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# MESSAGE

FROM THE

## PRESIDENT OF THE UNITED STATES

RETURNING

**WITHOUT APPROVAL THE BILL (S. 1898) ENTITLED "AN ACT RECLASSIFYING THE SALARIES OF THE POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE AND READJUSTING THEIR SALARIES AND COMPENSATION ON AN EQUITABLE BASIS, AND FOR OTHER PURPOSES"**

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JUNE 7, 1924.—Ordered to lie on the table and to be printed

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*To the Senate:*

Herewith is returned, without approval, S. 1898, a bill "Reclassifying salaries of postmasters and employees of the Postal Service and readjusting their salaries and compensation on an equitable basis, and for other purposes."

This bill adds approximately \$68,000,000 to the annual expenditures of the Government. It makes no provision for raising this amount as postal revenue. The money must come from the pockets of the taxpayers. To the extent that we create further obligations which must be met from the moneys derived from taxation, to that extent do we reduce the possibility of further reduction in taxes. Before such obligations are created it should be conclusively shown that they are essential in the best interests of the Nation.

Government extravagance must stop. The people of the Nation are paying all that it is possible for them to pay. I have taken my position in relation to Government economy, which I have stated and restated until it is well known. I feel that that position ought to be consistent. I do not see how I can approve the large increase in expenditure of this kind, except on the plea of urgent necessity. It may be that some adjustments would be justified, but an organized effort by a great body of public employees to secure an indiscriminate increase in compensation should have the most searching scrutiny. The needs of the public, the ability of the people to pay, must have

some consideration. These salaries had been adjusted three times since 1918, the last time in 1920. Since then the cost of living has decreased, rather than increased.

The postal service rendered the public is good. The service conditions under which the employees perform their duties are probably more satisfactory than ever before in the history of the Post Office Department. The Government has been solicitous of the welfare of postal employees. Their compensation has been the subject of several recent legislative acts and adjusted to scales of pay as favorable as any in the public service. The act of July 2, 1918, increased the compensation of clerks and carriers in post offices and railway postal clerks \$200 a year, and rural carriers \$240 a year. In addition there were increases in compensation to a large number of the supervisory force. The act of November 8, 1919, further increased the compensation of postal employees from \$100 to \$200 per annum. This was followed by the act of July 5, 1920, which provided further increases in compensation ranging from \$200 to \$300 for clerks and carriers and railway postal clerks, and \$260 for rural carriers. Substantial increases were also provided in the salaries of the supervisory force, ranging from \$200 to \$600 a year.

The effect of these increases in salary grades over those for the fiscal year 1918 was an increase of \$600 to clerks and carriers in post offices, \$500 to railway postal clerks, and \$600 to rural carriers.

By reason of these increases the Government has paid out during the fiscal years from 1919 to 1923 an additional aggregate of \$450,000,000 in salaries to postal employees above what would have been paid under the scale in effect before these changes, as follows:

|                                  |                |
|----------------------------------|----------------|
| During the fiscal year 1919..... | \$33, 202, 600 |
| During the fiscal year 1920..... | 68, 901, 000   |
| During the fiscal year 1921..... | 110, 756, 000  |
| During the fiscal year 1922..... | 114, 256, 000  |
| During the fiscal year 1923..... | 123, 256, 000  |

It is apparent that the Government has dealt generously with this service.

As a result of these readjustments the average salaries for 1923 are—

Post-office clerks, \$1,751, increase of \$919 since 1909, or 110 per cent.

Post-office carriers, \$1,752.83, increase of \$862 since 1907, or 96 per cent.

Railway postal clerks, \$2,107, increase of \$946 since 1907, or 81 per cent.

Railway postal clerks, including travel allowance, \$2,292, increase of \$1,131 since 1907, or 97 per cent.

Rural carriers, \$1,849.52, increase of \$1,140 since 1907, or 160 per cent.

The average for all salaries of clerks now receiving from \$1,140 to \$2,040 per annum in the clerical, administrative, and fiscal services in all the departments in Washington will be approximately \$1,554 on July 1, 1924, under the provisions of the classification act of 1923. It is thus seen that the lowest average of the salaries of the postal employees in the field service is nearly \$200 more than the average for employees in the Government departments in Washington.

At the request of the committee which considered this legislation the Post Office Department made a special investigation of the range of salaries paid to persons employed in business institutions throughout the country and reported the results. These investigations covered representative cities ranging in populations from 2,000 to over 5,000,000. It was found that in all cases of employees of a similar character the average salaries paid were much lower than those paid in the Postal Service.

The conditions under which employment is undertaken in the Postal Service and those under which it is undertaken in business are not altogether alike. The scale of salaries in the Postal Service should be sufficiently high to attract those who will make it a life work. This can not be done without providing for a salary high enough to enable the employee to take upon himself the obligations of citizenship and his place in society, and render satisfactory service to the Government. Therefore, it is just to pay to postal employees a scale of wages that is somewhat higher than the scale paid to employees in the business world.

I am informed there is generally no difficulty in maintaining lists of eligibles to fill vacancies. There are certain localities where difficulty exists, these localities being almost without exception large cities and industrial communities affected in the one case by high costs of living due to metropolitan conditions, and in the other case by the higher wage scale and living costs. But there are approximately 6,000 eligibles on the civil-service list at the present time to fill vacancies in the Railway Mail Service and there were 25,000 applicants for the examination held throughout the country by the Civil Service Commission on May 3.

This bill increases the salaries of all postmasters excepting those at offices of the first class. It increases the salaries of supervisory officers in post offices, post office inspectors, and the officers of the Railway Mail Service \$300 each, and in some instances more. It increases the salaries of clerks and carriers \$300 each and of rural carriers on the average \$293 for each carrier on a standard route. These increases apply alike to all classes of post offices. They ignore the fact that there is a wide difference in the cost of living in the larger cities and industrial centers as compared with the smaller cities and towns. If there is real need for revision of salaries in the Postal Service it is to provide a wage differential for those employees serving in post offices located in the large cities and industrial centers. There is no justification for increasing salaries to apply to all offices when the need for such increases does not apply to a large number of the offices. Aside from this, no provision is made in this bill for raising the money which would be required to meet the additional expenditures which it proposes. Under its provisions we would be required to take an additional amount of approximately \$68,000,000 per year from the moneys paid by the taxpayers and pass it on to the employees of the Postal Service. Certainly the interests of the people demand that any legislation increasing the cost of the Postal Service should give consideration to the raising of the moneys necessary to defray the additional cost.

For the fiscal year 1923, the postal revenues were \$32,000,000 less than the cost of the service for that year. This deficit had to be met from the moneys paid by the taxpayers. We should not add to the

amount of the postal deficit as is proposed by this bill, but should attempt as a sound business principle to have the users of the mails approximately pay the cost of the service. The law gives the Postmaster General the power, with the approval of the Interstate Commerce Commission, to increase parcel-post rates. Even if the proposed increase of \$68,000,000 contemplated by this bill was justified it would not only be unfair to the users of the parcel post to recoup the whole amount in that manner, but it would be wholly impracticable to secure it from the parcel-post business without destroying that service. The farmers who are the largest users of parcel post are not in a position to contribute a large sum to the postal employees.

The Post Office Department is now engaged by direction of Congress in a cost ascertainment for which half a million dollars was appropriated. This inquiry has been prosecuted with diligence and is nearing completion. When the results of this inquiry are available they will form the basis for an intelligent consideration by the Postmaster General and by Congress of all questions relating to the adequacy or inadequacy of postage rates. They will afford a proper basis for consideration of the relation of the cost of the Postal Service and the revenues derived therefrom. The time has arrived to consider putting the Postal Service on a sound business basis so far as expenditures and revenues are concerned. It is apparent that the matter of increasing the salaries of postal employees should be considered in connection with the ways and means whereby the postal revenues may be correspondingly increased, not apart therefrom. This report will be available when the Congress convenes in December, and this matter can then be considered.

If that provision stood alone, I should approve that part of the bill relating to campaign funds.

CALVIN COOLIDGE.

THE WHITE HOUSE, June 7, 1924.