoon at 2 o'clock, at which time Congressman Derwinski will be chairing the meeting and I will be present with him.

Mr. DERWINSKI. I notice from the original list of witnesses, Mr. Draper of the Postal Workers Union, and Commissioner Stroger, who, I believe, is a county commissioner.

Mr. METCALFE. That is right.

Mr. DERWINSKI. They were to be present. I would ask unanimous consent that if they submit a statement, that it be included in the record of today's proceedings.

Mr. METCALFE. Hearing no objection, it will be so ordered.

Let the record show there are no further persons in this assemblage who wish to be heard.

[Brief pause.]

Mr. METCALFE. With that, this hearing now stands adjourned.

SIX-DAY MAIL DELIVERY

MONDAY, JANUARY 16, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Oak Forest, Ill.

The committee met, pursuant to notice, at 2 p.m., at Bremen Township Hall, 15350 South Oak Park Avenue, Hon. Edward J. Derwinski (acting chairman of the committee) presiding.

Also present: Representative Ralph H. Metcalfe.

Mr. DERWINSKI. Good afternoon, ladies and gentlemen.

The purpose of this hearing is to obtain testimony from interested mail users and the general public on a proposal by the U.S. Postal Service to discontinue delivering mail on Saturday.

This is one in a nationwide series of hearings being conducted by the House Post Office and Civil Service Committee, so I am especially pleased to have this opportunity to welcome so many citizens of the Fourth Congressional District.

With me today is my good friend, colleague, and fellow member of the committee, Congressman Ralph Metcalfe.

This morning it was my pleasure to participate in a similar meeting conducted by Congressman Metcalfe for his constituents and for Federal officials in the Federal offices in Chicago.

Last year, the Commission on Postal Service, which was a special group created by Congress, recommended that Saturday mail delivery be discontinued in order to save postal expenses, and presumably, head off an increase in postage rates.

It has been estimated that the elimination of Saturday mail delivery could save upward of \$400 million a year.

Our committee wants to know how the mail-using public feels about this proposition.

I know from my experience on the committee there are no easy answers or solutions to the complicated problems of the Postal Service and especially the finances.

By way of additional background, there is a bill pending before the committee, its number is H.R. 9146, introduced by our committee chairman, Congressman Nix of Pennsylvania.

Congressman Metcalfe and I are among the cosponsors.

This bill has been approved by our committee and would require that the Postmaster General submit all proposed changes in national mail standards to Congress; if either the House or Senate rejected the proposal it could not become effective, which means that before Saturday delivery could be terminated, it would be subject to this procedure before the Congress.

We have a list of witnesses. I will call them in the order in which we have them listed.

We ask them to be informal and emphasize their personal views in their testimony. All testimony will be included in a formal hearing record which will be published at a later date by the committee.

After we have heard the list of witnesses, we'll accept any comments, suggestions, discussions, and criticisms of the Postal Service from anyone in attendance.

The first witnesses I am pleased to call are two distinguished local government officials: Mr. Jim Jesk, who is the township supervisor of Bremen Township, actually Jim is our host today, and Lou Viverito, who is the township supervisor of Stickney Township.

They are here to speak to us from their years of experience in local government service, and the interest of their constituents on the subject.

So gentlemen, proceed informally, and incidentally, Mr. Viverito, I have your letter.

Mr. VIVERITO. Good.

Mr. DERWINSKI. So I will put that in the record in full, so you can either read it or make additional comments if you so wish. We could do it either way.

Mr. VIVERITO. If I may, I would like to read the statement that I had more or less prepared for you if it is all right.

Mr. DERWINSKI. Fine, you may.

Mr. VIVERITO. Congressman—

Mr. DERWINSKI. Excuse me 1 minute; sorry, I forgot one important thing.

I would like to recognize Congressman Metcalfe for a moment.

Ralph, do you have any statements you would like to make before we go into the witnesses' testimony?

Mr. METCALFE. Thank you very much.

Mr. Chairman, Supervisor Jesk and my good friend, Lou Viverito and Stickney Township supervisors and all of the very distinguished people that I see listed here as potential witnesses, I would like you to know that I am delighted to be with you in Oak Forest this afternoon to obtain the views of public-spirited citizens on this very important postal matter.

I would like to thank the Honorable Robert Nix, chairman of the House Post Office and Civil Service Committee, for taking the initiative in bringing this matter to the forefront of the public forum.

I am convinced that, without Chairman Nix' intervention, the Postal Service would be well along the way to implementation of a 5-day delivery.

You heard my distinguished colleague and friend, Congressman Ed Derwinski, tell you that other hearings on this subject have been held in various cities throughout the country, and he indicated that earlier today as he joined me in the hearings that were held in Chicago for that particular purpose.

I cannot overemphasize the importance of these hearings, for it is you, the public, who stands to be affected the most if Saturday mail delivery is eliminated.

I would like to echo my colleague, Congressman Derwinski, that we welcome your views and urge your active and spirited participation in this issue.

Thank you very much, Mr. Chairman.

Mr. DERWINSKI. Thank you, Congressman Metcalfe.

Now you may proceed, Mr. Viverito.

**STATEMENT OF LOUIS S. VIVERITO, TOWNSHIP SUPERVISOR,
TOWNSHIP OF STICKNEY, BURBANK, ILL.**

Mr. VIVERITO. Congressman Derwinski, Congressman Metcalfe, Mr. Fisher, and committee, if I may read it, then I will so state for the record.

Despite the U.S. Postal Service's interest in a possible means to help alleviate its budgetary-administrative problems, I am unilaterally opposed to the curtailment of patron mail delivery service for the following reasons:

(1) To reduce mail delivery service would seriously lessen the usefulness and value of this service to our Nation;

(2) countless other agencies and organizations would have to revise their procedures in order that social security, welfare and pension checks, to list but a few, might be delivered predictably to their needy recipients;

(3) mail delivery of important medical, laboratory, and associated health reports would no longer be dependable or predictable;

(4) considering the currently unpredictable delivery schedules of even first class mail at times, special notice or documents could conceivably arrive at their destinations too late to be useful; and

(5) the delivery of bulk mail items, community newsletters, reports to senior citizens, would be even further delayed.

While I am in total accord with the Postal Service's goals to improve their fiscal management policies, I strongly urge that such goals be accomplished in ways other than at the expense of service to postal patrons.

It is therefore my wish, and my hope, that you will not lend your support to this tentative plan.

Thank you very much.

Mr. DERWINSKI. Thank you, Mr. Viverito.

I also should mention for the record that in his capacity as township supervisor, Mr. Viverito is president of the Board of Health of Stickney Township. That's an entity which is noted for health service in the township and has been noted as one of the best examples of its kind in the country.

That leads me to one question I have, which is that in item 3 of your prepared statement, you felt that this reduction of delivery service would complicate the delivery of medical, laboratory, and associated health reports.

You are referring, of course, to your experience in the township of Stickney health program?

Mr. VIVERITO. Yes; many times we have to send out things that are rather important for our lab, and sometimes those things are of utmost importance that they be analyzed as quickly as possible, and people sometimes have to wait for those results as we do many times when we go for physicals and things like this.

I certainly think it could be a hindrance to the people who might be ill.

Mr. DERWINSKI. Thank you.

Congressman Metcalfe?

Mr. METCALFE. I would like to ask Mr. Viverito one question in regard to item 2 that you mention here about the people receiving their social security, welfare, and pension checks.

In the testimony today, we heard one of the witnesses that indicated that there is no one day in which all of them receive their checks that are disbursed, I mean over the period of the 6 days that we have delivery service. Now, do you find that to be true also in Stickney?

Mr. VIVERITO. I would think so, Congressman Metcalfe.

In many, of course, we got a little over 6,000 senior citizens in Stickney Township that seem to just wait by the mailbox almost for that delivery.

That is one of the reasons I am stating this for the record.

Mr. METCALFE. Thank you very much.

Mr. DERWINSKI. Thank you, Mr. Viverito.

Now, Mr. Jesk, who is the supervisor of Bremen Township and our host for this meeting.

STATEMENT OF JAMES JESK, TOWNSHIP SUPERVISOR, BREMEN TOWNSHIP, OAK FOREST, ILL.

Mr. JESK. First, I am a former postmaster, so I know the problems involved in the Post Office Department, but speaking on behalf of the many fine people of this area, I think we are gratified to have two distinguished Congressmen with us today to delve into the problems of probably the largest business in the country and one that has created a great deal of controversy and some trouble, some to many local businessmen and residents.

I think the assembly here today is gratifying to see so many people on a day that isn't particularly inviting and also, that our Congressmen will take the time to be with us and hear the views of these people who are here for the purpose of working out some of the problems that they might relate to our Congressmen who in turn can study them and act on them.

Thank you.

Mr. DERWINSKI. Thank you, Jim.

If I may, where were you postmaster?

Mr. JESK. Oak Forest.

Mr. DERWINSKI. How many years ago?

Mr. JESK. You are getting close. We better recapitulate—1945; in that area, 1945 or so.

Mr. DERWINSKI. By gosh, that is something I didn't know.

Mr. JESK. Yes.

Mr. DERWINSKI. Well, do you have any questions of Jim?

Mr. METCALFE. I have no questions, other than to compliment the supervisor.

I am very impressed with this large turnout. We came into a beautiful edifice here, and, of course, it shows a great deal of tremendous pride in the neighborhood as well as in Oak Forest and the township.

Congratulations to both of you.

Mr. DERWINSKI. I think Jim would want us to mention that revenue-sharing funds built this building, so he wants us to continue that program.

Mr. JESK. Keep it up.

Mr. DERWINSKI. Thank you very much, gentlemen. We appreciate your taking the time to be with us this afternoon.

Mr. VIVERITO. Thank you, Congressman.

Mr. DERWINSKI. We will now hear from two distinguished officials of the Postal Service, Mr. Charles Caton, the postmaster of Joliet, Ill., and Mr. Floyd Chapin, who is the Manager of the Sectional Center and Post Office for Oshkosh, Wis.

Would you gentlemen step up, please?

I should mention that both Mr. Chapin and Mr. Caton are very familiar with our area. Mr. Chapin was for a long time postmaster at Harvey, and I believe Mr. Caton was your assistant, wasn't he, when you were at Harvey?

Mr. CHAPIN. At one time; yes.

Mr. DERWINSKI. Gentlemen, you both provided us with statements, so without objection, your complete statement will be placed in the record at this point. What I would like to have you do in the interest of time is to give us the highlights of your statement, and Mr. Metcalfe and I will have questions.

STATEMENT OF FLOYD R. CHAPIN, MANAGER OF THE SECTIONAL CENTER AND POST OFFICE, OSHKOSH, WIS.

Mr. CHAPIN. Congressman Derwinski, Congressman Metcalfe, I am most pleased and honored to have been invited to attend your hearings here today on the possible proposed elimination of the 6-day delivery.

I would like to express a few of my views on this subject, and I would like for the record to state that the views I am proposing here today are strictly mine and not that of the Postal Service, as I do not speak as an official representative of the Post Office Service today or for the people in Washington.

I believe, as we all know, 80 percent of the mail that is generated in the Postal System today is that of business mail. Most businesses are closed from Friday evening through Monday morning. Therefore, I don't believe the elimination of Saturday delivery to our customers is by necessity a deterrent to good postal service.

I think that we can effect very good delivery to our customers on a 5-day basis, taking into consideration all the various aspects of all the interested groups who might oppose it at this time.

For instance, social security checks, benefit checks, welfare checks, et cetera, would be a specific problem to senior citizens and those who are in dire need of those checks.

However, I think that if the Postal Service through the auspices of the Congress would go to the disbursing agencies, Social Security Administration, HEW, the Township organizations and advise them accordingly that we will effect delivery on the day they so specify other than on that Saturday, I think a perfectly logical operational procedure could be worked out so that no one would be affected by the elimination of Saturday delivery.

It has been determined that Saturday delivery could cost approximately \$425 million dollars per year or the equivalent to a 1 cent postage rate charge.

In addition, I think the energy savings that would be realized by the elimination of the 6-day delivery would be to the extent of 20 million gallons of gasoline that are used or consumed by our vehicles. To that extent, we would drive 200 million miles a year less than we are driving our vehicles at the present time.

There are many groups that are in opposition to this proposal, and I would like for the record to state that there are two groups who are primarily opposed to it, and that is the in-State daily newspapers whose services would be affected by the elimination of 6-day delivery. It is possible, however, that some alternative service could be developed to satisfy the needs of the newspaper publishers, even though the second class postage rates which apply to newspapers is relatively low.

The other group expressing opposition to the reduction is generally the postal employees organizations, especially the city and rural carriers. This opposition is self-serving and expected.

I think the senior citizens are probably the most vocal group, and one of the groups that would be affected by this, and I think we would have to reassure them that they would receive their checks regardless of what type they were, on the date that was so specified.

For instance, if a Saturday fell on the first of the month, I think with the disbursing agencies realizing this, working with the Postal Service, we could possibly deliver these checks on the day prior to the date that it should have been delivered. I don't think this is a big problem.

I think that it is important in determining any service adjustments that before we do so we must ask the public what type of service they desire and what are they willing to pay for it.

I think this statement applies to all of our traditional services today. The fact that a service rendered 20 years ago was necessary, does not in itself establish a requirement for it today.

With that, Mr. Chairman, I think you have the rest of my statement, and I would like to thank you for the opportunity to appear here today, and if you have any questions, I will attempt to answer them.

Thank you.

Mr. DERWINSKI. There is a point here that dramatizes at least some of the public attitude.

On the question of reducing service, the response from the public often hinges on the way the question is phrased. I noticed that Mr. Chapin had provided us with a question as asked by Congressman Cleveland of New Hampshire's Second District.

The question was phrased this way, "Do you favor reducing mail delivery from 6 to 5 days per week as a means of holding down the amount of the expected rate increase?"

The answer to that was 60 percent yes; 37 percent no.

Congressman Harkin of Iowa in asking the question phrased it this way: "Do you believe the Postal Service should cut back mail delivery 5 days each week in order to save tax dollars?"

There the answer was 35 percent said yes; 61 percent said no.

So, I think part of our problem in getting a public opinion is exactly how the issue is phrased. I notice that when we equate the question with keeping rates down, people tend to be more favorable.

Mr. CHAPIN. Yes, sir.

Mr. DERWINSKI. If you don't attach that condition, they are unfavorable. Is that the feeling you have?

Mr. CHAPIN. That is generally the feeling that I have found through my experiences with the postal services, and specifically the past year

in that I talked to many community leaders, business people, and fellow postal managers and postmasters. Generally, this is, yes.

Mr. DERWINSKI. Congressman Metcalfe.

Mr. METCALFE. Thank you, Mr. Chairman.

Mr. Chapin, how many employees do you presently have working out of your post office?

Mr. CHAPIN. I have approximately 225 employees out of my post office. However, I am administratively responsible for 854 in my sectional center.

Mr. METCALFE. Now, in the event that there was 1 day of mail eliminated from our schedule, how many of the 225 would you have to lay off, or would you lay off, and how many of the 854 would you lay off?

Mr. CHAPIN. Well, Congressman, I don't know that we have to lay off anyone at all. I think this could probably be done through attrition. I don't have any specific figures. However, I am not proposing we lay off anyone.

I think our attrition retirement rate is at a very rapid pace, and obviously, if something like this were to take place, it would be down the road apiece; wouldn't be the next 2 or 3 months.

I would assume, therefore, I think we could effect this without it being a deterrent to our work force.

Mr. METCALFE. I would like for you to know that I have circulated some 25,000 questionnaires and I will give you the figures in a few moments. The argument of the U.S. Postal Service is that they will save between \$400 million and \$550 million a year, and also, that there would be an elimination of 30,000 jobs per year.

It would be difficult for me to conceive how we are going to lose 30,000 jobs a year when Stickney and Oak Forest does not have to lose any, because it does not say anything about a rate of attrition. You are talking about immediate savings right now.

I would like to share with you the benefit of the returns that I have, and they are open for any public scrutiny as to the accuracy of it.

I received 1,747 who answered the question: Should the Postal Service continue mail on Saturday?"

The question was answered. "Yes," meaning that they thought they should continue the mail on Saturday or the 6-day mail, mind you—1,747—only 241 supported your position that we should eliminate 1 day of delivery.

It is surprising that of those who were undecided, only 30 of them answered in that particular category.

Now, I am impressed with the history of the Postal Service from the time that the delivery was first started back in 1863.

In 1952, the then Postmaster Jesse Donaldson raised the question in terms of eliminating the two times delivery per day, and he argued that it would save \$80 million.

Well, 2 years later, we found that not only did they not save the \$80 million, but that it was increased, rose to \$100 million over the cost of that in 1952.

It's interesting that the majority of those who answered the question do not really believe that the Postal Service will save any money, maybe because of their history, maybe because of the quality of service that they are receiving, but they stated that it would not result in a

reduction in postal rates, and that no service should be cut in light of the Postal Service's recent request for a 25-percent increase in postal rates to take effect next summer.

I think we are going up against some public opinion. Now, in the cities that the chairman has mentioned, there were six hearings held in various cities prior to the end of this year, and there have been subsequent hearings held since the first of the year, and in those hearings we get an up-to-date statistic that one out of three were supporting the idea that we should eliminate Saturday delivery service. In other words, two-thirds said we should deliver it.

Now, I would like for you to just comment on those facts in view of the position that you take, if you will, please.

Mr. CHAPIN. Well, I am sure that, as I said earlier, Congressman, that I heard some of the testimony, I followed some of the hearings, and I think the people have to be reassured that if, in fact, delivery is reduced or curtailed to 5 days, that the parties involved, the American public, if you would please, would have to be reassured that they would still be able to maintain effective, timely delivery with their mail with the proposed 5-day delivery.

You referred to surveys. I think there was a survey conducted in 1977 by the Nielsen Corp. in which I think the question was posed, and here we get involved in how the question was posed to the constituents; would you be in favor of the reduction of the 6-day delivery if it was an alternative to reducing or keeping down postage rates; and I think the survey showed that 77 percent of the persons polled, so indicated that.

I think we have a job to do in order to sell our customers, the American public, that the Postal Service is above and beyond everything that we can possibly expect, and we can do the job if we are given the time in which to do it.

We have problems, as we all know; however, I think our organization is only 7 years down the road, and I think you have to learn to crawl before you walk and walk before you run, and I think we have to be given an opportunity to demonstrate this. Hopefully, we can, and again, I speak for myself, and in the next year or 2, bring about a more financial, stable financial picture to the Postal Service.

I think one of our overriding factors that we all are faced with is the inflation rate. I think this is one of our menaces at the present time.

Mr. METCALFE. I am familiar with the A. C. Nielsen Co.'s survey.

Of course, they only surveyed 3,300 across the Nation, and I took mine from a more concentrated area which is the First Congressional District, which is slightly less than half a million people.

It is true that that rating showed that the people were willing, and I think it's in the couching of the language, but I thought that the figure was higher than the one you indicated. I thought it was 80 percent who indicated the willingness to give up the 6 day, 80 percent, even higher than what you had said, but it is strange that—I mean that in 1977 and 1978 because the questionnaires were out on December 29—there should be such a variance. I would seem to be more likely influenced by the poll that I made.

Finally, I would just like to ask one question, a very delicate question.

Let me be a little more direct and say this is a most inopportune time for the Postal Service to be asking for a reduction in services with the promise of saving more money, when there is so much dissatisfaction with the present postal system and its service. I have to assume that everyone gets their mail the next day out here in this particular community which does not exist in the city of Chicago, and so my question is whether or not if you share with me that this is the most inopportune time with public sentiment being so much against the Post Office?

Mr. CHAPIN. It is a very difficult question, Congressman. I have to disagree. I don't think it is an inopportune time to effect a 5-day delivery.

I think our service standards that have been established by the Postal Service will indicate that we are, in fact, in our region specifically in the Chicagoland area and our 13 State central region, are effecting better than 95 percent next day delivery in all mail entering into our system, and with the proper safeguards and the selling job to build the confidence of the Post Office in the eyes of our customers, I think we can, in fact, do this, contrary to the popular beliefs of many people.

Mr. METCALFE. Just one final say, Mr. Chairman.

Mr. DERWINSKI. Yes.

Mr. METCALFE. And that is, I heard you make a utopian statement about scheduling the delivery so that the people would get their checks on a certain day. It is very difficult for me to conceive that the present postal system as it exists today, that you can guarantee a delivery of a check when you can't guarantee the delivery of important mail that is sent first class.

Mr. CHAPIN. It is not hard for me to understand it at all. We do. In fact, social security checks, for instance, are due to be delivered either on the 31st, the 1st, or 2d of the month, and the envelopes are so identified.

Mr. METCALFE. Yes; that is right.

Mr. CHAPIN. In my sectional center, I have 3,000 square miles of territory, and I don't know how many millions of people. All the complaints eventually come to me.

I know I haven't received a complaint on a late delivery of a social security check in the past 6 months, so we can do it. It can be done.

I think working with the disbursing agencies, if the Saturday falls on the first of the month, as I stated earlier, we can effect the delivery of any type of checks if we are given ample time and we coordinate our efforts. I think it is a coordinating job we have to do here in order to effect the delivery of these things on a day other than Saturday.

Mr. METCALFE. Thank you very much. I don't want to ask you any more questions.

Mr. DERWINSKI. Mr. Chapin. I think you are to be commended for your courage and for the positive spirit with which you approach your assignment.

Now, your associate, Mr. Caton, the postmaster of Joliet.

STATEMENT OF CHARLES CATON, POSTMASTER, JOLIET, ILL.

Mr. CATON. Congressman Derwinski, Congressman Metcalfe, I am presently postmaster of Joliet. Like Mr. Jesk, I was formerly the postmaster in Oak Forest.

I would like to make it clear that my opinions are my personal opinions. I am not here as a representative of the post office. I live in Mr. Derwinski's area. I come from Tinley Park.

In my position as postmaster, I do not sell a product. I manage an office that services the people in my community, and I find it very difficult to think of reducing or curtailing any services.

In my job as postmaster, I also manage an office that is accountable financially to the U.S. Postal Service, as well as the people in the community I serve.

As a manager of the Postal Service and the head of my family, I see daily the effects of inflation. My family and I have seen the rising costs in our utility bills, grocery bills, gasoline and the like; and the same inflation has attacked my operating budget at the post office. In each and every year that I have been in the postal management I have seen drastic improvements in mail processing and delivery production, and yet, inflation has exceeded these goals to the point where my expenses are always higher than the previous year.

One suggested adjustment in service is the reduction in delivery from 6 days to 5. It is quite obvious that some changes must be made or escalating postal rates will result. In my opinion, increased postal rates carry the danger that mailers will refuse to pay more for services they don't want or need and will find alternatives to the Postal Service.

I bring with me some experiences I had as officer in charge in the Oak Brook area, which is a very business geared community. In that community I serviced many major mailers to the Postal Service, and I find that they are devoting a great deal of time and effort to creating mail rooms that will reduce their costs, to the point, in fact, where some managers have changed the texture and thickness of their paper so that they can reduce postal costs.

I have talked to customers in the community after a rate increase, and I have found that very few, if any, accept the rate increases without indicating their dislike.

Each Christmas mailing season that passes, I hear more and more in the lobby of the post office that our customers are reducing their mailing lists because they feel they cannot afford to purchase cards and pay the postage rates as they now stand. Some churches in my area have placed boxes in the rear of the church for acceptance and distribution among the congregation, so again they can eliminate the cost of postage.

I feel that I am a young postal manager, and I don't want to manage a dying business, and if it takes a reduction in delivery rather than lose business, I personally am in favor of it, and if the facts and figures contained in the Postal Service proposal are accurate, and if a major solution to the rising cost is in reduction, is this elimination of the 6-day delivery, I would far better propose this than raising postage and the possible loss in business.

Mr. Bailar has indicated in several newsletters, as I have read them in the local newspapers, that the people of the United States will have to pay for the service, and if the people are willing to pay, then we should stay at 6 days; if not, my personal feeling is we should reduce it to 5 days.

Mr. DERWINSKI. Thank you, Postmaster Caton.

I would like to announce for the record at this point in addition to our two distinguished postal officials, they are receiving, I presume, moral support from three other postmasters whose presence—I am pleased to acknowledge.

That is Postmaster Roger Crossman of Coal City; Postmaster Edward Parks of Wilmington and Postmaster Gerald Burk of New Lenox.

Gentlemen, would you care to stand and be recognized.

Thank you for joining us this afternoon.

Now, you have raised a very fascinating point, Mr. Caton, which is, and I think you are absolutely correct, that you feel that if there is a reduction in service, this particular reduction would mean that postage rates would not be increased, then there might be more support.

Either of you gentlemen correct me if my figures are wrong. If I understand the long-term financial problems of the post office service, the deficit is now in excess of \$2 billion; half of it is offset by the automatic contribution from the Treasury for revenue foregone, and the savings involved in eliminating Saturday delivery would be one-half a billion dollars, to use a round figure. That would mean that the savings would only be one-quarter of the current deficit. If you use another approach, with the pending postage rate increase, first class mail would go from 13 to 16 cents. If simultaneously service were reduced, 1 penny of that 3-cent increase could be avoided.

So, do you think, using those figures, that if you were to eliminate Saturday delivery, but at the same time be required to raise postage rates to 15 cents for first class with corresponding adjustments for other classes, would that be acceptable to the public?

Mr. CATON. I don't feel that I personally—in fact, I know I don't have all the facts of the proposal, or what type of a rate increase they would know that they need at this point.

I can state that we have lost a lot of business already, and I am sure we are going to lose more. We have had utility companies attempt to deliver their own bills. We have had magazine publishers delivering their own magazines. We have lost a lot of business to parcel post carriers, and continually people are striving to start up independent bulk mailing deliveries within a given area in; I think, there has been three or four States.

I am a postal employee. I feel very dedicated to my community, and the feedback I have received from customers at all four offices where I have been in charge, has been this fear of escalating postage.

As a sidelight, my mother-in-law wanted me to turn in a suggestion for Christmas cards, reduced to a post card with a Christmas writing of some sort to reduce the cost.

So, I feel that the American public is very, very concerned about postage and the escalating rate, and something has to be done to curtail it.

Now, in reference to your question of dollars and cents, I don't feel qualified to answer that as to whether the 1 penny would offset it. It would reduce it.

Mr. DERWINSKI. If you will pardon the personal observation, I am especially impressed by your reference to your mother-in-law. You know, it is often said behind every successful postmaster there stands an imaginative mother-in-law.

Do you care to comment, Mr. Chapin?

Mr. CHAPIN. I don't think the American public would accept an increase in postage rates to 15 cents and a reduction in delivery to 5 days a week. It is not in the cards, I don't think, at the present time.

Mr. DERWINSKI. Thank you. Congressman Metcalfe?

Mr. METCALFE. Well, Postmaster Chapin just answered a question which I was going to propound to Postmaster Caton.

Mr. CHAPIN. Sorry about that.

Mr. METCALFE. That is all right. I appreciate the involvement. It is very wholesome to get that testimony.

Last night I was going over some figures of a project that we were working on, and this was in 1970, and which, if my memory serves me correctly, that a regular first-class stamp cost 6 cents in 1970. Do you remember? Do you remember when they raised it from 6 to 8 cents; do you know what the year was?

Mr. CHAPIN. It was prior to 1970, Congressman. I don't have the information available. I know it was prior to 1970.

Mr. METCALFE. Maybe we got it out of 1969.

Mr. CHAPIN. 1968 or 1969, possibly.

Mr. METCALFE. Now, we are up to 13 cents. We didn't hear many protests when we raised it to 8 cents, and now it is up to 13. Now we are talking about 16. We don't know how far that is going to go.

I just simply would ask one question, and that is whether or not the Postal Service has increased along with its rates in your judgment?

Mr. CATON. Increased in what way?

Mr. METCALFE. In terms of efficiency and prompt delivery of the mail.

I heard Postmaster Chapin say that the volume of mail has increased, and I have to assume that in view of the other statement that you made that you are losing customers, it is due to the increase in population. That's the only justification I can see where you are increasing your volume, but yet you are losing business.

Mr. CATON. I can speak personally of an increase of mail volume in my office last year of 5 percent. That was almost totally based on growth. I can also tell you that the 5-percent increase in mail volume was handled with approximately 20,000 less hours than the year before, and all my fellow postmasters, the three gentlemen here today in the rear of the room can attest to it, we have, in fact, feverishly gotten involved in increase in production, and in every office I have been in the last 17 years, there has been an increase from the past year, and I feel that we still have areas of improved production and increase, but there are strides in this matter, and I believe that this can be proven out nationally.

Mr. METCALFE. Finally one other question. How do you propose to decrease the amount of business that you are losing, I mean to mailgrams, to other services; I mean, that has cut down on the amount of volume that you normally would do. In other words, they have taken business away from the Postal Service.

Mr. CATON. A major account in Oak Forest has switched to another carrier. When I was in Oak Forest he was \$1 million customer.

Mr. METCALFE. I wanted to compliment these gentlemen for their testimony, Mr. Chairman. We got two of the most unusual postmasters that have been here to testify before us. I appreciate it very much, thank you.

Mr. DERWINSKI. Thank you, gentlemen.

Mr. CATON. Thank you.

Mr. CHAPIN. Thank you.

[The prepared statements of Mr. Chapin and Mr. Caton follow:]

STATEMENT OF FLOYD R. CHAPIN

Mr. Chairman and members of the committee, for the record, my name is Floyd R. Chapin. I am a Management Sectional Center Manager at Oshkosh, Wisconsin, 54901, and my area covers the east central portion of Wisconsin.

The views which I express today are not official Postal Service policy but are impressions I have gained from personal contacts with other postal managers as well as members of the business community. Many business concerns are closed from Friday to Monday and therefore, delivery to them is not an essential requirement. Since an estimated eighty percent of the mail processed involves business transactions, the elimination of this Saturday service would not have an adverse effect on the conduct of their business.

It is increasingly apparent that public sentiment favors the five-day delivery of mail if the ultimate result would contribute to holding down postage rates. A Nielsen survey conducted in 1977 indicated a seventy-nine percent favorable response to this question, and a number of local surveys conducted along the same lines showed generally the same sentiments. In addition, several surveys conducted by members of Congress, indicated acceptance of the five-day delivery as an alternative to increase in postal rates.

It has been determined that the cost of Saturday delivery is four hundred twenty-five million dollars per annum, or the equivalent to a one cent first class postage charge. In addition, energy savings would be realized with the elimination of one delivery day, amounting to twenty million gallons of gasoline due to the reduction of two hundred million fewer miles being driven by postal vehicles.

There are two principal groups expressing objections to this reduction in service. The first group is the publishers of in-state daily newspapers whose service would be affected and their opposition can be understood. It is possible that some alternative service could be developed to satisfy the needs of newspaper publishers, even though the second class postal rates which apply to newspapers is relatively low.

The second group expressing opposition to the reduction is generally the postal service employees organizations, especially city and rural letter carriers. This opposition is self-serving and expected.

Further, some senior citizens have expressed concern over the possible elimination of the sixth delivery day, which would result in the possible late delivery of their benefit checks, et cetera. However, I am sure some arrangements with the disbursing agencies could be worked out to effect delivery in a timely manner.

The important thing in determining any service adjustment is, does the public desire this service and are they willing to pay for it? This statement can be applied to all of our traditional services. The fact that a service rendered twenty years ago was necessary does not in itself establish a requirement for today.

It is for the reasons noted above that I feel that the Saturday delivery could be eliminated without serious effect.

I thank you for the opportunity to express my viewpoints on the subject of five-day mail delivery.

ADDENDUM

Results of four congressional questionnaires:

Devine, R-Ohio, 12th District—evenly divided on the question of elimination of Saturday mail delivery.

Yatron, D-Pennsylvania, 6th District—several proposals have been made to improve the quality of postal service provided to the American public. Please review the following options in the order of your preference:

- A. Emphasize dependability of mail delivery rather than speed.
- B. Increase government subsidy for postal services and extend it to 1985.
- C. Cut mail delivery to five days a week at an annual savings of \$412 million.
- D. Retain uneconomical rural post offices for their value as social institutions.
- E. Return the Postal service to full government operation.
- F. Base postal rates on social factors as well as actual cost of sending each class of mail.

Answer: 1=C; 2=E; 3=A; 4=F; 5=B; and 6=D.

Cleveland, R-New Hampshire, 2nd District—Do you favor reducing mail delivery from six to five days per week as a means of holding down the amount of the expected rate increase?

Answer: Sixty percent, yes; thirty-seven percent, no; and three percent, undecided.

Harkins, D-Indiana, 5th District—Do you believe the Postal Service should cut back mail delivery to five days each week in order to save tax dollars?

Answer: Thirty-five percent, yes; sixty-one percent, no; and four percent, no opinion.

STATEMENT OF CHARLES CATON

I would like to introduce myself. I am Charles Caton, Postmaster, Joliet, Illinois. I have been employed by the United States Postal Service for the past seventeen (17) years. During this period I have been a city letter carrier, a window/distribution clerk, a supervisor and finally to the position of Postmaster. I have been in charge of four (4) postal facilities, as postmaster or officer-in-charge, during the past seven (7) years and I have witnessed many changes during this period and I am convinced that the Postal Service is receiving better management than it has had at any time during my years of service.

I would like to make it clear that the opinions I will give are my personal opinions and not necessarily the opinions of the United States Postal Service.

The United States Postal Service has proposed to reduce mail delivery from six days to five days a week. In my position as Postmaster I do not sell a product. I manage an office that services the people in my community, and I find it very difficult to reduce or curtail any services. I also manage an office that is accountable financially to the United States Postal Service and our customers in the community. As a manager in the Postal Service and the head of my family, I see daily the effects of inflation. My family and I have seen the rising costs in our utility bills, in our grocery bills, the cost of gasoline and in all consumer products. This same inflation has attacked my operating budget at the post office. In each and every year that I have been in postal management, I have seen drastic improvements in mail processing and delivery production and yet inflation has exceeded these improvements to a point where operating expenses continually rise above the expenses of the previous year.

The Postal Service claims to have limited choices in meeting the demands of higher costs. They claim that they must adjust services, raise the prices on postage or some combination of these.

One suggested adjustment in service is the reduction in delivery from six days a week to five. It is quite obvious that some changes must be made or escalating postal rates will result. In my opinion, increased postal rates carries the danger that mailers will refuse to pay more for services they don't want or need—and they will find alternatives to the Postal Service.

Some utility companies have experimented with the delivery of their own bills, as well as some magazine publishers in the delivery of their magazines. Many large firms have spent considerable time in the development of their mail rooms in an effort to reduce costs. This has been accomplished by consolidating letters in one envelope rather than the past practice of sending several envelopes destined for the same point. I have had discussions with managers of mail rooms, and I have found that in some instances the thickness of paper has been reduced in an effort to lower expenses. I have talked to my customers in the community after a rate increase and found that very few accepted the rate increase without indicating their dislike. As each Christmas mailing season passes, I hear more and more people say that their mailing lists have been reduced because they feel that they no longer can afford to buy cards and the required postage. Some churches in my area have placed boxes in the rear of the church for deposit and distribution of Christmas Greeting Cards in an effort to eliminate the cost of postage.

Keeping in mind that most people are very concerned about increasing cost and the knowledge that we are all confronted with a must in the area of energy reductions, I feel that proper consideration must be given to the proposals to eliminate Saturday delivery. I do not propose to have full knowledge in regards to the plans or studies made by the Postal Service, but I do know that operating expenses would be drastically reduced locally and there would be big reductions in gasoline usage.

In summarizing, I again would like to emphasize that this statement is my personal opinion and only based on the knowledge that my customers would not be in favor of a rate increase and the knowledge that inflation will apparently

continue. The impact of such a change will affect each of us differently and some of us may have to alter our ways in regards to depositing mail at the local post office and our understanding that delivery patterns will change.

Our local paper contained an editorial last week which indicated that the purpose of postal reform was to put the postal service on a business basis and make it self-supporting if possible. The experiment has not been wholly successful, but neither has the experiment failed. Operating deficits have been reduced if not eliminated and the editorial also indicated that we should let the Postal Service run the postal system without interference for a few years before rushing in to rescue it by destroying its independence.

If the facts and figures contained in the Postal Service's proposal are accurate and if a major solution to the rising costs is the reduction of six day delivery, I feel that this would be a far better proposal than rising postage rates and possible loss of business. The facts are simple, we must pay for the services rendered.

Mr. DERWINSKI. Now, for what I hope will be an equally interesting point of view, I would like to call on three very distinguished spokesmen for postal employees, Mr. Frank Outly, who is an officer of branch II of the National Association of Letter Carriers; Mr. Norbert Dombrowski, who is president of branch 4016 of the Letter Carriers, and Andy Anderson, who is president of the Illinois Postal Workers Union.

Would you gentlemen step up, please?

Just to identify them, Mr. Anderson is the gentleman on my right, your left; Mr. Outly is the gentleman in the center, and Mr. Dombrowski is the gentleman on my left and your right.

I have a prepared statement from Mr. Outly. So, Frank, I will put it in the record in full, and we will open with you, and you may sum it up or run through it any way you wish?

Mr. OUTLY. I would like to read it.

Mr. DERWINSKI. Fine.

STATEMENT OF FRANK OUTLY, BRANCH II, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. OUTLY. Normally, I was a pitcher. I am not used to leading off here. That was before the designated hitter.

Mr. Chairman and members of the committee, I am a letter carrier at Auburn Park Station in Chicago, Ill., and am legislative liaison for the Fourth Congressional District for the letter carriers and serve as an officer of branch II of the National Association of Letter Carriers.

As a letter carrier with 30 years of service, I wish to thank you for the opportunity to speak in regard to a further attempt by the U.S. Postal Service to reduce an already alarmingly curtailed postal service, bearing little resemblance to the well-managed and efficient one of yesteryear that I and my fellow carriers remember.

I believe my many years of service afford me a unique view of the many problems we in the Postal Service experience, as well as the inconvenience our patrons have suffered because of various reductions in service.

There is no doubt that the level of postal service in the United States has decreased over the years of my participation in postal matters, but the rate of deterioration in service that has occurred since the 1971 Postal Reorganization Act has been dramatic, and, in my view, inexcusable.

The pride that postal employees so universally experience in their positions has become almost nonexistent. We deal on a daily basis

with most of the Americans, and we know how disillusioned and unhappy they have become with the Postal Service.

Mr. Chairman, I have become absolutely convinced that the primary error of the Postal Reorganization Act was to minimize service as an objective of the postal system and to maximize profit as the single most important objective.

The results are self-evident: high postal rates, deteriorated service, low employee morale, and continual financial crises. Accordingly, the solutions seem to be relatively clear in concept. Service should be restored as the governing principle of the postal service. Accountability to the representatives of the people should be restored. Acceptance of the necessity of infusing into the postal system sufficient tax funds that the postal rates are not prohibitive and that service cuts are not demanded.

The dramatic service cuts that have been imposed by the U.S. Postal Service these recent years have been the largest contributor to the decline in confidence in the system being expressed by the American people. We believe the most visible symbol of that improper policy has been in the proposal of the Postmaster General to unilaterally reduce mail delivery 1 day a week. We propose that 6-day delivery standards be enacted into the law, and that any future nationwide service reductions require congressional approval before being put into use, thus assuring further accountability.

The proposal to further increase the rate and eliminate 1 day's delivery appears to be senseless to the people of Congressional District 4. Moreover, to eliminate the delivery of mail on Saturday would additionally delay an already slow delivery process, coupled with the loss of jobs and its impact on a previously troubled economy.

In conclusion, Mr. Chairman, I respectfully request that you take back to Washington from your hearings the inadvisability of imposing less mail delivery service at a greater cost on a patient, but increasingly questioning, public.

Thank you, sir.

Mr. DERWINSKI. Now we will proceed along proper craft union lines, so we will continue with the letter carriers.

Mr. Dombrowski, would you add any statements you wish to that of your associate?

**STATEMENT OF NORBERT DOMBROWSKI, PRESIDENT, BRANCH 4016,
NATIONAL ASSOCIATION OF LETTER CARRIERS**

Mr. DOMBROWSKI. My name is Norbert Dombrowski. I am president of Branch 4016. National Association of Letter Carriers of Oak Lawn.

Our branch in area includes most of the south suburban area of Chicago. We extend from Oak Lawn on the north to Calumet City and Dolton on the far southeast side and Tinley Park on the far southwest side. We have approximately 500 to 550 members.

As a letter carrier and president, my fellow letter carriers and myself are constantly in close personal contact with our postal patrons. In many instances after a few years on a route, a letter carrier not only becomes acquainted with his patrons, but in many instances becomes close friends. As a result, we learn earlier than most what our

postal patrons are thinking. I know before the Postmaster General in Washington, D.C., or any postal rate commission or polling firm what the views of the postal patrons in our area are.

Therefore, I can tell you with complete confidence that the people in the south suburban area of Greater Chicago are angry and disgusted with the present levels of service they receive and the constantly increasing costs they must pay for this poor service.

A proposal then conceived in remote and far off Washington, D.C., that postal patrons in the south suburban area may have to pay 3 cents more on an already overpriced first class stamp, and in addition, may receive 1 day less a week in mail delivery, simply makes no sense to them or to me personally, and to all letter carriers.

As I stated before, I am pleased this committee is here to hear our views, but I personally feel the postmaster should be present.

Congress has indicated that they clearly understand the fallacy of this proposed reduction in service. The overwhelming vote in the House and on the Dole-Clark amendment in the Senate in favor of the continuation of 6-day delivery demonstrate that the Members of Congress are aware of public sentiment outside of Washington, D.C. That the Members of Congress who supported our efforts to retain 6-day delivery were accurately reflecting the views of their constituents was demonstrated by your committee in Honolulu, Denver, Philadelphia, and upstate New York.

It is my understanding that your survey of postal patrons' sentiment demonstrated support for Saturday delivery by a margin of almost 3 to 1.

I sincerely believe the postal patrons here in the south suburban area of Chicago would respond in a similar manner in a local survey.

The proposed elimination of Saturday delivery will only impose visible hardship on those whose mail constantly has been delayed more and more year after year.

When the Postmaster General or his spokesmen talk about 5-day delivery to the American public, they conveniently forget that because of the nine holidays throughout the year, approximately 1 of every 6 weeks there would only be 4-day delivery.

The U.S. Postal Service further states that a reduction from 6- to 5-day delivery would result in a substantial savings.

The U.S. Postal Service has never explained how on a Monday morning after no mail delivery the preceding Saturday, a letter carrier could sort, case, and delivery 2 days' mail in 8 hours.

I contend that the U.S. Postal Service would have to pay overtime to an x amount of carriers for an x amount of hours which would cut into the substantial savings that they are talking about.

Less obvious, but equally compelling, is the impact that this cutback in service would have on the economy of this area. In Branch 4016 alone, we have from 500 to 550 letter carriers. With a 5-day delivery, approximately 80 to 100 carriers would lose their jobs eventually. That is simple mathematics. If you cut the work week from 6 to 5, you have to cut the force; and I might add, not through attrition. Their jobs would be lost, would mean they would be looking for employment which would be difficult in these times of unemployment, and as a result, they would have to go on the welfare or unemployment rolls.

In conclusion, Mr. Chairman, please take back to Washington, D.C., that in this area we are against any further cuts in an already deteriorated postal service.

What our area really wants and what the citizens of the United States are entitled to is better, less costly service, not worse, more expensive service.

Thank you.

Mr. DERWINSKI. Thank you, Mr. Dombrowski.

Andy Anderson, I might remind you ladies and gentlemen, is the President of the Illinois Postal Workers Union, a statewide organization.

He has joined us this afternoon, coming down from Rockford, is that correct, Andy?

Mr. ANDERSON. Springfield.

Mr. DERWINSKI. That is even farther. You may proceed any way you wish.

STATEMENT OF GERALD "ANDY" ANDERSON, PRESIDENT, ILLINOIS POSTAL WORKERS UNION

Mr. ANDERSON. Thank you, Congressman Derwinski and Congressman Metcalfe.

It is a pleasure to be here this afternoon as the president of the Illinois Postal Workers Union.

We are a branch of the American Postal Workers Union at the national level. In the State of Illinois we represent somewhat between 14,000 and 15,000 members in four separate crafts, not only clerks; it includes motor vehicle and the maintenance people and the special delivery.

I can echo what my colleagues from the N.A.L.C. have said about the declining service, and all of those kinds of remarks, having been a postal clerk for some 19 years and one that has taken pride in the job that is to be done along with the great majority of our other people. We find it difficult to realize that the Postmaster General would come out and try to effectuate a program where they are going to reduce the service, but yet increase the quality of that same service.

Now, our parent organization has testified before the full committee, and those subcommittees of Washington, D.C. So I will not elaborate on that part of the program.

As far as rate increase is concerned, we are of the opinion that the first-class postage stamp is still a bargain on the market today.

Now, one of my colleagues from the Postal Service in prior testimony here today said that we are not selling the product. Perhaps he is right. The only thing in our minds is that the U.S. Postal Service has to sell is service to the public, and again, I cannot see, on behalf of my own personal view, on behalf of the employees that we represent, how you can reduce that service and still increase the quality.

That is all I have to say, gentlemen.

If there are any questions that you might like to ask, I would be happy to answer them.

Mr. DERWINSKI. I have one question.

I think the gentleman phrased it a different way, but you basically, and I think Mr. Outly and Mr. Dombrowski, you would agree with

Mr. Anderson, that the worst possible situation would be this reduction of service and an increase in rates at approximately the same time. That seems to be everybody's opinion.

Mr. OUTLY. Yes.

Mr. ANDERSON. Yes.

Mr. DOMBROWSKI. Yes.

Mr. DERWINSKI. Frank, you don't mind my calling you Frank? We are sort of informal.

You indicated the concern that postal rates not become prohibitive?

Mr. OUTLY. Right, right.

Mr. DERWINSKI. And Mr. Anderson, one question for you.

As president of a statewide organization, what basic concerns do your members have with the challenge of improving the service? How do they approach this challenge that you recognize?

Mr. ANDERSON. Mr. Derwinski, we are not opposed to improving of the service as long as those improvements are improvements that come through methods, change in equipment, the introduction of new equipment, so forth, as long as our members have an opportunity to participate in that.

What we are firmly opposed to is any kind of a speedup action or work-measurement program.

Mr. DERWINSKI. Thank you.

Congressman Metcalfe?

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

Mr. DERWINSKI. Thank you, gentlemen.

Andy, you are coming up to Washington in a week or so?

Mr. ANDERSON. Yes; I will be looking forward to seeing you.

Mr. DERWINSKI. Our next witness will be Mr. David Magee of Hazel Crest. Mr. Magee is a former top-ranking official of the old post office and is speaking to us on behalf of the National Association of Retired Federal Employees.

I should add that many, many years ago when I was a young man working my way through college as a mail carrier, Mr. Magee was my boss, and he was a tough boss, superintendent of the postal station in Roseland. I am pleased to introduce Mr. David Magee.

STATEMENT OF DAVID MAGEE, NATIONAL ASSOCIATION OF RETIRED FEDERAL EMPLOYEES, HAZEL CREST, ILL.

Mr. MAGEE. Mr. Chairman, Congressman Metcalfe, it is a pleasure to appear before both you gentlemen because I have known both of you for a good many years, more than I care to state at this time.

To be as brief as possible and yet cover the ground as thoroughly as possible, I could say that I am definitely opposed to a 5-day week.

Now, Congressman Metcalfe touched on it, when Jesse Donaldson was Postmaster General, how they cut back on the service to save money. That was in 1952, and I don't think any cutbacks that they have made since have ever saved any money. It's always cost more money, and yet, they have the affrontery to come up and say that the 5-day week will improve the service when now it takes 3 and 4 days to get a letter out of Chicago to the suburbs.

Now, this is not talk. This is mail that I have received. I am sorry I didn't bring the evidence with me, but this is what is happening.

These matters are not to be taken lightly. When this was started, this Postal Service—let's eliminate the word "service," and say the postal operation that they have now—it was to eliminate politics and to put businessmen in charge.

I was a businessman after I left the post office. When I put the key in the door, I knew it cost me \$300 to \$500 a day. I had to go out and make that money and get the service.

These people come from large corporations that you can close down on Saturday and not miss it. There is no service involved with their business at all, but this is a service organization, it always has been, and I hope you gentlemen will keep it that way.

Now, I am speaking for myself as well as representing the South Suburban Association of Federal Retired Employees and without exception, the ones I have spoken to are all in accord that let's improve the service; let's not cut it out, and this is what 5-day service means, a lessening of the poor service that we have today.

I will be glad to answer any questions.

Mr. DERWINSKI. I have one question for you, Mr. Magee.

The point that actually was raised by Mr. Caton and then Congressman Metcalfe made note of it, was that the Postal Service is aware of competition that has arisen, competition, for example, particularly in bulk mail but also efforts made to produce private mail services. The thought suddenly occurred to me that if mail delivery was cut from 6 to 5 days, this would make the Postal Service more susceptible to attempts by others to move in and provide the service they might be abandoning.

Mr. MAGEE. Very definitely.

Mr. DERWINSKI. Is that an oversimplification?

Mr. MAGEE. As a matter of fact, they have what they call the parcel post, or whatever they call it, the parcel post mangling service that has done nothing but chase customers away from the post office along with their high rates.

Now, the United Parcel Service has gone great guns since the inception of the post office in starting these parcel post sectional centers or whatever they call them.

In addition to that, Mr. Congressman your postmaster doesn't run his office. He is a messenger boy, and I am sure they will admit they have no control over their operation. It is a sectional center manager, and somebody else that is operating it, not the postmaster, and these things are not good.

It is a deteriorating service, and now to deteriorate further by eliminating Saturday service is ridiculous.

Mr. DERWINSKI. Congressman Metcalfe?

Mr. METCALFE. I just have one question to ask my good friend for many years, Mr. Magee, and I heard you clearly that at the present time you are opposed to the elimination of 1 day of delivery, and because of the poor quality of service maybe we should go back to the Reorganization Act of 1971 and raise a question as to whether or not that, in fact, was a mistake, whether, in fact, we have a better postal system now than we had prior to this Reorganization Act.

I have been very curious about this because I wasn't sworn in until 1971, and the Congress before me had passed the Postal Reorganization Act.

I have talked with some of my colleagues, and they have been ashamed of their vote, maybe as a result of the outcome. What is the answer?

Mr. MAGEE. The answer is very simple, Mr. Congressman.

Until Congress gets enough guts to take back the Postal Service, it is going to deteriorate further.

Mr. METCALFE. Thank you.

Mr. MAGEE. This is what happens.

Mr. METCALFE. Thank you very much.

Thank you, Mr. Chairman.

Mr. DERWINSKI. Thank you, Mr. Magee.

I don't know if my timing is good, especially after the vigorous testimony by Mr. Magee, but I would like to acknowledge at the hearing the presence of one of the members of the Postal Board of Governors, Mr. Hayes Robertson of Flossmoor. He is a member of the Board of Governors of the Postal Service.

I would like to have him stand and be recognized.

At this time we are going to hear three gentlemen representing the senior citizens: Mr. Frank Wyza, president of the Bremen Township Senior Citizens.

Mr. Ed Janz of the Bremen Township Senior Citizens and Mr. Leonard Mack, who is representing the Southwest Suburban Center on Aging.

Would you gentlemen step up, please?

Mr. JANZ. Congressman, I concede my time to Martha Ramsey.

Mr. DERWINSKI. Martha Ramsey is a former postmaster of Oak Forest.

Let's see, we will follow proper procedure before the days of the ERA became an issue, so we will start with the lady. Martha, you may say anything you wish to our panel at this time.

STATEMENT OF MARTHA RAMSEY, FORMER POSTMASTER OF OAK FOREST, ILL.

Mrs. RAMSEY. Mr. Derwinski, Mr. Metcalfe, I succeeded Mr. Jesk as a postmaster, if you don't remember.

If I was speaking from a postmaster's view, I probably would change my attitude.

However, now I am a senior citizen and of the medicare set. I am not going to have a lot of statistics by any means.

I attended the meetings of the following: Golden Oaks of Oak Forest, the Community Senior Citizens of Midlothian, and the Bremen Township Senior Club.

I informed them of this meeting and implored them to attend the meeting to voice their opinions or write their preferences on the proposal, also other mail matters and problems would be considered.

One of the first responses to the proposal was, would it not mean the laying off of postal employees?

The answer being yes, they felt why add to the unemployment?

After some discussion on the merits or demerits of the action, I asked for a vote from the groups by a raise of hands and found 98 percent are not in favor of the proposal and want the 6-day mail service to be continued.

Respectfully submitted, Martha Ramsey.

Mr. DERWINSKI. Thank you, Martha.

Do you have a prepared statement for us, Mr. Mack?

Mr. MACK. I have.

Mr. DERWINSKI. I will insert the statement in full in the record. Would you care to comment in any way you wish?

Mr. MACK. I rather read the statement.

Mr. DERWINSKI. Fine.

STATEMENT OF LEONARD MACK, MEMBER OF THE EXECUTIVE BOARD OF THE SOUTHWEST SUBURBAN CENTER ON AGING, LAGRANGE, ILL.

Mr. MACK. Mr. Chairman, Mr. Derwinski, Congressman Metcalfe and members of the committee, it is indeed a pleasure for me to be invited to express my views to you and members of the House Post Office and Civil Service Committee concerning the issue of curtailed mail service.

I address this issue from the point of view of a senior citizen living on a limited income with the purchasing power much reduced by inflation; consequently, my feelings on this matter are influenced by economics. As a member of the executive board of the Southwest Suburban Center on Aging, I took the opportunity to poll over 100 seniors to obtain their viewpoint. There was almost 100 percent agreement on their reply. If continuation of mail delivery 6 days a week would lead to an increase in the present expensive postage cost to the customer they would be willing to accept a 5-day delivery.

When one considers the dramatic increase in the cost of mailing over the past 10 years, it is difficult to understand why an efficient service cannot be provided on a 6-day-a-week basis. It would seem to me that the burden of proof is on the Post Office Administration to demonstrate that the present inefficient 6-day-a-week service is not the result of mismanagement. If it can be proved that the only way in which an efficient 6-day-a-week service can be provided is through a further increase in the cost of first class mail, then, together with my senior citizen colleagues, I suggest a reduction in delivery from 6 days to 5.

We recognize that this may mean a delay in the delivery of such important letters as our Social Security checks. If that is the price we must pay to avoid an increase in the cost of first class mail delivery, then we will pay it.

I wish to take this opportunity to take issue with the disastrous record the Post Office has in the delivery of bulk mail. A large number of our senior citizens depend on bulk mailings of the nonprofit organizations to inform them of activities, programs, and services. The monthly calendar providing this vital information has to be mailed at a bulk rate.

Quite often there is such a long time span before delivery that the valuable information provided in these mailings is no longer of any use.

My inquiries at the Chicago General Post Office elicited the information that based on the volume of first class mail, bulk mail could remain at the post office for weeks without delivery. There should be more stringent regulations regarding the delivery of bulk mail.

Thank you for this opportunity to express my views.

Mr. DERWINSKI. Thank you, Mr. Mack.

Mr. Wyza, do you have a statement, please?

**STATEMENT OF FRANK WYZA, PRESIDENT, BREMEN TOWNSHIP
SENIOR CITIZENS**

Mr. WYZA. Well, you know, Martha is a director in our organization, and we appointed her to be here, too.

So, all I have to say, from my point of view, is I put in 36 years at the Post Office. I have been in special delivery, a clerk, and a carrier. I have done all these jobs, and I have noticed every time where they try to cut back or they try to cut the subs, they always run into trouble over and over again.

Now, if they cut delivery down to 5 days a week and they have just the regular people working, suppose we got a flu epidemic or something like that that would come up, where would they get the people to fill these jobs?

That is all I am saying.

Mr. DERWINSKI. Thank you.

Martha, I want to throw you what might be a tough question, but of all the people that appeared before us, you would be the perfect one to answer this.

You know that prior to the new Postal Service law, postmasters were basically selected from the home community. Now they are selected on a basis of qualifications, but there is no longer any community relationship, and as a result, we receive complaints that the postmasters are no longer the community driving force that they once were.

Would you care to comment on that unique relationship of a home grown postmaster to the community?

Mrs. RAMSEY. Well, there are so many little aspects to be named, if I could; however, I will say this much about it: You have more of a closeness when you are from the hometown. I knew exactly who was writing to who and why, and you don't have to open an envelope to know what is going on sometimes, and, of course, they would come into the office with their own problems, and there was always time to listen.

So, I really feel you should stay with people in the town, because it is awfully hard for a man or woman coming from another place to know who's who and what's what.

Mr. DERWINSKI. Thank you.

Mr. Mack, you made one statement that has been touched on by a number of other witnesses and that is in your case you emphasized your belief that a reduction in delivery would be acceptable if it would eliminate a rate increase.

Now, obviously then, if there is to be a reduction in service but also a rate increase, what would be your attitude toward that kind of possibility?

Mr. MACK. I would take a negative attitude on that. I don't believe we should have a decrease in service and an increase in rates. Is that the point?

Mr. DERWINSKI. Yes.

Mr. MACK. We'd have a little revolution.

Mr. DERWINSKI. Thank you.

Congressman Metcalfe?

Mr. METCALFE. Mr. Chairman, you just asked my question, and, of course, I got an answer from it already, but I think it is significant that we're hearing talk and rumors and of programing the Post Office to have an increase in the mail rates. So, that would affect that sentiment.

I notice in going over the 30 of those undecided, many of them use that same argument, they want to cut down on the increase, and they said if it would reduce the increase in the postage, then they would be willing to sacrifice that day, but that is a hypothetical question, and I think we ought to put it in its proper perspective.

Thank you very much.

Mr. DERWINSKI. Thank you. We are, as they say in baseball, we are ready for a seventh inning stretch.

We have three more witnesses, then we will turn to the general public, and at this point I would like to announce a 5-minute recess.

[Brief recess.]

Mr. DERWINSKI. Everybody please be seated.

We have a number of witnesses but then we will be hearing from anyone in the audience.

Mr. Thomas Gavin, are you here, please?

Mr. GAVIN. Yes.

Mr. DERWINSKI. Would you step up?

Mr. Gavin is representing the Southwest Messenger Press and local publications, and do you have a prepared statement?

Mr. GAVIN. Yes; I do. I have passed one out.

Mr. DERWINSKI. You may proceed any way you wish, Mr. Gavin.

STATEMENT OF THOMAS GAVIN OF THE SOUTHWEST MESSENGER PRESS, INC.

Mr. GAVIN. Hon. Edward Derwinski, Congressman Metcalfe, members of the House Post Office and Civil Service Committee, discontinuing Saturday mail delivery by the Federal Government would drive another spike into the heart of the struggling small businessman, the same small businessman who is himself the heart of America.

One by one, we have sat back and watched as small family owned firms have closed their doors, smothered or bankrupted by Federal regulations and bureaucracy, swallowed by corporate giants. Curtailment of 6-day-a-week mail service would deal us further crippling blows.

Without mail service on Saturday, our businesses would come to a virtual standstill. We depend on correspondence, checks, and billings every day to generate business and occupy our employees. The 3-day weekend Monday holidays illustrate this best in our own situation. We work on Mondays because it is our heaviest business day of the week. When Monday is a holiday for the post office, we are severely hampered and employees are idled.

The day after the holiday, our workload is staggering. We simply cannot afford to grind to a halt on Saturday. Our business operates 6 days a week and have the right to expect the post office to work with and not against us.

Since our great country's inception, the post office has been one of the most important factors in its growth. Ever since the start of the Government Postal Service in 1789, the mailman was the most important link to the outside world.

Today, while we are no longer a rural area, the mailman and the post office are still the important lifeline to all business, as well as residents. We need 6-day mail service.

Taking away Saturday mail service takes away a large percentage of communication with this great country. It would be a staggering blow to the newspaper business as well as to our readers and advertisers.

This is respectfully submitted by Walter H. Lysen, publisher, Southwest Messenger Newspapers.

Mr. DERWINSKI. Do you wish to expand on that in any way, Mr. Gavin?

Mr. GAVIN. Briefly, I could make a few comments, one being that since our particular situation is that being a weekly newspaper, and we have somewhere in the neighborhood of almost 37,000 mail subscribers, people who are on a second-class mailing permit, which is virtually half our volume of circulation of over 78,000 newspapers; it is absolutely essential to us to have the extra day.

Frankly, if indeed some of our services were curtailed, as it were, we would not be able to provide the recipients of our periodical, the newspaper, the information of their local government. Primarily, since we are out Thursday, if they didn't have a Saturday delivery, some of our rural residents would not get the paper until Monday morning or afternoon.

Frankly, it is more than just old news by that time of day.

There are many public-information announcements, particularly for our senior citizens, many of whom have meetings on Fridays and Saturdays they would like to have seen and noticed, and this is why we are hearing from their specific groups.

Frankly, if we do not reach them in time, they can't take advantage of it. This would also go for various other persons, such as our advertisers, who frankly, have to use our Saturday situation so they can set their scheduling.

We also have your news media, which have photographers and writers, who really can't predicate the news—as you well know, news happens every day of the week, and we don't have that obligation or choice.

Mr. DERWINSKI. Is it proper to assume that similar problems would confront other publications?

Mr. GAVIN. I am sure they would not only with respect to their respective clients, but likewise their client relationship with the media because they frankly will be somewhat limited to what they can get with regard to outside news to them if it isn't covered by a writer of their publication.

Mr. DERWINSKI. Congressman Metcalfe?

Mr. METCALFE. Thank you very much.

Mr. Gavin, I am certainly very pleased that small businessmen are represented at these hearings.

You will be interested to know that at this morning's hearing we had a person representing the small businesses as well as the press, and they virtually said the same thing you said in terms of the argument.

I would like to ask you if you know the composition of the U.S. Postal Service Commission, whether or not there is a small businessman as a member of that particular body; do you know?

Mr. GAVIN. Frankly, I don't know, sir.

Mr. METCALFE. Thank you. I have no further questions.

Mr. DERWINSKI. Thank you, Mr. Gavin.

Now we are to hear from a member and spokesman for the local chamber of commerce, Mr. Bud Sullivan of the Midlothian chamber.

Are you here, Mr. Sullivan? [No response.]

We have a statement from Mr. Sullivan, and I would like to ask unanimous consent to insert that statement into the record at this point.

[The statement follows:]

STATEMENT OF BUD SULLIVAN OF THE MIDLOTHIAN CHAMBER OF COMMERCE

The Honorable Edward J. Derwinski, 4th District, Illinois: This letter will acknowledge and thank you for your letter of January 6, 1978 inviting my participation in the January 16th Congressional hearing regarding the United States Postal Service.

Fortunately, the regular monthly meeting of the Midlothian Chamber of Commerce was held on January 12, 1978 so that we were able to alert our entire membership about this hearing. We asked for their attendance at our Chamber meeting or at least a response either by mail or by phone regarding this subject.

We had twenty members at the meeting and an additional five responses by mail and phone on this subject. Considering the weather we had, I was happy with the turnout. It was the unanimous view of these members that we register our opposition to any additional cut-backs in mail service. Many of the members of the chamber of commerce conduct business on Saturdays and the mails are important to their efficient operation.

At the present time, the utilities in the Chicagoland area have printed on their statements "Allow 5 days for mail." A cutback to 5 days a week delivery would necessitate every business receiving payments by mail to print the same wording on their bills or statements.

The Midlothian Chamber of Commerce firmly believes that what we need is not a cutback in service but an improvement in service. We sincerely hope that the committee here today will carry our message back to Washington.

Mr. DERWINSKI. Mr. Richard Vogt, president of the West Suburban Chamber. Will you step up, please, and Mr. Jerry Hug, president of the Tinley Park Chamber.

Is Mr. Hug here? [No response.]

You are going to have to be speaking for all the spokesmen for the chambers of commerce.

I have your statement. You could read it, if you wish, or elaborate upon it, any way you wish, sir.

Mr. Voegt. I would like to read it.

STATEMENT OF RICHARD T. VOGT, PRESIDENT OF THE WEST SUBURBAN CHAMBER OF COMMERCE

Mr. Voegt. I also would like to express my thanks to you for letting me speak for chambers of commerce other than the one I represent here one way or the other.

However, I do feel some of the comments I would make would fit regardless of what chamber it is.

I am Richard T. Vogt, president of the West Suburban Chamber of Commerce, and our chamber represents approximately 300 busi-

nesses in the villages of LaGrange, LaGrange Park, Western Springs, and the city of Countryside, all western suburbs of Chicago.

As you have requested, I am presenting the views of our board of directors and membership at this hearing.

The U.S. Postal Service is a vital link in the conduct of business of our members. In fact, one of our members is the second largest third-class mailer in the United States, spending an average of \$70,000 per week in postage.

It is the consensus of our board and membership that Saturday postal deliveries should not be curtailed. Such curtailment would have a detrimental impact on businesses in our communities in that the majority are 6-day operations.

We further believe that any any economies to the Postal Service that may result from termination of Saturday deliveries would be more than offset by overtime hours needed to handle the additional volume of mail which would accrue on Monday. Consequently, we see no real savings to the Postal Service in curtailing Saturday service. Even with overtime hours, we further believe that much of the mail normally received on Mondays would, of necessity, be delivered on Tuesdays, and as such pose a heavy burden on business operations.

Now, if such curtailment were to be made in the interest of cost savings to the customers, we feel such a decision would be accepted, but past practice has not shown this to be the case.

Over the years we have seen business deliveries diminish from three deliveries per day to two, and we now live with one delivery per day.

It is our feeling that should the present trend continue, we will be faced with further pressures to decrease the frequency of deliveries to even lower levels while costs will continue to escalate for this reduced service.

Our concern at this time is for continuation of the present service provided and where possible to attempt to raise the standards above a minimum.

We, therefore, urge you to press for the continuation of 6-day operations in the U.S. Postal Service which we feel is of paramount importance to a vital economy.

I thank you.

Mr. DERWINSKI. Thank you, sir.

Your chamber represents a number of communities. I imagine most of your members would be small businessmen?

Mr. VOGT. That is right.

Mr. DERWINSKI. And as you indicate here, it is the consensus of your board of directors that reduction of service as recommended by the Postal Service would, in fact, be detrimental to their interest?

Mr. VOGT. I would say that probably 90 percent of our membership are organizations that constitute or rather hire 50 or less employees, and of those, again this is my opinion, probably 90 percent were definitely against curtailment of the Saturday delivery.

Mr. DERWINSKI. I think in your case most of these persons would be retailers?

Mr. VOGT. Yes.

Mr. DERWINSKI. Small retailers, service entities, and so on?

Mr. VOGT. Yes.

Mr. DERWINSKI. Congressman Metcalfe?

Mr. METCALFE. I have no questions.

Thank you very much for your clarifying statement.

Mr. DERWINSKI. Your testimony will be part of the record.

By the way, everyone who participates will receive a record of the proceedings as well.

Now we have Mr. Frank Strupeck, who is the executive director of the Red Tag News Publications. That is an association serving business newspaper publishers.

You can come up, sir. We have unanimous consent that your complete statement will be inserted into the record, and you may proceed. [The statement follows:]

STATEMENT OF FRANK R. STRUPECK, EXECUTIVE DIRECTOR, RED TAG PUBLICATIONS

My name is Frank R. Strupeck. I reside at 2032 Cummings Lane in Flossmoor, Illinois. My company provides consulting services to mailers, particularly in the distribution of second-class and controlled circulation publications.

I am here today as Executive Director of Red Tag News Publications, Inc., an association of business newspaper publishers assigned to help specialized "time-value" publications get the best delivery for their readers. This association currently services twenty one business publications, seventeen weeklies, three dailies and one semi-weekly, all classified as Newspapers by the U.S. Postal Service. The annual circulation of Red Tag publications exceeds 72,000,000 copies.

As a general rule, business publications have historically been printed and mailed toward the end of the week incorporating current business news, market quotations, etc. and entering the postal mail stream on Friday and Saturday to be delivered to subscribers in the business world on the following Monday.

During the past few years, because of the deterioration in mail service especially the transportation of mail, many Red Tag members and other mailers have had to resort to the air lifting of their copies to strategic metro areas in order to maintain the life of the news in their particular business field. This is being done at considerable expense and with the other inflationary pressures as well as postage increases is resulting in continuing raises in subscription rates.

After hearings through the country in late 1976 and early 1977, at which Red Tag was also represented, the Commission on Postal Service made several recommendations to Congress on changes in the postal system. One of these recommendations was the substitution of five days a week delivery service in lieu of the delivery six days a week now provided by the U.S. Postal Service.

Publishers represented by Red Tag are well aware of the implications of five day a week service. Having gone through a very expensive revision of their mailing procedures during the past ten years in order to comply with the postal regulations on presorting to the Zip Code system and listening to postal management at that time that this would eliminate future postage rate hikes, the savings potential in reducing the delivery week to five days appears to be so much "pie in the sky".

It isn't that mailers object to the "no delivery on Saturday", the problem is what is going to happen to the Saturday piece of mail that should be delivered the following Monday. Just as publishers were led down the path with the promises made for the Zip Code system, the same promises of weekend sortation and Monday delivery will also surely go down the drain.

We just have to look at what happened north of the border when Saturday mail delivery was discontinued and the postal service never did catch up with its backlog. Red Tag had an on-going delivery monitoring system in Canada in 1976 and it proved that the mail delivery of publications in that country had still not recovered from the ill-conceived "let's not deliver on Saturday, naturally followed by let's not handle any mail on weekends". The latter has been changed so that letter mail is transported and sorted on weekends but other classes of mail just wait their turn during the following week or longer to be delivered.

Red Tag maintains a delivery monitoring system in thirty-nine metro areas of the United States for its members. The best on-time delivery for these business publications was during the second quarter of 1977 (April, May, June) when monitoring reports showed on-time delivery hitting a peak of seventy percent. During the more than six years that this monitoring system has been functioning

the delivery had fluctuated from forty percent to seventy percent on-time with much of the improvement resulting from the action of Red Tag publishers in expenditures to airlift and improving distribution in printing plant to facilitate handling by the U.S. Postal Service.

Again, to repeat, it is not the discontinuance of Saturday delivery that bothers mailers as much as what is going to follow, as sure as there will still be a postal service.

We appreciate this opportunity to present the Red Tag side of this controversy and our vote is no.

The following publications are members of Red Tag News Publications, Inc..

Advertising Age, American Metal Market, Amusement Business, Automotive News, Autoweek, Billboard, Coin World, Computerworld, Editor and Publisher, Electronic News, Gun Week, HFD, Linn's Stamp News, Metal Working News, National Underwriter (L&H), National Underwriter (P&C), The Oil Daily, Pro Football Weekly, Traffic World, Travel Weekly, Women's Wear Daily.

Mr. STRUPECK. I will just kind of elaborate, if I may, on my statement a little bit on some of the things that we are very concerned about.

The Red Tag News Publications is an organization of newspaper publishers, business newspapers who normally come into the mainstream on Fridays and Saturdays and expect Monday delivery.

The thing that we are worried about more than anything else is really not so much the actual curtailment on Saturday because most businesses that we are involved with don't normally operate on Saturday anyway, but what we are concerned with is what is going to happen to the mail over the weekend for delivery on Monday?

Our subscribers depend on us for all kinds of things, market quotations, up-to-the minute business news that happens up through Friday, and those things.

For example, I am sure that you are familiar with what Canada did with their elimination of Saturday delivery. I think this happened about 10 years ago, and they have never fully recovered.

They still have the same problem of not sorting mail over weekends except for first-class letters, and they are just not getting delivery on Monday.

The other thing is that all of our members are now in a ZIP sorting presorting system which has cost them a lot of money over the last 10 years, and actually was sold to mailers on the basis that this would eliminate future postage increases.

Now this is over 10 years ago, and this thing of curtailing delivery of 1 day a week and saying they are going to save \$440 million, I think is just kind of pie-in-the-sky.

I don't have anything else.

Mr. DERWINSKI. Thank you. You raised an interesting point, and that is the concern of your members that it isn't so much the absence of Saturday delivery, but the accumulation that would then fall on the Postal Service and individual offices on Monday. Mr. Vogt who spoke before you, raised the same concern on behalf of his members.

In other words, the suggestions, or let's say fear, is that this will create a monstrous overload on Monday after the nondelivery of Saturday.

Mr. STRUPECK. If I may comment. I worked in the mail service. I was in the old railway service and last June was the last trip of the railway post office between Washington and New York, and a friend of mine sent me some last day covers, and I told my wife at that time

I was in the railway mail service back in the 1930's, and I said to her that no way did I ever believe the railway service would go out of business, and I said the way things look right now, maybe in my lifetime, if I live long enough, we might see the demise of the U.S. Postal Service.

Mr. DERWINSKI. Congressman Metcalfe?

Mr. METCALFE. I have no questions. Thank you very much.

Mr. DERWINSKI. Thank you very much, and we appreciate your statement on behalf of your members.

Now, I would like to ask unanimous consent that a letter by Mr. Louis Thuringer of Homewood and a letter from Mr. and Mrs. Sanden Joren of Oak Forest be inserted into the record at this point.

Mr. METCALFE. I have no objection.

[The letters follow:]

DEAR CONGRESSMAN DERWINSKI: I am writing this letter to you to advise that I am in favor of the Postal Service eliminating Saturday deliveries.

Even though some companies or individuals may express their opinion to the contrary, I feel that the dollars saved will be well worth waiting for our mail until the following Monday.

LOUIS THURINGER.

GENTLEMEN: In all due respect to the committee investigating a possible cut of Postal Service, we, as private citizens feel the concept to be utterly ridiculous to say the very least. To presume that it will eventually be a savings to the public insults our intelligence. The cost of all things are on the rise, and a cut in service or not, it is only a matter of time before an additional hike in postal rates will be in the offing, and we, the public, will have little or nothing to say about it.

The loss of Saturday service will effect employment across the country. Many women for instance, supplement the family income by working on Saturdays—in many cases only because mail is received—cut the service—you cut their jobs. Not meaning to sound dramatic, one need only be a housewife to know what the mail means. It can easily be the high point of one's day—a diversion from their daily routine. And what about shut-ins—whose only contact with the outside world is through the mail.

Small business feels the crunch of higher costs and must cut their expenses. However, cutting their service would put them out of business. The U.S. Postal "Service" however need not worry, because we have no one else to deal with.

We know something must be done but feel public opinion is most certainly against a cut in service. We feel the committee should look elsewhere.

Thank you.

Mr. and Mrs. SANDEN JOREN.

Mr. DERWINSKI. That concludes our official witnesses. At this point we are open to any comments, suggestions, complaints, or favorable comments from the floor.

First, before we do, I see in the back of the room the retired postmaster of Midlothian, Ill., Frank Shanahan. Frank, would you please rise to be recognized?

Now I think I see a village clerk of Country Club Hills, Pearl Shaffner.

Pearl, will you step up?

STATEMENT OF PEARL SHAFFNER, COUNTRY CLUB HILLS, ILL.

Mrs. SHAFFNER. I have to correct you again. It is a city, Congressman.

Mr. DERWINSKI. Oh, thank you.

Mrs. SHAFFNER. Today I am speaking as a private citizen.

My name is Pearl Shaffner. I live at 4651 West 185th Street in Country Club Hills, Ill., and I am speaking today mainly for the long suffering paying customer of the Postal Service.

It seems every time they run into some sort of financial difficulties in the Postal Service, the first thing they do is cut back the services to the paying customers, and we are getting a little bit fed up with this.

Our Congressman Metcalfe put it most aptly when he said in 1972 they cut back from two deliveries a day to one in the hopes of saving money, and the costs have been spiraling ever since. I remember when first class mail was 3 cents, so you know how far back I go.

The thing of it is, if we don't do something to stop this inflationary trend that seems to be going on in the Postal Service in cutting back Saturday deliveries, something is going to give.

I think that it is time to take the businessmen out of the running of this Postal Service and put it back in the U.S. Government where it was before, because we had better service when it was under their jurisdiction.

They had ample time to prove themselves, that they could give good service, but service has been deteriorating all the way down the line, and I think that all of the paying customers are pretty fed up with it.

We can't trust them. Every time they say they are going to cut back or pull out a dropbox or anything like that and give us better service, you can't trust them because it just isn't so because the next year or 2 years later they increase the cost of mail, and you are paying more and more for your first-class mail.

I think it is about time we put a stop to it.

I am unalterably opposed to the elimination of Saturday deliveries. I think it is necessary, and I really don't think it is going to cut back any of the costs with the Postal Service as it exists today.

I don't think that the problem is in the local post office or with the mail carriers who are sort of the unsung heroes of it. I think it is at the top, and these people better start cleaning their own houses first instead of sticking it to the public all the time.

Thank you. [Applause.]

Mr. DERWINSKI. Thank you, Pearl.

Yes, ma'am, the lady in the back of the room; identify yourself for our reporter.

STATEMENT OF MYRTLE DUNN, TREASURER, VILLAGE OF ROBBINS, ILL.

Mrs. DUNN. Myrtle Dunn.

I am speaking on behalf of the local government. I am the treasurer for the village of Robbins, and if we have this 5-day service, it is going to mean that when checks are received by the local government that we expect to get say Friday and we don't get them until Saturday, that means that we don't have or don't know how much money we are going to be able to spend or how much money we are going to have in order to write our expense checks, and it also means that if there is enough money in there, or in the mail for investments, that means that that money is going to lay in the post office from Friday until Monday.

That means a loss of revenue to the local governments because we could be investing that money over a period of 3 days and over a period of 3 days, say \$10,000, \$100,000, whatever it may be, means that we are going to lose, local governments are going to lose money, and somebody, which will be the banks or whoever it is that is holding our money, are going to be making money.

So, therefore, I am opposed to the 5-day service.

I don't see where it would be of any benefit at all.

Next, there also will be a curtailment of carriers or servicemen in the Postal Service. That means that our community especially is going to suffer and also the black communities are going to suffer because they are the ones that are depending wholly on their mail carrier jobs, and their Postal Service jobs.

I don't see where we need any cutback or any increase of unemployment at this time.

Our community is in the area of a 33 percent unemployment area right now, and we can't expand it.

So, I for one—and I am speaking for my own local government—am against it.

Thank you. [Applause.]

Mr. DERWINSKI. Please use the microphone. In each case, use the microphone here at the table if you wish, and please, as I recognize you, just take the mike and identify yourself for our reporter and then proceed.

STATEMENT OF EMELYN RUESING, CRESTWOOD, ILL.

Mrs. RUESING. My name is Emelyn Ruesing, and my only claim of importance is that I am a citizen of the United States.

I listened to the testimony that was given here, and so much of it was contradictory, that I can't understand how they could expect us to believe some of the things they said, such as there weren't going to be any jobs lost if the mail was curtailed, Saturday mail was curtailed right now.

Well, right now maybe not, but we are also thinking of the future. Not only that, but they said if this was going to reduce the cost of the mail, if there was going to be any curtailment in jobs, how are they going to reduce the cost of the mail? Certain of these statements I have to question.

I asked you, Congressman Derwinski, if the post office would be closed on Saturday morning and the answer was no, that you could go and pick up your own mail on Saturday morning.

Yes; maybe you could, but you are not getting the service that you are paying for. You are paying to have this letter delivered to you, and if you have to go and pick it up yourself, you are not getting the service you are paying for.

I have seen so many times where they said, "Well, we will curtail this and take out this, and this is going to save us money," and it has never saved us money so far, and as far as I can see right now, they are asking for an increase for the service.

I would like to ask a question.

Isn't the mail service a Government service? Is it expected to be for the taxpayers to pay taxes for the service and also make sure that

they make a profit on everything, on all the mail that is delivered?

This is a question I would like to ask. I always thought that this was a Government service.

There are many other questions that I would like to ask, but being that there were so many statements made that were open to questioning, I would say that I am very much against curtailing the Saturday delivery because I have lived long enough to find that many a time they have told us this was going to save you money. What happened? We lost the service, and our expenses were raised. Thank you.

STATEMENT OF IRENE R. WARTHEN, TINLEY PARK, ILL.

Mrs. WARTHEN. I believe I can speak without a microphone.

Mr. DERWINSKI. Identify yourself for the record.

Mrs. WARTHEN. Yes. My name is Irene Warthen. I am a resident of Tinley Park.

I am also an employee of the State of Illinois Department of Labor, presently on a disability.

As an employee of the Department of Labor, I, too, feel that we need no more layoffs.

There was quite a problem with employment, there still is, even though the Federal Government says six-point-something percent, take it with a grain of salt, that is over the entire country, and it does not mean our own area only.

I also want to call attention to something that was said, and I don't believe many of you got the impact of this, and that is what this gentleman from the union said, he got off the point, but it was lost, I think, in the shuffle; however, as an employee of the State, it struck home with me.

You know, the Federal Government has made Mondays the holidays in most cases anywhere they could except for the Fourth of July, Thanksgiving, and Christmas, and they may work on those.

Having a holiday on Monday with the Postal Service not operating means if Saturday delivery is discontinued, your mail will not come until Tuesday.

When they have a pileup of Saturday, Sunday and Monday, you will be lucky to get part of your mail on Tuesday and the remainder, hopefully, on Wednesday.

Think of this. This leaves 3 days. Many times during the year, Columbus Day, Washington's Birthday, Lincoln's Birthday, every holiday they have announced without mail service for 3 consecutive days.

I am opposed to the elimination of Saturday delivery.

Thank you. [Applause.]

STATEMENT OF LEW RANDAL, MARKHAM, ILL.

Mr. RANDAL. My name is Lew Randal from Markham.

Thank you, Congressmen Derwinski and Metcalfe and committee for allowing the public to speak at the meeting.

May I say that I remember when Mr. Derwinski was first appointed to Congress, that's when the superintendent of my high school passed away, and Mr. Derwinski filled his shoes.

They talked about the social security checks or the railroad retirement. I am a rail employee myself. At one time my check got waylaid in the boondocks of southern Indiana, and after that I got the form to have this computerized payment to the bank.

Well, like say the first falls on Friday, how do I know that got into the bank? The bank sends me a statement. Do I have to wait until Tuesday to find out whether my money arrived at the bank or not? That's the question.

I am opposed to this here elimination of Saturday deliveries.

Many, many years I have lived in this world, I am past 72 years of age now, and my lineage or descendants and that numbers quite a few in this area, and we are all opposed to this here elimination of service.

To be blunt, maybe a little curt, they talk about the savings. Listen, we can save a hell of a lot of money by eliminating some of this foreign aid we are giving away out of the country. Let's give service to the taxpayer, to the citizens of our country.

Thank you. [Applause.]

Mr. DERWINSKI. The gentleman here.

STATEMENT OF C. A. BETTENHAUSEN, TINLEY PARK, ILL.

Mr. BETTENHAUSEN. My name is C. A. Bettenhausen. I am in the ready-mix business in Tinley Park.

Now I got to say I am going to give you my troubles that I have had or complaints that I have had for the last 3 years. This is when they had the old post office.

I had mail that was shipped from the Bremen Bank. I live a mile, just 1 mile from your present post office.

Now, I got my canceled checks as much as 30 days later. They came to my place, and I know that the bank sent them out.

Now this kind of service, I don't call that service because I am from way back. If I live 'till tomorrow, I am 77 years old, and I have seen a hell of a lot of things go to hell, and that's one thing that has gone to hell.

Now, I tell you another thing, some of these people that they have on the routes, they must not have never took up English or reading at all for the simple reason you go over my mailbox—I had eight pieces of mail this morning, and if I am not mistaken, I got three in the box that do not belong to me.

My wife said, "Do you want to take that letter along and deliver it to them?"

I said, "Hell no."

I said, "Lets the people who are getting paid for doing this, let them deliver the damn thing."

Now, I think what we got in this country, we got too damn much easy money.

Now, I have had to work all my life. Now they are taxing the hell out of me. On top of that, I am paying about six times as much for my home which is 46 years old, than I did, and if you go to Chicago, you might as well go to hell, because that's where they put you.

They won't listen to any of your complaints.

Another thing, I think the people in this country need a jack—a jacking up, and what I mean is a damn good jacking up.

I will tell you something, my father was born in this country and I was born in this country, but I am going to say this, we sure have left it go to hell.

Now, if I can't get any better service than I have right now, let them keep the damn mail down in Tinley Park until I can go down and pick it up.

I don't give a damn if they deliver another piece, I imagine there is some of the people here from Tinley Park that will maybe pay for this speech, but this is the truth, and if they are just like all of the rest of the white niggers that we have in this country, that is what I mean, that's it. They have turned to be that.

Dammit, I tell you, our mailman used to ride around with a horse and a road cart. The mud flew. He was covered with mud from head to toe.

Today they got these automobiles and everything else they are just in favor of. As soon as something goes wrong, you go to the bank, if something is wrong, they blame it on these machines.

We got along years ago without all these machines, why in the hell do we need them today?

Mr. DERWINSKI. That covered a lot of territory, Mr. Bettenhausen.

Mr. BETTENHAUSEN. You should cover a lot of territory.

Now, I have been in the trucking business 55 years. I have been connected with it in some way, shape or form, but our service today is the poorest that we ever had.

I tell you what, don't give them a paycheck, fire some of these people once, and those that are working will wake up.

If they need Saturday and Sunday to sleep, it might be a good idea to take one-sixth of their paycheck away on them, and let them sleep on Saturday and Sunday. It might help.

Thank you. [Applause.]

Mr. DERWINSKI. I recognize the gentleman in the back of the room. Yes, sir, will you identify yourself?

Mr. MAZUROWSKI. I am the retired postmaster from Tinley Park.

Mr. DERWINSKI. Yes, excuse me. I am sorry.

Mr. Roman Mazurowski.

Mr. Mazurowski was postmaster of Tinley Park, and I am not going to say whether the mail is being handled any better or worse since he retired.

Roman, it is good to see you.

STATEMENT OF ROMAN MAZUROWSKI, FORMER POSTMASTER, TINLEY PARK, ILL.

Mr. MAZUROWSKI. I will withhold my opinion.

I came totally unprepared. I was not aware of this meeting until this morning.

First of all, I started in the old railway mail service back in 1950. I served in just about every capacity in the Postal Service; clerk, mail carrier, traveled the entire East.

I finally got here to Tinley Park and achieved a real good goal which I was proud of.

Back in 1971 many of us postmasters were all for this reorganization. I thought it was a beautiful thing because we needed a change,

but since then, I think the props were knocked out from under us due to the fact that a lot of these people say it was promises, promises, promises, and if you look around, many of us retired awfully early at 55 for quite obvious reasons. We just couldn't take it any more.

Let me go down the line on some of the notes I have taken.

First of all, we pick up the newspapers and read the unemployment situation, and I cannot go along with this attrition deal because there is no such thing. No millions of dollars will be saved in 1 year through attrition.

What disturbs me in one Government agency is spending billions of dollars creating more jobs, and another agency is laying people off, like the Postal Service, again, I was orientated to give the service to the public. Those of you from Tinley Park that are around here probably have known that, that is all I knew was service.

I slept "postal service," and even today I am stopped on the street, called at home. As a matter of fact, I don't even bother going to my local church because I am knuckled once in a while. I go to the city hospital, but that has all gone. Today it is strictly a big business orientated corporate thing.

I remember when I was there, it wasn't what the service was, how much can you save, cut 2 percent here, 4 percent there and budget, budget, budget.

I am sure a lot of the postmasters aren't here today because they couldn't express their opinion as freely as I am expressing mine today.

As a matter of fact, not so long ago I spoke to one postmaster who needed one extra clerk. Believe it or not, it took 9 months to get a replacement because of paperwork, paperwork, paperwork.

You go from A, B, C, D, and E, and all the way back down, and some guy in Chicago or Washington makes his decision that you need one extra clerk in Tinley Park.

By golly, who knows better if you need a clerk, the postmaster in Tinley Park or some fellow in Chicago or Washington who probably never has heard of Tinley Park?

And about this business of mail, 80 percent of it is business mail, but yet again the businessman, not knocking the businessman down because he makes his livelihood that way, but it is deductible.

What about us who have mail?

Today I have 12 letters in my car which I have to mail. My 12 are going to cost me 13 cents like any businessman, but it is not tax deductible.

The Postal Service, if I remember distinctly back before 1971, had been subsidized, always has been.

Like the lad up here said that we are a service. We are part of the Government, or we were supposed to be part of the Government like the Department of Agriculture, Commerce or Defense, and again, from what I have observed, it is top heavy from people up in Washington.

If you take a look at some of the annual reports like I saw 3 years ago. they hire 10,000 people in the upper echelon as opposed to 700 in the field. In other words, take your clerks and carriers. 700 people distributed among 50 States. You have 10,000 people added in your management which, I think is utterly ridiculous.

Well, this is about all I have to say, and like I say, we were all born, as you know, but today you speak to any postmaster or any fellow retired from the Postal Service, and they have had it.

Mr. DERWINSKI. Thank you, Roman.

There is a gentleman right in front of you. Yes, sir, you are next, please. Step to the microphone, please.

STATEMENT OF MR. WEAVER, BREMEN TOWN

Mr. WEAVER. I am going to surprise my wife. She said: "Don't you say anything."

I don't want to come up here with an affrontery. I just want to present or represent a front.

For identification, I don't know if it is necessary, I am all clear with the police department, but my name is Weaver from Bremen Town.

I am also a senior member of the Bremen Town Senior Citizens Club.

What I want to say is wherever there is money to be removed from the budget, there is an argument every time, each and every time.

I have heard quite a few good pointers, and I dare say it's going to end up with the panel here, the chairman, and our Congressman Metcalfe and the gentlemen and their side.

Now, I believe we have already heard a very important remark that the postmaster today is a messenger boy, and I have heard it frequently.

The employee under his command throws up his hands. When he needs help, he goes to his postmaster and he throws up his hands asking for help. What am I to do?

Now, it all goes along the line in that manner. Big business. However, is big business alone involved?

We hear about the poor citizen who is waiting for his check. Well, I am sure he is not worrying about his \$100, \$200, \$300 dollar check for 2 days. I am sure he has a few nickels and a loaf of bread at home. He can sustain himself for a couple of days, but if the Post Office Department is considering to save \$400 millions, are we going to worry about a few nickels? Are we going to worry about a few discomforts in certain areas. If we have a few dollars to put in the bank, I hear that we want to get the 3 days' interest, hurry, hurry, deliver that check, I want to deposit it to get compound interest on that \$100 for 3 days.

But, I think we have to look at this from the community standpoint. If we can save the community, the city, the State \$100 million. \$200 million here and yonder and wherever you wish to go, I think that is the point to consider here, the budget. The service can always be improved. If we want to add another 100,000, 100 million here and yonder, it can always be improved.

However, is the improvement worth the price? I daresay that is a big question we must consider. Is it worth the price?

Now, are we not going to simply go by what we have been promised?

We have been promised again and again and again, well do this, and well, do that, and we will cut the budget, and what will the consequence be? The budget was increased.

Now, these are some promises we are all familiar with, and who is our Government? The people. The people set up their representative, and if we cannot rely on the representatives, what are the people supposed to do?

Now, I daresay, we have qualified representation and that is what we must here and now consider, not personal opinions or let's say opinions here that are only qualified and limited to the family or something to that effect.

The point is, What is best for the country, the State as well as the Nation?

And we are the people who represent the Nation, not the Government. The Government represents the people, and that is about the same. We just have to draw up a line somewhere along this picture and find out what to do and what not to do.

In this age of our tremendous inflation now we are not going to help inflation or reduce it if we are going to run in all directions making promises and having complaints from one side to the other and not consider the focal point of this herculean question.

Thank you for listening.

Mr. DERWINSKI. Thank you, Mr. Weaver.

I would like also to announce the presence of another distinguished local official, Mr. Gene Leonard who is the Commissioner of the Regional Transportation Authority.

Now, Mr. Robertson, would you care to address our meeting, please?

This is Mr. Hayes Robertson who is a member of the Postal Board of Governors.

STATEMENT OF HAYES ROBERTSON, MEMBER, POSTAL BOARD OF GOVERNORS

Mr. ROBERTSON. Congressman Metcalfe and Congressman Derwinski and fellow citizens out here, I have been out in this area for a long time, and some of you may have read that I used to get myself involved in politics. In doing that I learned a lesson that you are all talking about here today. I don't think it would be proper for a Member of the Board of Governors to be in this meeting and not stand up and say a few words about what our viewpoint on the matter is.

The Congress gave us a job to do. They passed the Postal Reorganization Act, and in doing that, they told the Board of Governors and the Postal Service that they should operate as a business.

They provided a subsidy for some of the things that they wanted to have us do that we weren't going to be able to make money on, such as delivering newspapers and books and magazines and giving the not-for-profit organizations mail delivery at the first class service with a not-for-profit rate, and all of these things cost us money.

So, they provided a subsidy for that.

Now, we have to operate on the money we take in in postage plus those subsidies. That is the only money that we make.

In doing it, we ran along for about 3 years running a deficit, and the deficit was getting bigger, but I must remind you that when the postage rate was 6 cents, a loaf of bread was selling for about 5 cents or maybe 10, but it is now 85, and the postage rate has gotten up to 13 cents.

So, I don't think that the postage rate has run away. Everything else that you have bought from the time in 1971 until 1978 has increased just as much as the postage rate has.

If you will remember that Hershey bar we used to buy for a nickel, the one they sell for 20 cents today, it is not quite as good, and it is not—it is the same with everything that you buy down at the store.

So, let's think about running this as a business.

You know, the Board of Governors would be delighted to do anything that the Congress wants that Board of Governors to do.

We have people in Congress who do not represent the majority who introduce bills to abolish the Postal Service, to do this, to do that, to do the other thing, and mostly those things are inspired by the opinions that they get in letters from people in their own districts, and that is entirely proper, but we at the Board of Governors don't know what the Congress really wants until they pass a law.

When they pass that law, we shall certainly abide by it and do exactly what the Congress intends for us to do.

The last law they passed provided that we should try to run the Postal Service as a business, we should try to break even, and by 1984 we are supposed to be on the basis where the postage rates and our income pays for the whole service.

Now, you have heard stories about people delivering mail in New York or Chicago for 3 cents and making money.

So can the Postal Service, but we can't deliver it in Chicago and New York for 3 cents and take the same letter and put it in the Grand Canyon or in Alaska or Honolulu.

So, we have to take in more money from the mail that we deliver locally in order to pay for the mail that you mail out to California or Puerto Rico or someplace. That is your first class mail.

Now, in your discussions today you were talking about that they can't believe anything anybody says.

I was impressed by the fact that one young lady made a talk here and everybody applauded and everything she said was certainly derogatory to the Postal Service.

I was impressed by it, because I realized why people feel as they do about the delivery service.

You know, we run a very, very careful check on delivery, and when the gentleman who spoke for the Postal Service, Mr. Chapin told you that we have 95 percent delivery, that is exactly right, and that's been checked by every agency around the country.

But the thing you don't remember is—let's say you get 20 letters delivered within 2 days, but that 1 letter that got in the machine and got shipped off to Dallas or someplace, and then had to come back to you, came in. That's the only letter you remember receiving in the whole period of a month, so those things stay on your mind and keep you impressed with the idea that the Postal Service is not doing a good job.

Now, we talked about this 5-day delivery, and that's what the issue is here today.

You know the unions and the letter carriers of a union, and they have in their contract a no layoff clause. We can't lay anybody off if we cut the service to 5 days.

The only thing we can do, that will do will make it unnecessary for use to hire some casuals who are only permitted to work for 90 days in the Postal Service, and that isn't a full-time job.

Those are the people that will be relieved because they are all temporary, and the people who have carrier jobs in the Postal Service will not be laid off. We can't lay them off. It is against our union contract.

Now, I am here to defend or to speak for 5-day delivery or speak against 6-day delivery.

I am here to do whatever the gentlemen who have come from Washington decide, whenever they make the rule, but at the present time there is no rule against cutting 1 day of service out, and we have suggested this merely as a way to save a half a million, a half a billion dollars a year.

Now, we cannot continue to run deficits, because the Congress has a limit on how much they will pay out to us in subsidies.

If you go back to the old post office days, what they did was to take your 3-cent or 6-cent stamp, throw it all in the general fund, and then when the end of the year came, appropriate enough money to pay the bills, and that was many, many times as many billion dollars as they are presently paying the Postal Service.

We have cut the subsidies that the Government has been giving us.

So, I would like to say in closing, that I certainly appreciate my friend, Mr. Weaver, who I haven't known before his talk here, because that is the guts of the whole thing. You got to have some economy in Government just as well as you got to have some economy all over if we are going to stop this inflation rate, but the Postal Service Board of Governors isn't going to do it if the Congress doesn't want them to.

We are going to do what the Congress tells us to do.

Thank you very much.

Mr. DERWINSKI. Thank you, Mr. Robertson.

The gentleman there, or the lady, the lady in the back, and then the gentleman here in the gray suit.

Yes, ma'm would you just identify yourself for the reporter?

STATEMENT OF ANNE TOMPKIN, TINLEY PARK, ILL.

Mrs. TOMPKIN. Anne Tompkin of Tinley Park.

I have an example of the kind of service we are getting.

I have a first-class piece of mail here that was mailed out on January 7. I received it the 12th, and this is from Wausau, Wis., which I can ride there in about 8 hours. It took 5-day delivery, but it is the sixth day.

But anyway, if we had a 5-day delivery, this would take much longer than the 5 days it took now.

Then, I have another thing I want to say. Of course, it says 60648, my ZIP code is 60647. That has nothing to do with it, because the machines do not pick up handwritten ZIP codes.

I think the majority of you people don't know this or are not aware of this, but this is a fact, isn't it, Congressman Derwinski, or wouldn't you know?

Mr. DERWINSKI. Now, you are right, the Post Office is not totally automated, but if you use a ZIP code, you help your carrier and clerk move that mail more effectively.

Mrs. TOMPKIN. It doesn't help, only with the machines that they are using. The machines only pick up printed or typewritten ZIP codes. They do not pick up handwritten ZIP codes. This does not facilitate the delivery of mail in any way. I think I am right.

Well, everybody knows if it is Tinley Park, they don't have to look at the ZIP code if it is in the local mail somewhere.

Mr. DERWINSKI. We've got plenty of experts in the audience.

When the clerk is working with your piece of mail, if you have the ZIP code, that facilitates processing; otherwise, if it happens to be a town that isn't that well known, he or she has to look up the listing to locate it.

Mrs. TOMPKIN. They still have to look up the ZIP code. If it is stuck in the machine—

Mr. DERWINSKI. We will ask one of our postmasters. I guess the question is does or does not the use of the ZIP code facilitate the mail?

Mr. MAZUROWSKI. Yes; it does. From my years of experience, people get carried away with ZIP codes.

I have seen New York City with 606 and vice versa so, just for the record, if you don't have a trained clerk that picks it up and knows the address between New York and Chicago, Fifth Avenue and all that, it is up to the public to address it correctly.

Mr. DERWINSKI. That gentleman; yes, sir?

STATEMENT OF MARTIN FRICK, TINLEY PARK, ILL.

Mr. FRICK. My name is Martin Frick from Tinley Park.

Much of what I wanted to say has been covered in this long period this afternoon, so I will try to make it brief.

I was concerned about this, that I understood that you have appeared here to hear us, not that we are to put our confidence in men that they are going to do what we want them to do, I think they are to listen to the people here, and from what I have heard here this afternoon, the great majority are against dropping the 6 days.

These men that spoke, many of them were representing not a family or a few people, but a great number of people.

I discovered many of these are in the work of the Post Office, and I think they should know pretty well what is happening because they are the ones that are dealing with the people, and they are getting the complaints.

So, I believe that what we have heard here this afternoon, if I were a man representing them, I would feel no, we cannot drop the 6 days. [Applause.]

Mr. DERWINSKI. You have all been very patient.

We have one more gentleman here, a letter carrier, obviously, by his uniform, and will you identify yourself, sir?

STATEMENT OF ARTHUR THOMAS, LETTER CARRIER, BLUE ISLAND, ILL.

Mr. THOMAS. Yes. Arthur Thomas. I am a letter carrier in Blue Island, which was your old office at one time. You were upstairs when you were there.

Anyway, I've been with the Post Office for 13 years, and I have been taking a few notes. I got here a little late because of working.

Some lady said that the Post Office says if they knock out 6 days she can still pick up the mail at the post office.

I don't see how this can happen because the letter carrier sorts the mail. There won't be any mail to pick up except for the people that may have post office boxes.

A lot of people complain. I know the one gentleman that complained about the mailmen and everything, a lot of this is that 90-day temporary help which would take our routes on our day off, and they are not experienced, and by the time they learn the route, their 90 days are over, and they are gone because they can't be rehired. A lot of times they have to get an OK from the top to rehire these people again. The gentleman was saying, too, about mailmen not walking anymore, that they have vehicles.

We have new systems called park and loop, and we go out and take parcels of mail with us, and we park and walk a loop and go back to our cars.

When this system came up in Blue Island, we were one of the last post offices to get this.

I can't see the idea of it because at the time when a lot of people are trying to figure ways to save money, gasolinewise, the post office is going into this system, and every time the gasoline goes up a penny, this is another million dollars that they are spending, plus nonoperative vehicles, half the time in cold weather our vehicles don't run. They are not kept up. They are not washed or taken care of.

I think under the new postal system a lot of the problem, too, is a speed up system that we have where we have our routes checked every year, and they go out with us, and then when they come back, they say, "This is the way your route should be. We are going to add a little bit and give you a little more," and this makes us less efficient, because of the fact that you have to case the mail so fast, and you are bound to make more mistakes, and in some cases the people on the route understand it and others don't because they don't understand the pressure that we are under all day on our job.

I think basically the trouble with the post office is at the top with Mr. Bailar and the management at the top that are pulling down \$42,000-to-\$60,000 a year salaries, and possibly, I don't believe that they understand the job that we are under.

If they took the bag out and delivered some mail, they would see the things we go through every day. Maybe they would understand our job a little better.

I think mostly that the people pretty well understand the problem that the letter carrier is under and don't blame us for what our bosses make us do, or the speedup tactics.

That is all I have to say. Thank you. Any questions?

Mr. DERWINSKI. Ralph?

Mr. METCALFE. I have no questions.

Mr. THOMAS. Thank you.

Mr. DERWINSKI. Yes, we have one more hand back there; yes, sir?

STATEMENT OF CHESTER YOUNG, OAK LAWN, ILL.

Mr. YOUNG. My name is Chester Young. I live in Oak Lawn, in a mobile home for the last 7 or 8 years. Seven years before that I lived in the city, and I had had great experience handling the Dearborn

Station RPO's that give them the mail, load the baggage, load the mail, get to the cars, take out the mail according to the destinations. We had to fold up because the mail went piggyback on the post office.

So, I went to the post office and I got a job at that south suburban which is Ford City, 76th and Cicero, and we had had parcel post. Since that time, they moved that out to ABMC, which is at Roosevelt and near the Navy Ordnance at 7600 in Forest Park, which is mechanized similar to the United Parcel, similar to the railway express. Railway express had been moved out a long time, I guess.

Well, after I got into the Post Office at 76th and Cicero, which I am there now 10 years and handling the parcel post, we had kept the circulars and the first-class letters. We reduced our size of the building to one-half, which is behind the theater section.

Now, we do not have letter sorting machines, but the BMC's. they have what they call a digital like a—what the hell you call it—like the calculators, those little things. As each package goes on, it is then computerized to a system of belts, and that package, without being torn, if it doesn't get torn, enters the building and leaves the building within the hour.

But we in the first class at south suburban, we have a similar facility at Schiller Park or something north, north suburban.

The dividing line for the north and south is at Butterfield Road or 22d Street. That is ZIP 601, 2 and 3.

Now we have 604 and 605. The 604 has a dividing line from about Archer Avenue to the State line down to the next county; 605 takes Archer to Butterfield Road, and we handle the 604, 605.

In other words, all the people go to the post offices, and those little trucks of the star routes come to us, except for the north suburban.

Now, Star Route 1 runs from Evanston up to the State line, Winthrop Harbor, Zion.

Star Route 2 is all the post offices that are within Wheeling Road, Wheeling Grove. That goes up to the State line.

Star Route 3 is U.S. 14. That goes up to the State line.

Star Route 4 is U.S. 20 up by Elgin and beyond and Star Route 5 is, of course, the north suburban around Lombard and goes west to DeKalb and in through around Roosevelt Road.

Now, of course, we have Star Route 7. Like I said, that takes in the 605 ZIP's and 608 is, of course, Archer Avenue down into this area to the State line of Indiana.

Now, Gary is 463, and they are guaranteed to get the same day delivery. So is Kankakee, 609, which is south of us.

Now, 610 is Rockford. That goes up to the Iowa line, and of course, 611, 612 does not get the same day, but 613, LaSalle, gets the same day delivery or next day.

Now, all these post offices, these people bring their mail and their trucks come to either the north suburban or to the south suburban. Not every truck.

We have on the Star Route 1, one by Evanston, one halfway, and one at the other end. The same with 2, in the beginning, the middle, and at the far end; same with 3, the beginning, the middle, and the far end; then 4, at the beginning, the middle and the far end. And they all go to Schiller Park.

And No. 5, we have one that is close by, one that is in Joliet, and Aurora. They come to us.

Mr. DERWINSKI. Excuse me, sir. Could you make the point, though? We appreciate all of this, but—

Mr. YOUNG. Here is what I am trying to tell you—

Mr. DERWINSKI. What is the point?

Mr. YOUNG. We in the post office get this mail. Tinley Park does not give to Worth, Worth does not give to Oak Lawn. It all has to come to us.

We then re-sort not only for the south suburban, but for the north, north Chicago, and the rest of the world.

Now the lady that complained about her Wausau letter, that meant she had to go to Wausau, which is her section way up north. It has to come to Milwaukee. From Milwaukee, it has to come to O'Hare. From O'Hare it comes to us.

So, this is why it takes all that time.

Now, if we had had the circulars, whether they work it that day, they receive it, I don't know. I am not in that section.

Whenever they try to work it, they try to work it. We work around the clock, and there is, of course, no Sunday delivery to some towns except Joliet and maybe Aurora.

I do not favor the 6 days because that stuff, like the one lady said, even when we have the holiday on Monday, it piles up on Tuesday, but the one case I read, somebody had an idea that if they send for a theater ticket or sport event, that sport event, naturally will send them the letter, and if it gets to the post office and nobody knows about it, and naturally they don't care, it is in the bottom of the list or bottom of the pile, and it sits and it sits over the weekend, and he gets it Monday, and that event is Saturday, so he loses his event.

Well, that's the way we run the post office, and I mean, I been at it 10 years, and I hope I don't get recognized so I lose my job.

Mr. DERWINSKI. Thank you.

Congressman Metcalfe has another appointment.

Ralph, do you have any statement you would like to make in conclusion.

Mr. METCALFE. Thanks very much, Mr. Chairman.

I am very delighted to have been accorded the privilege of sitting in with you for these hearings.

I am vitally concerned about Postal Service delivery. I am very much concerned about the attitude of the American citizens and was delighted in that I had an opportunity to chair the morning session.

I would like to compliment you, Mr. Chairman and staff, for your broad audience participation and representation that you have had here today.

I am running late for my next appointment, and I have a full day ahead of me yet.

It has been very, very enlightening, and you would be surprised to know how much this benefits the Congressman as he sits in these committee hearings and then discusses it.

Now we can go back, and now we can get the feel and portray the feel that we have gotten from these hearings.

I want you to know that there has been a great outcry for citizen participation in our Government. This is the manifestation of it today, and I am delighted that I have had the privilege of being here, and always a pleasure to be in Congressman Derwinski's company, but I

want you to know this has been a very fruitful and very beneficial hearing. I have made copious notes as well as keeping these statements. They have been very helpful.

Thank you very kindly.

Mr. DERWINSKI. Thank you. I wish to thank all of you, the citizens, the representatives of groups, and I want you to know that all of this, as Congressman Metcalfe has indicated, will be most helpful to our committee when we reach our final conclusions.

Thank you. The meeting is adjourned.

[Whereupon, at 4:40 p.m. the committee adjourned.]

SIX-DAY MAIL DELIVERY

SATURDAY, MARCH 11, 1978

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Springfield, Va.

The committee met at 10:10 a.m. at the Francis Scott Key Intermediate School, 6402 Franconia Road, Springfield, Va., Hon. Herbert E. Harris II presiding.

Mr. HARRIS. I'd like to bring the meeting to order, please.

This is a meeting of the Post Office and Civil Service Committee, special hearing on 6-day mail delivery, that has been held at my request with respect to the proposal that has been made to cut back service with regard to the days of delivery. We are having this hearing today to hear testimony from all those involved who have an opinion: citizens, employees, managers, and those who are just dependent upon the service.

It is a great delight for me to introduce to you my colleague from Maryland, Congresswoman Spellman, and I appreciate very much her taking the beltway over here today. It is a long trip, Gladys, and I appreciate very much your coming.

Mrs. SPELLMAN. I am glad to be here.

Mr. HARRIS. I have a brief statement to make with regard to this proposal. First, I want to make it clear we have representatives here from the Consumer Affairs Division of the U.S. Postal Service, Mr. Dickey Rustin and Ms. Helen Gaiser. With respect to anybody who has any particular problem—if Dad's Christmas package hasn't gotten to him yet—those are the folks to talk to. And we asked them to come here and we are pleased that they did, because they are people who can work directly on any particular problems you might have with respect to postal service.

Mrs. SPELLMAN. I wonder, Herb, if I had been mailed this morning, would I have gotten here a little sooner, or would I never have made it?

Mr. HARRIS. I am pleased that the House Post Office and Civil Service Committee has agreed to my request to hold this special hearing in Northern Virginia, right in the area at a time and place convenient for people to testify. It has been my strong opinion, since coming to Congress, that Congress and the committees would learn a lot more if they would hold their hearings out where the people are, at a time and place where people can come, instead of in the middle of the Capitol at 10 a.m. when most people work.

Our primary objective here today is to hear the views from individuals, community groups, business mail users, and postal employees on the proposal to reduce mail delivery from 6 to 5 days per

week. Similar hearings have been held in Denver, Honolulu, Philadelphia, New York, and Mississippi.

This is a part of a series of approximately 12 hearings where we are attempting to get the views from the grassroots with regard to this problem.

On April 18 of last year, the Commission on the Postal Service, which is a special study group created by Congress, recommended that 6-day delivery be discontinued in order to, quote, "reduce postal cost increases." Since that time, the Postal Service has been studying this proposal and although no formal proposal has been made, there is some indication that they are leaning toward making such a recommendation. I have seen many instances where recommendations have to be studied and looked at for a long time. I saw an indication that the Postal Service was prepared to move rather quickly on this particular recommendation, with some efficiency as far as implementing it.

The move to cut mail deliveries causes me great concern, particularly since its impact is largely unknown. Business cash flows might be adversely affected; people in rural areas might feel more isolated; and unemployment problems would increase.

Also of great concern to me has been the rising cost of postal services and inconsistent service. To provide the American people with good mail service and to charge reasonable rates should be the primary intent of the Postal Service. This has been my goal—I have to be rather blunt and forthright on this point—since coming to Congress. As you know, the quasi-autonomous or semi-independent, whatever you may call it, U.S. Postal Service at this point, is something Congress cannot control with regard to policy questions right now, and I have seen a constant process of eroding service and escalating costs, and it has been a process that bothers me a great deal.

We have just had a questionnaire sent out to a random sample in the eighth district, and if there is one point that comes clearly through, it is that people have lost confidence with respect to how the Postal Service is run. I think the view is that when the proposal is made that by cutting service by 1 day \$400 million will be saved, the average person's response, if you will excuse me, is, "Oh yeah?" There is serious question that cut in service will, in fact, result in serious cost savings.

It was a rather remarkable response that we got from our questionnaire. There were about 30,000 questionnaires set out in the eighth district on a random basis. Throughout my career in civic work I have had a great deal of experience with regard to the voluntary submission of questionnaires, and if you get a 7- or 8-percent response to a voluntary questionnaire like that, you are doing pretty good. Ten percent is about the maximum. And in a relatively short time we had a 15-percent response to this questionnaire; 4,336 people have already sent in their questionnaires. Of those 4,336, 3,568 have said, "Keep Saturday mail delivery;" 768 have said, "End Saturday mail delivery."—that is 82 percent yes and 18 percent no.

This was a rather impressive response with regard to volume. And here are the questionnaires [indicating], and the proportion of 82 to 18 also, I think, is impressive.

In addition to voting yes or no, we also received many comments which have been very helpful to me with regard to judging where we

are going with regard to Postal Service. This result flies in the face of a Nielsen survey the Postal Service presented to us that showed that 80 percent of the people, in fact, were in favor of discontinuing Saturday delivery. Obviously, a survey often gets back what the question wants it to get back. And it is hard to devise a question that does not seem to be loaded one way or the other with regard to any question. This is why in our questionnaire we tried to set out in equal length a paragraph of the statements of those who would propose cutting back by 1 day and a paragraph by those who supported continuing Saturday delivery, and then simply had a box yes or no. I am pleased one representative of the Postal Service has said that this is the fairest questionnaire he has seen with regard to the question.

I am anxious to hear the statements of those who are testifying, and I'd like to make it clear that we do have several who have signed up ahead of time. We have tried to set them up in panels to expedite the hearing as much as possible.

I also want to make it clear that anybody here who wants to testify is going to be given that opportunity. I say that now. I don't know whether I will say it with that much enthusiasm around 1 o'clock, but it is a fact. I am going to stay here until everybody has had a chance to say something that has something to say. Well, they can say something even if they don't have something to say—that's the American way.

Mrs. SPELLMAN. We do that in Congress all the time. [Laughter.]

Mr. HARRIS. Again, I'd like to welcome my colleague from Maryland. If you have a statement to make, Ms. Spellman, we'd be delighted to hear it.

Mrs. SPELLMAN. I frankly am delighted that you are holding this hearing. I think a great deal can be gleaned from this. It is my experience, because I serve on the Post Office and Civil Service Committee with Mr. Harris, that when he makes up his mind that something is important, things happen. I happen to think I am going to end up on the same side you are going to end up, judging from what I heard so far today, and I am real pleased we are going to be on the same side. It is a lot tougher when we are on different sides. I think the last time we were on different sides I ended up coming over to yours.

Mr. HARRIS. You are remarkable. [Laughter.]

Mrs. SPELLMAN. So I am really very pleased to have the opportunity to come to hear what is being said. I am looking forward to this meeting.

Mr. HARRIS. Thank you, Ms. Spellman.

I would make one last point before I call on the witnesses.

There are two bills pending in Congress right now that make these hearings very timely. We have H.R. 7700, which I believe is scheduled for floor action—next Tuesday, Mr. Minton?

Mr. MINTON. Thursday.

Mr. HARRIS. Next Thursday. And we have H.R. 9146, which is scheduled for floor action on Monday.

H.R. 9146 requires the Postal Service to submit any changes in proposed level of service to Congress for approval, and H.R. 7700 is a bill that stipulates that public service appropriations be extended for 6-day mail delivery and has other basic changes and reforms with regard to the Postal Service. Those bills will be on the floor next week,

and I believe it makes these particular hearings expeditiously important and timely.

I would like to call as our first witnesses—if they would come up to the table together—Mr. John Hogan, Mr. Dan Yurman, Mr. Paul Robinson, and Mr. Edward Blanchard.

I understand Mr. Blanchard is not going to be here. Mr. Adamus is here.

Mr. ADAMUS. Yes.

Mr. HARRIS. You can come forward also.

If we can, just going from left to right, will you identify yourselves and make any statement that you feel is appropriate with regard to this hearing.

STATEMENT OF PANEL I: JOHN HOGAN, FAIRFAX COUNTY; PAUL L. ROBINSON, FAIRFAX COUNTY; AND VICTOR M. ADAMUS, ALEXANDRIA, VA.

Mr. ROBINSON. Good morning, Mr. Harris and members of the committee, and fellow citizens.

Mr. HARRIS. Would you, for the purpose of the reporter, please identify yourself and any organization you may or may not be affiliated with.

Mr. ROBINSON. I didn't hear you.

Mr. HARRIS. Would you just identify yourself, your name and address.

Mr. ROBINSON. I am Paul L. Robinson, of Fairfax County.

Good morning, Mr. Harris and members of the committee and fellow citizens.

I speak to you this morning not in representation of any special organization or business but as a citizen of the Eighth Congressional District of Virginia. I am sure that my views are shared by many of the senior citizens living not only in the district but covering the entire United States.

The proposal to eliminate 6-day mailing has concerned me a great deal. I am retired and living on a fixed income. I rely on my retirement, and it is solely for survival. I am sure that this is the case of many of the people here today.

I am in strong support of continuing the 6-day mail delivery. If my retirement check were mailed on Friday or Saturday and 6-day mail has been cut out, I would have to wait until Monday or possibly Tuesday to receive my funds. This may sound like a short period of time to those who are employed, but when a person must budget himself and rely on that payment, 3 or 4 days makes a lot of difference.

There are many possible problems that could result from the curtailment of the 6-day mail delivery, but those encountered by the senior citizens in society are most important to me.

There also remains the fact that many of our elderly people don't get out very often and rely on the mail as a course of contact with the outside world.

This view may seem dramatic, but think about it for a few moments. We don't mind paying for the service of mail delivery but we want to receive what we are paying for. After all, everything has a fee.

What I am stressing is: Don't forget the older generation. We are here. We have rights and we have needs.

Mr. HARRIS. Thank you very much, Mr. Robinson.

Let's hear the other witnesses before we have any questions here.

Would you identify yourself, sir?

Mr. HOGAN. My name is John Hogan, and I have been a resident of Fairfax County for 22 years, and I live at 4011 Gateway Road, just outside the city of Fairfax.

I appreciate this opportunity for Congresswoman Spellman and Congressman Harris to come here this morning to give us a chance to tell you how we feel.

I am a senior citizen also, but unfortunately, I don't take the same stand as my friend here on my right.

I commend the Postal Service for considering the elimination of mail delivery on Saturday. I have lived in Fairfax County at the above address for over 22 years and have had good mail service. However, I do not need the deluxe service of Saturday delivery. I get plenty of mail Monday through Friday—too much of it of the bulk and commercial variety. Many business offices, such as Federal, State, and county, close up on Saturday. I can't get a garage to repair my car on Saturday. So why must mail go out and be delivered on Saturday? It would not be out of line to stop Saturday deliveries.

I realize some few businesses might have a prob'em with no Saturday mail delivery. But couldn't they pick up their mail at the post office or rent a box? Let those who want the deluxe Saturday mail delivery rent a box and pay for such service.

As a taxpayer, it is most refreshing to me that someone wants to cut and save. If this will save anywhere near \$400 million, certainly it ought to be done. For years the post office has not paid for itself and should cut expenses. We all know the Federal Government operates at a \$50 to \$60 billion deficit annually. We, including Congress, are critical of New York City, over its financial problem from excess spending of its income. We point a no-no finger at them. Is the Federal Government any better? Congress must learn a new line—we can't afford it.

I think we definitely should consider this elimination of Saturday deliveries and make this savings.

Mr. HARRIS. Thank you very much.

Yes, sir.

Mr. ADAMUS. I am Vic Adamus, resident of Virginia, at 8019 Kidd Street, Alexandria. I am also special assistant to the secretary-treasurer of the International Labor Press Association, AFL-CIO.

Mr. Chairman and members of the committee, I would like to thank you, Congressman Harris, for this opportunity to testify in support of maintaining Saturday mail delivery. I believe my fellow Virginians, and, in fact, all Americans, would suffer if a 6 day delivery were stopped.

The U.S. Postal Service, historically, was created to provide a public service at reasonable costs to all Americans. It must, even today, maintain that service, and to cut back 1 day would have significant impact on the prompt movement of the mail during the rest of the week.

The consequences of denying mail delivery on Saturday would pose a very real hardship on small businesses, citizens in rural areas, and not least of all, postal workers.

I firmly believe that the minimal reduction in costs resulting from 5-day delivery would not be enough to offset its negative effect of increased unemployment which would place a further strain on the finances of the United States and its individual States.

Last year the U.S. Postal Service proposed a reduction in delivery service to a 5-day week in order to "save" \$412 million annually. Its report, based on a study, cited a "public opinion survey" in which 80 percent of the respondents stated they would accept a 5-day delivery as an alternative to rate or subsidy increases. Respondents were offered only three alternatives—an assumption that was either naive or designed to lead to a predetermined result.

I believe that public service requires a philosophy of operation that is not always compatible with the profit motive that is now rampant in the upper management of the Postal Service. The heavy infusion of capital investment by the Postal Service in recent years has led to a decline in public services, largely through reductions in the labor force.

I also believe that a reduction to 5-day delivery would severely delay delivery of second- and third-class mail and is certain to lead to further reductions in volume. As the business week has expanded to 6 and 7 days in recent years, I find it ludicrous for the U.S. Postal Service to recommend curtailment of postal services essential for business life in America. Additionally, such a cutback would eliminate many jobs and contribute to high unemployment.

While the U.S. Postal Service proposed the delivery cutback as a way to save millions of dollars, it is in my view a method that will merely rob Peter to pay Paul. Welfare and unemployment rolls would swell, and the same money "saved" by the Postal Service would be doled out by the Federal Government in welfare, unemployment, and other such subsistence payments. In fact, preliminary estimates of the net cost to the Federal Treasury in terms of lost tax revenue and increased social costs indicate, at best, that no savings would be actually realized.

Further, I believe that the Postal Reorganization Act of 1970 missed its mark when it thought the real solution was to make the Postal Service pay for itself out of its own revenues. It is an impossible idea.

Revenues can never pay the tab for the Postal Service, unless the price for postage is raised so high that the 13-cent stamp becomes as scarce as the penny postcard. And if postage rates increase substantially, fewer businesses and individuals could afford to deliver messages. I believe the real solution is for the Congress and all Americans to accept the concept that the Postal Service is a necessary public service, just as national defense is a necessary public service. The Postal Service must continue to be supported by a combination of postage sales and Government subsidies. No other public service operates "at a profit" by a private contractor. I don't believe it was in the best interest of the American mail user for the Government to single it out.

I believe the Postal Service is, and must continue to be, an essential Government service. In a country as large as the United States, rea-

sonable and equitable postal rates are vital to the well-being of the Nation and its citizens.

For these reasons, I urge this committee to oppose the implementation of a 5-day delivery system.

Thank you for giving me this time to testify.

Mr. HARRIS. Thank you very much.

Before calling on Mrs. Spellman, I have one question I'd like any or all of you to respond to, if you will.

One of the proposals I made about a year and a half ago was for the post offices, the local post offices, to stay open on Saturday afternoon and suggested that they even consider having post offices in shopping centers and places that people normally went to so that postal services could be offered in a convenient location.

One of the suggestions, of course, was that those who need their mail could go to the post office and get it on Saturday. The fact of the matter is an awful lot of post offices close up at noon on Saturday. There are some post offices that don't open on Saturday.

To what extent would it solve the problem if the post offices had a policy of staying open on Saturday, or even on Sunday?

Would that solve your problem, Mr. Robinson?

Mr. ROBINSON. Mr. Harris, it would in a way, but in our neighborhood the post office makes one delivery in the morning, and all the mail mostly comes in in the morning. And it wouldn't help us too much by staying open all day.

Mr. HARRIS. If it was open, could you get to the post office?

Mr. ROBINSON. Oh, yes, possibly.

Mr. HARRIS. Do you drive?

Mr. ROBINSON. Yes.

Mr. HARRIS. Do you drive personally, Mr. Robinson?

Mr. ROBINSON. I do.

Mr. HARRIS. You probably have some friends that don't, though, don't you?

Mr. ROBINSON. I didn't hear you.

Mr. HARRIS. You probably have some friends that don't drive.

Mr. ROBINSON. That is right.

Mr. HARRIS. I am thinking of some senior citizen friends of mine that would have problems getting to the post office.

Mr. ROBINSON. No; I wouldn't have too much of a problem getting to the post office, none whatsoever.

Mr. HARRIS. Mr. Hogan, do you have a comment?

Mr. HOGAN. Well, only that I think that would help. I personally don't have to go to the post office or get mail, either way, on Saturday. But I am within 3 miles of two post offices now. I go to the store every day, or every day I need to go, to get food. I don't know why we couldn't give up one day of mail delivery and go someplace if we had to have it.

Mr. HARRIS. Mr. Adamus.

Mr. ADAMUS. I like your idea. I'd like to see the post office stay open Saturday and Sunday, but I don't think to do that would be a substitute for eliminating mail delivery.

Mr. HARRIS. Yes, sir.

Mr. HOGAN. I want to ask a question. It is not my understanding that we are going to stop all mail distribution on Saturday. We are

only going to stop delivery to homes and offices, isn't that what we are talking about?

Mr. HARRIS. Yes, sir.

Mr. HOGAN. Mr. Adamus talks as if all mail is not going to move on Saturday, and therefore it is going to lay up somewhere, and I don't think that is the case.

Mr. HARRIS. Mr. Adamus.

Mr. ADAMUS. Bulk mail centers would also be affected by the 6-day elimination, so that would slow it down.

Mr. HARRIS. Do you mean like Merrifield?

Mr. ADAMUS. Like Merrifield.

Mr. ROBINSON. I feel it would be difficult for senior citizens to get to the post office. You see, they mail out the deliveries. And so for them to get to the post offices would be a problem on them.

Mr. HARRIS. Mrs. Spellman.

Mrs. SPELLMAN. This is such an interesting panel. I suppose what you were saying in essence is if a check were mailed on Thursday and didn't get to you by Friday you'd have to wait until Monday to get it.

Mr. ROBINSON. That is right.

Mrs. SPELLMAN. That is a long period of time for people who really need that money.

Mr. ROBINSON. That is right.

Mrs. SPELLMAN. Then there is Mr. Hogan who makes perfectly good sense and says, "Let's cut back. We have got to start saving money somewhere."

And Mr. Adamus points out that there will be increased unemployment—and you are so right. Unemployment costs money. It isn't like the old days before Roosevelt when all you had to worry about was enough soup for people in a soup line. Today there is unemployment insurance payments, and there is welfare, and there are any number of different payments that the Government puts out.

So all of this does really give a great deal of room for thought.

I couldn't help thinking as I was listening that during the time that I can recall during my lifetime we have made some real changes in postal service. We used to have two deliveries a day when I was a girl, and I think when I was a young woman we had two deliveries a day. We have now come to one, and now we are talking about whether we ought to cut back even further.

I frankly at the moment am worried about going back, because it seems like it is easy to go back and so hard to go forward again. The idea that you had, Mr. Hogan, of having a special box and paying for Saturday mail was intriguing to me at first. Then I began to worry about two different classes of citizens—those who could afford the 6-day mail delivery and those who maybe need it as much as Mr. Robinson points out senior citizens do but can't afford it. So it is really very interesting.

You have given me a lot of things to think about and shown us the answers aren't that simple. I thank you for interesting testimony.

Mr. HARRIS. Thank you all very much for coming this Saturday morning and presenting your testimony.

I call the second panel with Mr. W. F. Fritsche, Jr.; the assistant controller of Vepco; Mr. Irving Swartz, Alexandria Medical Arts

Pharmacy; and John Rose, president, Prince William County Chamber of Commerce.

I understand Mr. Lawson, president of Data Mail, Inc. hasn't arrived yet.

STATEMENT OF PANEL II: W. F. FRITSCHÉ, JR., ASSISTANT CONTROLLER, VEPCO; IRVING E. SWARTZ, ALEXANDRIA MEDICAL ARTS PHARMACY; AND JOHN ROSE, PRESIDENT, PRINCE WILLIAM COUNTY CHAMBER OF COMMERCE

Mr. HARRIS. I want to welcome you all to the panel. As you can see here, we try to emphasize informality and want you all to say exactly what is on your mind.

I think I have a conflict of interest here. I just realized I have Alexandria Medical Arts Pharmacy in front of me, and I have been paying for your trip to Florida almost every year I have been here in Fairfax County.

[Laughter.]

Mr. SWARTZ. I am trying for Hawaii next year.

[Laughter.]

Mr. HARRIS. I guess I shouldn't emphasize informality quite that much. As long as I said it that way, I'd better say it the other way. As a father of five and what-have-you, we have been a good customer of yours over the years, and the reason we have is because of the fine reliability and the delivery system that you have. You've got an outstanding business in the area and one I have relied on a great deal. And I should make that statement, having made the first one.

Mrs. SPELLMAN. Do you have Saturday deliveries?

Mr. SWARTZ. We have Sunday deliveries also.

Mr. HARRIS. Really, in this day and age it is a remarkable example of where you can call—you are getting something back now, because you delivered for me a couple of times.

In all seriousness, I have had the situation, as any parent has had, where something is prescribed and the doctor says, "Give it to the child as soon as it arrives," and this guy shows up in my driveway with an automobile with the medicine within an hour or so, and it is unusual to have that sort of delivery system in this day and age.

Sir, would you introduce yourself and go on with your statement.

Mr. FRITSCHÉ. My name is William F. Fritsche, Jr., and I am assistant controller for Virginia Electric & Power Co., Vepco. I am appearing here today to comment on the proposed reduction in the frequency of mail deliveries from 6 to 5 days a week.

Vepco is a major user of the Postal Service. In 1977, we mailed more than 14 million bills and 1.5 million notices to our customers. During the same period, approximately 8.7 million customer payments were made to the company by mail. The proposed curtailment of mail delivery service will have some adverse effect on the movement of these transactions, particularly in areas of cash flow, collection procedures, and customer relations.

We do not maintain historical data that would enable us to accurately determine customer paying habits and the negative effect that reduced mail delivery would have on cash flow. However, a recent sample of 850 mail payments disclosed that 298 or 35 percent of the

customers paid their bills within 10 days after they received them. This would indicate a direct relationship between the date the bill was received and the date the customer made payment.

To illustrate the possible effect on Vepco's cash flow, we will assume that mail delivery is continued on Saturday and that this reduction in service will cause 35 percent of Vepco's customers to pay their bills later than they do now. Presently, we mail over 57,000 bills amounting to \$5.2 million each day. This means that 20,000 customers, or 35 percent, will receive bills totaling \$1.8 million on Monday rather than Saturday, and will pay them 2 days later than they presently do. This 2-day cash deferral would amount to \$3.6 million.

Admittedly, this estimated effect on cash flow is based on a very small sample of our customers, but we feel it is accurate to say that Vepco's cash flow will be adversely affected by reduced delivery service. This effect can be minimized by restricting any curtailment to Saturdays when many of our large commercial and industrial customers are closed and would not normally be receiving our bills for payment processing until Monday.

Vepco mails collection notices to customers who have two or more outstanding bills. This notice provides a minimum of 10 days from the date it is mailed to the date service is subject to termination. A reduction to a 5-day delivery service would result in some of these customers having less time to respond to these notices.

Curtailed mail delivery service would shorten the period of time a customer has to pay his bill before a late-payment charge is added. Presently, a customer has a minimum of 28 days from the time his bill is prepared to the date payment must be received and credited to his account. If, for example, he were to receive his bill on Monday rather than on Saturday, he has 2 less days to pay it before the next billing date.

Vepco is concerned about these areas of its operations and the adverse effect the proposed delivery curtailment could have on the company and its customers. We would not support any delivery curtailment plan that fails to minimize the impact on the time our customers have to pay their bills and the company's cash flow, or adversely affects the overall efficiency of the mail service.

In 1977, Vepco paid more than \$2.4 million in postage, an expense that must be recovered from our customers. Obviously, we have a great concern about the escalation of these costs and expect every reasonable effort to be made to hold down further increases in postage costs.

If the decision is made to curtail mail delivery service, we hope that it will effectively benefit Vepco and its customers by delaying future postage increases and providing additional discounts for large mailers such as Vepco, who presort the mail. We also feel that any curtailment plan should contain the following provisions:

One: Curtailment should be made on Saturdays.

Two: Normal box pickup and internal post office processing will not be curtailed and mail will be distributed to the respective branch substations in time for Monday deliveries.

Three: Every effort will be made to deliver the mail on Mondays.

We appreciate this opportunity to appear before the committee and trust that our comments will be helpful in making an objective review of the proposed curtailment of mail delivery service.

Mr. HARRIS. Thank you very much.

I should make a comment with regard to the final aspect of your statement, that there is a postal rate increase in the works right now that will be effective in June, where the Postal Service would propose to increase the first-class stamp to 16 cents.

So whether or not this cutback in service would cause any effect as far as increasing the cost of postage is very doubtful. It may have effects sometime in the future, but they are already in the process of asking for an additional increase.

Yes, sir.

Mr. SWARTZ. Mr. Harris and Mrs. Spellman, I would like to begin my remarks by saying that I am in a business in which service is of utmost importance. I thank Mr. Harris for the comments that he made regarding our services, but in addition to our pharmacies, we do have a durable medical equipment business in which we do supply equipment for home use, such as wheelchairs, hospital beds, and oxygen. And we have gone so far as to supply it on a 24-hour basis because we feel that is necessary.

I would first like to thank you for giving me the opportunity to come before this committee and express my views regarding the Post Office's proposal to cut down the delivery of mail to 5 days by doing away with a Saturday delivery.

Also I would like to take this time to say that, in general, my experiences with the Post Office Department have been quite good. I say this being a small business owner who does appreciate good service. I feel that while the vast majority of businesses would like to have a monopoly on the services or products they sell, we would not change the system we now have, that is, a free and open market in which the public makes the determination to whom they will give their business. I must satisfy my customers both by the services I render and the prices I charge, in order to retain their loyalty and receive their money. Unfortunately, this is not always so. Such is the case with the Postal Service.

As a small business which utilizes the services of the post office greatly, the cutting back of Saturday delivery of mail would markedly affect our cash flow. Currently, I am the president of a company which owns two pharmacies and a durable medical equipment rental business. Our current volume is about \$1 million per year. Our accounts receivable, as of December 31, 1977, was in excess of \$125,000. We receive a fair amount of mail on Saturday. All moneys received on Saturday are deposited the following Monday, regularly. And also, we mail statements regularly on Thursday and Friday, and this would mean a lot of our customers now receive our statements on Saturday, and usually make payments the same weekend.

As you can see, our cash flow would be severely affected.

And just in closing, I would like to say if I had an alternative, I feel then I could live with the post office's decision.

Mr. HARRIS. Don't be subtle about that now. What you are saying is you have to use the Postal Service, whether you want to or not, with regard to mail.

Mr. SWARTZ. Let me say to one portion of that, we do have an alternative, things like United Parcel Service, which have proven it isn't so much what you charge as what you offer. And most of the businesses

today, even small ones like ours, utilize things like United Parcel greatly.

Mr. HARRIS. I will come back to that in a minute. Just in passing, I will point out to you United Parcel Service does deliver on Saturday.

If we may, we will get to the last panelist and then open it up for questions.

Mr. Rose.

Mr. ROSE. Thank you, Mr. Chairman.

I am John H. Rose. As president of the Prince William County Chamber of Commerce, I thank you for providing this opportunity for me to present the chamber's position. Our chamber numbers 273-member firms and individuals, and we welcome the opportunity to make known our views on issues that have such a wide effect on the community, particularly the business community.

On February 22, 1978, at the regular monthly meeting of the board of directors and the general membership of the Prince William County Chamber of Commerce, the question of reducing mail delivery from 6 days to 5 days a week was presented. In the ensuing discussion it was generally conceded that Saturday was proposed as the day for elimination of mail delivery. After a thorough discussion, the chamber voted overwhelmingly to oppose a reduction in the number of days of mail delivery, and particularly the elimination of Saturday delivery.

During the discussion period which preceded the voting, a number of observations were made, and I would like the committee to have the benefit of the following summation:

One: Small post offices which run continual deficits, year after year, contribute more to postal deficits than do Saturday delivery or third-class so-called "junk" mail.

Two: Discontinuance of Saturday delivery could have significant impact on the consumer as a result of increased charges on credit card and revolving charge account balances. The monthly interest or service charge on these accounts is computed, in many cases, on the average daily balance. The reduction in delivery schedules could adversely affect consumers through delays in posting payments to their accounts, resulting therefore in a higher balance basis on which the charges are computed.

Three: Mail service has been one of the few Government services which equally serves everyone in the country. A 6-day delivery schedule has been a significant and historical aspect of the Postal Service. The elimination of Saturday delivery may be perceived as a curtailment in the equal application of postal services to all Americans.

Four: Increasing rates have contributed to the growth of alternate means of communications. Lowering rates and encouraging greater use of the mail service is needed to make cost-effective the innovations of automation made in recent years. Much of this new technology is designed to handle the expected and anticipated continual increase in mail volume.

The vote in the chamber's meeting was not unanimous and the feelings of the minority are best summed up by one member's statement that "Americans are much too spoiled by good postal service. Saturday mail delivery is a luxury we cannot afford."

I think this statement serves to acknowledge that Americans generally concede that the quality of our postal service is unsurpassed and, at the same time, it acknowledges the fact that there are different views as to how to best handle the problem of continuous postal deficits.

Since the date that our chamber considered this question, Mr. William F. Bolger has been named Postmaster General. According to the news accounts of this appointment, Mr. Bolger is the first Postal Service professional appointed to this job in over 30 years. He brings to this position a well-rounded background in postal service management. I would urge this committee to monitor his performance and to analyze the quality and cost effectiveness of postal service under present regulations and service standards before further consideration is given to the proposal to reduce the number of delivery days.

I would also request that this committee closely examine the projected impact of further increases in postal rates, particularly during this period of concern over the impact of inflation on the economy.

Thank you for soliciting our opinions on this controversial subject.

Mr. HARRIS. Mr. Rose, thank you very much for your testimony.

The public testimony has been very helpful, but obviously what I have worked on and developed here is my ideas of participatory government with this type of hearing. And what I heard from you today was the fact that you had a meeting and discussed this, and in the process different ideas and reactions came out, and you came here and gave us those reactions, the pro and con of how this affects the individual, basically the small businessman, I believe.

Mr. ROSE. Undoubtedly in Prince William County the small businessman.

Mr. HARRIS. And I just have to think that is the way the Government should operate. And the fact that you all participated in this manner is very helpful to me, and I want to congratulate you for it.

Mr. ROSE. Thank you.

Mr. HARRIS. I would like for you to indulge me a little bit, if you will, because as businessmen you may enjoy the story.

I had a businessman, a fairly small businessman, that used to pound the table at me almost every week and tell me that the Postal Service ought to be run like a business, and if it was run like a business, that would solve all the problems; and there was no reason in the world why they couldn't run the Postal Service just like he ran his business and stop running deficits, and everything would be all right.

He used to give me that particular talk about once a week until I got a letter from him and he was outraged. He had moved here from Pittsburgh a few months before. He had gotten a utility bill from Pittsburgh where apparently he owned some property, and he had one of those little printed envelopes that he was supposed to send his payment back in. He went ahead and put the little check in the envelop and mailed it. He only did two things wrong. He didn't put a stamp on it, and he didn't put a return address on it. And the check in the envelope was returned to him, and he was outraged that they didn't go ahead and deliver that payment to the equivalent of Veeco in Pittsburgh, and he said, "The address was clear, and it would be the simplest thing to go ahead and deliver it instead of returning it to me."

Frankly, I was surprised that the Postal Service somehow was able to get that check back to him. What happened was it went to the proper office which opened the letter under strict supervision, determined where the check was mailed from, and they returned it to him.

I knew why they didn't deliver it to the utility in Pittsburg, because I'm pretty sure you folks stopped receiving postal-due payments a long time ago as a business decision. And if the Postal Service had gone ahead and delivered that letter and asked for postal-due payment, and been refused, returned the letter then, and went through the whole process, it would have been an extremely cost-ineffective procedure. That businessman, on the other hand, felt like the Postal Service should be run just like a business.

And I think we do have to start understanding what the problems are in the Postal Service that we have come to rely on a great deal.

I especially appreciate the comments that were made saying we have a good postal service. That is not always the comments I receive. But, you know, it is relative to what?

I'd like also to wonder with you a little bit. I don't know whether anybody is like me or not, but Saturday afternoon and Sunday is the time I pay my bills. This is when I have got enough time to get the bills out, the checkbook out, and Nancy and I figure out whether we can pay all of them or whether we are going to put Vepco off for a couple of weeks or not.

But I just wonder what your experience has been. Do you normally receive quite a few payments on Monday or not, through the mail? Does Vepco have any experience like that?

Mr. FRITSCH. I guess Monday is the heaviest day. A typical Monday is about 50,000 payments, and the rest of the week might be 40, 40, 30, and 20—something like that. It indicates the accumulation over the weekend.

Mr. HARRIS. Do you have any experience that would confirm or deny it?

Mr. SWARTZ. I don't have any statistics, but from what I have seen—and I am primarily in the office now—a great deal of our payments do come in on Monday, especially when it comes out that we are mailing out our statements—many of our customers just pay usually within 2 or 3 days from the time they receive it. And if it's on a weekend, we get paid immediately.

Mr. HARRIS. Mr. Rose?

Mr. ROSE. Well, when not working for the chamber of commerce, I am president of a bank in Prince William County, and I have to admit we get a considerable volume of mail on Saturday. And I would say the heaviest mail delivery day is Monday; there's no doubt about it. Quite frankly, we do hold over mail received on Saturday in the banking system until Monday. All business received after 2 o'clock is posted as of Monday of the next week.

But there is a heavy volume. The Monday volume, I would say, is definitely the largest of the week, and any cutbacks that might contribute to disruption of mail movement over a Saturday-Sunday period, I think, could have an impact on the consumer—posting of deposits, posting of payments, various bills, bank accounts, whatever.

Mr. HARRIS. Well, I've got two creditors sitting in front of me right here. And in all seriousness, I know what would happen in my home if I got the bill on Monday instead of Saturday morning.

Mr. ROSE. It would stay until next Friday or Saturday.

Mr. HARRIS. It would get made out the next Saturday or Sunday, as far as paying bills. That is what would happen in my house—unless we change things. Maybe we can change things, but I don't know when else I have time to do it.

Mr. SWARTZ. I know. I am the same way. And I think most businessmen are the same way. I think you will find that a lot of businessmen, especially small businessmen, will turn around and write checks from their offices. I go in on Sunday morning when the office is closed—and I know a lot of pharmacists that own their own business that are in on Sunday processing the Saturday mail and seeing to it that it gets ready for deposit first thing Monday.

Mr. HARRIS. It is interesting to hear that statement because I remember in the busy season Dad used to go down and open the mail on Sunday.

Mr. SWARTZ. That's what it is. Can I say one more thing? It is a unique thing. At least from my standpoint, as you gather from my talk, I feel all decisions are great that are made in the marketplace, and that the public should determine what type of service they should receive. If they want no service, then they feel they are going to pay for no service, and that is the place they will do their business with. And if they want service and are willing to pay for it, that is also the place they will do business with, and that is what makes the system work.

I think here, like you said, the consensus is that it be run by the Government or Government sponsored or whatever you want to call it. And for that reason, I think price should be secondary to the extent that there should always be service, and we can discuss whether the post office is entitled to 16 cents for the stamp or 20 cents or 25 cents, and how much profit they should make, or how much loss they should have, and things like that. But I think, beyond anything else, because of the fact we do not have alternatives, service should always be given, and that should be the last thing that we should cut. And, if anything, we should increase it and then discuss what we are willing to pay for it. But I think it should be there.

Mr. HARRIS. Mrs. Spellman.

Mrs. SPELLMAN. It is interesting that the further we go into this hearing today, the more facets to the whole thing we see. It sounded initially like we could save money and the individual would save money if there were a curtailment of service. And then I hear that the individual is going to be penalized in many cases because he isn't credited in time with moneys that he has paid out, and therefore is paying interest on moneys which he feels he has already expended.

So this is far more complex than would appear to be the case. I wonder, if we were to take all of these various results and repercussions and chart them, including the unemployment and so forth, whether in the long run we really save that much?

I have to agree with what was said here about people doing their mailing on weekends. Until my husband retired from his usual work and found himself with a little more time on his hands, it was week-

ends that the Spellmans used for mailing out their materials. I just want to know, Herb, how come you get Saturday afternoons off? [Laughter.]

You see, I learn a great deal from him, and I am going to be checking on how come he gets this time off.

But, indeed, this whole thing, as you say, is complex.

I couldn't help thinking, Mr. Swartz, as you were saying that United Parcel does such a good job, my son sends instruments through the mail, musical instruments, and they go through United Parcel. I'm sorry to say they don't go through the post office.

On the other hand, we have a place out in Montana that is truly God's country, and only the post office recognizes that God's country should be served, too. We could never get anything from United Parcel or any independent out there because you have to drive miles on unpaved roads to get there. Thank God for the post office in those cases.

A business could decide, "We are not going to deliver out there." That is ridiculous. It certainly isn't cost effective to deliver out there." But the post office never says no. So we still do need the post office, which is providing a service to citizens. It is not a business, and I think we ought to recognize it is not a business. It is not going to be a profitmaking entity. And as you say, we have to determine just what kind of service people want and provide that service, knowing that somehow we are going to have to pay for what we ask for.

I thank you for the opportunity to hear this.

Mr. HARRIS. Thank you, Mrs. Spellman.

I might as well 'fess up right now. As usual, Mrs. Spellman put my back to the wall. Nancy's been making out those checks [laughter], and I might as well get it on the record Nancy will do it tomorrow.

So I thank you again. Your testimony is helpful. I think this is the type of exchange and testimony that is helpful to us.

I want to express—I don't always do this, but I want to express my appreciation to Vepco for the type of testimony they gave us. It is a very detailed and empirical type of evidence that backs up the case very well and the specific effect upon Vepco. I am more prone to complain about your rates than I am to understand your problems sometimes, and I want to thank you for the effort that went into your testimony.

Thank you all very much.

Mrs. SPELLMAN. Thank you.

Mr. HARRIS. We are going to have to divide Panel III up into two parts because Panel III just got too big for us.

For part A, I want Mr. James Nefflen, Mr. Alton Taylor, Mr. Elbert Sisk, Mr. Edgar C. Fraver, and Mr. R. E. McCeney of the National Association of Letter Carriers, AFL-CIO.

I want to welcome you all here. And as you notice here, we have had basically folks who have had no other allegiance than consumers at the first Panel, and we have had, to the extent we could, the business community represented on the second Panel.

I want to be frank. I think you all have a stake in this, too, and are basically representing those that have a stake as providers, who distribute the mail. So we'd like you to proceed with the testimony any way you want to.

Let's start left to right and recognize Mr. McCeney first.

STATEMENT OF PANEL III-A: JAMES NEFFLEN, PRESIDENT, BRANCH 4798, SPRINGFIELD; ALTON TAYLOR, PRESIDENT, BRANCH 5921, WOODBRIDGE; EDGAR C. FRAVER, PRESIDENT, BRANCH 567, ALEXANDRIA; AND R. E. McCENEY, PRESIDENT, BRANCH 3520—OF NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO

Mr. McCENEY. My name is Robert McCeney. I am president of branch 3520 of the National Association of Letter Carriers, with business offices at 6048 Glen Carlyn Drive, Baileys Crossroads, Va.

To my left is Jim Nefflen, the president of branch 4798 of Springfield, Va.

To his left is Mr. Edgar Fraver, the president of branch 567, Alexandria.

And to his left is Mr. Alton Taylor, the president of branch 5921, Woodbridge, Va.

Together we represent more than 1,100 letter carriers in northern Virginia. We are pleased that you have invited us here today, Mr. Harris, because naturally, as you said, we have a stake in this. If this is brought about, some of our people are going to have to start looking for a job with Consumer Affairs back there in the corner.

We have a prepared statement and, as I told your Representative when we came in. I think it is no secret that we are opposed to the implementation of 5-day delivery.

I will try not to be redundant in my testimony because I'm sure my colleagues in other congressional jurisdictions have or will relate to your committee the union position on retention of 6-day mail delivery. We in the National Association of Letter Carriers support 6-day delivery not only because of the irreparable harm to our membership but simply because the American people need more mail service, not further cutbacks in service.

Former Postmaster General Blount started a policy of placing messages on the reverse side of the earnings and deductions statements that accompany each postal employee's paycheck. His message espoused the feeling that, "The Postal Service was creating a climate where each employee could develop their maximum potential."

Postmaster General Klassen continued this policy with, "The survival of the U.S. Postal Service depends upon everyone giving service. Service is the only thing we have to sell."

Postmaster General Bailar changed the message to, "Service to the public comes first. I want all Americans to know that the Postal Service exists for one purpose, to serve them."

These are admirable words, words that typify the thinking of the average letter carrier on a mail route in northern Virginia. It is becoming increasingly hard to serve this tradition, even with 6-day delivery. Over zealous management has restructured routes in northern Virginia today to the extent that following a Saturday holiday mail is backlogged the following week even with mandatory overtime. Any savings on 5-day delivery would not be passed on to the consumer—our patrons. It is time to live up to the idealism of Postal Service and not go the same route as the eliminated collections and collection boxes, the near-extinct parcel post business in the Postal Service. The Ameri-

can people must not be further misled down the path that the only way to hold the price is to eliminate the service. America needs 6-day delivery.

My colleagues, of course, have their own comments, and I will appreciate the opportunity to respond to your committee when they have finished.

Mr. NEFFLEN. My name is James E. Nefflen, and I am president of Branch 4798 of the National Association of Letter Carriers, Springfield, Va.

The members of my branch are extremely pleased that this committee is asking for the opinions of not only the public but also of letter carriers, who are very much aware of the views of the patrons on their respective routes, as to yet another proposed cutback of service to the public by the Postal Service.

My fellow letter carriers and I are constantly in contact with our patrons and very often, after a couple of years on a particular route, we not only become acquainted with these people that we serve, but in many cases become close personal friends with many of them.

As a result, we learn very frequently the views of these people, very often taking the blame for things that have happened over which we have had no control, such as the elimination of street-corner collection boxes, walking across their lawns, curbside, sidewalk, and cluster delivery boxes, why they get their mail later now than they used to, why it costs so much to mail a letter, why more isn't charged for junk mail and, the most current one, why 5-day delivery service when they can't get their mail on time in the 6-day delivery service now.

Mr. HARRIS. It sounds to me like you have talked to some patrons.

Mr. NEFFLEN. Positively.

Certainly we learn more quickly and more accurately their views and opinions than do either the Postmaster General in Washington, D.C., or any polling firm which he or the Commission on Postal Service might hire.

Therefore, gentlemen and ladies, I can tell you that the postal patrons in Virginia are disgusted with the present levels of service they receive and with the constantly increasing costs they must pay for this poor service.

Now, the Postal Service proposes in the interests of economy to reduce mail delivery from 6 days a week to 5 days a week and, in addition, to get more revenue by raising the already expensive first-class 13-cent stamp to 16 cents.

Ladies and gentlemen, I doubt that many people that you will talk with will believe that this makes much sense, nor does it to me. The intent of Congress when it passed the Postal Reorganization Act was to improve service to the public, not cause it to deteriorate.

The loss of postal jobs if 5-day delivery is initiated will be significant. In Springfield alone, we have approximately 18 part-time flexibles now employed. The no-layoff clause of our contract only protects them to the extent that they must receive a minimum of 4 hours work per pay period. Obviously, no person can earn a living subject to 4 hours of work every 2 weeks. And if these people get additional outside employment and are not available for work when the Postal Service wants them, these people then become subject to dismissal.

These employees, then, would no longer have income as a result of working for the Postal Service. The loss to the already hard-pressed economy, of this monthly payroll, would be severe, in a period of decreasing employment, particularly.

The cost to our area in providing income to these displaced workers in the way of welfare and unemployment benefits will also be unavoidable.

Another point that also makes very little sense is that while there are part-time flexibles making less than 40 hours per week straight time, why postal management insists on forcing regular carriers to work overtime, especially when the Postal Service stresses that it must economize.

What our area really wants, ladies and gentlemen, and what the United States is entitled to, is better, less costly Postal Service, not worse, more expensive service. Let's keep 6-day delivery service.

Ladies and gentlemen, thank you for allowing me the opportunity to testify before this committee.

I might also add on panel I, I heard a statement about receiving most of their mail on Monday morning. I made a note down here that my mail route consists partly of the Shirley industrial area across the highway. I cased my route this morning, and on most Saturday mornings I receive almost double the amount of mail as I do on a normal weekday, and because these businesses are closed, most of them, on Saturday, that mail then is delivered on Monday morning. But my mail volume is at least double the amount then of any day during the week.

Mr. HARRIS. Thank you. Let me say something. I have had a lot of printed statements and what have you come before me in my experience, and I have never seen a statement that was more obviously written by the person that is giving the testimony and which so obviously reflects actual experience and knowledge of what he is talking about than the statement I just got. And if you want to have testimony from someone representing people, this is very vital to me, to have a letter carrier put down the words he has.

Mr. Fraver.

Mr. FRAVER. My name is Edgar Fraver, president of branch 567 in Alexandria, and my colleagues have covered a lot of things on this curtailment of delivery.

I would like to go into the one area that nobody has covered. That is the area of curtailment of collection of mail. Your mail doesn't go anyplace until it's picked up from a mailbox in your area or wherever you post a letter. If you glance around in your areas, you'd see most of your mail boxes for collections are disappearing off the streets. The reason for that is the only ones that receive more than one collection a day are the ones on the arterial highways or the ones in the shopping centers. All the other collection boxes in the residential areas are usually picked up by the carriers themselves. Most of them have a 1 o'clock pickup time on the box, and the carrier picks the mail up at that time and carries it with him until he returns to the station, usually at 3 o'clock.

Now, it can be foreseen that if Saturday delivery is eliminated and a person mails a letter after 1 o'clock on Friday, the mail is going to

lay in the box until Monday when the carrier picks it up, and then it will be on its way.

Mr. HARRIS. Let me say I didn't know that.

Mr. FRASER. Most people don't know that. The people that live in these residential sections and want to get a letter on the way at an earlier time will take the time to go to a box with more collection times. The post office checks the boxes to see how many letters there are, to see if they are worth leaving in the area. If they don't get a certain number of letters in a box in a day, there goes your box out of the residential area. That is another thing people don't realize curtailment of mail on a Saturday is going to cover.

Another thing is forwarding of mailings. It used to be a crime if you didn't forward the mail the day you got it. You had to put the new address on. Now they have all the markup mail going to a central markup unit in Merrifield. It stands to reason that the more people that handle this mail, the slower it is going to be. The Post Office says that it's working, but the carriers in these offices know it is not working that well. Everyday the carriers get letters back from Merrifield without addresses that the letter should have gone on to. Where they either file the cards wrong at Merrifield or for some reason the last name might be misspelled, or there might be one number in the address wrong, the letter comes back to the carrier for his disposition. The carrier doesn't get time in his daily work schedule to go through this so there is always a delay in the forwarding of the mail. So that is another of the services you have been shorted on that probably not many people know about.

I thank you for the time.

Mr. HARRIS. Thank you for your testimony.

Mr. TAYLOR. I am Alton Taylor.

Congressman Harris and Congresswoman Spellman, I am president of branch 5921. I represent the carriers of Woodbridge, Quantico, and Triangle, Va., and I am proud to say I represent some of the people we serve in that area. Now, I did have a statement made up, but I felt the statement that my brother submitted would go along with everything I thought.

What I'd like to do here is point out some of the things I heard brought up on the floor here this morning.

One of the gentlemen who was retired mentioned the fact of getting his retirement check and things of this nature. I have a lot of people in the area that receive social security checks, welfare checks, military retirement checks, and things of this nature. Some of these checks are not supposed to be delivered until the 3d of the month, and if the 3d of the month fell on a Saturday, this means that this gentleman would have to wait until Monday morning for delivery. We have military people who get their paychecks through the mail, too. We've got workers who receive their paychecks through the mail. The checks usually come in on a Friday. If they happen to miss connections, they are delivered on a Saturday morning. Most of the time the people can get to the bank and deposit the checks. By eliminating the Saturday delivery, this would be hurting these people.

Also, I heard a comment from a gentleman that they could limit the Saturday delivery and people could go to the post office and get their mail. My question is would the Postal Service give them the

service at the post office? How many post office boxes are available for people to rent? I know Woodbridge Post Office doesn't have that many to handle all the people in the Woodbridge area. The post office closes at noontime so they could not come in and ask for their mail over the counter. This would be a hardship on the people coming to the post office to pick up their mail.

The number of employees to handle the people coming in there—sometimes there is only one or two clerks on the counter to give service to our people.

Another thing I heard from some of the small business people was the mail delivery on Saturday. If they eliminated the mail delivery on Saturday for these businesses, it would mean a heavier volume on Monday morning for these people to handle, and their secretaries and their workers. I think this would be an awful hardship on them.

The volume of mail on Monday would more than double, I believe, if they curtailed the mail on Saturday and stopped Saturday delivery.

I had a—I won't say it was a pleasure but the displeasure to read an article in the Potomac News last night pertaining to Saturday mail service. There were several statements in there pro and con about Saturday mail delivery service. There was a hospital that mentioned the fact that Saturday mail service would not be of concern to them because they do not distribute the mail to their patients on Saturday. I feel this is a hardship to these people. The service is available to that hospital, and if they are using the Postal Service as an example to get away from delivering the mail to their patients on Saturday, I think this is wrong.

Also there was another place that mentioned the same thing in there, pertaining to the nursing home, where they said their mail was not distributed to their patients, and that mail delivery on Saturday would not be a concern to them.

My question to these two people would be: What kind of concern is it to patients to eliminate the Saturday delivery? For sure, people in the hospital should get the delivery service. If we make the delivery service to the hospital, then they should make it to their patients. They should not use this as an example to say to do away with Saturday mail.

There are other things I can go into but I know that a lot of people on my route I deliver to are very concerned about Saturday mail delivery. They do not want to have it done away with. They want to keep it. I have people in my area that have a hard time trying to get to the post office. My brother brought up the subject of dropping mail in the box for outgoing mail. They have a problem because if they miss that box on one day the mail is not picked up on Sundays. So I hope we get the support of you, Mr. Chairman, and Ms. Spellman and the rest of the Congress to keep our Saturday mail delivery.

And this will cause hard unemployment on postal employees if they cut out Saturday mail service.

Mr. HARRIS. I thank you very much for the benefit of your testimony. For the benefit of the people here and for the benefit of the reporter, I'd like to announce that when we recess the panel, we'd like to recess for 5 minutes before coming back to panel B of panel III so we can give the reporter a break and give the media a chance to collect their material if they want to.

I appreciate your testimony very much, and especially the on-the-ground information which has been very helpful to me. As I say, I learned something with regard to mailbox pickup day. I say that, as most of you know, as a person whose first job was delivering mail when he was 16 years old.

Mrs. SPELLMAN. I thought it was 17.

Mr. HARRIS. I said I was 17, but I was 16. And as some in the room already know, the reason I sought and got that job was it was a Christmas job, and I found out they were paying 75 cents an hour, and any time you could get 75 cents an hour for a job I was going to go after it. I knew you had to go to work at 5 a.m., but I didn't find out that the hours didn't start running until they clocked me out on a route and they clocked me in again when I came in from the route. And the first day I had been there from 5 in the morning and I left at 7 o'clock and discovered I had 6½ hours on my card. As I say, I wasn't very smart, but I knew that wasn't 75 cents an hour.

Do you have any questions of the witnesses, Mrs. Spellman?

Mrs. SPELLMAN. I don't have questions, but I must say I learned something. My mother is in the hospital, in the Washington Adventist Hospital, and I brought some work in with me when I went to visit her last Friday and sat there and went through my mail and signed it and put it into the slot, the mailbox there at the hospital. Then we got complaints that some things we said we were going to send out right away didn't get there on Monday. And on Tuesday a man called and said it hadn't gotten there yet, and yet I knew that I had mailed it. It got to him on Wednesday. I now understand what happened. Because I went back the next time I went to the hospital and looked at that particular slot. Although I had mailed those things on a Friday, there was no pickup until Monday.

Now you tell me the mailman picked it up and carried it with him all day long on Monday. So when it didn't get to him on Tuesday, that is possibly understandable, and now I know why he got it on Wednesday.

Mr. HARRIS. That is interesting.

Mrs. SPELLMAN. Isn't it interesting? And I couldn't have believed it at first. I thought that particular letter had gone astray, but no, he did get it on Wednesday, and it all makes sense to me now.

Mr. HARRIS. What kind of sense? [Laughter.]

Mrs. SPELLMAN. It was wrong, unfortunately, and I should have looked at that slot before I put the mail in there. But I think they had more mail in that slot than the poor man had ever picked up there before because I had all of my day's mail that went into it.

Mr. HARRIS. Do you have a comment you want to make?

Mr. FRAVER. Yes. There is something else. On these 3-day holidays, the post office box in front of the post office gets so full that people are stacking mail in the street because nobody comes to pick it up. And these people that say they can come to the post office and pick up their mail may not realize that the mail that comes into the post office is only broken down into routes, not people. So for a person coming in to get a check, a clerk would have to go through thousands of letters to find a check for one person, which nobody is going to do.

Mr. HARRIS. This is a question I had, and during the series of hearings I tried to understand it. If, in fact, not delivering on Saturday or the sixth day is going to save labor costs—I presume that is the economy argument there, that it is going to save labor costs to the extent of \$400 million over a period of years. The fact of the matter is that it wouldn't be just that the mail wasn't delivered; it would also mean that the mail wasn't sorted that day.

Mr. FRAVER. Yes.

Mr. HARRIS. As I recall, when I went down to work in the post office—this was 1 or 2 years ago—when I was there, it was the route-man that sorted his or her mail—his mail back then. That is still the case; isn't it?

Mr. FRAVER. Yes.

Mr. McCENEY. Yes; the regular man.

Mr. HARRIS. This means the mail wouldn't be sorted until Monday.

Mr. McCENEY. That is right.

Mr. HARRIS. And there would be no way for somebody to come to the post office and pick up their mail on Saturday?

Mr. FRAVER. Right.

Mr. HARRIS. And unless you had somebody come in to sort the mail. I don't see where the labor saving is. It would mean not as many people would have to go on their route, but people would still have to come in and sort. And I just wonder if the big labor saving proposal—they figure it won't be sorted, I guess.

Mr. TAYLOR. I heard about United Parcel Service and the service they give. The Postal Service can give the service, too. Service is the name of the game to people. Where else can you mail a letter for 13 cents to go from Maine to California today? When you work for service, you have to give service. Giving service may cost but the Postal Service for many, many years in the country has given this service.

I think the people are getting disgusted with the service being taken away from them. I have one dropbox left on my route with one pickup at 1 o'clock each day. On Sunday if they want to put mail out, they have to travel roughly 2½ miles to go to a box that has a pickup on Sunday. This is a cut in service.

Everything they look at—maybe not everything but I feel they are cutting the service away from the people in the United States and they don't need it. The Postal Service is getting to be a whipping boy for the country for some reason or other. I am proud to be a postman. I remember the postman as a child. You used to be able to go up and speak to them. I have children on my route that call me by name. People ask about their checks, outgoing mail, and how can they get stamps. The Postal Service has a service where they can get stamps through the mail. So why take service away from them? Give them the service 100-percent strong. And I hope that they can do this.

Mr. HARRIS. Mrs. Spellman.

Mrs. SPELLMAN. Thank you very much. It was very interesting.

Mr. HARRIS. I appreciate the panel's testimony.

First of all, I have never heard this done at a hearing before, Mrs. Spellman, but I am going to do it this time. The official court reporter here, who has been a professional for at least 25 years to my knowledge and has reported hearings on the Hill for at least that long, happens to have been a friend of mine for 25 years. Years ago I was president of the Fairfax County Citizens Association. Her

husband was president of the Fairfax County Citizens Association about 2 or 3 years before I was, and I have known her ever since—and have heard the typing going on in the house for 25 years of the work being done at night. So I wanted to introduce Mrs. Tepper to you. And the reason we are taking a recess now is that I think a reporter after going 1 hour and 35 minutes ought to have a break of a few minutes.

We will be back in session in about 5 or 10 minutes.

[Whereupon, a short recess was taken.]

Mr. HARRIS. May I call the meeting back to order, please.

I would like to call to the table now Ms. Julie Lane, Mr. Howard Sutherland, Mr. W. Hugh Grubb, Mr. Marion C. Neighbours, and Mr. Joseph Tordiff.

I would like to repeat and make it clear for even those that didn't sign up and what have you, I will recognize anybody that is here when we complete our next panel and for any comments pro or con that they may have. We are anxious to get all sides, all viewpoints, into the record here. And as I say, it is especially timely at this time because we are talking about not only policy but legislative efforts.

And let's do as we have done in the past, just move from left to right at the table, if we may, sir.

STATEMENT OF PANEL III-B: JULIE LANE, PRESIDENT, NORTHERN VIRGINIA LOCAL, NATIONAL ALLIANCE OF POSTAL AND FEDERAL EMPLOYEES; W. HUGH GRUBB, NATIONAL SECRETARY-TREASURER, NATIONAL ASSOCIATION OF POSTMASTERS, POSTMASTER OF FALLS CHURCH; WALTER WOOD, PRESIDENT, VIRGINIA CHAPTER, NATIONAL ASSOCIATION OF POSTMASTERS; MARION C. NEIGHBOURS, STATE PRESIDENT OF VIRGINIA NATIONAL RURAL LETTER CARRIERS ASSOCIATION; AND JOSEPH TORDIFF, GENERAL PRESIDENT, NORTHERN VIRGINIA LOCAL, AMERICAN POSTAL WORKERS UNION, AFL-CIO

Mr. WOOD. I am Walter Wood, a postmaster, and also president of the Virginia Chapter of the National Association of Postmasters, of which Mr. Grubb is national secretary-treasurer.

Mr. HARRIS. Go ahead, Mr. Grubb. Or let's recognize Ms. Lane first.

Ms. LANE. I am Julie Lane, president of the northern Virginia local of the National Alliance of Postal and Federal Employees, which has members in several post offices in the northern Virginia area, as well as the northern Virginia postal facility. The opportunity to appear before you this morning and to offer testimony is deeply appreciated.

Mr. Chairman, we are aware of your support of H.R. 9146, a bill requiring that the Postal Service submit any proposed changes in levels of nationwide service to Congress and its present status.

We also know that you support H.R. 7700, a bill which stipulates that public service appropriations be expended for 6-day delivery.

This active support of these two bills, in our opinion, would do much to stabilize the U.S. Postal Service, if they are enacted. At all

levels of this union we support the concept which is contained in H.R. 9146 and H.R. 7700, because, if enacted, Congress and the President could play a more meaningful role in the conduct of one of America's most vital public services.

The Commission on Postal Services recommended to the President and Congress on April 18, 1977, that mail delivery be reduced from 6 days to 5 days per week. It also offered a so-called choice to the public, between highly increased postal rates and reduced delivery service. This choice was supposedly made attractive by the unrealistic proposal to substitute dependability and reliability or service for less service, at a smaller increase in postal rates rather than a larger increase.

A charitable view could cause one to believe that the Commission felt bound by the congressional mandate of 1970 to cling to a break-even target, regardless of the financial cost to mail users, the reduction in service, and the damage to the lives of dedicated career postal employees. However, this lofty outlook becomes cynical when it is recognized that the Commission publicly announced that the public would be barred from Commission meetings. The question arises as to how can the public trust the Commission's findings when the Commission had no confidence in the public.

Basically, we maintain the principle that the Postal Service must continue to exist as a viable necessary service to the American public, and that it cannot be realistically viewed as a moneymaking or break-even venture if quality service is to be the end product.

Five-day delivery would be a further retrogression of the U.S. Postal Service, to the detriment of its patrons, the American people. To approve the 5-day delivery is tantamount to robbing Peter to pay Paul, the Postal Service, in a risky attempt to bolster its financial stability. The 5-day delivery would be an automatic approval of activating a delay of the mail and deterring the mail flow. Mail would be stored in the post office another day where it should not be, instead of in the hands of the intended receivers where it should be.

Finally, Mr. Chairman, it would appear to this union that Congress specifically established what it intended as postal policy when it passed the Postal Reorganization Act in 1970. For the record, I would like to quote from this policy.

Sec. 101. Postal Policy

(A) The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people. The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities. The costs of establishing and maintaining the Postal Service shall not be apportioned to impair the overall value of such service to the people.

(B) The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining. No small post office shall be closed solely for operating at a deficit, it being the specific intent of the Congress that effective postal services be insured to residents of both urban and rural communities.

In our judgment, should the U.S. Postal Service adhere just to this stated policy, the questions involved at this hearing would not be necessary.

Mr. HARRIS. Thank you.

Mr. Grubb.

Mr. GRUBB. Congressman Harris, I know, sir, that you are well aware that I am always pleased to be in your company, but I must say that your company is enhanced considerably this morning by Congresswoman Spellman. I am delighted to see her again.

I am Hugh Grubb, the national secretary-treasurer of the National Association of Postmasters of the United States, and here to support me is Walter Wood who is the State president in Virginia.

I have been asked to present my views and the position of the National Association of Postmasters on reduction of delivery days from 6 to 5 days a week.

I welcome this opportunity, as our organization has taken the position that a service reduction of this impact is not warranted, that the American people, particularly in suburban and rural areas, need this service, and that the savings projected by such a service reduction are more illusory than real.

As postmasters, we have sometimes been required to implement service reductions with which we were not in agreement, but I would like to point out that the Postal Service has up to this point made no determination that they will seek to reduce delivery days. When the reliability of an earlier public opinion poll was challenged, the Postal Service undertook other studies with conflicting results—and I might say parenthetically that your poll has apparently indicated conflicting results as well—and are still considering the desirability of this service reduction.

The National Association of Postmasters will continue to attempt to influence that decision, with the Postal Service, with the public, and with the Congress.

We are concerned about two things—loss of Saturday service, which we believe our customers need, and the loss of management flexibility if delivery days are reduced to 5 days.

Many small businesses which operate on a 6-day-week basis would be faced with the loss of mail service for one-sixth of their workweek. Retired persons, elderly people dependent on social security annuities, checks which are normally delivered on the 1st or the 3d of the month, and young mothers who are dependent on aid to families with dependent children, would undergo real hardship if checks are delayed.

These checks, which are normally delivered on the 1st or the 3d of the month, would be delayed on at least 4 days in 1978, if post offices could manage to maintain delivery service standards in the face of unmanageable volumes on Mondays, and particularly on Tuesdays after a Monday holiday.

But I am even more concerned about the manageability of the volume of mail which we would be handling on a Monday after a Saturday nondelivery day or, even worse, on a Tuesday after no deliveries on either Saturday or Monday.

Anyone who has been on the workroom floor of a post office recently knows that mail volume is up, that we are already sore-pressed to process this increased volume, get it to the carriers on time, and for the carriers to case and deliver it within service standards.

That which on its surface might appear to represent a savings must be faced for what it is—a service reduction without a compensating reduction in operating cost.

Assuming a zero increase in mail volume in future years—and according to page 4 of the 1977 annual report of the Postmaster General, the mail volume in 1977 was 92.2 billion pieces, 2.5 billion more pieces than in 1976—the net effect of a reduction to 5 service days from the present 6 would be to increase each day's volume, would be to compact 6 days into 5 days.

Since personnel would have to perform the same amount of office work as is required now, there would be no savings in office time and any time saved on the street would likely be offset by the inability of the already overloaded three-quarter ton vehicles to accommodate any additional volume. There is also the probability of additional errors in delivery due to the limited space in the carrier's case—approximately $1\frac{1}{8}$ inches—for each address. Packing then slows the casing operation and makes it easy for mail to accidentally slide into the less-congested separations unless extra care is taken.

Carrier routes are evaluated and adjusted to make it possible for carriers to complete their rounds in 8 working hours. The increase in volume would put all routes out of adjustment and require all routes, city and rural, to be realigned with the attendant disruption of public support—assigning new carriers, making some deliveries later in the day, et cetera.

We must also consider the additional impact on a Tuesday following a Monday holiday. To make timely delivery of accumulated mail on these days would be a near impossibility.

Not only would there have been no mail service on Saturday or Monday, but there would have been hundreds, and even thousands, of those letters which we still would not have been able to process in time for Tuesday delivery. The only solution would be to compel people not to mail on weekends, or to flood the post office with dozens of part-time workers on Monday and Tuesday, a grossly inefficient practice which has long since been discarded in our Christmas operations.

I am concerned, too, about the impact on our handling of third-class advertising material, and Government mailings such as congressional newsletters, if we go to a 5-day delivery week. Under our present operation, we have made substantial progress in more timely handling of this important category of mail because we have the flexibility to deliver it within a 2- to 3-day period, and phase it in to mesh with days of lighter first-class mail volume. Our flexibility under a 5-day delivery system would be greatly reduced, if not virtually destroyed.

The only possible savings would be in the amount of time it takes a carrier to walk or drive his route on a Saturday. Depending on the demographic characteristics of the area, the topography, mail volume, and population density, this can range from about 3 to 5 hours daily. Any delivery service analyst knows that a carrier delivering to 100 percent of his delivery points will require more time on the street than if he delivers to 50 percent of them. The percentage of delivery points served on a Monday or Tuesday will certainly be substantially increased if Saturday delivery is terminated, thus reducing the potential savings. And it should be noted that the inevitable Monday and Tuesday overtime must be compensated at 150 percent of base pay, plus an additional 10 percent for early morning hours, which are also highly probable. Since a given volume of mail is to be done in 5 days,

routes must be reduced in length, thus requiring additional costly vehicles for the resulting additional routes.

We are concerned, too, that what we view as the likely result of poorer service to third-class mailers will further erode our competitive position in this market, a large portion of which we have already lost, and are only beginning to recover.

All of these factors lead us to believe that minimal savings can be effected by this service reduction.

I believe that there are more effective ways to reduce costs which would not impose so heavy a burden on our customers. For example, an alternative would be standardized curbside or lot-line delivery of mail in residential areas throughout the United States.

Undoubtedly, this would meet with some customer resistance, and perhaps union opposition, but I do not feel it is unreasonable, if we are to continue to provide daily delivery service, to expect people to walk from their front doors to the curb or sidewalk to collect their mail.

Other types of door delivery services have virtually disappeared from the American scene. The bread truck, grocery delivery, the milkman, and even the Good Humor ice cream man are virtually extinct. And Western Union now routinely telephones messages or uses the U.S. Postal Service to deliver them through the mailgram program.

Additionally, such a policy would standardize service to our customers. Our current policy of restricting new deliveries to curbside, while continuing door delivery to older customers, is difficult to administer, and incomprehensible to the new homeowner who is required to install a curbside box while his neighbor a few feet away continues to have the mailman walk to his door.

Before I finish I'd like to add one thing. I'd like to underline a point that you made yourself, in that in order to give any over-the-counter service on Saturday, it would be necessary to call the carriers in to case their mail, because without having it distributed in the cases, there is no way that a clerk on the window could possibly identify mail for any person.

So I know that in the survey this was one of the things that was held out as a possibility, to keep the post office open for those few people who supposedly want their mail on Saturday. But as an old postal employee, sir, I know you are well aware this is a physical impossibility.

I want to thank you for the opportunity of appearing before your committee. The National Association of Postmasters fully support the current direction of your committee in exercising increasing oversight over the operations of the U.S. Postal Service. We are concerned, as is the Postmaster General, about efficient management and holding down costs, but we remain committed to maintenance of our 200-year-old tradition of service to the American people.

We look to your committee and to the Congress as our best hope of full realization of that tradition of service. I want to thank you very much.

Mr. HARRIS. Thank you for your testimony.

Mr. Neighbours.

Mr. NEIGHBOURS. Mr. Chairman, my name is Marion Neighbours, president of the Virginia Rural Letter Carriers Association. I am here at the request of Mr. Edwards, president of the National Rural Letter Carriers Association, an organization representing nearly 70,000 regular, substitute, auxiliary, and retired rural letter carriers.

The rural letter carriers we represent serve over 12 million families or over 40 million persons in rural and suburban areas, and travel over 2 million miles each day.

We appreciate the opportunity to submit our testimony before this committee to express our views on the reduction of mail service from 6 to 5 days. We commend you for scheduling hearings on a reduction in mail deliveries in the several congressional districts throughout the United States in order to come to a conclusion as to whether the Postal Service customers would like for their mail deliveries to be cut from 6 to 5 days per week.

The Postal Service Commission report, which was given to the Congress last April, stated that, through the Nielsen report, approximately 80 percent of the people contacted in the United States favored 5-day delivery over a substantial increase in postal rates. We believe that the question posed to the people interviewed was a loaded question and did not truly represent the feelings of the postal customers throughout the United States.

Several polls have been taken since and show that a majority of the customers polled favored 6-day delivery and do not believe that the savings stated by the Postal Service would hold up if the service was actually cut to 5 days. Recent polls held in congressional districts in Hawaii and Colorado proved conclusively that the postal customers favored 6-day delivery. As employees of the Postal Service, we are greatly concerned with any reduction in levels of postal service which are offered or arbitrarily placed upon the American people. We sincerely believe that the Postal Service should be greatly improved rather than reduced. There have already been too many reductions in postal service, and further reductions will mean a greatly reduced service and curtailment of mail to the American people.

As rural letter carriers, we believe that a reduction from 6- to 5-day delivery would probably affect the people we serve more than any other group. Unlike urban dwellers, a vast majority of rural postal customers must rely upon the rural carrier for the delivery of the daily newspapers and market reports. The rural carrier's arrival is awaited with anticipation each day by millions of rural customers. Any reduction of current service levels would prove very unpopular and meet with much opposition from rural people. Farmers take their rural delivery service very seriously. Rural customers would also miss their weather reports, stock reports, grain reports, weekend catastrophes, local and area sales, machinery parts, et cetera.

Implementation of the 5-day week would eventually deprive regular and substitute rural letter carriers of a substantial amount of their present employment. Such a plan would eventually result in less delivery routes and less employment for rural carriers and other delivery employees. At a time when unemployment is a national problem, it seems inconsistent for the Government to be considering the reduction of an essential Government service which would create more unemployment to add to the present problem.

The savings of 6- to 5-day delivery would be far less than has been estimated. The volume of mail to be handled would be virtually the same, and only the delivery trip would be eliminated if a 5-day schedule was adopted. It would place a double volume of mail on the carrier to be cased and delivered on Monday or any day that was

picked for nondelivery of mail. This would cause disruption to the rural carrier's schedule for several days of the following week. If the nonworkday was on Saturday and a holiday fell on Monday, as it does eight times during 1977, it would create an almost impossible situation to handle 3 days of mail in one delivery trip. During those weeks, mail would be curtailed most of the week until the backlog was finally delivered.

The only logical solution would be to provide auxiliary assistance to the regular carrier on the day following a Monday holiday. In fact, it may be necessary to provide auxiliary assistance each Monday to cope with the double burden of 2 days' mail. This would certainly reduce the estimated savings of time and money on rural delivery. The other alternative would be to curtail mail for several days each week. The reduction of mail delivery from 6 days to 5 days certainly seems inconsistent with the recommendation that the Postal Service should make dependability of timely delivery its primary service objective. Elimination of 1 day of delivery and curtailment of mail on many of the remaining days certainly does not lend itself to dependability of timely delivery.

In spite of the so-called Postal Service Commission Nielsen Survey, we do not believe that the American people will be pleased with a reduction in service at the same time that postage rates are being increased and additional appropriations are being made. The Congress of the United States would be placing itself in an untenable position if it allowed such a situation to occur.

We believe the Congress should establish minimum delivery standards for the U.S. Postal Service below which service levels could not be reduced. A decision as important as that of frequency of delivery—5 or 6 days—should not be made by anyone other than the elected representatives of the people themselves, the Congress.

We recommend that the provision in H.R. 7700 be adopted, whereby 15 percent of the previous year's operating expenses may be appropriated for public service funds to operate the Postal Service. This would allow for the continued operation of rural delivery, small post offices, and research and development on a 6-day week.

We have supported additional appropriations for the Postal Service from the time it became evident that it could not become self-sufficient and still fulfill its public service obligations. We believe the American people consider the public service rendered by the Postal Service as important, if not more important, as other Government services and are willing to pay for that service. The U.S. Postal Service is the only Government agency which provides a complete mail service or any service to every American.

The fixed amount of \$920 million annual subsidy provided in the Postal Reorganization Act to compensate for public service costs has proven inadequate. Inflation has decreased its actual value, and the amount was probably too low in the first place. The proposed 15 percent, as in H.R. 7700, is far more realistic.

We suspect that there is a greater degree of public service rendered by the U.S. Postal Service than is currently believed. The rural delivery service is a part of that public service cost. It could never become self-supporting if it was dependent upon the revenue gener—

ated on the rural routes and in the small post offices. Rural customers are basically recipients of mail rather than senders of mail. We contend, however, that the recipient of mail is just as important as the mailer, even though it is the mailer who generates the revenue. There could be no complete mail service without delivery service to every patron in this land.

Obviously, such deliveries are more costly due to the distances involved and the many miles of travel, but the rapid expansion of rural delivery after its inception in 1896 played a major role in the history and development of rural America. No one is more appreciative of mail delivery service than those who reside in the rural areas.

Another recommendation which has been offered by a small minority of the Congress and elsewhere is the repeal of the private express statutes on time-value letter mail, and this proposal, along with the 5-day delivery recommendation, would certainly cripple and destroy the U.S. Postal Service.

Loss of the first-class monopoly would mark the beginning of the end of universal postal service that we have come to take for granted. Rural America, whom we serve, would have much to lose if the private express statutes were weakened or repealed. Rates for transcontinental delivery and rural delivery would become prohibitive. Implementation of 5-day delivery would leave the door wide open for private firms to provide delivery service under the conditions set forth in the Postal Commission recommendations to lower the bars on the private express statutes. The Postal Service has the capability of providing any level of service desired. It should be encouraged, certainly even required by the Congress, to provide a class of service which would make it unnecessary or undesirable for private carriage of time-value letter mail.

We agree with those who believe there should be more accountability to the Congress and the President. As an example, we do not believe the Board of Governors should have the authority to effect such a drastic reduction in the level of service as 5-day delivery, which it is now considering as a possibility in the future. We feel very strongly that only the Congress should make that determination. After all it will be the Congress who will share the burden of the complaints of poor service if this drastic proposal is allowed to become a reality. We believe that the Congress of the United States should make the decision as to whether 6-day delivery will be retained. Resolutions have been voted in both the House and the Senate with overwhelming majorities to retain 6-day delivery. Many polls have been taken and more will be taken to consider whether the American people prefer 6- or 5-day delivery. We believe that when the proper and honest question is posed to the American people, they will choose 6-day delivery should be only the increase of one-half cent on a first-class stamp.

We shall trust the judgment of the Congress in making the decision on this important issue, but we would hope the concerns which we have expressed above will be taken into consideration in making the final decision.

Mr. Chariman, our greatest concern today is to save 6-day delivery. Thank you very much.

Mr. HARRIS. Thank you.

Mr. TORDIFF. I am Joseph Tordiff, general president of the northern Virginia area local of the American Postal Workers Union AFL-CIO.

Mr. Chairman, I appreciate this opportunity to make a very short statement in opposition to the U.S. Postal Service's intention to eliminate the Saturday delivery of mail.

The American Postal Workers Union, which includes postal clerks, maintenance employees, special delivery messengers, and motor vehicle employees, has joined with the letter carriers, mail handlers, and rural letter carriers as the exclusive bargaining representatives for the approximate 600,000 rank-and-file U.S. Postal Service employees. Obviously, then, one of our primary concerns with the elimination of Saturday delivery of mail must be the effect on our postal employees. With the elimination of Saturday delivery, approximately 20,000 letter carriers would be without a job. Although this would be the group hardest hit, jobs in other areas would also be affected by reduction in hours or complete elimination.

The U.S. Postal Service's explanation for elimination of Saturday delivery is economy, reduction of costs. Any time they get in a bind and try to explain their request for an increase in postage rates, they do two things: One, they reduce services to the public; and two, they blame the increased cost of a stamp on personnel costs. Only in very recent years has the postal employee made an age comparable to the services rendered. To say that wage costs are the cause of reduction of service to the public is ridiculous. Service to the public has been slowly eroding for years. There are probably some in this room who do not remember when we had two mail deliveries a day—Mrs. Spellman does. [Laughter.]

Mrs. SPELLMAN. Are we saying that I am older than everybody? I hope it's just that I have a better memory. [Laughter.]

Mr. TORDIFF. She said she did.

Mr. HARRIS. You may proceed.

Mr. TORDIFF. Inflation, apparently a fact of life, increases the cost of everything. A 1-cent-per-gallon increase in the cost of gasoline costs the U.S. Postal Service \$50 million, so the U.S. Postal Service is going to beat inflation by eliminating Saturday delivery and putting 20,000 letter carriers out of work.

The former Postmaster General stated that he had eliminated 42,000 jobs in the Postal Service. He may have. But now the employees who are left, work 10 hours a day and often 6 days a week. Wouldn't it be more sensible and economical to have more employees on a regular 8-hour day at regular rates of pay than to pay overtime rates to the employees who become fatigued and consequently less productive and more likely to be subject to accidents? The Postal Service states they paid \$680 million for on-the-job accidents in the past year. So they're going to charge this to personnel cost and eliminate Saturday delivery. To make up for it the Postal Service has insisted on mechanization of operations and the building of large bulk mail centers which, to a large extent have proved to be extremely costly and inefficient. United Parcel Service, which has taken the parcel post business away from the Postal Service, built one bulk mail center, found it didn't work, and abandoned it and saved money. The U.S. Postal Service

built one bulk mail center that didn't work, built another, and another, et cetera. They also saved money by cutting services to the public.

Mr. Chairman, as I am sure you have noted, I am not very proficient in putting my thoughts into words, but what I want to convey is the fact that the U.S. Postal Service is attempting to throw the burden of its mistakes in management upon the public. As I stated originally, although we have to be concerned with the threat to the livelihood of our postal workers, that is not our only concern. Just as the postal worker of the distant past, according to the legendary slogan, "nor heat, nor rair, nor sleet, nor snow, nor the darkness of night shall stay these couriers from the swift completion of their appointed rounds," the postal worker of this year of 1978 is no less dedicated to giving the same loyal and tireless service as did those in the past.

The people in this country of ours want efficient and dependable postal service. They need it and they are entitled to it. The postal worker wants to provide that service. We cannot do it by serving the public only 5 days a week. We cannot do it if the Postal Service is allowed to continue closing smalltown and rural post offices.

On behalf of the American Postal Workers Union, Mr. Chairman, I ask that the committee act favorably on H.R. 7700.

Thank you.

Mr. HARRIS. Thank you very much for your statement.

With regard to your last statement of the snow and the sleet and what-have-you, I still have a hunting cap with flaps that come down over the ears that I bought, believe it or not, the second day I was delivering mail, because it was the Christmas season and it snowed, and I never got such cold ears in my life. I still have the hunting cap.

I want to also express myself to the rural delivery. I guess we don't have many in the eighth district, but we do have some in Stafford and Prince William and the western end. But I do have some knowledge of the rural system and know a lot of folks in agriculture. And I don't think anybody realizes really how important RFD was to the agricultural community. We have in this country a unique agricultural community that is really a part of the society and came into their own. There were a lot of them up on the Hill the past month.

But in all seriousness, if you ask the average farmer of some years what the great contribution was to rural America, he will mention RFD first. The notion that a person could be out on the farm, in the sticks, in the hinterlands, whatever you want to call them, and could still keep contact through mail service was one of the great moments in our history as far as rural America is concerned.

Mr. NEIGHBOURS. Mr. Chairman, we do represent the rural carriers, and as I said in my opening statement, I am president of the Virginia Rural Letter Carriers. I myself am a rural carrier, along with my State secretary-treasurer, Mr. Bill Nichols, sitting over there, and I know the majority of people here this morning are urban dwellers—let's put it this way.

Congresswoman Spellman referred to a place in Colorado awhile ago.

Mrs. SPELLMAN. Montana.

Mr. NEIGHBOURS. As you say, that's God's country. It is hard for some of you in here to visualize the rural areas. A lot of them are still getting these newspapers by U.S. mail, and if you can visualize a Saturday off and then a holiday on Monday, you are getting Friday's paper, Saturday's paper, Sunday's paper, and Monday's paper on Tuesday.

And particularly in southwest Virginia. That is the only method of communication they have. You are used to the telephone for communication, but there in the rugged areas back in the mountains there are many places that don't even have telephones yet.

Mr. HARRIS. I was very interested in your testimony, Mr. Grubb, and as a matter of fact, I think it's historical. We have had a series of 12 hearings, and to my knowledge this is the first time that a postmaster has testified with regard to this proposal. I was wondering if this indicated that there was a change in the attitude of the Postmaster General. [Laughter.]

Mr. GRUBB. Congressman Harris, I'd certainly like to be able to get inside the head of the new Postmaster General, but up to now he hasn't given too much of an indication. I think for everybody's possible relief for the moment, we do now have a Postmaster General who has some 37 years' experience in the business, and when we talk to him, at least we know that he knows what we're talking about. And I expect that in itself will be a benefit to the Postal Service.

Mr. HARRIS. Well, fine. I am pleased that we have in the record now some testimony of postmasters, and especially our local postmaster. I think it's good. We should make it clear you are the postmaster of Falls Church; is that right?

Mr. GRUBB. Yes.

Mr. HARRIS. Not just the secretary-treasurer of the national association.

Mr. GRUBB. No; not just that. And I am also interested in the gentleman to my left, because I spent 25 years in a rural post office, so I understand what he's talking about as to the importance of the mail in these areas as well.

Mr. HARRIS. Mr. Tordiff, I thought you made an important point, and it is one that, quite frankly, I have tried to study in the Postal Service a little bit, and which has caused my concern.

I should be very frank and open here, as I am noted to be, but I haven't been totally satisfied with the operation at Merrifield [laughter], which I guess includes a GAO investigation and a few other things.

But one of the facts that has concerned me about the Postal Service is the amount of money that it costs for overtime. And overtime is an expensive operation. Now, I'm sure that there are many workers that kind of like the time and a half, and I appreciate this, but in my perception of sound business practices, the biggest mistake that you can make is the reliance on overtime, on time and a half, in regard to an operation. And what concerns me a great deal is that I see some evidence in the Postal Service that it seems to be almost a matter of course that you have a certain amount of overtime built into your operation. If I was in private business, I'd make sure I didn't do that.

And I just wonder how you feel this applies to the situation as far

as changing 6 to 5. You made a number of comments, and you think this would increase the overtime use or decrease it?

Mr. TORDIFF. Mr. Harris, when I mentioned overtime in this instance here, I wasn't particularly connecting it with the decrease of the 6 to 5 days. The point I was trying to make there was the fact that the Postal Service, at least now that you mention Merrifield, which happens to be my playground, uses overtime so constantly that an increase in the complement to decrease the amount of overtime or eliminate the amount of overtime would decrease costs rather than firing 20,000 letter carriers.

Again, at Merrifield, overtime is a way of life. You may be told when you leave in the morning, to come in 2 hours early that night, and work another hour the next morning.

Mr. HARRIS. I am not sure we have that clear enough for the record. Go ahead and say what the problem is there. Just say it again as clearly as you can.

Mr. TORDIFF. The point that I raised of overtime in my statement—

Mr. HARRIS. Just this last point about how it operates in Merrifield with regard to overtime.

Mr. TORDIFF. The overtime at the sectional center at Merrifield at the present time, and for a considerable period of time, has been that it's continuous, it's mandatory. It is my opinion that if, in fact, a facility needs that many hours of labor, instead of paying the high overtime rates, they should increase the number of regular employees.

Mr. HARRIS. The cost differential of 50 percent on your labor is a considerable differential and could increase the cost of your operation considerably if you do not use the correct management practices; is that right?

Mr. TORDIFF. That is the way I look at it. Of course, we continually try to figure out or have management do something to eliminate overtime. We haven't been able to make much headway. Maybe Congress can.

Mr. HARRIS. Mrs. Spellman.

Mrs. SPELLMAN. Mr. Grubb, you made a statement that I found extremely interesting. You said:

We are concerned, too, that what we view as the likely result of poorer service to third-class mailers will further erode our competitive position in this market, a large portion of which we have already lost, and are only beginning to recover.

I think a good many people would normally recommend that what we ought to do to cut costs is to raise the price to third-class mailers. They are always saying, "Cut out the junk mail."

Would you explain to us the advantage of keeping third-class mail.

Mr. GRUBB. Well, first off, the words "junk mail" do not occur in my vocabulary, because it is a fact that there are valleys and hills, or peaks of waves and valleys of waves in the way the mail flow comes about, because it is not a planned operation at its origin.

And the thing that has kept us economically afloat, or one of the things, is the fact that in these valley periods, even though we have an employee who is scheduled to work and has to be there and is on the clock to be paid, this smoothes our operation out. It fills in the valleys. And it provides revenue at the time when this person might either be on standby or on slowdown.

So as far as I personally look at it, direct mail, third-class mail, is a very essential part of our total operation and very valuable to us.

If you will notice your Sunday paper or even your daily paper, the number of supplements that are in there these days, you don't know whether you are getting a heap of advertising from various sources or whether—they even spoil my funny papers by putting something inside them all these times.

I think it can be statistically borne out at headquarters that the direct mail, the third-class mail, and the congressional mail is a very valuable commodity in our business.

Mrs. SPELLMAN. Thank you. I am very happy to have that in the record because I think most people totally misunderstand the third-class mail.

Mr. GRUBB. It is more often than not characterized as junk mail, but, honestly, those words do not exist in my vocabulary.

Mrs. SPELLMAN. Of course, our congressional mail, I know, is often referred to as junk mail.

Mr. GRUBB. Not by me.

Mr. HARRIS. Maybe over in Maryland. [Laughter.]

Mrs. SPELLMAN. Mr. Tordiff, you did mention the twice-a-day delivery that I referred to earlier.

Mr. TORDIFF. Sorry about that.

Mrs. SPELLMAN. I might point out that many years ago there was a postman who did even more, was even more dedicated to carrying out the mandates that were given to him than most. A letter had come to me, and on it the sender had written, "Postman, kiss her for me. She is being married on Sunday this weekend." [Laughter.]

And the mailman brought it by in the morning and wouldn't deliver it until I was there. He had to come back and back again that day until I was there and he could deliver that letter.

So I just want you to know that mail delivery of more than once a day was very important then, and I did get my kiss.

Mr. HARRIS. I guess before they had the union.

Mrs. SPELLMAN. That is way before I looked like I do today, too. [Laughter.]

Thank you, again. I am learning so very much by this. Thank you.

Mr. HARRIS. Thank you all for your testimony, and we appreciate the time.

The last panel is Kaye Holland and Mr. James Goins.

As the witnesses are sitting down, I have gotten a call this past day from Delegate Gladys Keating, who is actually a delegate from this area. She called from Richmond, the Virginia General Assembly session, to express the strong support of herself and her staff for the continuation of Saturday mail deliveries.

Mrs. Keating also made the point that she would appreciate it if her mailing address could be changed from Alexandria to another name because she spent a great deal of her time this first term down in the general assembly explaining the fact that she was from Fairfax County and not from Alexandria, despite her Alexandria address. It is an old problem we have had. She has been especially trying to explain to the general assembly she had nothing to do with running Jimmy Thompson out of the general assembly in Alexandria, which is apparently a bone of contention in Richmond.

But I did want to put that on the record.

PANEL IV: KAYE HOLLAND, EXECUTIVE DIRECTOR, SAUNDERS B. MOON, COMMUNITY HOUSING DEVELOPMENT CORPORATION; AND JAMES GOINS, PRESIDENT, SIDEBURN CHAPTER AND CHAIRMAN, FAIRFAX CHAPTER, EIGHTH CONGRESSIONAL DISTRICT BLACK CAUCUS

Ms. HOLLAND. Good morning, Mr. Chairman and members of the committee, and ladies and gentlemen.

I am Kaye Holland from the Gum Springs community. I am speaking for the Gum Springs Civic Association. And we in the Gum Springs community are concerned over the proposed reduction of postal service from 6 days to 5 days. It has not been made clear whether the sixth day will be a Saturday or not, but whatever day it is, the proposed change in service will be a hardship on the people in the Gum Springs area. People receiving social security checks and other pension checks may have to go without medicine as well as food due to the loss of this service. A 1- to 2-day delivery delay in service could be an overwhelming disaster.

Those who argue that reducing service will reduce costs have never been proven out. Reduction and eliminating 20,000 positions will raise inflation. The effect of 20,000 families buying power on the economy will be long felt. This reduction will not reduce the cost of postage. When in 1952 residential delivery was cut to reduce costs, the costs rose, as well as in reducing delivery in 1971. The cost of postage has gone steadily up. With the prospects of a rate increase the Postal Service is already planning, we are skeptical of any claims of savings. The prospect of paying more to get less is not very attractive. We, too, also support your bill, H.R. 9146, being considered by Congress, requiring the Postal Service to submit any proposed change to Congress, and H.R. 7700.

I thank you.

Mr. HARRIS. Thank you very much for your testimony.

Mr. Goins.

Mr. GOINS. Good evening, Congresswoman Spellman and Congressman Harris, and ladies and gentlemen in the building today.

I am Jim Goins. I am president of the Sideburn chapter and chairman of the Fairfax chapter of the Eighth Congressional District Black Caucus.

I am not going to take your time today being repetitious. I want you to know that both our organizations support the Saturday mail deliveries and the two bills, H.R. 9146 and H.R. 7700.

And I thank you for letting me speak.

Mr. HARRIS. Thank you.

Mrs. Spellman, do you have any questions?

Mrs. SPELLMAN. No; I think they are certainly self-explanatory statements.

Mr. HARRIS. Thank you for your testimony.

I have a request from Mr. Bob Williams of Dale City. Mr. Williams, will you come forward.

Welcome, and proceed however you want to.

STATEMENT OF ROBERT WILLIAMS

Mr. WILLIAMS. Thank you very much. I appreciate the opportunity of having a chance to testify before you, Congressman and Congresslady.

We have heard basically three positions here today—the vested interests from the postal workers, the business interests, and one or two from the private citizen who represents no vested interests, no labor unions, no organizations. And I count myself in among those.

Vepco's concern about cash flow amuses me. I think if the truth of the matter were known, Vepco's concern about cash flow is that the moneys they receive in a Saturday mail, if deposited before noon, draw interest from that day forward. So I am not concerned about Vepco. If they are that insolvent that the loss of one day's mail is going to cause economic collapse to them, they are in pretty bad shape anyway so I have little sympathy for them.

We have heard reducing mail to 5 days a week is going to cause economic collapse. I don't believe that in any way, shape, or form. We are creatures of habit, and we find it difficult to give up something that we think is due us or that we have become strongly attached to. I find it hard to believe that attempts to reduce deliveries by the Postal Service, real or imaginary—that there cannot be some cost reduction in reducing the mail to 5 days.

If we are stuck with the fact that the 5-day delivery would become a manner of life—and I have no objection to it—probably it would be better if it came in midweek rather than on a weekend to eliminate this concern of a long lapse without mail delivery. But concerning the cries of some of those people about their relief checks or retirement checks or annuity checks or what have you, in this day and time I think we need to encourage these people more and more to have these checks deposited directly with their banks. It is not safe to put it in the mail channels anyway. We have numerous reports of this. I haven't endorsed or signed one of my payroll checks for the last 20 years. I have them sent to my bank. So I think that could eliminate the problems of some of the people in those conditions.

I think what it boils down to here today is: Can we or can we not save money by cutting down postal service one day? If we can't save money, there's no use to do it. If there will be substantial savings, then I think it ought to be done because we have steadily had increased costs, particularly the retirees and people who live on fixed incomes—food, gasoline, taxes, whatever it is that is costing us more and more every day.

And I have no sympathy with those who cry that just because we have a number of employees in a certain situation now, we must maintain a number of employees, if we can prove that we can do with less than a number. So I don't think that is a valid argument, that we should be charged to maintain a certain level of employment. I am against unemployment, believe me. I'd like to not see myself become unemployed, but there is no charge in the Constitution of the United States that says we must maintain jobs just for the sake of having jobs.

So we must look at it from a realistic standpoint. I think the crux of the question is: Can there be a savings? If there can be savings, let's do it. And if there can't, let's forget about it.

Mr. HARRIS. Mr. Williams, that's a pretty good statement. If anybody in the room doesn't know it, there were no notes in front of Mr. Williams when he made that statement. He just said what he was thinking. I think he almost summarized the attitude both Ms. Spellman and I have talked about. We felt that we should look at this and see what kind of savings is involved here. I approached it somewhat skeptically because I have heard of other proposals to cut back service, and then saw costs go up consequentially, so this is why I think it has to be tested. And the main purpose of this hearing is to see how important Saturday was to people, and this is why we have had hearings around the country.

I just wonder if our experience indicates that these outbacks in service are followed by cost savings. Have you had any experience with it?

Mr. WILLIAMS. Well, I think that goes back to the management structure side of the House. I think good management can effect savings. But even though the post office is supposed to be a semi-quasi-Government operation today with less Government interference and control than it was under the old U.S. Postal Department, we have an entity sitting out there that is pretty much immune to real honest-to-goodness business management. Until we get management practices that are acceptable and standardized—to put it bluntly, if a small businessman ran his business the way the Postal Service does, he'd go broke in 5 days. So we have to have some management changes in the Postal Service, and I think management changes can put us back on a cost-effective basis.

I'd like to say one thing about the mail that some people classify as junk mail and other nonessential. Yesterday I got 13 pieces of mail. One was a letter from my mother-in-law, one from the Prince William County about my auto decal. The other 11 were solicitations trying to get my money. I am against that, especially since it arrived at a reduced postal rate. If these people want to solicit me to spend my money, they ought to pay for it. And I have started a one-man campaign in my neighborhood, and I have picked up a few neighbors who are doing the same thing now. When I get these things, if I get an envelope that says postage will be paid by the recipient, it goes back in the mail—no check in it or anything. So a lot of these businesses get a lot of mail they don't know who it comes from. Maybe if they get enough of it they will stop sending this crap out.

And I don't buy this business of this gentleman from the Post Office Department saying this provides work for people in the post office. That is not what we are in business for.

Mr. HARRIS. I don't think the postmaster was testifying to that point.

The Postal Service, as the higher ups have advised me over and over again, say that this is a revenue producer for the Postal Service because, No. 1, a lot of times this mail does not have to be sorted. The mail addressed to "Resident," for example, does not require sorting. Often the bulk are delivered by ZIP code, and it is required that they are delivered by ZIP code, so they are automatically sorted, and the delivery is made by the fellows who are on the route anyway.

I do have to admit, though, that I have some questions after receiving some testimony today if, in fact, that letter carrier's having to go to every home is going to extend his hours every time he gets a

resident mailing. So I am not sure that the cost saving is as real as some of the officials of the Postal Service have indicated to me that it is.

But that was his point, I think, that it is a revenue producer. And most people imagine this type of mail is a cost factor to the Postal Service, but it is one of their net income features. And that is why it is often defended very strongly.

Mr. WILLIAMS. It could be a better revenue producer if it was charged a more reasonable rate. Why should we subsidize a business when we have to pay the personal mail rate?

Mr. HARRIS. Their response is that they have to do this in order to be competitive. You heard the one example made, that the poor paperboy is stuffing those things free into newspapers, and when you pick up that newspaper you will get 45 or 50 advertising supplements that are distributed by the newsboy—without additional charge, by the way—and are often inserted by that newsboy without additional charge. And that is their competition. The mail advertising and the newspaper insert are the two things in competition. And they will say that is the rate necessary to stay competitive.

Mr. WILLIAMS. Well, on the point of sorting and nonsorting, I have noticed in the last year particularly that with the tremendous capability we have in the computer electronics field, more mail is coming addressed to me that used to be addressed to, "The Occupant." It says to me or to the occupant.

Mr. HARRIS. That is right. I think—

Mr. WILLIAMS. But that mail still has to be sorted that has an address on it.

Mr. HARRIS. Strike up one for Mr. Williams.

Ms. Spellman.

Mrs. SPELLMAN. I have a son who many years ago in filling out a form was asked his name, and he put that in, and then it said, "What other name are you known by?" And he wrote, "Occupant," [Laughter.]

All the time the children were growing up they got the occupant mail, so he figured that is what his other name was.

Actually, as I understand it, the occupant mail is paying its way and is a profitmaking venture. It can sit in the post office for quite some time waiting for a slow day so it doesn't get quite the kind of delivery that we know is given to first-class mail, or course.

I wasn't quite sure where you class your mother-in-law's letter, whether that was going to be in the junk mail. I'm glad it wasn't since I have a mother-in-law.

I thought, too, when I heard your statement that it was as beautiful a summary as could be given. You had the three kinds of interests set out and the bottom line was: What will we save? I think that is what Congress has to take a look at, to look at what the real savings are—not imagined, not claimed, not any of those things, but when we take everything into consideration, what will the real savings be? And then determine whether the general public will be better served by what might be the savings or the continued 6-day delivery. That will be a decision we will need to make, and your summary will help us take a really good look at that.

MR. WILLIAMS. I think, again, as we look down the road in the future, there is going to be more of the, quote, unquote, "electronic-type transactions" taking place in the American way of life, and it is going to cut out a lot of stuff that is normally going by mail today anyway.

So I think we have to have the courage and determination to say just because the amount of mail is being reduced that we are going to have to raise postal rates. There are other things to keep service at the level that it is now. We have to have the courage to say: "Is this a necessity or in't it a necessity?"

I'd like to cite one personal example. I usually don't like to do this, but it is relevant. I recently went to Indiana for a sad occasion when I buried my mother. Muncie, Ind., was in a blizzard zone about 3 weeks ago when they had these tremendous blizzards. Muncie, Ind., was without home delivery for 10 days because the mail just couldn't get through. The business downtown was faced with pretty much the same thing. And what happened was a comedy of errors. They got help from the military to help remove the snow from the streets of Muncie, Ind.; and the civil defense people in Muncie, Ind., instead of coming up with something where the military could evacuate this snow from the place and get it out of the city, said, "Pile it on the sidewalks so the traffic can get through."

So the sidewalks were blocked.

The majority of businesses went without mail for 5 days. The economic structure of the city did not collapse because they did not get mail for 5 days.

MR. HARRIS. But they paid for it.

MR. WILLIAMS. Yes; they paid for it.

MRS. SPELLMAN. I was in Italy when they were having a mail strike, which, thank goodness, we don't have here yet, and I talked to some shopkeepers who said they couldn't continue in business if the mail didn't get through to them—so many checks were in the mail, payments to them. They had some payments that they had made to other firms—probably the bigger firms—that were sitting there, too. It was a total economic collapse that appeared to be on the way at that particular time.

So mail is important, and I don't think we stop to think of how important it is until you have the kind of situation that you described in Indiana.

I was in Indiana during one of those snowstorms—on a hearing, as a matter of fact, for one of my committees. What a blizzard.

MR. HARRIS. Mr. Williams, thank you very much for your testimony. I appreciate your coming.

MR. FLACKNEY, did you want to talk?

MR. FLACKNEY. Yes.

MR. HARRIS. You come up here and sit down and give us your testimony.

STATEMENT OF JOSEPH FLACKNEY

MR. FLACKNEY. I want to thank you for arranging this because I think you are going to be happy. You've got an awful lot of data from sincere people. And I'd like to particularly thank you, Mrs. Spellman, for coming here. And it supports my women's libber stuff, you know, that you have to turn out Saturday.

But there is one thing here that no one else has hit on, and it was the second speaker today. He said that people could get to the post office. Well, all right. Is everyone going to drive in a car? Now, I'm hitting the energy thing. One postal deliveryman covers our whole route. Now, if all of us, several hundred, drove in, that would be a terrible thing.

And then also, really, the needy people can't get there. We don't have sidewalks in most of the communities today. They can't go there. And they are feeble—like me. And they don't dare walk on these speedways. They can't send the kids because they don't dare put them out. That isn't an easy thing. You know, it is easy to say, "Go to the post office." Well, that isn't necessary.

And Mrs. Spellman, you have referred a number of times to when we had two-a-day delivery, and out in the country—and, in fact, I can go back far enough when there was a Flackney, Minn., and we got a post office going up in a rural area. And I know about it because the only pay we got—again buck it to the woman—mother had to be the postmaster—and all we got in money was if we sold a stamp and canceled it. And Little Joe had to go 13 miles to the post office, and sometimes only with mother's letter to her parents in Iowa.

But the service has deteriorated. And it comes so easy to blame someone.

One of the things I found out in Oregon this summer—most everything has been covered here—but under this new system—and it is necessary; we grow and we have growing pains. But under this ZIP code and the machine handling it—and you hear about lost letters. I won't name the post office in Oregon that I went into because I was with the postal man and I had a chance, and he said, "Come on in and see the shredder." And here was where these letter go through—ZIP, you know. But if there was an extra little piece of paper over what it was gaged for, zoom, under here [indicating], and there was at least two bushels of shredded mail underneath there.

I know where my Christmas cards went to a couple of years ago. For the first and only time in my life I wrote one of those Christmas letters telling about a trip. But my close friends I stuck in another sheet, and they never got that stuff. I know it was just thick enough so the shredder got it.

We can't cut back on the service as this one man said about the medical service. As we knock it out, the less service we get. And the people—you know, the personal service—now the delivery people, wherever I have lived—and right here, the Lorton Post Office, the postmaster on through, and Mr. Sisk or his relief workers when they come through—they know me. If there is something special, they will drive out of the way—and Mr. Harris knows you drive out of the way—and honk the horn so I get that. Now, that is something that means a whole lot if you cut this out.

And to cut this out on Saturdays, one thing that is overlooked is that the people who really suffer can't get to the post office. You may know this, but civil service retirement checks and Veterans' Administration checks go out on the 1st. Social security goes out on the 3d. Now, if any of those hit Saturday, those people that really need it because they are on credit and say, "I'll pay you on Saturday when the check comes in"—if it isn't there, it is that embarrassment facing them.

So these witnesses ahead of me have been so wonderful. They have covered it. But I have tried to say a few things that have been overlooked, I think, as I sat and listened here.

So thank you so much, because I think we must rebuild our Postal Service. Because I have lived many years, and this was the greatest thing. And when you speak of rural service, that is really something wonderful. And our postal delivery is very much the same. And those people are wonderful, dedicated servants.

Thank you so much.

Mr. HARRIS. Thank you so much for coming, Joe. We are proud to have someone like you come here and give your views.

Mr. Peterson, did you wish to testify?

STATEMENT OF MR. PETERSON

Mr. PETERSON. Thank you, Congresswoman Spellman and Congressman Harris.

I only volunteered there to try to clarify this problem of calling for mail at the post office. At the same time I'd like to take you off the hook a little bit, Mrs. Spellman, when you mention that you recall back there the day when they had two deliveries a day. I think that must have been told to you by other people. [Laughter.]

I want to upstage you a little bit. I go back to 1925 when we had two trips on Saturday, and I carried two trips on Saturday. And the calling for mail at the post office back in the 1920's was fiasco.

No. 1, the carriers had to report on Sunday morning—their own time—and case the mail. And certain carriers were designated to man a carrier call window in the afternoon between 12 and 3, after church services. So many of our friends had to stagger their church attendance in order to get there and case the mail.

Mr. HARRIS. I'm not sure everybody here understands what casing the mail means.

Mr. PETERSON. Sorting the mail in the pigeonholes of the carriers' cases, which means it is in order for delivery, and which had to be done if you had people calling at the post office on Saturday for mail.

I don't think we want to go back to a thing like that. I don't think we want to ask carriers to come in and donate 2 or 3 hours on Sunday to do those things. We are living in a different era, and many of us were beginning to wake up to the fact that things are different than they were before.

When the service went from two trips to one trip—in 1949, I think that was, at the direction of Postmaster General Donaldson—

Mr. HARRIS. Who was the last professional Postmaster General we had.

Mr. PETERSON. Yes; and I don't want to draw an analogy between that one and the present one. Things were different then, and there were some justifications for eliminating the afternoon trips. Many of us can testify that in the afternoon trips there were often seven or eight blocks between the stops we had to make, and it was very uneconomical.

But at the same time, may I suggest before you come to a conclusion on this, you get some very dependable facts on what were the net savings in 1949 when they cut back from two trips to one. I recall the forecasts of how many millions we'd save by cutting from two back

to one. But then some facts came out later that were altogether different.

Back in the 1920's also when you had people calling at the post office for their mail on Saturdays and Sundays, you had a different situation where people lived closer to their post offices than what they do now. And as the previous witness mentioned, it is going to be a very severe hardship on many people, from the standpoint of driving and so forth, to get to the post offices on Saturday, to say nothing about the traffic and the traffic en route.

Things were altogether different, and in 1978 you have an economic situation in connection with businesses in these communities that requires them to be open and to conduct their business on Saturday that did not prevail in the 1940's and the 1930's and the 1920's.

I would want to make one last point, if I might. I think it is wise to listen to the local management when you consider changes in post office services, policies and procedures. And I am not saying this to denigrate any other segment of the Postal Service. I have been connected with many angles of it myself. But the postmaster is there on the firing line day after day, and he is the one that has to listen to the complaints. He is the one that has to pacify and placate his patrons. He is the one that the Congress and other people go to, to get the answers when complaints come in. And the carrier, too, should be listened to when you talk about the needs for serving the people.

Again, I thank both of you for taking your precious time on a weekend to listen to the people. Thank you.

Mr. HARRIS. Thank you very much.

As a followup to that testimony, when Mr. Donaldson changed the policy of two-a-day delivery to one-a-day delivery, it was announced as a change that would save \$80 million for the Postal Department. But despite the change, the first fiscal year after the change had occurred, the cost to the Postal Department went up \$100 million. That was the last experience we had with regard to a major change in service with respect to its effect on cost.

Is there anyone else now who would like to testify?

Make sure you keep your hands up. Every time I do this, someone says, "You never called on me, Herb," and I am going to come right across the room. We will take the gentleman in the back on the right, and you in the sport shirt next.

Come forward, sir.

STATEMENT OF JAY HANNAH, FAIRFAX, VA.

Mr. HANNAH. My name is Jay Hannah.

I got in a little late and I didn't hear some of your early speakers, but I noticed out of the 18 names, 9 of them have a personal pocket-book about it—either postmasters, letter carriers, or otherwise. Their viewpoint is understandable. Some of the other viewpoints are understandable, and we have thus a conflict.

I'd like to make the following two suggestions. They are not mine. I saw them in the Saturday mail delivery. I heard a lot of talk about the small businessman. Why not have mail delivery in your business community? Certainly the majority of the carriers, the trucks and gas we would propose to save would be saved. Give the business district its mail.

If I recall, a few years back the country was supposed to be in a bad situation, so all your checks from veterans insurance, somebody in the Government decided they could be mailed a month or two earlier. It didn't upset anything. And I see no reason why at the mandate of Congress these social security and welfare checks, and so on, couldn't be set for mailing at such a time they'd arrive in the post office on a Tuesday or Wednesday, thus assuring them getting out on time. I don't see any need for everybody standing around saying they can't do anything. Sometimes I don't pick up my check on Friday. It isn't much, but I don't starve to death until I get it on Monday.

I think these are suggestion the two of you who are here can take into account: Change your check-mailing period and give your small businessman his delivery or open post offices on Saturday for delivery.

Gentleman, we continue to say we need this service, but if you come to me and tell me it's going to add a few more dollars to my income tax, I began to worry about it. Nobody is saying what this is costing your or me or anybody else, but if we view this as a cost of Government services, it's going to them. And it is climbing. And to say the Post Office didn't save anything after Donaldson made that change, I'm sure, Mr. Harris, you will agree there are other factors that entered into that \$100 million increase. Like this \$400 million—we might not see it next year if we put this through because it would be eaten up by inflation, the cost of gasoline and cost of everything that goes up. Just like paper—and they are talking about ministamps. I don't care what they do to pass my letters through if it's a savings.

But somewhere along the line Congress is not doing anything to hold the budget. Every year the budget goes above what the President or Bureau of the Budget says should be held. I cannot live that way, and I don't see why my Government has to live that way. If I have to run an economic household, with fiscal responsibility, that I spend no more than what I make—and you people with children in here, if your son-in-law and your daughter or your daughter-in-law and your son use credit cards, and they have been married 6 months and all of a sudden they are up to here, you say, "The stupid young things." I can't say that to the 450 people in Congress—yes; I can.

Mr. HARRIS. I don't know why not.

Mr. HANNAH. And I have that feeling, gentlemen. I want to say you are stupid—not young. You are there because you are smart, and all have been somewhere in the business life. Certainly we have to try to draw our horns in. If I don't have mail 6 days a week and some of these other Government benefits I have grown used to, I think I can live without them.

Thank you for the time.

Mr. HARRIS. Thank you very much for your testimony.

Yes, sir.

STATEMENT OF WILLIAM BURNETT, SPRINGFIELD, VA.

Mr. BURNETT. Bill Burnett of Springfield.

Herb and I have sat across the table many times in the past in some of our civic association work.

Actually, I have two things to bring out here. First would be the so-called junk mail. It has become an important part of the mail

department. Even though it can be set aside, eventually it has to be handled. If we didn't have it at all, the postal employees could be devoting their time to other things. Therefore, I feel that the cost for mailing junk mail and first-class mail should be the same. I don't like the idea of writing a letter and having to put 13 cents on it and receiving a piece of junk mail that has a 2-cent stamp and is bigger. I don't think that a junk-mail rate is a fair approach. Eventually, the junk mail stacks up. Somebody has to take that mail and stick it into a little pigeonhole. It takes the same amount of time to sort and stuff junk mail as it does for first-class mail.

Another thing I'd like to bring out since there has been a lot of criticism of the mail department, I have a good news and a bad news story. The bad news was seeing in the newspaper that somebody had mailed a letter about 20-some years ago and it arrived this week. It contained a handkerchief to be used at a charity sale.

The good news was when I phoned a doctor about a week ago and received the information I had asked for by mail the very next day. Another time I called down to Fredricksburg around 5 o'clock. Again, the information arrived in the next day's mail. The post office can provide excellent service.

Mr. HARRIS. Thank you very much. It is good to see you again. Yes, sir.

JAMES HICKEY, MERRIFIELD POST OFFICE

Mr. HICKEY. Thank you, My name is Jim Hickey. I am an employee at the Merrifield Post Office. The subject of overtime at Merrifield was brought up a little earlier, and I'd like to comment on something that happened earlier this week. Overtime was called last Monday night, as usual, and some of the people thought it was unjustified and unnecessary and unfair, and they decided just to get up and walk out. They knew they would be disciplined later for it, and they did it anyway. Had I known about it, I probably would have gone with them.

The point is it is a way of life out there. I don't know what a 40-hour workweek is. OK.

Mr. HARRIS. Let me just ask you on that point. As an employee—and I have really found it remarkable that this point has been brought to me as many times as it has—the time-and-a-half ought to look pretty good to you.

Mr. HICKEY. After a certain point, it reaches a point of diminishing returns. The money isn't worth it.

Mr. HARRIS. How many hours do you work?

Mr. HICKEY. Forty-six hours a week, approximately.

Mr. HARRIS. Is that regularly scheduled 46 hours?

Mr. HICKEY. Regularly scheduled 40, and we usually get 6, 8, sometimes 10 hours a week overtime.

Mr. HARRIS. But that is the regular course of things, that you are constantly getting 6 to 10?

Mr. HICKEY. Yes; it is pretty regular.

Mr. HARRIS. This is the part I don't understand. That is not a cheap way to run an outfit.

Mr. HICKEY. No. People don't mind working it sometimes and when it's justified, but one gets a little tired after awhile.

Mr. HARRIS. From the employee's standpoint, it may get tiresome and difficult not knowing how to plan your time, but from management's standpoint it is about as inefficient a way to run an operation as you can get if it's a regular thing.

Mr. HICKEY. Yes.

Mr. HARRIS. It can run your costs up very quickly and very dramatically. It just doesn't make sense to me.

I'm sorry. Go ahead and make your second point.

Mr. HICKEY. The delivery of mail is a Government service, as many services are. If Fairfax County, for instance, decided they were only going to plow 5 out of 6 roads in the county after a snowstorm, I don't think people would put up with it too much. And I don't think the American public will put up with paying more money for less service.

Mr. HARRIS. Some would testify that 5 out of 6 would be an improvement. [Laughter.]

Go ahead.

Mr. HICKEY. I am not a businessman, but I don't think that cutting back on Saturday service is the answer. The Nation's first postmaster was Benjamin Franklin, and I think he was smart for some of this, and I think we should think about some of Ben's policies when we think about this problem.

Mr. HARRIS. Thank you very much. We appreciate your testimony. Yes, sir.

STATEMENT OF ARBY F. OWEN

Mr. OWEN. My name is Arby F. Owen.

I heard a comment made by the postmaster here that if we have to go on 5 days, there will have to be restructuring of routes. I don't feel that way. I feel if we go on 5 days a week, the whole brunt of the thing will fall on the carrier.

Speaking of Merrifield, I know they work constantly. We don't work constantly. We are pushed constantly. During the week of inspections every year they come into our stations and inspect the routes. What they are doing here lately to try to save money is they come into the station and say, "You have made 9 hours." They make a 6 weeks' analysis. They go back on the computer and look and see, "Well, July and August you only made 8 hours. There is no reason you should be making 9 hours now." The routes are overcrowded.

Now, I am in my fifties. I have only approximately 4 more years to carry mail. I hope I can make it. I am sincere. And I'd like to say many carriers under the program they have of speeding up, I have never worked so hard in my life as I have in the last 5 or 6 years. It used to be a job to get up in the morning and go to work—not anymore. You cannot find 1 out of 10 carriers who'd say, "I love my job." He will say he hates his job because they are constantly pushing you to do more and more and more. Every day you have something different to do.

Like I say, the whole burden of this going from 6 days to 5 will fall completely on the carrier.

I am not calling this postmaster a liar, but I feel like they are trying to save money. They are not trying to increase the work. They eliminate many substitutes and casuals. You wouldn't have any work for them.

You asked this gentleman about working overtime. From the time you hit the clock in the morning, say 6 or 6:30, from the time you get back off the street at about 2:30, you're pushing.

And you have been reading in the papers in the last several years the cost of compensation has gone from approximately \$96 billion to approximately \$356 billion, and the reason for that, in my opinion as a carrier, is because of the way you are having to work. You are constantly making mistakes because you are running like mad.

A comment was made a few moments ago about a carrier being friendly. You don't have time to be friendly like you used to. I can remember back in the 1940's when I carried mail you had people say, "Come on in. Come on in, Owen, have a cup of coffee," and it was all right. You'd better not get caught doing that now.

Mr. HARRIS. You can't even carry the garbage out for them. [Laughter.]

Mr. OWEN. The whole system is wrong, and the only way to solve it, it seems to me, is H.R. 7700.

Before I step down, I want to make one more comment. I think they should continue to give 6 days' service and give service to people. There are billions of dollars being spent for other things. Why not give the people some service?

Mr. HARRIS. Mr. Owen, in your view as you look at the Postal Service, do you think there are too many chiefs and not enough Indians?

Mr. OWEN. Exactly, 100 percent. Let me say, Mr. Harris, you get up in the morning and do your job and they say, "Can't you do more?" And they have these guys run around and watch you. It is a good possibility—not every station—that when you go out on the street you see a supervisor walking behind you checking on you.

There is a gentleman lives next door to me who carries in Springfield. And during all this bad snow he had a supervisor out there watching him because his route was set up on an 8-hour basis, but it worked out to 10 hours a day. Naturally, with this bad weather, you are going to work longer. But the post office doesn't want you to do that. This man said he had a supervisor following him out there on the street.

Mr. HARRIS. During the snow?

Mr. OWEN. Yes; telling him, "Cut across that lawn; move a little faster." He has been constantly harassed. They will do that. They will constantly harass you. It's been going on for years. For years they had men who'd follow you on the street all the time, called street supervisors. Who needs a street supervisor?

I have 30 years. Do I need somebody to tell me how to carry mail? That's foolish. You have to have some kind of supervision, of course, but this kind of thing has got the morale of the postal employee really down. I mean it's really down.

Mr. HARRIS. Thank you, Mr. Owen, for taking the initiative to come up here and tell it like it is as far as the way you see it.

Mr. OWEN. Thank you.

Mr. HARRIS. Did we finish this section yet?

Mr. WOOD. I have one comment.

Mr. HARRIS. Go ahead and make a quick comment.

**STATEMENT OF WALTER WOOD, PRESIDENT, VIRGINIA CHAPTER,
NATIONAL ASSOCIATION OF POSTMASTERS**

Mr. Wood. I am Walter Wood, president of the Virginia Chapter of the National Association of Postmasters. I was sitting there when Mr. Grubb made his statement.

Mr. Neighbours, sitting here, is president of the Virginia Chapter of the National Rural Carriers Association. I'd like to bring out a point about rural carriers pay evaluation.

I am a rural postmaster and I have six rural routes. The point I want to make is a rural route is rated differently than a city carrier route. It is rated on three categories. A carrier can work more than a 40-hour week; he is rated on the volume of mail he is carrying, the number of miles he travels, and the number of boxes he serves.

Let's say with these three factors a rural carrier comes up with 45 hours a week. Divide that by 6 and it's a 7½ hours, and divide it by 5 and it will be 9. There will be no difference in pay. Plus the fact if they come in on Saturday to put up the mail, you have to pay them for the whole day.

That's all I wanted to say.

Mr. HARRIS. I am pleased you have made that testimony. At previous hearings I have had similar testimony that hasn't gotten in today. As you look at the cost-effectiveness of the cut—a lot of times you are dealing with routes where you may have one deliverer, and one substitute to pick up for his offday, and how six to five cuts that personnel is a hard one to figure out. You do have a number of personnel problems like that.

Can we go to this section now.

Yes, sir, come right forward.

STATEMENT OF ARTHUR GUDANO

Mr. GUDANO. My name is Art Gudano.

It is my contention that more is at stake than just dollars and cents, as has been repeated by others. We are a society of rapid communication, such as radio, TV. Unfortunately, it seems that the mail delivery is losing ground as such an effective medium. Often letters aren't delivered, as it stands now, in several days. It often takes up to a week.

It seems that there is the possibility now of reducing the Saturday delivery. It is not just 2 days that will be lost, the Saturday and the Sunday. It is actually a time of 3 days between your Friday morning delivery, and by the time you get mail again on Monday. It's a 3-day period. It affects not only personal mail but also newspapers, magazines, news-type mail.

In effect, it restricts the flow of information—something you don't have, for instance, on radio or TV. If anything, I think Saturday postal hours should be increased. It is now almost 1:30. The post office is closed. It is something that is not available to people who work a normal 5-day workweek very easily. The normal hours are 8:00 to 5:00, and it is very hard to get there sometimes. It would be advantageous for those other people to be open on Saturdays, or even possibly on Sundays. Why, I would ask, is it closed on Sunday? Times are changing. We are in a different age. There are many people who do

not worship on Sundays. The Jewish faith is on Saturdays. There are other people who have no religious preference. Maybe something should be looked at about possibly opening it on Sunday for some sort of limited service.

In the business world, there is a competition which often fosters a better service. Here we have a quasi-government service where there is no alternative. For packages you might mail it by UPS, but for letters you have the U.S. Postal Service. I think the U.S. Postal Service should be improved, and that service, especially on Saturdays, should be maintained.

Thank you.

Mr. HARRIS. Thank you very much.

You will be interested to know that I recommended the expanded service on Saturday afternoon for some of the local post offices, and it was adopted. I caught them about a month ago trying to cut back again.

I feel very strongly that we should be looking at proper services for the community and the society as it exists today. I am not sure that postal services of some kind should not be offered at your major shopping centers where people are and can get to them easily. And I am not sure that we shouldn't be able to expand some of these hours for at least basic postal services so that it is convenient for the working person.

If the post office is open 5 days a week from 9 to 5, you have eliminated an awful lot of their customers as far as any convenience is concerned. And when they open on Saturday and close at noon, it is not doing a market research analysis of when they can grab the customers, in my opinion. If we are talking about an operation we run like a business, I think the Postal Service should view it that way: Can we reach that customer with our service?

It seems to me that types of thing is important. That is what the chiefs should be doing, not running around behind a carrier to determine if he should cut across a lawn, in my opinion.

Mrs. SPELLMAN. I think this is a perfect example of flexitime. You can extend it—and we did in Prince Georges some years ago—by enabling people to work during hours that serve their own needs and their family needs. I think this sort of thing would work well in post offices, too.

Mr. GUDANO. I would hope something would be done along that line.

Mr. HARRIS. Yes, sir. Thank you, sir, for your testimony.

STATEMENT OF JAMES PAYNE, CLIFTON, VA.

Mr. PAYNE. Thank you for giving me this opportunity to give my views on the elimination of Saturday delivery.

Mr. HARRIS. Will you please give your name for the record.

Mr. PAYNE. James Payne, and I live in Clifton, Va., which is in Fairfax County, and I have lived there for 24 years.

I would like to actually express my concern for the carriers themselves. I am afraid that with the elimination of the Saturday delivery—we have spoken of it before—I think the burden will be placed mainly

on the carrier himself, where he will find that every Monday will be a holiday for him. When he gets into the office he will find he has two days of mail that he will have to route and prepare to take out to delivery to the folks.

I feel that this will be a push process on management's part toward the carrier. I can see where these types of programs to eliminate the Saturday delivery and eliminate expense for the post office—I think elimination of expense is good. But I think that the lack of this particular program is going to be placing a burden on the carrier.

And having worked for the post office at Annandale and also at Merrifield, and having been injured—and I am now out on the workmen's compensation program, going back to school—I can't help but feel that this will be really a total disaster, the elimination of Saturday. I can see it myself. These people are going to be pushed to the maximum.

It was very funny to me that we are talking about time. One woman, when I was out delivering on a route on a Saturday afternoon, asked me—it was a very hot day in the summertime—whether or not I'd like a glass of water. And I said, "I would but I don't have time."

And I turned around, and before I had an opportunity to get out of her yard, I heard her say to herself, "He doesn't have time for a glass of water?"

So I rest my case by saying that I am very opposed to the elimination of Saturday. I feel it will really hurt the public in getting messages across. I feel that 13 cents is a very inexpensive form of sending a message across the country, and if it was increased—well, then we would have to look at the increase. I don't feel that it would help out at all in saving any money.

Thank you.

Mr. HARRIS. Thank you very much for your testimony.

Anybody else?

Yes, sir. Let's take you and then we will come over here.

STATEMENT OF HOWARD SUTHERLAND, PRESIDENT, BRANCH 226, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Mr. SUTHERLAND. Good afternoon. My name is Howard Sutherland. I am the president of branch 226 of the National Association of Postal Supervisors.

One thing that I haven't heard is: Our product is service, and you don't give service by cutting out another day of delivery service to the people. I think we have got the best postal system in the world, and I think the American people are willing to pay for it. As you noticed from Mr. Owen's statement, we are trying to increase productivity. And, of course, we have a problem, but I don't think you are going to solve our problem by eliminating 1 day of delivery service. I think if you'd take it to the people, they'd be willing to pay for it. I am opposed to it entirely.

Mr. HARRIS. Thank you very much for your testimony.

STATEMENT OF LEWIS JOHNSON

Mr. JOHNSON. My name is Lewis Johnson, and I am glad to be here.

The things that have been brought out here have pretty much said the whole thing—service. I read an article—I don't know where—but it was a small family, a man and a wife in Buffalo, I believe it was, who set up their own little Postal-Service-like system, and they had, I forget how many blocks, the whole bit. And they were offering a service to their customers at a lower rate, and it was giving a service. And if nothing else, my feelings are that the Postal Service should give us the service or at least, where there is some type of private enterprise system where other people can get in and offer us better service, let them do it. If the post office wants to cut, then they should let some other people have a chance to give a service instead of just monopolizing the service.

That is all I have to say.

Mr. HARRIS. Very good. Thank you for your testimony. Anybody else? [No response.] Well, we finally wore them out. [Laughter.] I want to thank those of you who have remained, very much, for your testimony and for attending the hearing. This, I think, is the important part of this whole legislative process. And again, my special thanks to Mrs. Spellman for coming to these hearings.

The subcommittee is adjourned.

[Whereupon, at 1:40 p.m., the hearing was adjourned.]

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