

**RAILWAY MAIL PAY. PRELIMINARY REPORT  
SUBMITTED TO THE JOINT COMMITTEE ON  
POSTAGE ON SECOND-CLASS MAIL  
MATTER AND COMPENSATION FOR THE  
TRANSPORTATION OF MAIL  
OF THE CONGRESS OF THE UNITED STATE,  
JANUARY 24, 1913**

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Railway Mail Pay. Preliminary Report Submitted to the Joint Committee on Postage on Second-Class Mail Matter and Compensation for the Transportation of Mail of the Congress of the United State, January 24, 1913 by Jr Bourne

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**JR BOURNE**

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SUBMITTED TO THE JOINT  
COMMITTEE ON

### POSTAGE ON SECOND-CLASS MAIL MATTER AND COMPENSATION FOR THE TRANSPORTATION OF MAIL

OF THE

CONGRESS OF THE UNITED STATES

BY

JONATHAN BOURNE, JR.  
CHAIRMAN

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JANUARY 24, 1913

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Printed for the use of the Joint Committee on Postage on  
Second-Class Mail Matter and Compensation  
for the Transportation of Mail

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**JOINT COMMITTEE ON POSTAGE ON SECOND-CLASS MAIL MATTER  
AND COMPENSATION FOR THE TRANSPORTATION OF MAIL.**

CONGRESS OF THE UNITED STATES.

**Senators:**

**JONATHAN BOURNE, Jr.,** *Chairman.*  
**HARRY A. RICHARDSON,**  
**JOHN H. BANKHEAD.**

**Representatives:**

**JAMES T. LLOYD.**  
**WILLIAM E. TUTTLE, Jr.**  
**JOHN W. WEEKS.**

**ROBERT H. TURNER,** *Secretary.*  
**RICHARD B. NIXON,** *Disbursing Officer.*

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## RAILWAY MAIL PAY.

*To the Joint Committee on Postage on Second-Class Mail Matter and Compensation for the Transportation of Mail:*

GENTLEMEN: The Post Office appropriation act approved August 24, 1912, contained a provision reading as follows:

*Provided*, That a joint committee shall be appointed composed of three members of the Senate Committee on Post Offices and Post Roads and three members of the House Committee on the Post Office and Post Roads, to be designated by the respective chairmen, to make inquiry into the subject of postage on second-class mail matter and compensation for the transportation of mail and to report at the earliest practicable date, and for this purpose they are authorized, by subcommittee or otherwise, to sit during the sessions or recess of Congress, at such times and places as they may deem advisable, to send for persons and papers, to administer oaths, to summon and compel the attendance of witnesses, and to employ such clerical, expert, and stenographic assistance as shall be necessary; and to pay the necessary expenses of such inquiry there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of twenty-five thousand dollars, to be paid out upon the audit and order of the chairman or acting chairman of said committee.

On August 24, acting under authority of this provision, the President of the Senate appointed on this joint committee Senators Jonathan Bourne, jr., of Oregon; Harry A. Richardson, of Delaware; and John H. Bankhead, of Alabama. The Speaker of the House of Representatives on the same day appointed on the same committee James T. Lloyd, of Missouri; William E. Tuttle, jr., of New Jersey; and John W. Weeks, of Massachusetts.

On August 26 Congress adjourned sine die and immediately almost all Members of Congress departed for their homes. Owing to the press of legislative business on the last two days of the session, there was no time for the organization of this joint committee and the formulation of a plan of procedure.

On August 12, 1911, the Postmaster General transmitted a letter to the Speaker of the House of Representatives submitting "A report giving the results of the inquiry as to the operation, receipts, and expenditures of railroad companies transporting the mails and recommending legislation on the subject," said letter and accompanying report being printed as House Document No. 105, Sixty-second Congress, first session.

In response to representations made to the Senate Committee on Post Offices and Post Roads by the Post Office Department through the Second Assistant Postmaster General I was authorized by the committee to introduce a bill prepared by the Post Office Department embodying in legislative form the recommendations made in the document above referred to, the purpose being to get before Congress and the country the views of the department relative to

this important subject. I accordingly, on July 26, 1912, introduced S. 7371, a bill to provide the manner of determining the compensation of railroads for the transportation of the mails, in the language following, to wit:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Postmaster General shall determine the cost to each railroad company of carrying the mails on its respective road or roads, and shall verify and state the result in such form and manner as he shall deem proper. For this purpose he is authorized to credit, assign, and apportion the revenues and expenses of railroad companies so reported in such manner as he shall deem fair and equitable and in his judgment necessary to ascertain the cost as near as practicable, a statement of which shall be given the company concerned. If any railroad company shall object to the method of crediting, assigning, and apportioning the revenues and expenses, it may file objection with the Postmaster General within twenty days after such statement is made to the company, and the Postmaster General shall thereupon certify the method and objection, and such papers as in his judgment may be essential to an understanding of the method, to the Interstate Commerce Commission, who shall review the finding of the Postmaster General and affirm, modify, or revise the same, and certify the result to the Postmaster General, which action thereon shall be final.

The Postmaster General is authorized and directed to readjust the pay to companies operating railroads for the transportation and handling of the mails and furnishing facilities in connection therewith, not less frequently than once in each fiscal year, commencing with July first, nineteen hundred and twelve, at a rate of compensation per annum not exceeding the cost to the railroad companies of carrying the mails as ascertained by him, and six per centum of such cost; *Provided,* That when such ascertained cost and six per centum does not equal twenty-five dollars per mile per annum, he may, in his discretion, allow not exceeding such rate.

Railroad companies whose railroads were constructed in whole or in part by a land grant made by Congress on the condition that the mails should be transported over their roads at such price as Congress should by law direct, shall receive not exceeding the cost to them of performing the service.

Information shall be furnished and adjustments made as near as practicable by accounting systems or roads, and the cost and the compensation for the term shall be stated for all service covered by each system or road. The routes for a system or road may be stated for administrative purposes in such manner as the Postmaster General may determine.

The Postmaster General may order new or additional service during a term for which an adjustment shall have been made or service authorized on any system or road, in any train operated by such system or road over any part of the trackage included in the adjustment or authorization, and without additional compensation therefor during such term.

He may order service over new or additional trackage of an adjusted system or road during a term and state the amount performed for the remainder of such term on statistics obtained for the first thirty days of service. Payment therefor may be made at not exceeding the average rate per car-foot mile for the system or road ascertained at the regular adjustment. Entire discontinuance of service over trackage included in the adjustment or thereafter added shall be deducted for at the car-foot mile rate of adjustment or mile rate of authorization. In case the operation of service over trackage included in an adjustment or thereafter added is undertaken by another company during the term, the same may be recognized by the Postmaster General, provided the companies in interest shall file with him their joint agreement as to the part of the compensation of the old operating company to be paid the new operating company; otherwise payment to the company first authorized shall be full payment for all service performed for the term.

The Postmaster General may order service over trackage of a railroad company not operating service under an adjustment or authorization after the regular adjustment for the remainder of the term, and pay therefor at not exceeding forty-two dollars and seventy-five cents per mile of trackage per annum.

Service over property owned or controlled by a terminal company shall be considered service of the roads or systems using such property and not that of the terminal company.

Railroad companies carrying the mails shall furnish all necessary facilities for caring for and handling them while in their custody. They shall furnish



all cars or parts of cars used in the transportation and distribution of the mails, and place them in stations before the departure of trains when required to do so. They shall provide side, terminal, and direct transfer service and all station and depot space and rooms for handling, distribution, and transfer of mails en route, and for offices and rooms for the employees of the postal service engaged in such transportation, when ordered by the Postmaster General.

Every railroad company carrying the mails shall carry on any train it operates and without extra charge therefor the persons in charge of the mails, and when on duty and traveling to and from duty, and all duly accredited agents and officers of the Post Office Department and the postal service, while traveling on official business, upon the exhibition of their credentials.

All cars or parts of cars used for the Railway Mail Service shall be of such construction, style, length, and character, and furnished in such manner as shall be required by the Postmaster General, and shall be constructed, fitted up, maintained, heated, lighted, and cleaned by and at the expense of the railroad companies. No payment shall be made for service by any railway post-office car which is not sound in material and construction, and which is not equipped with sanitary drinking-water containers and toilet facilities, nor unless such car is regularly and thoroughly cleaned. No pay for service shall be allowed for the operation of any wooden railway post-office car unless constructed substantially in accordance with the most approved plans and specifications of the Post Office Department for such type of cars, nor for any wooden railway post-office car run in any train between adjoining steel or steel underframe cars, or between the engine and steel or steel underframe car adjoining. All additional cars accepted for this service shall be of steel or with steel underframe if used in a train in which a majority of the cars are of steel or steel underframe. After the first of July, nineteen hundred and sixteen, the Postmaster General shall not approve or allow to be used or pay for the use of any railway post-office car not constructed of steel or with steel underframe, if such car is used in a train in which a majority of the cars are of steel or of steel underframe construction. The Postmaster General shall make deductions from the pay of the railroad companies on the basis of the value of the service computed on the car-foot mile basis in all cases where the cars do not comply with the provisions of this Act.

The space in cars devoted to the use of the mails, as ascertained during the period fixed by the Postmaster General for the rendition of information by the railroad companies, shall be taken as the basis for computing the car-foot miles devoted to the mail service for the purpose of readjustment, effective from the first of July next following: *Provided*, That no credit shall be given for space in cars devoted to the distribution of the mails unless such space shall be authorized by the Postmaster General or unless he shall determine that its use is made necessary by a specific authorization.

If any railroad company shall fail or refuse to provide cars or apartments in cars for distribution purposes when required by the Postmaster General, or shall fail or refuse to construct, fit up, maintain, heat, light, and clean such cars and provide such appliances for use in case of accident as may be required by the Postmaster General, it shall be fined such sum as shall, in the discretion of the Postmaster General, be deemed proper.

The Postmaster General shall in all cases decide upon what trains and in what manner the mails shall be conveyed. Every railroad company carrying the mails shall carry on any train it operates all mailable matter directed to be carried thereon. If any railroad company shall fail or refuse to transport the mails when required by the Postmaster General upon any train or trains it operates, such company shall be fined such amount as may, in the discretion of the Postmaster General, be deemed proper.

The Postmaster General may make deductions from the pay of railroad companies carrying the mails under the provisions of this act for reduction in service or frequency of service where, in his judgment, the importance of the facilities withdrawn or reduced requires it and impose fines upon them for delinquencies. He may deduct the price of the value of the service in such cases where it is not performed, and not exceeding three times its value if the failure be occasioned by the fault of the railroad company.

The Postmaster General is authorized to have such weights of mails and measurements of space taken and to collect such other information by sworn employees of the Post Office Department as he may deem necessary and to have such information stated and verified to him by such employees, under such instructions as he may consider just to the Post Office Department and the railroad companies, to assist in the ascertainment of the space used for

the transportation and the handling of the mails on railroads, and to employ such special clerical and other assistance as shall be necessary to carry out the provisions of this act, and to rent quarters in Washington, District of Columbia, if necessary, for the clerical force engaged thereon, and to pay for the same out of the appropriation for inland transportation by railroads.

The provisions of this act shall apply to service operated by railroad companies partly by railroad and partly by steamboats.

The provisions of this act respecting the rate of compensation and the determination thereof shall not apply to mails conveyed under special arrangement in freight trains, for which a rate not exceeding the usual and just freight rates may be paid, in accordance with the classifications and tariffs approved by the Interstate Commerce Commission.

It shall be unlawful for any railroad company to refuse to carry the mails at the rates of compensation provided by law when and for the period required by the Postmaster General so to do, and for every such offense it shall be fined not exceeding \$5,000.

All laws or parts of laws inconsistent herewith are hereby repealed.

#### VIEWES OF RAILROADS REQUESTED.

The bill was referred to the Committee on Post Offices and Post Roads on the date of its introduction in the Senate, but owing to the fact that the Post Office appropriation bill was already burdened with many items of new legislation the committee deemed it unwise, as it was impracticable, to undertake to legislate upon a subject of such magnitude in the time intervening between the introduction of the bill and the near approach to the close of the second session of the Sixty-second Congress. It was such consideration as this that led to the authorization and appointment of the joint committee.

Recognizing the importance and the magnitude of the task assigned to the joint committee and desiring as much as possible to expedite its work, I, after the adjournment of Congress and before leaving Washington, addressed a circular letter to the executive officers of all railroads carrying the mails, 795 in number, the purpose being to secure an expression of opinion on the plan recommended by the Post Office Department and embodied in S. 7371. The letter reads as follows:

WASHINGTON, September 11, 1912.

MY DEAR SIR: I hand you herewith a copy of Senate bill 7371, introduced by me by direction of the Senate Committee on Post Offices and Post Roads, embodying a plan recommended by the Post Office Department for determining the compensation to be paid to railroad companies for transportation of the mails. This general subject has been referred to a joint committee of Congress. The committee has not yet organized and probably will not do so for several weeks; but as a member of that committee and as chairman of the Senate Committee on Post Offices and Post Roads, and under authority of Senate resolution 56, I desire to secure immediately such information as may be available for submission to the committee at its first meeting. I will ask you, therefore, to answer the following questions:

(1) Do you deem the present plan of compensation an equitable one as between the Government and the railroads? If not, in what respects and as to what classes of railroads is it inequitable?

(2) Is the underlying principle of the plan embodied in the inclosed bill a proper basis for compensation? If not, wherein is it improper, and why?

(3) What, in your opinion, is a desirable plan for compensating railroad companies for transporting the mails?

I desire an early reply to these inquiries relating to the general plan, and if you are not ready to do so now shall be glad to have you submit later a detailed discussion of this bill and of House Document No. 105, Sixty-second Congress, first session, with which, I assume, you are familiar.

Yours, very truly,

JONATHAN BOURNE, JR.,

Chairman Senate Committee on Post Offices and Post Roads.

## REPLY BY COMMITTEE ON RAILWAY MAIL PAY.

In a letter dated October 3, Mr. Ralph Peters, acting chairman, committee on railway mail pay, representing 268 railroads operating over 214,275 miles of railroad, responded to the questions propounded in the circular letter referred to as follows:

New York, October 3, 1912.

Hon. JONATHAN BOURNE, JR.,

*Chairman Senate Committee on Post Offices and Post Roads,*

*Washington, D. C.*

MY DEAR SIR: The committee on railway mail pay, representing 268 roads operating over 214,275 miles of railroad, has been investigating the subject of mail compensation for about three years, or since the Post Office Department, in 1909, sent out a series of questions regarding the space furnished for mails in passenger trains, and the cost to railroad companies of the service which they perform for the Government in the carriage of the mails. Therefore the committee has thought it would be of interest to you to receive from it an answer to the questions propounded by your letter of September 11, 1912, addressed to the officers of railroads throughout the country.

A response to House Document No. 105 is now in course of preparation, and will be submitted at an early date. In the meantime, our committee desires to submit the following replies to your inquiries:

Question 1. Do you deem the present plan of compensation an equitable one as between the Government and the railroads? If not, in what respects and as to what classes of railroads is it inequitable?

Answer. The existing law has never worked to the disadvantage of the Government, but has failed to do justice to the railways, by reason of infrequent weighing; absence of pay for nearly 40 per cent of the space occupied as traveling post offices; the performance, without pay, of side and terminal messenger service; and the unjustifiable reduction in pay by the act of Congress dated March 2, 1907, supplemented by Order No. 412 of the Postmaster General, changing the divisor.

The present law is based upon correct principles, but should be so amended as to provide—

(a) For the repeal of the act of March 2, 1907.

Notwithstanding the large increase in every other item connected with the administration of the Post Office Department, the railroads' pay has been singled out as the one element in these operations for concentration of economies. This, too, in the face of the fact that the operating expenses of the railroads have been greatly augmented by the requirements of the law with reference to steel equipment, and a general increase in cost characteristic of all business operations.

(b) For annual weighings, and a definite and just method for ascertaining daily average weights.

Under the quadrennial weighing, all increased weight of mail during the next succeeding four years is carried by the railroads without any compensation whatever, which is manifestly unfair.

The railroads must provide car space and facilities for the maximum weight offered at any time, yet they are paid only for the average weight carried. The Postmaster General's order covering the divisor has unfairly reduced this average.

This provision is essentially necessary in view of the bill establishing the parcel post, effective January 1, 1913, which will result in taking from the express service traffic for which the railroad companies now receive compensation and transferring it to the mail service; the bill referred to containing no provision for payment to the railroad companies for the increased tonnage to be handled in mail cars, although such provision was made for the star routes and the city wagon service.

(c) For pay for apartment cars on some basis that will compensate for the service.

That the Postmaster General has himself recognized the justice of such a change is indicated in the following quotation from page 3 of House Document No. 105: " \* \* \* an additional amount may be allowed for railway post-office cars when the space for distribution purposes occupies 40 feet or more of the car length. No additional compensation is allowed for space for distribution