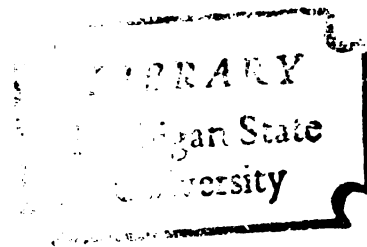


THE EFFECTS OF POSTAL REGULATIONS  
AND SECOND-CLASS MAIL INCREASES  
ON RELIGIOUS PUBLICATIONS

Thesis for the Degree of M. A.  
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GORDON OLIVER ENGEN  
1975

THESIS



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## ABSTRACT

# THE EFFECTS OF POSTAL REGULATIONS AND SECOND-CLASS MAIL INCREASES ON RELIGIOUS PUBLICATIONS

By

Gordon Oliver Engen

From the earliest days of recorded history, it has been understood that the one who controls the flow of information in a country controls the country. The study of the history of the postal system in the old world as well as in the United States reveals various concepts of control over the means of delivering information to the people.

Postmasters in the first few years following the Declaration of Independence had the power to establish their own rules for allowing newspapers to use the public mail service. As a result, many of them also published newspapers and allowed them free delivery while they barred all competitors from access to the mails. These practices brought the Congress into the picture in 1782. From that time on, the policies of the Post Office Department were closely controlled by the Congress. With the Postal Reorganization Act of July 1, 1971, a new era in U.S. postal history was written with the establishment of the United States Postal Service, a government-owned corporation. The Congress mandated that it was to operate on a financially independent basis, each class of service paying its own way. Little thought was given at first to the

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effects of such a course of action. But postal rates began to escalate more rapidly than other costs, some as much as 1,400 percent. Newspaper and magazine publishers, almost as with one voice, began to sound an alarm. The historic marketplace of ideas was in danger of shrinking into a sideshow concession of ideas available only to the elite.

Officials in the new U.S. Postal Service viewed the print media merely as a vehicle for advertising in view of the advances made by the electronic media. The postmaster general's method of operation, patterned after the common business practice of passing on price increases to the customer, was forced onto publishers with no consideration as to the sociological effects. Newspapers and magazines soon found that advertisers were giving serious consideration to rearranging their advertising budgets, utilizing less expensive media. Resistance from readers to the higher costs of the publications was also reducing circulation, adversely affecting subscription and advertising income.

The Congress responded to the crisis and passed legislation phasing in the postal increases for certain types of publications over a longer time period.

Responses to fifty-four of the seventy-eight survey questionnaires sent out in connection with this study revealed general concern by nonprofit religious publishers. Publishers of independent religious publications had a greater awareness of the dangers to their publications as a result of the postal crisis. Where the church directly published or subsidized a publication, there was lower awareness of the postal problem. Twice as many publications that depended on actual subscribers

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for their mailing lists were aware of the postal problem than were the publications that were mailed to all church members.

Postal regulations were designed to fit the needs of profitmaking newspapers and magazines. Without taking into consideration some of the differences in operations, nonprofit publications were granted second-class privileges. Churches whose members do not pay membership fees in order to belong to the church, are required to operate in a manner similar to lodges and labor unions that have only dues-paying members. Some postal bulletins have suggested alternate methods for handling churches, but these bulletins conflict with the official Postal Service Manual and many local postmasters are not aware of the variation in procedures. The result is a wide range of practices among religious magazine publishers. The survey revealed that more than one-third of the responding publications were not operating in harmony with the postal regulations even though they were not being questioned by their postmasters.

Officials at the U.S. Postal Service in Washington, D.C., recommend some kind of audit trail for publications sent to all church members. In this study, a method for achieving the objectives of the Postal Service while meeting the needs of the churches is outlined. Rather than adding a multiplicity of recordkeeping busywork, each church would verify annually the list of families on the subscription list, periodically updating the list during the year in accordance with changes that occur in church membership rolls. In the place of individual subscriber requests, an enabling resolution adopted by each church would suffice.

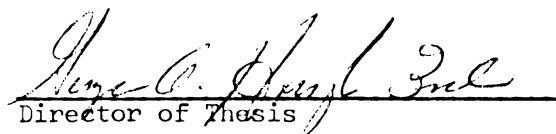
In the final analysis, publishers of religious journals should

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be among those most conscientious in following the laws of the land.

If the laws are not equitable, they should be amended.

Accepted by the faculty of the School of Journalism, College  
of Communication Arts, Michigan State University, in partial fulfillment  
of the requirements for the Master of Arts degree.

  
Director of Thesis

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A THESIS

Submitted to  
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for the degree of

MASTER OF ARTS

School of Journalism

1975

## DEDICATION

Dedicated to the Memory of

W. CAMERON MEYERS

. . . whose interest in my area of work in religious  
journalism helped me focus on this topic for my thesis.

## ACKNOWLEDGMENTS

Many individuals have participated in the preparation of this study, some knowingly and others unknowingly. Foremost among those I wish to thank is Dr. George Hough 3rd, whose encouragements helped me to be able to pick up the pieces of my interrupted graduate program. Despite his heavy teaching load, he gave freely of his time and ideas in the preparation and perfecting of this thesis.

I want to give special thanks to the Executive Committee and administrators of the Lake Union Conference of Seventh-day Adventists for granting financial assistance and time for me to complete my graduate work. My office staff also cooperated most helpfully by allowing me to concentrate uninterrupted when deadlines approached.

I am indebted to the many busy editors of religious publications who took time to respond to the questionnaires, especially those who wrote letters and even telephoned, adding valuable insight to the problem under consideration. Among them I want to particularly thank Dennis Shoemaker, executive director of the Associated Church Press, who shared with me his current research into the problems of second-class mail rate increases and postal regulations.

Finally, I want to thank my loyal family--my wife Blossom, my boys, Delmer and Eric, and my mother--for understanding when I let things slide at home in order to concentrate on my research and writing. In

addition to her teaching responsibilities, Blossom spent many hours proofreading the manuscripts.

Among my souvenirs I have stashed away is a sign Eric, age 12, made for my study door when I wanted to work uninterrupted:

"GENIUS AT WORK

ON THEISUS

Don't disturb"

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## PREFACE

The simple discussion of postal rates and second-class mailing privileges by editors and publishers can easily generate as much heated discussion as a political debate. Ingredients that make it an explosive issue include such sacred American traditions as freedom of the press, freedom of speech, free and independent enterprise, fair-share payment by users, and government subsidies to private enterprises.

What were the reasons for establishing second-class postal rates? Are they still valid? What is the present philosophy behind the postal regulations? What are the effects of escalating postal rates on today's nonprofit religious publications? Do postal regulations adequately provide for religious journals? If not, how could they be improved? Should religious organizations receive direct subsidies in the form of special second-class rates, which some claim are lower than the cost of providing the service?

This study will deal with these questions through an analysis of the present postal regulations, a survey of religious editors and publishers, interviews with postal officials, and from the author's first-hand knowledge of problems that confront the publisher of a small denominational publication.

In the study of communication, various media are dealt with as separate entities. Journalism, as a profession, has been concerned primarily with the press and forces that have shaped it, namely printing, politics, and the law. Yet, other forces, both ancient and modern, have

had telling influences on journalism. Radio and television, for example, have changed the profession more drastically than politics or law.

Another force that has had a quiet effect on journalism from the very beginning of the art has been the delivery system. Often overlooked, the method of getting the news to the people has had and continues to have a great influence on the profession. Messenger or postal systems have always played an important part in the process of communication. Governments early learned that controlling the means of delivering written or printed communication could make a life-and-death difference in their own existence.

The first portion of this study will include a brief overview of the history and development of the postal services mainly from the standpoint of how the system affected newspapers and magazines. The next sections deal with contemporary problems of the press and the U.S. Postal Service. Views of both postal officials and publishers of religious journals have been included in an effort to look fairly at both sides of the issue.

## I. AS IT WAS IN THE BEGINNING

Understanding the dilemma faced today by the U.S. Postal Service on the one hand and the postal users on the other can be greatly enhanced by a brief review of the history of mail service in the world and in the United States.

Historians believe they have found evidence of systems of delivering written messages even before 3000 B.C. in Babylon and Egypt.<sup>1</sup> Among early Biblical records one can find instances of messages being delivered by runners--sometimes orally<sup>2</sup> and sometimes by sealed letter.<sup>3</sup>

The term post comes from the Latin positus, meaning placed. It refers to stations fourteen miles apart on the highways of the Roman empire. Messages were passed from post to post by means of riders on fast horses.<sup>4</sup> Wings, feathers, and trumpets were symbols of speed and action used by various messengers.<sup>5</sup>

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<sup>1</sup>Mathew J. Bowyer, They Carried the Mail (Washington: Robert B. Luce, Inc., 1972), p. 191.

<sup>2</sup>In the Biblical account of the tragedies of Job, four separate messengers came, each bringing additional news about the loss of his family and possessions. Job 1:13-19.

<sup>3</sup>When King David wanted to kill Uriah the Hittite so he could marry his wife, Bathsheba, he sent a sealed letter with Uriah to General Joab. Unknown to Uriah, the letter contained his own death sentence. 2 Sam. 11:14-15.

<sup>4</sup>Wayne E. Fuller, The American Mail (Chicago: University of Chicago Press, 1972), pp. 3-4.

<sup>5</sup>Ibid., p. 10.

Wayne E. Fuller, in his book The American Mail, describes how slowly times change:

About 500 B.C. Persian postriders were carrying messages a distance of fifteen hundred miles in little more than seven days. In 1861, 2,361 years later, the famous Pony Express riders in the United States carried President Abraham Lincoln's first inaugural address sixteen hundred miles in seven days and eighteen hours.<sup>6</sup>

Messengers in Europe during the middle ages designed small metal bags to protect their cargoes, similar to protective coats of mail used by soldiers. From this our term "mail" originated.<sup>7</sup> The recognition by governments of the value in having control of the mail delivery is pointed out by Fuller:

Organized postal systems spring not from the desire of separated friends to communicate with one another, but from the needs of leaders of government. For in the ancient world--where postal services originated--no less than in the modern, the control of communication and the control of government went hand in hand.<sup>8</sup>

This ancient principle cropped up in the New World when on January 3, 1771, Benjamin Franklin was dismissed as postmaster general for the colonies. From England's point of view, "it would have been madness to retain a man of Franklin's political sympathies in control of the only effective system of communication existing in colonies that were becoming increasingly rebellious."<sup>9</sup>

Even so, the need for people to communicate with people did bring about private post systems that served governments as well. In various

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<sup>6</sup>Ibid.

<sup>7</sup>Ibid., p. 4.

<sup>8</sup>Ibid., p. 3.

<sup>9</sup>Gerald Cullinan, The United States Postal Service (New York: Praeger Publishers, 1973), p. 25.

European countries, enterprising and lucrative systems developed in the sixteenth and seventeenth centuries.<sup>10</sup>

In England, as in other countries, the fear of subversion caused kings and rulers to tighten controls over private systems.

. . . In 1657, Cromwell had parliament enact England's first complete postal law, which strengthened the government's monopoly of the service, not only to promote trade but to prevent, as he said, "many dangerous and wicked designs . . . against the peace and welfare of this Commonwealth, the intelligence whereof cannot well be communicated but by letters of escript."<sup>11</sup>

In colonial days, mail from England came by ship to America in the care of passengers or ship captains. There was no organized means of delivery upon arrival. This hit-and-miss system led to the establishment of the first post office in the colonies on November 5, 1639, in Massachusetts.<sup>12</sup> Communication between colonies was slow, if it existed at all. Official interest was in communication with the mother country. Roads in the interior of the colonies were almost impassable and letters or verbal messages were sent with trappers, reliable Indians, or any traveler that could be persuaded to carry them.<sup>13</sup>

Taking things in hand, England, under Queen Anne, enacted the Act of 1711 establishing a colonial mail service; however, it "indicated that the crown was more concerned with raising revenues to pay for England's wars than with improving service."<sup>14</sup> Two hundred years later the United States Congress took a page from history when it passed an act on

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<sup>10</sup> Fuller, pp. 4-7.

<sup>11</sup> Ibid., p. 7.

<sup>12</sup> Cullinan, p. 13.

<sup>13</sup> Ibid., pp. 14-15.

<sup>14</sup> Ibid., p. 19.

October 3, 1917, which "increased postage revenues generally as a World War I revenue measure and directed the Postmaster General on or before the tenth day of each month to pay to the Treasury the surplus funds."<sup>15</sup>

Colonists quickly saw through the scheme. Virginians scuttled the idea, using the then-familiar slogan as their reason: "Taxation without representation."<sup>16</sup>

As relations with the colonies worsened, the crown found that regulations that the colonists considered to be of primary benefit to England were falling into disfavor. Because of the connotation of taxation through the postal rates, colonists devised ways to circumvent the use of the official post riders, thus depriving the crown of coveted revenue. They forced ship captains to leave mail at coffeehouses instead of at post offices, intercepted postriders, and in general caused a breakdown of the British revenue-producing postal system.<sup>17</sup>

Publishers eagerly sought appointment as postmaster in their communities. The laws contained no provision for the introduction of newspapers into the mails, and no rates of postage were established for them. Postmasters could make up their own rules as they went along. If they were also publishers, they could, and did, send their own publications through the mails free of charge and deny the use of the mails to their competitors. Naturally, this gave the publisher-postmaster a considerable advantage.<sup>18</sup>

Out of all this chaos, order began to form when, in 1730, Alexander Spotswood became deputy postmaster general and appointed Benjamin Franklin postmaster in Philadelphia. As a publisher-postmaster, Franklin at first

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<sup>15</sup>U.S. Postal Service, "Historical Highlights on Mail Rates and Classification from 1789," Handout #1, Washington, D.C., January 1972. (Mimeographed.)

<sup>16</sup>Cullinan, p. 20.

<sup>17</sup>Ibid., pp, 19-20.

<sup>18</sup>Ibid., p. 21.

exercised this privilege for himself. Soon, however, he opened up the mail service to all newspapers at a reasonable rate.<sup>19</sup> The effect of this was to expand the coverage of newspapers from local areas, Americanizing the colonies and converting Englishmen into Americans.<sup>20</sup>

In his position as postmaster of Philadelphia, Franklin evidently developed a keen interest in devising a more efficient postal system and tossed his hat into the ring for the job of deputy postmaster general for the colonies. He got the position, but was only half successful, for he had to share the position with an associate.<sup>21</sup>

Even though he was a faithful postmaster general for the colonies, eliminating graft, instituting reforms, and returning an annual profit to the British treasury, Franklin was still blamed for the deteriorating postal system. This was due partly to his absence from the colonies for eleven years while lobbying in England for the repeal of the Stamp Act, a form of British taxation repugnant to the Colonists.<sup>22</sup>

On January 3, 1774, Benjamin Franklin was relieved of his position. The dismissal was short-lived, for on July 26, 1775, the Continental Congress established an American post office with Franklin as postmaster general.<sup>23</sup>

The Act of October 18, 1782, by the Congress of the United States

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<sup>19</sup>Ibid.

<sup>20</sup>Fuller, p. 29.

<sup>21</sup>Although called a deputy, this position was the highest ranking Post Office job in the colonies. Ibid., pp. 25-26.

<sup>22</sup>Cullinan, pp. 23-24.

<sup>23</sup>Ibid., p. 26.

<sup>24</sup>U.S. Postal Service, Handout #1.

officially established rules and regulations and standardized rates for a postal service under the direction of the postmaster general. It further stipulated: "And it shall be lawful for the Postmaster General, or any of his deputies, to license every post-rider to carry any newspaper at such moderate rates as the Postmaster General shall establish."<sup>24</sup>

To the new nation, the concept of unity through communication seemed of utmost importance. The first source of information was the press, available primarily through private delivery arrangements with postriders, by public sale, or by their own delivery services. Members of the Congress established franking privileges for themselves as a second means of disseminating information quickly through the mails.<sup>25</sup>

The Act of 1782 made it illegal for private citizens to carry letters for hire and led to a crackdown on stagecoach drivers who continued to carry mail for profit. The government turned around and contracted with the same stagecoach lines, however, to transport the mail. Thus, the new government firmly established the U. S. Post Office as a government monopoly.<sup>26</sup>

In 1792, the Congress established ridiculously low rates for newspapers in comparison with other mail. A one-page letter, traveling 450 miles, cost twenty-five cents, two pages double, and three pages triple--seventy-five cents. All postage was collected from the recipient.<sup>27</sup>

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<sup>25</sup>Franking was the practice, still widely used, of giving legislators free postage. A signature took the place of a stamp. Fuller, p. 110.

<sup>26</sup>Cullinan, pp. 29-30.

<sup>27</sup>"As late as 1834, there was a case of a farmer settling an account with his postmaster for thirty-two letters by giving him a 'good milch cow' valued at \$8." Ibid. p. 38.

A multi-page newspaper to the same destination cost only one and one-half cents and editors could exchange papers postage free.<sup>28</sup>

As a branch of government, the General Post Office began to develop a broad base of regulations.<sup>29</sup> Although at first most regulations were established by act of Congress, the postmasters general have had a profound influence on the course the department has followed. Since 1913, nearly half of the major changes in postal regulations have come as a result of executive orders from the postmasters general.<sup>30</sup>

Many of the postal laws and orders have stood without substantial revision for nearly two hundred years and are a part of today's Postal Service Manual. Until recent years the regulations were updated periodically and published in bound form. They are currently published in loose-leaf form with revisions supplied by section only as needed.

For many years the Post Office Department played a game of hide and seek with fate. Deficits, strikes, inflation, rate increases and deterioration of service were outward evidences that reform was needed. Stories in newspapers and magazines all added to the mounting pressure that something be done. The Postal Reorganization Act became effective July 1, 1971, and the Post Office Department as such ceased to exist. In its place, the United States Postal Service, a government-owned corporation, came into being. The act creating the Postal Service provided for subsidies to continue for thirteen years after which the U.S.

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<sup>28</sup>Fuller, p. 111.

<sup>29</sup>This was the first designation for the post office. In 1825, it became known as the Post Office Department. Cullinan, p. 36.

<sup>30</sup>U.S. Postal Service, Handout #1.

Postal Service is to support itself and the service from its own income. After 1985 the Postal Service will not be able to go to the Congress for any financial aid.<sup>31</sup>

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<sup>31</sup>Cullinan, pp. 3-4.

## II. THE U.S. POSTAL SERVICE: BUSINESS OR SERVICE

Perhaps it was a public relations decision to change the name from the Post Office "Department" to U.S. Postal "Service." Magazine articles as well as letters to the editors in many publications as with one voice had come to decry the lack of service on the part of the Post Office for many years prior to 1970. Congressmen and Senators were ready to enact legislation that would put "service" back into the Post Office and "take the service out of politics."<sup>1</sup>

With this motivation, the Congress enacted enabling legislation that abolished the two-hundred-year-old department and replaced it with a government-owned corporation. The Postal Reform Act was seen as a cure for the ailing Post Office Department, yet new maladies became apparent shortly after the new Postal Service began to function. The mandate contained in the act turned out to be an exercise in semantics over what was meant by "business." What the Congress perceived business to be and what the Postal Service did about it had little similarity. To the Congress, the term business signified an efficient, streamlined, and responsible organization devoid of political influence. Legislators assumed that allowing the service to be independent in order to put these things into practice would solve the financial problems that had plagued the old department for so many years. However, postal officials saw the word as BU\$INE\$\$, and set about to make the financial success of the corporation their number-one concern.

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<sup>1</sup>John Fisher, "A Threat of Death by Mail," Harper's, May 1973, p. 30.

The Service Views Itself

"Despite a long-overdue rate increase on March 2, 1974, the first-class letter is still one of the best bargains in America."<sup>2</sup> This is the opening paragraph in the text of Postmaster General Elmer T. Klassen's<sup>3</sup> "Annual Report" for 1973-1974. It sets the tone for his defense of the policies and practices of the United States Postal Service under his administration.

Recounting the accomplishments during the year, Klassen said:

Fiscal Year 1974 was a very good year for mail service. The quality of service improved over that of the previous year. Mail moved better during Christmas '73 than at any other comparable time since statistics have been kept. And the number of complaints received by both the Consumer Advocate at Headquarters and postmasters across the nation dropped from those of the two previous years.<sup>4</sup>

With regard to the public attitude toward the Postal Service, he quoted a Roper organization survey which revealed that "six out of every ten Americans interviewed . . . said the Postal Service gives good-to-excellent value for the money," rating it above doctor's services, telephone service, and even hospital care.<sup>5</sup> A Postal Service analysis, he said, indicates that Americans want consistency of delivery first; speed second. Commercial users also rated reliability and consistency above fast service. "With some minor modifications," he stated, "existing service standards

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<sup>2</sup>U.S. Postal Service, Annual Report of the Postmaster General 1973-1974, p. 6.

<sup>3</sup>Elmer T. Klassen resigned as postmaster general on February 15, 1975. He was replaced by Benjamin Franklin Bailor, 40, also a former executive of American Can Company, who had had only two years' experience in the Postal Service.

<sup>4</sup>Ibid., p. 10

<sup>5</sup>Ibid., p. 6.

appear to be within customer wants."<sup>6</sup> And when comparing the U.S. Postal Service with systems in other nations, he said such comparisons "indicate the relative bargain nature of U.S. postage compared to postage in other industrialized nations."<sup>7</sup>

Productivity increased 6.4 percent in 1973 but dipped 2.4 percent in 1974, he reported. The overall improvement was due to "better and more effective management of delivery services, and expansion of a semi-automated method for forwarding misaddressed mail." This has come about despite the energy crisis and "many drastic cuts in scheduled service that the airline industry made."<sup>8</sup>

The New York Bulk and Foreign Mail Center opened in Fiscal Year 1974, the first step towards the completion of the national Bulk Mail System.

This \$950 million system is the single largest modernization project in postal history. It is a network of 21 new, highly mechanized and computerized mail processing plants designed to handle bulk mail--4th class, including parcel post, and non-time-value 2nd-class and 3rd-class in bulk form--consistently, reliably, and damage-free. . . .

Implementation of the system will also help improve preferential mail service. Badly needed floor space in post offices will be freed for the more efficient processing of preferential mails as bulk mail operations are transferred to the new centers.<sup>9</sup>

In his report, Klassen argued persuasively for "rates that more honestly reflect the true costs of the item or service rendered. In this manner mailers and postal managers can make decisions on the basis of more honest economic and pricing information, better serving the long-range economic interests of the nation."<sup>10</sup>

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<sup>6</sup>Ibid., p. 12.

<sup>7</sup>Ibid., p. 8.

<sup>8</sup>Ibid., p. 26.

<sup>9</sup>Ibid., pp. 30, 31.

<sup>10</sup>Ibid., p. 18.

This view received wide comment in the public press.

Postal Service officials do not view the publishers' dilemma as their problem. The Postal Reorganization Act of 1970, which created the present Postal Service as a quasi-independent body, stressed that most classes of mail should pay their own way and contribute a "reasonable" share to the service's general overhead by 1976. The service clearly regards that mandate as all important, and never mind the consequences. "I don't see why any enterprise should expect any sort of subsidy," says Postmaster General Elmer T. Klassen, 65, who was with American Can Co. for 43 years. "The only way to look at this is that we're running the Postal Service like a business organization."<sup>11</sup>

For years prior to reorganization, postmasters general had been irritated over the lower rates the Congress had authorized for second- and third-class users. Former Postmaster General Arthur E. Summerfield summed up the sentiments of many in the department by saying:

The real resistance to an equitable rate adjustment comes from some of the politically powerful users of the second- and third-class privileges who are determined to perpetuate the subsidies they enjoy. They particularly like the postal-type subsidy because in operation it does not come to them as an outright subsidy payment but rather in the form of Uncle Sam picking up the tab for a considerable part of their postal bill. Certain of the large magazine publishers therefore can go on criticizing outright government subsidies to other groups while they enjoy their own, sight unseen.

Essentially the same reason lies behind the powerful resistance put up by many direct-mail advertisers, largely through a battery of very vocal direct-mail associations and their Washington lobbyists.

The pressures exerted by these groups, especially upon important members who have great influence on some key committees in Congress, have been largely responsible for the failure of Congress to put postal services on the proper basis of payment as used.<sup>12</sup>

Mathew Bowyer, a career postal employee in the Washington, D.C., area, generally praised the reforms that have come to the U.S. Postal Service since reorganization. He pointed to the many patronage features that have been eliminated and to the freedom to operate the service as a business rather than in response to political pressures.<sup>13</sup>

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<sup>11</sup>"Postal Rates: Up, Up, Up," Time, 23 February 1974, p. 54.

<sup>12</sup>Arthur E. Summerfield, U.S. Mail, (New York: Holt, Rinehart and Winston, 1960), p. 237.

<sup>13</sup>Bowyer, chaps. 20-21, passim.

In a training manual for postal employees, the Postal Service explains the function of second-class as follows:

To encourage people to avail themselves of the printed page, newspapers in particular, Congress established the second-class of mail in 1879. The rate structure was subsidized to decrease the cost of obtaining information in this manner and to foster the growth of this new nation.

Today we have faster means of communication. However, second-class mail has grown beyond the original purpose of just keeping people informed; it is now a source of information which helps people to live a more comfortable life.<sup>14</sup>

Postal officials generally argue that second-class today is not filling the role that it once did and, therefore, should not receive the same reverence with which the founding fathers endowed it. Ralph Nicholson, senior assistant postmaster general, pointed out that even the role of the Post Office has changed:

It was a builder of roads, an employer of last resort. It charged low rates to second-class users to stimulate an infant free press and the flow of ideas throughout the country. Those days are over, Nicholson says, and adds: "Maybe we look like the heavies in this second-class matter, and I guess we are."<sup>15</sup>

Newspapers and magazines were filling their pages with more and more advertising, reducing the ratio (if not the amount) of educational information to advertising. This became an irritation for the Post Office. As the number of pages in newspapers and magazines increased, the postmen's mailbags grew heavier and heavier. "Critics of low postal rates charged that the government was being invited to support not education but advertising." By 1910, members of Congress were becoming sympathetic to their protests.<sup>16</sup>

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<sup>14</sup>U.S. Postal Service, "Historical Background," Handout. (Mimeographed.)

<sup>15</sup>"Postal Rates: Up, Up, Up," p. 54.

<sup>16</sup>Robert Stinson, Magazine Postal Rates, "Nation, 11 June 1973, p. 741.

In 1973, there still was support in Congress for this concept. Congressman Del Clawson (Republican, California) called low-rate subsidies "huge and unwarranted windfalls to certain profit-oriented publishers." Congressman H. R. Gross (Republican, Iowa) said, "It is educational only as a lesson in raiding the Treasury."<sup>17</sup>

When the Congress in 1973 began to take positive action towards easing the effects of the price rise, Postmaster General Klassen shrugged off the move by saying that "'the deterioration of postal operations didn't begin with the creation of the U.S. Postal Service. . . . It has been going to hell for years and years. The mess that Congress has now decided to investigate is largely a mess of its own making.'"<sup>18</sup>

The Service has been hit with the effects of inflation in a way similar to that of the citizenry, business, and governmental agencies. For example, "the U.S. Postal Service pays an additional 3.5 million dollars annually for every penny increase in gasoline prices."<sup>19</sup> While apologizing for the high postal rates, Klassen said that "'they still represent one of the best bargains available to the American People.'"<sup>20</sup>

#### The Congress and Others Take a Second Look

How serious is the problem for the Post Office and for publishers?

The survival of the postal system has never been in doubt; but the survival of many publications has. Critics were generally vocal

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<sup>17</sup>Susan Wagner, "House Kills Postal Bill; ALA, AAP Lose Round One," Publishers Weekly, 6 August 1973, p. 29.

<sup>18</sup>"The Big Postal Snafu," Newsweek, 9 April 1973, p. 98.

<sup>19</sup>"It's No Happy Birthday for the 3-Year-Old Postal Service," U.S. News & World Report, 1 July 1974, p. 33.

<sup>20</sup>Ibid., p. 35.

concerning two faults of the Postal Service. An editorial in The Nation stated that "while our postal rates have risen over the past three or four years at an astounding rate, the service has degenerated to an all-time low."<sup>21</sup>

G. R. Rosen, writing in Dun's, pointed out that the new Postal Service has had no overseeing watchdog since it was cut loose from the government. He contends that the closest thing to it is the Postal Rate Commission which "is a captive of the agency it is supposed to regulate."<sup>22</sup>

#### Rates

Dangers of the spiraling postal rate increases caused the Reader's Digest to say that the magazine industry now faces "the most serious financial threat in its history. . . . We believe these increases are unfair, unwise and unjustified."<sup>23</sup>

"Periodicals . . . are among the chief carriers of knowledge and opinion," The Nation contended.<sup>24</sup> Forcing the small magazines out of the market will create further monopolies in the publishing field and "reduce the diversity of opinion published in this country," warned U.S. News & World Report.<sup>25</sup>

Writing in Harper's in May of 1973, John Fisher described the plight of newspapers and small magazines like this: "These periodicals--

<sup>21</sup>"Call That Service?" Nation, 12 February 1973, p. 197.

<sup>22</sup>G. R. Rosen, "Is Business Subsidizing the Post Office?" Dun's, p. 70.

<sup>23</sup>"Will Congress Kill the Magazine Industry?" Reader's Digest, January 1974, p. 49.

<sup>24</sup>Stinson, p. 741.

<sup>25</sup>"Where Rise in Postal Rates Will Hit the Hardest," U.S. News & World Report, 22 February 1971, p. 57.

many of them, at least--are threatened with extinction within the next five years by a time bomb that Congress inadvertently set ticking in 1970."<sup>26</sup>

A chorus of cries from critics in the magazine industry as well as in the Congress itself brought a slight stay of execution for what Esquire editors called a "death sentence" which would result from the Postal Service's proposed rate increases intended to make second-class matter pay its own way.<sup>27</sup> The idea of having a profit-making Post Office caused editors of The Nation to call the new Service "an organizational hybrid, with all the faults of a badly administered government bureaucracy and a deteriorating 'private' corporation trying to make a profit, or at least break even."<sup>28</sup>

Representative Olin Teague (Democrat, Texas) said the Congress assumed that by reorganizing the Post Office along modern business lines it "would make the new Postal Service efficient and economical. The catch, also in Teague's words: 'The assumption proved wrong.'"<sup>29</sup>

When a bill to give relief to magazine publishers was introduced in the House of Representatives, Congressman Teague "started the debate with the comment that he would never have supported the 1970 Postal Reorganization Legislation if he had been able to predict the magnitude of the postal rate increases that would be imposed on nonprofit organizations."<sup>30</sup>

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<sup>26</sup> Fisher, p. 30.

<sup>27</sup> Arnold Gingrich, "The M.P.A. vs the Threat to a Free Press," Esquire, June 1973, p. 6.

<sup>28</sup> "Call That Service?" p. 197.

<sup>29</sup> "Will Congress Kill the Magazine Industry?" p. 53.

<sup>30</sup> "House Kills Postal Bill," p. 29.

The Senators were even more eloquent in their criticism of the postal rate hikes. Senator Sam Ervin (Democrat, North Carolina) was quoted in Esquire as saying, "'By establishing exorbitant postal charges one can drive the free press out of existence.'"31 Senator Barry Goldwater (Republican, Arizona) called the plight of magazines and small newspapers "a national scandal." He urged a modification of the rate increases, saying that "'thousands of these publications face extinction unless Congress will do something about it.'"32

Senator Edward M. Kennedy (Democrat, Massachusetts) has been one of the most articulate Capitol Hill critics of the Postal Service. In a speech on the Senate floor on February 8, 1973, he decried the results of the policies of the new Service with such comments as "wholesale slaughter . . . for so many . . . essential publications;" a "thinly veiled death sentence;" "redress the accumulating unfair actions of the Postal Service;" service is "what the new agency forgot;" "who will stay the hand of the executioner?" and "the Postal Service continues to perpetuate its narrow-minded view."33

#### Service

Concerning the service rendered by the Post Office, James H. Rademacher, writing in The Nation, said, "The mail service in America today is the worst it has ever been in our history."34

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<sup>31</sup>Gingrich, p. 6.

<sup>32</sup>H. Flieger, "A National Scandal; Rates for Magazines and Small Town Newspapers," U.S. News & World Report, 23 April 1973, p. 104.

<sup>33</sup>Edward M. Kennedy, "Rising Postal Rates; 2nd Class Mail; Address, February 8, 1973," Vital Speeches, 15 March 1973, pp. 327-31 passim.

<sup>34</sup>James H. Rademacher, "What a Way to Carry the Mail," Nation, 23 April 1973, p. 518.

According to Newsweek, complaints from aroused citizens about service have been running three times the normal rate.<sup>35</sup>

The Postal Service was to be a service in fact as well as name--it was to operate as a basic and fundamental service for benefit of the American people, not just as a business enterprise.

And that's what the new agency forgot in the current crisis over rates. All business and no service was what the Postal Service delivered. And it was business with a vengeance, as bureaucratic balance sheets began to drive ideas out of circulation.<sup>36</sup>

A number of factors caused the dramatic drop in service. The new automated processing centers have come in for their share of the complaints. These centers, defended by the Post Office as being cheaper and more efficient in the long run, are attacked by critics who say:

. . . Mail often must be hauled extra miles to get enough volume for the high-speed equipment to work efficiently. A number of centers now process incoming and outgoing mail on a Statewide basis.

As a result, letters sometimes are hauled out of town for processing, then back to the same city for delivery.<sup>37</sup>

Postmaster Lloyd Kolhoff of Berrien Springs, Michigan, cited an example in his own post office where a letter mailed in Berrien Springs and addressed to Benton Harbor, a city fifteen miles away, is first sent to Kalamazoo, sixty miles in the other direction, before reaching its destination. Under the more "efficient" distribution plan the letter traveled 120 miles rather than fifteen.<sup>38</sup>

In a National Review editorial, W. M. Buckley pointed to recent illustrations of inefficiencies in mail deliveries as indicators of total collapse in the new system. A letter mailed from New York City took

<sup>35</sup>"The Big Postal Snafu," p. 97.

<sup>36</sup>Kennedy, p. 328.

<sup>37</sup>"It's No Happy Birthday for 3-Year-Old Postal Service," p. 35.

<sup>38</sup>Lloyd Kolhoff, postmaster, U.S. Post Office, Berrien Springs, Michigan. Interview, Summer, 1972.

nineteen days to reach Stamford, Connecticut, a distance of thirty-five miles. An investor mailed a letter to his broker one block away. Delivery time, six days.

. . . Why is it so much worse even than it used to be? . . . It was anticipated that the Post Office reorganization would succeed in taking the politics out of the Post Office. Perhaps it has, and it may be that, just as John Lindsay's taking bossism away from New York services, it is so with the Post Office as well. It defies the natural order of things, but could it be that by making the mayor's sister-in-law the postmistress, you get better service than by putting someone in there from the meritocracy?<sup>39</sup>

Investigations by Washington Post researchers revealed an increase in delivery time under the new Postal Service of 23 percent in 1973 over the old system in 1969. A slight improvement--a reduction from 23 to 14 percent--was noted in 1974. Despite these deteriorations, the Postal Service was accused of spending "millions of dollars on advertising and public relations efforts to make the public think it is getting better service."<sup>40</sup>

Kolhoff explained that, as a result of the Westinghouse time study, productivity has become a watchword. "Now, productivity is up, but service is down. They cut our staff from eighteen down to fourteen employees. The Westinghouse Time Study has allocated us thirty seconds per customer. The result is waiting lines similar to those at a supermarket. But I am service oriented and I still intend to perform a service. The Post Office is often the only place in a community where citizens can get any form of direct service from the Federal Government."<sup>41</sup>

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<sup>39</sup>W. M. Buckley, "Postal Collapse," National Review, 21 December 1972, p. 1,426.

<sup>40</sup>Ronald Kessler, "Deliberate Delay Found in 1st Class, Air Mail," Milwaukee Journal, 9 June 1974, p. 16.

<sup>41</sup>Lloyd Kolhoff, interview, 31 January 1975.

The efforts of the Postal Service to reduce its deficits have paid off but this "business" objective has been achieved mainly at the expense of "service." The reduction in deficits came largely through a hiring freeze and attrition which reduced the number of employees. The most telling effect was a reduction in service which touched nearly every aspect of American life.<sup>42</sup> Senator Robert C. Byrd (Democrat, West Virginia), perceived the service to be "'inadequate, undependable and slow.'"<sup>43</sup> Representative Lester L. Wolff (Democrat, New York), went so far as to accuse the Postal Service of "fraud" in its method of handling mail.<sup>44</sup>

Although not going as far as his critics, Postmaster General Klassen admitted to Senators that "the Postal Service was 'so hell bent' on reducing costs that 'we perhaps lost track of service.'"<sup>45</sup>

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<sup>42</sup>"The Big Postal Snafu," p. 97.

<sup>43</sup>"What's Wrong with the Mails?" U.S. News & World Report, 19 March 1973, p. 32.

<sup>44</sup>Kessler, p. 16.

<sup>45</sup>"What's Wrong with the Mails?" p. 33.

### III. SHOULD SECOND-CLASS MAIL PAY ITS OWN WAY?

This philosophical question is at the very heart of the whole issue involving the Postal Service and publishers. From reviewing the comments of the Postal Service employees and officials, it is clear that their views on the subject differ widely from those of the users of second-class. "'We are mandated to live within our income, and the cost is to be paid by the users and not the taxpayers,' Klassen said."<sup>1</sup>

When publications could previously be mailed for as little as two-tenths of a cent per copy, any rate increase aimed at recovering costs associated with that service would show a very high percentage change. Second-class rates for magazines and newspapers have been historically low. In accordance with governing statutes, the Postal Service is gradually increasing second-class rates so that eventually publishers of magazines and newspapers, rather than taxpayers, will pay the cost of their mailing service.<sup>2</sup>

Opponents of Klassen say, "The Postal Service was never intended to show a profit or even to be self-sustaining. Well into the 20th Century, it was projected as an essential public service, as in Franklin's day."<sup>3</sup>

Can the philosophies applied to the Postal Service in Franklin's day be applied to the service today? Reasons for subsidies in Franklin's day have long since vanished, argues the Post Office. Postal officials today vehemently contend that no governmental agency should subsidize a business which has as its goal the return of greater profits to its

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<sup>1</sup>"Postal Rates: A Costly Pattern," Newsweek, 8 October 1973, p. 86.

<sup>2</sup>U.S. Postal Service, Annual Report, p. 9.

<sup>3</sup>"Call That Service?" p. 197.

owners or investors. They illustrate their contention by pointing to the millions of dollars being spent by Reader's Digest and others for dazzling sweepstakes saying that if they can afford such lavish expenditures, surely the Post Office should not be asked to subsidize their publications.

When he came to the Postal Service from the American Can Company, Klassen brought the "time honored way of doing business in the can industry. . . ." He avoided labor disputes by giving in to labor and passing on the increased costs to the customers. "Klassen insists that there was no other way out in dealing with the postal workers either."<sup>4</sup> This view is doubtless behind Klassen's rationale that the U.S. Postal Service is strictly a self-sustaining "materials handling business."<sup>5</sup>

Others take sharp issue with Klassen on this concept however. Gerald R. Rosen, writing in Dun's said, "Klassen's notion of making a materials handling business out of something that is essentially a public service simply doesn't make sense."<sup>6</sup>

Controversy over how much "service" and how much "business" has heated to the boiling point both inside and outside postal circles. Rosen, commented:

From the earliest days of the republic, the Founding Fathers established the principle of a government-subsidized postal system run as a public service. Not only did cheap postal rates foster trade and commerce, the thinking went, but they encouraged literacy and education through the proliferation of publications that benefited from low rates.<sup>7</sup>

Senator Goldwater called the "widespread availability of printed

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<sup>4</sup>Rosen, p. 69.

<sup>5</sup>Ibid., p. 58.

<sup>6</sup>Ibid., p. 70.

<sup>7</sup>Ibid., p. 67.

news, ideas and information . . . a hallmark of America." He argued that relief would "be aimed not at subsidizing any particular industry, but at preserving for the greatest number of people their opportunity to select from among the widest possible offering of printed opinions, information, educational materials and news."<sup>8</sup>

Senator Edward Kennedy in a Senate speech gave as his reason for continuing lower postal rates for newspapers and magazines the fact that there should be no "serious financial hurdles to block the spread of ideas in our society."<sup>9</sup> Reader's Digest editors called for a complete restudy of the entire question of making each class self-supporting:

Congress should take a hard look at its basic decision to make magazines pay their full costs. We think it was a serious mistake and should be repealed. For we don't see how anyone can logically defend a decision that is almost certain to kill off a large segment of one of this country's most fundamentally important institutions.<sup>10</sup>

In answer to a question, "Do you think the traditional idea that the dissemination of opinion and information ought to be subsidized by the Government is philosophically wrong?" Klassen answered in a U.S. News & World Report interview, "I don't say that completely--no. At the same time, I'm not entirely convinced that artificially low postage rates are the right or best way to provide the subsidy. I don't think giving low postage actually deals with the philosophical question."<sup>11</sup>

Mr. Rademacher, spokesman for the letter-carriers union, said,

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<sup>8</sup>Flieger, p. 104.

<sup>9</sup>Kennedy, p. 329.

<sup>10</sup>"Will Congress Kill the Magazine Industry?" p. 53.

<sup>11</sup>"Chances for Better Mail Service; Interview with E. T. Klassen," U.S. News & World Report, 25 June 1973, p. 44.

"I don't believe a service institution can break even. If it does, it is not fulfilling its purpose."<sup>12</sup>

In his Annual Report, Klassen differed with that notion.

Various proposals have been introduced in Congress to increase the postal subsidy.

But increased subsidies would relieve management of much of the pressure that promotes greater efficiencies. They would tempt management to take the easier course--to penalize taxpayers by relying on the public Treasury rather than better operating practices to improve financial performance.

Such payments shift part of the cost of the mail service from those who use it a great deal--such as large business mailers--to taxpayers. About 80 percent of mail volume is related to commerce. Yet Federal tax payments are largely derived from individual taxpayers, according to government budget reports.

The unequal benefit of such payments can be illustrated by referring to "revenue foregone" phasing subsidies (which are appropriated in addition to public service subsidies). Under the existing statutory requirement, a subsidy of \$252 million was paid during the year for magazine and newspaper mailings. The publishers compete for advertising revenues against radio and television stations, which receive no postal subsidy, and direct mail advertising firms, which pay the full cost of their postage through non-subsidized bulk third-class rates.

To increase subsidies in the future would increase these inequities.

The call for increased public payments has also been made to forestall or minimize rate increases. Again, this would result in no savings, only a shifting of the burden of cost.<sup>13</sup>

Legislation easing the financial crunch of the rate increases came in response to a growing concern by the Congress over "the concept of requiring the Postal Service to break even. Evidently, Congress and the Service are both afraid publishers will call for repeal of postal reform legislation."<sup>14</sup> Their fears were well founded, for so worked up were thirteen Congressmen in Washington that they sponsored "legislation

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<sup>12</sup>"What's Wrong with the Mails?" p. 35.

<sup>13</sup>U.S. Postal Service, Annual Report, p. 18.

<sup>14</sup>Susan Wagner, "Relief for Spiraling Postal Rates in Sight," Publishers Weekly, 29 April 1974, p. 18.

that would abolish the independent status of the U.S. Postal Service."<sup>15</sup> Publishers in general felt that the "astronomical rise in postal rates" was too much, too fast.<sup>16</sup> When compared with the general rate of inflation, postal rates in all categories have increased at a rate several times faster. In three years, from 1971 to 1974, postage costs for direct mail (third class) have increased 50 per cent, newspapers and magazines (second class) 60 per cent, and letters (first class) 66 per cent. Mr. Klassen, however, contends that "the price of first class postage has risen historically at a lesser rate than the Consumer Price Index (CPI)."<sup>17</sup> Dun's magazine quoted a prediction by Senator Gale McGee, Chairman of the Senate Post Office Committee that "we will be paying 38 cents for a first-class letter by the 1980s."<sup>18</sup>

If each class of mail were to be required to be self-supporting, then certainly a second look should be taken also at Rural Free Delivery which was established in 1896 and has never paid its way. At that time most people lived in rural areas. Some might argue: Why not apply the same self-supporting principle to it?

The average rural carrier travels sixty-five miles on his route. The shortest route is 4.3 miles; the longest, 158.2 miles. Today, only 20 per cent of all Americans live in rural areas. Yet R.F.D. is part of the overall service. "With rural routes costing our nation over \$400

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<sup>15</sup>"What's Wrong with the Mails?" p. 35.

<sup>16</sup>Rosen, p. 69.

<sup>17</sup>U.S. Postal Service, Annual Report, p. 6.

<sup>18</sup>Rosen, p. 69.

million annually, many urban citizens question why they should help pay for this expensive service."<sup>19</sup>

An editorial in the Nation suggested that "some thought might be given to why, among the thousands of governmental activities--essential and non-essential--the Postal Service should have been singled out as the only one expected to make money."<sup>20</sup>

A different approach from the one already taken may mean some rearranging of priorities on the part of governmental leaders. Tax breaks are often given to industries to induce them to locate in certain communities. The Congress votes subsidies for private industries deemed essential to the public interest. Homesteaders and railroaders received public land as inducements to help develop the nation. In order to keep the Penn Central Railroad operating, the Congress voted to infuse millions of dollars into its operation because the nation could not afford to lose public transportation in such a large segment of the country. The soil-bank program was devised to keep the small farms from becoming extinct. "More dubious are the oil-depletion allowances, . . . and the cost overruns granted to defense manufacturers. . . ."<sup>21</sup>

One of the arguments set forth by users of second- and third-class mail is that it is to the best interest of the government to be sure that business remains strong to bolster the economy. The Federal Government has many programs designed to keep the economy moving forward. Direct mail advertising alone is said to be responsible for 45 billion of the Gross National Product. Newspapers and magazines make significant

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<sup>19</sup>Bowyer, p. 179.

<sup>20</sup>"Magazine Crisis," Nation, 24 January 1972, p. 101.

<sup>21</sup>Fischer, pp. 32-33.

contributions to the same end. When postal rates increase to the point where it is no longer economical to use the mails, there is little to do but close shop or shift to another type of operation as did Life and Look.<sup>22</sup>

Concluding his analysis of the situation, Fisher said: "I am deeply convinced that such publications [small newspapers and magazines] are at least as important to the national interest as Amtrak or the merchant marine. . . ." <sup>23</sup>

Writing in the Nation, J. H. Rademacher gave the following analysis:

It has long puzzled me that people should talk with horror about the postal deficit, but never speak of the Commerce Department deficit, the Interior Department deficit, and so on. The Post Office is a service to the American people, and no service is more essential to the social, political and economic welfare of the citizens. In a free society, it is vital that the mails should be swift, reliable and available to every citizen, no matter how remote his abode, at a cost he can afford.

The conservative argument is that, since the Post Office charges specified prices for services to identifiable customers, it is a business, and that the actual users of the mails should pay the total cost of its operation. In rebuttal, I point out that the National Park Service, just as an example, charges identifiable people a small entrance fee to many of our national parks. Should these fees be set high enough to cover all the costs of running the parks, including the rangers' salaries?<sup>24</sup>

Along this same line, John Fischer succinctly and in perspective set forth the facts leading to postal reorganization under the self-supporting concept. After recounting what led up to reorganization, he said:

These were sensible objectives, applauded at the time by a virtually unanimous press. What nobody realized was that the Act would have unforeseen consequences--as so often happens with legislation, from the New Deal farm programs to the Tonkin Gulf

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<sup>22</sup>Rosen, p. 67.

<sup>23</sup>Fischer, p. 33.

<sup>24</sup>Rademacher, p. 519.

resolution. Apparently, too, Congress had no idea that the Act might contradict historic policy, running all the way back to Benjamin Franklin and repeatedly affirmed by Congress over generations. This is the principle that the mails should be not merely a business enterprise but a public service, carrying information, ideas, and educational material to every citizen, whether in Manhattan or on the most remote farm. As Congress is belatedly coming to understand, this principle is not entirely compatible with its other objective: to make the postal service pay its own way immediately. The deficit can, and should be, gradually reduced far below the levels of recent years; but for at least a decade the postmen cannot perform their public-service function without some public funding. To expect them to do so is as unreasonable as to expect a school system or police department to show a profit.<sup>25</sup>

Another view of just who is subsidizing whom was proposed by Publishers Weekly in analyzing the content of many of the journals featuring discussion of public governmental bodies and topics of national interest. At a meeting of the Authors Guild on March 22, 1974, this topic came in for close study.

In response to the Postal Service's argument that magazines must pay to use the public channel of communication and do not deserve to be subsidized, the Guild states: "These periodicals, whose lives are at stake, have themselves been 'subsidizing' political discussion, literature, science, education and technology for many years, by publishing without profits or at substantial losses. The Congress appropriates millions of dollars each year for the 'arts and humanities,' to promote the very purposes these periodicals have served for decades, thanks to the financial sacrifices of their editors, authors and publishers."<sup>26</sup>

Former Postmaster General Klassen claimed that the government collected more than 290 million dollars last year from the taxpayers for handling all the mail for nonprofit groups . . . but they are supposed to be carrying their direct cost by 1984.<sup>27</sup> Some publishers claim that

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<sup>25</sup>Fischer, p. 30.

<sup>26</sup>"Magazine Editors Plead for Mail Rate Break," Publishers Weekly, 8 April, 1974, p. 41.

<sup>27</sup>"Chances for Better Mail Service," p. 44.

"Post Office accounting methods exaggerated the cost of carrying periodicals,"<sup>28</sup> and that government statistics are self-serving. "They believe passionately that they [newspapers and magazines] are already covering the full cost of their second-class mailing, if not more."<sup>29</sup>

A Reader's Digest editorial challenged the claim that second-class rates that they paid did not already meet the full cost of the service. They claimed that because a copy of Reader's Digest goes into one out of every four homes in America, the publication is delivered to every post office in the land by the mailbag full. "This means that we require only one sorting--directly to the route carrier--as opposed to the two, three or even four sortings required by magazines of smaller circulation."<sup>30</sup>

For several years, alarms have been sounding all over the nation concerning the plight of small newspapers and magazines. Yet it took legislators a long time to become concerned. Lawmakers and publishers who have spoken out on the subject have not raised their voices on behalf of special-interest groups looking for fresh money, for profit in the small magazine industry is only 1.5 per cent compared with 4.8 per cent for all of manufacturing.<sup>31</sup>

The Magazine Publishers Association, in an effort to prick the conscience of government, suggested that a ceiling of 6 1/4 per cent be placed on any increase in second-class rates "consistent with the national economic stabilization goals."<sup>32</sup>

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<sup>28</sup>Stinson, p. 741.

<sup>29</sup>Fischer, p. 32.

<sup>30</sup>"Will Congress Kill the Magazine Industry?" p. 51.

<sup>31</sup>"Where Rise in Postal Rates Will Hit Hardest," p. 56.

<sup>32</sup>Gingrich, p. 62.

The New York Times also rang an editorial alarm on February 24, 1974, over the plight of the "small-circulation journals of religion and opinion which may well profit their readers but never their publishers." The editorial called on the Congress to provide relief, citing a bill, which was later approved in modified form, "uniquely co-sponsored by Senators Barry Goldwater and Edward Kennedy. It would not only give magazines an additional five years of grace, but reduce by one-third the proposed increases on the first 250,000 of a periodical's circulation."<sup>33</sup> Again in June, they called on President Nixon "to save many magazines and small newspapers from going under and to allow a diversity of voices to continue to compete in the marketplace of ideas."<sup>34</sup>

The present phasing-in methods of stretching the rates passed in May of 1974 by the Congress will mean that "periodicals collectively will have to pay at least 218% more to use the mails in 1976 than they did in 1971. (Under increases already in force they are paying 80% more.) The bill passed by the Senate would extend that schedule to 1979."<sup>35</sup> Phasing-in at the higher rates does not lower the originally announced increases; it just spreads them out. What will happen when the present law expires? Reader's Digest estimated that actual rates which the Postal Services will seek at the end of this period will double the projected increases.<sup>36</sup>

The New York Times suggested that Congress should not wait to deal with the problem.

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<sup>33</sup>"First Aid to Magazines," New York Times, 24 February 1974, p. 26.

<sup>34</sup>"Marketplace of Ideas," New York Times, 23 June 1974, Section 4, p. 18.

<sup>35</sup>"Stretching the Rates," Time, 20 May 1974, p. 62.

<sup>36</sup>"Will Congress Kill the Magazine Industry?" p. 52.

This is by no means an ideal bill for it continues the increases over eight years instead of the five presently contemplated by the Postal Service. In the next session of Congress a more modest rollback of second-class mailing rates will again be sought. But it is necessary for this stopgap measure to be signed now to assure the survival of some publications and the possibility of launching new ones.<sup>37</sup>

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<sup>37</sup>"Marketplace of Ideas," p. 18.

#### IV. RATE HIKE RESULTS: EXPECTED AND UNEXPECTED

"There is a way that seemeth right unto a man, but the end thereof are the ways of death."<sup>1</sup>

There may be considerable truth in applying this verse from Holy Scripture to the policies of the Postal Service; although, theologians might wince a bit at such an application.

To the business-oriented Klassen, schooled in the ways of the American Can Company, the postal increases imposed on second-class users simply could be passed on to the subscribers and advertisers and that would be the end, so he argued. However, he did not take into consideration the alternatives faced by the already difficult financial position of many publishers. A drop in circulation could mean a commensurate drop in advertising revenue which is based on circulation. And any increase in advertising rates would push more and more advertisers into the competing medium--television.<sup>2</sup> Non-profit publications and magazines of discussion and comment are the hardest hit because more often than not, they are already operating on the brink of financial disaster.

"The managers can try to raise the rates steeply, but that is a self-defeating maneuver, since it drives potential business out of the Post Office."<sup>3</sup>

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<sup>1</sup>Prov. 16:25.

<sup>2</sup>Klassen indicated that this is purely a business decision for publishers and advertisers to consider and did not express concern for any more far-reaching consequences. See page 12.

<sup>3</sup>Rademacher, p. 519.

Senator Edward Kennedy, on the Senate floor, commented on the "pass-it-on theory" by saying:

Perhaps, you say, the magazines can simply absorb the rate increases, passing them on to their subscribers or their advertisers. No such luck. Unfortunately, in the view of virtually every economic expert, the large new rate increases simply can't be absorbed that way. They can't be passed on to the public who subscribe. As the subscription rate goes up, an inexorable law of the market place drives circulation down. And, the new rates can't be passed on to the advertisers either. As the rates for advertising go up, the advertising revenue is diverted rapidly into rival media like television.

That's why asking magazines to raise their rates is like asking them to walk the plank.<sup>4</sup>

#### Publishers Prophecy

The National Newspaper Association predicted that by the end of the phasing period for postal rates, it would cost 11.3 cents to mail each newspaper as compared with 2.9 cents in 1972.<sup>5</sup>

At a meeting of the Authors Guild on March 22, 1974, Representative Elizabeth Holtzman (Democrat, New York) told magazine editors that the 1970 postal reform legislation failed to include any protection for any second-class or educational mail users. She said she felt that the role of the media in the Watergate affair had helped bring greater support by the members of Congress. Another spokesman "warned that if the Postal Service continued to charge users the rates necessary to reach break-even point, 'it could all but put itself out of business, which would make feasible all kinds of alternate means of communications. This would probably happen shortly after they put us out of business.'"<sup>6</sup>

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<sup>4</sup>Kennedy, p. 329.

<sup>5</sup>"Newspaper Group Assails Plans for Postal Rate Rise," New York Times, 4 May 1974, p. 82.

<sup>6</sup>"Magazine Editors Plead for Mail Rate Break," p. 41.

Journals of opinion make up the vital underpinings of a democratic society. Most of them--be they religious or nonreligious--are not profit-making ventures. Many of them are subsidized in part by endowments, grants, or free-will offerings. Some of them are forced to try to keep afloat by selling advertising space. This advertising is usually of a speciality nature as well, designed for the special audience which makes up the magazine's readers. In religious publications, it is often of an "in-house" nature, advertising some aspect of the program of the church. Yet, in the eyes of postal officials, it is just as commercial as an ad for soap even though there is no relation to any profit-making organization. To place these journals in the same basket with the for-profit publications, saying that all should pay their own way, is a "head-in-the-sand approach" that does not take into consideration the consequences. The drastic rate increases that have been set into motion will increase mailing costs of magazines from 300 to 400 percent in five years.

"Richard J. Barber Associates, Inc., an economic counseling firm in Washington, D.C., says that accelerating Postal Service costs will actually force a crushing 406% rise in second-class postage by 1976."<sup>7</sup> Some publications face escalation even greater than that by 1980.

Small religious publications, for instance, face increases of as much as seven hundred fifty percent, and agricultural magazines, already hanging on grimly over the edge of the abyss, face two hundred percent increases, and some labor-union periodicals are up against increases of as much as eight hundred percent.<sup>8</sup>

The American Legion Magazine confronts a postage increase of 800 percent; Billy Graham's Decision faces a hike of 1,400 percent. . . . For its own particular audience, each of these fills a need that cannot be met in any other way.<sup>9</sup>

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<sup>7</sup>"Postal Rates: Up, Up, Up," p. 54.

<sup>8</sup>Gingrich, p. 6.

<sup>9</sup>Fischer, p. 32.

When one contrasts these rate hikes with the 127 percent increases for the larger publishers, it is no wonder that Harper's considers the chances for survival of these magazines to be "virtually nil."<sup>10</sup> Such increases would throw the delicate cost ratio completely out of balance and create havoc in the marketplace of ideas and information. Social consequences of such actions have been given little heed by the Postal Service "businessmen."

Senator Kennedy declared that "The magazines of America are not just disseminating soap or toothpaste. They're spreading words and ideas, the coins of truth in our national marketplace, coins that are in such scarce supply today that we can ill afford to lose any of them."<sup>11</sup>

The religious press occupies a vital slot in the marketplace of ideas. An editorial in the U.S. News & World Report observed: Instead of offering the public an enormous variety of viewpoints and information on general issues and events, printed publications may become dominated by an emphasis on specialized, leisure-time subjects. Even the morally uplifting religious press may lose its vitality."<sup>12</sup>

Senator Kennedy warned that "these increases pose a real threat to survival and a massive obstacle to the entrance of new and valuable publications in the marketplace."<sup>13</sup> Harper's publisher Russell Barnard said he feared that rate increases "'could more than wipe out our total profits.'" The effects on National Review, said publisher William Rusher, "won't eat into our profits--they will simply swell our deficits."<sup>14</sup>

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<sup>10</sup>Ibid.

<sup>11</sup>Kennedy, p. 1,327.

<sup>12</sup>"A National Scandal," p. 104.

<sup>13</sup>Kennedy, p. 330.

<sup>14</sup>"Postal Rates: Up, Up, Up," p. 54.

Within the magazine industry there is controversy over who the rate increases will hit hardest--large or small magazines. Although the rates for large magazines will be stiff, they will not be as huge as for the small religious or labor union publications. Large publications have other advantages that accrue to them because of their size. Advertising, with rates based on circulation, provides about 70 percent of their income while 30 percent comes from subscriptions. For the small magazines, the reverse is true.<sup>15</sup>

Large publications can also afford to play games with the additional-entry provision of the postal regulations. Second-class mail rates for profit-making publications and for nonprofit publications that carry advertising in more than 10 percent of their total space increase in proportion to the distance the publication travels. The rate for Zone 8 is nearly triple the Zone 1 rate. Publishers are allowed to ship copies of their publications to "additional entry" points where they are mailed at the lower Zone 1 rates. Large publishers sometimes use duplicate printing facilities near concentrations of subscribers and may enter their publications in as many as fifty entry points. Small publications are forced to stay with a single entry, paying a higher rate for delivery of their papers on through Zone 8.<sup>16</sup> "For this reason Harper's, for example, pays roughly twice as much postage per copy as does Time magazine."<sup>17</sup>

It is generally agreed that the small publication will be hardest hit by rate increases. "The increase already approved averages over 120 per cent on profit magazines and up to 800 per cent on nonprofit. . . .

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<sup>15</sup>Robert J. Myers, "Small Magazine Survival," Society, October 1972, p. 11.

<sup>16</sup>Ibid.

<sup>17</sup>Fischer, p. 32.

Subscription rates, membership fees or advertising prices must be raised so much and so soon that numerous publications cannot survive."<sup>18</sup>

Well known names can be found on the headstones in the publishing cemetery--names such as Look, Life,<sup>19</sup> and the Saturday Evening Post.<sup>20</sup> Lesser-known publications are also resting there. The New York Times marked the demise of The Lamp/A Christian Unity Magazine, which came to its end in July of 1974, by saying:

Costs of publishing have gotten to be three times the income, according to the Rev. Charles Angell, director of publications for the Graymoor Ecumenical Institute, who also had this to say about rising postal rates: "It would seem that the Federal Government views with unconcern the progressive exclusion of all but the rich from effective media of communications."<sup>21</sup>

Fisher charged that Congress took the downfall of the giants too lightly but will begin to worry when thousands of back-home newspapers become endangered.<sup>22</sup> According to Rosen, "Congress is already beginning to hear from the small-town weeklies and dailies suddenly alarmed at their rising postal costs. . . ." He added, quoting from Stephen Kelley, President of the Magazine Publishers Association, "'Unfortunately . . . the fastest way to make Congress see the light is to deliver up the body of some dead publications.'"<sup>23</sup>

The death of Look and Life magazines has raised a continuing controversy between the Postal Service and magazine publishers as to the

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<sup>18</sup>"A National Scandal," p. 104.

<sup>19</sup>Look's last issue was 17 October 1971, and Life bowed out 29 December 1972.

<sup>20</sup>The Post died 8 February 1969, but was reincarnated as a quarterly.

<sup>21</sup>"Christian Unity to End Magazine," New York Times, 20 May 1974, p. 45.

<sup>22</sup>Fischer, p. 32.

<sup>23</sup>Rosen, p. 70.

reasons for their downfall. "Executives of both Look and Life blamed projected postal increases as a major factor in the decision to fold those magazines."<sup>24</sup>

Back in 1971, when the first of two previous astronomical postal rate increases took effect, Look magazine estimated that its annual mailing costs would jump from \$4 million to \$10 million. This became a major factor in forcing that magazine out of business the same year. Fourteen months later, the same threat helped to kill Life. To pass along increases of the magnitude required by the postal rates, as well as other rising costs," said Time Inc.'s chairman, "will be to create a magazine industry for the affluent only." In other words, lower-income Americans, the very people who perhaps most need an inexpensive means of continuing education, are the main losers when a magazine dies.<sup>25</sup>

Postmaster General Klassen commented in an interview in U.S. News & World Report:

I'm sure there are publications that have some over-all value deserving some Government consideration. But when "Life" magazine makes the allegation that they've gone out of business because of postal rates, that's nonsense. Even when increased rates for magazines are fully applied after a phase-in period of five years, it still would have cost them only 6 cents to deliver that magazine.<sup>26</sup>

How are other magazines adjusting to the new increases in postal rates? Family Circle, beginning with the October 1974 issue increased advertising rates 4 percent. The New York Times reported that in July of 1974 Cosmopolitan "will become the first monthly consumer magazine with an annual subscription rate higher than its 'premium single copy newsstand price.'" The Saturday Evening Post, issued nine times a year, is increasing its subscription rate. Cosmo, which has a single price per copy of \$1.00, printed on the cover, is increasing its subscription rate from \$12 to \$15. People is increasing its advertising rate

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<sup>24</sup>"Postal Rates: Up, Up, Up," p. 54.

<sup>25</sup>"Will Congress Kill the Magazine Industry?" p. 50.

<sup>26</sup>"Chances for Better Mail Service," p. 44.

from a circulation base of 1 million to 1.25 million subscribers.<sup>27</sup>

So many magazines are operating on the brink of disaster that even a small increase--much less a 200 to 1,400 percent jump--in costs could mean their financial ruin.

Small publications go down with only a faint bump in the night compared with the resounding crash of the giants. How many small publications have already gone under unnoticed is not known. If allowed to go unchecked, "this new monster may well threaten the very existence of the "ten thousand small magazines and newspapers" in this country."<sup>28</sup>

#### Editors Respond to Questionnaire

Responses to questionnaires sent to seventy-eight selected religious publication editors, covering a wide range of large and small publications of various denominations, reveal a growing alarm concerning the projected increases in second-class, nonprofit postal rates.

One respondent said he felt the church press had hollered too loudly about the dire effects of postal increases. "No church publication worth its salt is going to fold because of postal increases," he said.<sup>29</sup> Another editor, exercised over a host of problems involving the Postal Service, said, "Second-class rates should be token rates."<sup>30</sup> With a

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<sup>27</sup>"Christian Unity to End Magazine," p. 45.

<sup>28</sup>Fischer, p. 30.

<sup>29</sup>Spurgeon M. Dunn III to Gordon Engen, 13 January 1975, Response to "Religious Publication Questionnaire."

<sup>30</sup>Anonymous to Gordon Engen, 15 January 1975, Response to "Religious Publication Questionnaire."

little different view, another editor observed, "With deteriorating service, . . . I question the propriety of increased rates."<sup>31</sup>

Most editors responded by voicing a middle-ground opinion.

Albert J. Nevins, editor of Our Sunday Visitor, said,

We accept the principle that moderate rises are necessary. However, we believe that the original purpose of second-class rates should be maintained, i.e. subsidy for contribution to national welfare. Distinctions in rates should reflect the profit and nonprofit status, advertising and nonadvertising. We also believe that any rise in postal rates should reflect better service, but the contrary is true. Service becomes poorer and poorer with each raise. Postal services should be what its name implies, service to the citizenry. No other government service is expected to pay its way. The present organization of the Postal Service is wasteful and reflects failure of Congress to accept its responsibility.<sup>32</sup>

Editor Albert P. Stauderman of the Lutheran said,

Obviously, postal costs will increase, but this increase should be buffered by congressional action that shields the consumer from the full brunt of the costs. It seems ridiculous that the federal government can subsidize hundreds of projects including research into the sex life of insects but rejects proper subsidization for the exchange of ideas and information through a free press.<sup>33</sup>

LeRoy Dais, manager of the Bible Advocate, answered:

I can agree to reasonable increases which can be supported by valid reasons, such as the need for adequate salaries for the postal employees during the present time of inflation. I do not believe that the churches should expect to be exempt from such increasing costs. They have to face up to increasing costs in all phases of the work. But I do not feel that the government should expect that all phases of the mail service should pay their own way. If the Postal Service were operating at top efficiency there would be more reason for such an expectation. I cannot support further increases to finance more inefficiency.<sup>34</sup>

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<sup>31</sup>Eugene Lincoln to Gordon Engen, 7 January 1975, Response to "Religious Publication Questionnaire."

<sup>32</sup>Albert J. Nevins to Gordon Engen, 6 January 1975, Response to "Religious Publication Questionnaire."

<sup>33</sup>Albert P. Stauderman to Gordon Engen, 6 January 1975, Response to "Religious Publication Questionnaire."

<sup>34</sup>LeRoy Dais to Gordon Engen, 13 January 1975, Response to "Religious Publication Questionnaire."

John J. Hurt, editor of the Baptist Standard, said he could "see no reason why government should not continue to increase postal subsidies. Continued postal increases of major proportion will seriously limit circulation of secular magazines (as well as religious) and leave the public limited to local newspapers with their bias."<sup>35</sup>

One editor feared that "if the postal situation becomes much worse, we will have to suspend publication."<sup>36</sup> Another said, "We may be forced to ship our magazines to churches in bulk and let them become distributors for us."<sup>37</sup> Commented another, "Perhaps the answer lies in private mail services."<sup>38</sup>

#### Competition Develops

One way postal users try to get back at postal increases is to mail letters without postage stamps forcing the recipients to pay the postage. The Post Office has retaliated by refusing to accept such letters, either returning them to the senders or forwarding them to the Dead Letter Office.<sup>39</sup>

Rate increases have caused another far more important development-- the inauguration competing services for delivery of mail. So far it is confined to third- and fourth-class matter, but pressure is building

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<sup>35</sup>John J. Hurt to Gordon Engen, 9 January 1975, Response to "Religious Publication Questionnaire."

<sup>36</sup>Gerald Van Ackern, S.J., to Gordon Engen, 15 January 1975, Response to "Religious Publication Questionnaire."

<sup>37</sup>J. Lorne Peachey to Gordon Engen, 6 January 1975, Response to "Religious Publication Questionnaire."

<sup>38</sup>Eugene Lincoln to Gordon Engen, 7 January 1975, Response to "Religious Publication Questionnaire."

<sup>39</sup>"Stampless Bill Payments Will Not Be Delivered," New York Times, 3 November 1974, p. 55.

for the Congress to change the age-old monopoly the Post Office has on first-class mail. Newspapers have long used the newsboys and the newsstands to distribute their second-class publications.

Larry L. Van Dusseldorp, president of Private Postal Systems of America, Inc., credits part of his increasing business to customers who are "unhappy with the Government's mail system."<sup>40</sup>

One company found it cheaper to hand carry bills to customers than to use the U.S. mails. Packages, advertising circulars, and other third-class mail are the principal areas being invaded by private delivery systems. The largest package delivery system is United Parcel Service which had a profit in 1971 of \$59.8 million. Private delivery services are prohibited from using home mail deposit boxes which are set up for the U.S. Postal Service. Instead, they have devised small plastic bags which their delivery persons hang on the customers' doorknobs. Private systems operators have called for the U.S. Postal Service to relinquish its sole right to the use of home mailboxes eliminating "what is rapidly becoming a suburban eyesore: the sight of plastic bags hanging on doors."<sup>41</sup>

Even cab drivers are getting into the act. A Boston cab driver, Jan Perry, reported that delivering such things as legal briefs has provided a nice income for her.<sup>42</sup>

Reader's Digest indicated that "the magazine industry has been experimenting with private ways to cross those last few miles" to the readers and predicted that "the threatened rise in postal rates, which

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<sup>40</sup>"Springing Up: Rivals to the Post Office," U.S. News & World Report, 10 September 1973, p. 86.

<sup>41</sup>"Entrepreneurs: The Private Postmen," Time, 2 April 1973, p. 87.

<sup>42</sup>"Big Postal Snafu," p. 97.

abruptly improves the economic competitiveness of private methods, may well force us to abandon the mails altogether."<sup>43</sup> The New York Times has called for an end to the Postal Service monopoly of private mail handling along with special subsidies for newspapers and magazines.<sup>44</sup>

Postmaster General Klassen, however, defended the exclusive rights of the Postal Service to use mailboxes stating that it was basicly for reasons of security. "If a stranger goes to a mailbox he could put something in or he could take something out, you don't know. . . . The Postal Service is committed to deliver mail to every outlying area in the country." He then went on to complain that "if the private competitors are permitted to come in and skim off the cream of the crop and let us handle only the unprofitable mail, I wouldn't like that as a taxpayer."<sup>45</sup>

A novel proposal was made by W. M. Buckley, writing in the National Review:

It is simply unjustified to permit the Post Office to continue to monopolize the handling of first class mail. . . . It is time now for the Congress to accost the mail situation, and to prepare legislation that would permit anybody who desires to do so to collect and deliver mail: using Post Office facilities where convenient, for a nominal rental.<sup>46</sup>

It is apparent that the Postal Service does not view private delivery systems too kindly. The largest independent third-class mail delivery system, Independent Postal Systems of America, not only has had financial problems, but also credibility problems raised by its largest

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<sup>43</sup>"Will Congress Kill the Magazine Industry?" p. 51.

<sup>44</sup>"House Panel Scores Postal Operation," New York Times, 22 October 1974, p. 30.

<sup>45</sup>"Chances for Better Mail Service," p. 43.

<sup>46</sup>W. M. Buckley, p. 1, 426.

competitor, the U.S. Postal Service. U.S. attorneys have begun to investigate its franchise system and investors are becoming uneasy over the uncertain financial operation of the company.<sup>47</sup>

U.S. News & World Report predicted in September of 1973 that private mail handlers will make ever greater inroads and offer tougher competition to the government service in the future.<sup>48</sup>

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<sup>47</sup>"A Grand Jury Probes a Private Mail Service," Business Week, 3 May 1973, p. 26.

<sup>48</sup>"Springing Up: Rivals to the Post Office," p. 86.

## V. POSTAL REGULATIONS AND THEIR EFFECTS ON RATE INCREASES

Regulations governing the use of second-class mail were designed primarily to meet the needs of profit-making newspapers. As other types of publications were added, the regulations were amended to include and exclude certain types of journals. The basic formulas remained relatively constant as various categories of nonprofit papers were added to the approved list.

Nonprofit publications often found it difficult to fit into the mold as found in the regulations. As a result, many of these publishers fell into practices which did not in all respects live up to the letter of the law, primarily in the areas of subscriber lists and advertising. A strict enforcement of these regulations could have devastating effects on the financial status and even the very existence of many publications inasmuch as the Postal Service can summarily force violators out of the second-class category. Aside from the normal postal rate increases that have been projected, these new rates could add another 400 to 2,000 percent to mailing costs.

Many church organizations print church newspapers, religious magazines, and educational journals of opinion. A great number of them are mailed via second class to all church members, or to certain thought-leader groups such as clergymen and educators, none of whom pay direct subscription fees. Some of these journals carry advertising; others do not. Some are paid for by general funds from higher levels of the church organization. Others are paid by local churches on budget plans.

In some areas, the parent denominational organization subsidizes the entire cost of the publication while others receive partial subsidies. The end result is that in most instances members actually pay for their subscriptions through their church contributions, but such contributions are not specifically identifiable and there is no direct tie-in with the publications. At that point the violation of the postal regulations occurs. Admittedly, it is a technical violation inasmuch as members of a religious denomination, almost without exception, have a strong desire to receive the church publication. It is not a matter of their not wanting it, but rather of their not getting it that editors hear about. Insistence upon a request for the publication by a subscriber stems from the commercial aspects of publications carrying advertising, and has only a slight relevance to nonprofit religious publications. It was intended to keep profit-making publications, filled with advertisements, from being mailed at random to people who neither ask for nor want them.

Postal regulations specifically allow church organizations to use the second-class mails but they do not provide for a method of operation which harmonizes with the way a church functions. Instead, they require church organizations to operate under the general organizational plan of a labor union or a lodge which requires membership fees and dues as a condition of membership. Churches cannot fit into that mold and as a result have developed their own methods of operation which meet the spirit but not the letter of the law.

Here and there postal inspectors have clamped down on violators. However, many nonprofit second-class mailers are not aware of the fact that they are in violation. Some local postmasters know that such mailers are technically operating illegally, but they are not pressing for compliance because the publishers are nonprofit organizations and they do not wish

to become entangled with what would only be a technicality. In addition, the regulations contain areas of ambiguity that have resulted in various interpretations and applications by postmasters.

#### A Look at the Letter of the Law

A review of the regulations reveals the parameters allowed for nonprofit publications. The questions and answers that follow will provide a basic understanding of the problems faced by nonprofit publishers and what they are and are not allowed to do.

QUESTION. What are the basic qualifications a publication must meet to receive second-class mailing privileges?

ANSWER. The publisher must determine the number of issues he will publish each year and adopt a statement of frequency that must be meticulously followed. A publication may not publish less than four issues a year. Issues must be published regularly as called for by the statement of frequency.<sup>1</sup> The publication must have a known office where business is transacted during usual business hours.<sup>2</sup> The publication must be formed of printed sheets and may not be reproduced by stencil, mimeograph, or hectograph process or be reproduced in imitation of typewriting.<sup>3</sup> The publication must be originated and published for the purpose of disseminating information of a public character or must be devoted to literature, sciences, art, or some special industry.<sup>4</sup> The publication must be originated and published to further the objectives

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<sup>1</sup>U.S. Postal Service, Postal Service Manual, Washington, D.C., (Looseleaf, perpetually updated.) sec. 132.221.

<sup>2</sup>Ibid., sec. 132.222.

<sup>3</sup>Ibid., sec. 132.223.

<sup>4</sup>Ibid., sec. 132.224

and purposes of the society."<sup>5</sup> It must have a legitimate list of persons who have subscribed by paying or promising to pay for copies received during a stated time.<sup>6</sup> A publication may not be designed primarily for free circulation.<sup>7</sup> However, churches and church organizations are part of a small group of publishers permitted to mail publications that contain no advertising other than the publishers' own advertising to a mailing list comprised of individuals who have not actually subscribed or paid for their own subscriptions.<sup>8</sup> A nonprofit publication carrying general advertising must have a list of bona fide subscribers.<sup>9</sup> At least 50 percent of the copies must be distributed via second-class mail, the remainder being distributed by any other means.<sup>10</sup>

QUESTION. What constitutes a list of bona fide paid subscribers?

ANSWER. Bona fide paid subscribers are considered to be those in the first two categories below only. Complimentary copies or subscriptions include only those found in the last four categories:<sup>11</sup>

1. Actual subscribers who, on their own, pay or promise to pay at a rate above a nominal rate for the cost of their subscriptions to be received during a stated time. Open-ended subscriptions are not allowed.<sup>12</sup>

2. Members of an organization qualify as bona fide paid

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<sup>5</sup>Ibid., sec. 132.232b.

<sup>6</sup>Ibid., sec. 132.225.

<sup>7</sup>Ibid., sec. 132.227.

<sup>8</sup>Ibid., secs. 132.212 and 132.232.

<sup>9</sup>Ibid.

<sup>10</sup>Ibid., sec. 125.662d.

<sup>11</sup>Ibid., sec. 125.662a.

<sup>12</sup>Ibid., sec. 132.225.

subscribers if they pay or promise to pay as a part of their dues or assessments or otherwise<sup>13</sup> an amount not less than 50 percent of the regular subscription price.<sup>14</sup> Nominal rates far below the actual cost of the publication are not allowed.<sup>15</sup> An extension of a subscription for no longer than six months is allowed provided the publisher has attempted during that time to obtain payment or a promise to pay for a renewal. Postage rates after six months will be charged at the much higher transient rate.<sup>16</sup>

Although it is desirable that subscribers pay directly for their subscriptions independently of other payments, arrangements may be made for them to pay in connection with the payment of dues or contributions, provided the dues or contributions and the subscription price are so separated as to permit an exact ascertainment of all the facts including the amount paid for the subscription. To determine whether a subscription is genuine, it must be so separated from all other business transactions as to constitute a distinct, voluntary and independent act. Publishers must be able to show that subscriptions to their publications have been voluntarily made, that the subscription price has been paid or definitely promised, and that the relation of subscriber is clearly understood and fully agreed to."<sup>17</sup>

3. Exchanges of publications between editors and publishers may be made without actual subscription fees charged.<sup>18</sup>

4. Sample copies may be sent provided each copy is clearly marked "Sample Copy" near the address label<sup>19</sup> and the total does not exceed

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<sup>13</sup>The word "otherwise" provides another area for local interpretation of this regulation. Some say that general unreceipted church offerings paid or promised sufficiently meet this regulation. Others say it may not satisfy the implied meaning.

<sup>14</sup>U.S. Postal Service, sec. 132.228b.

<sup>15</sup>Ibid., sec. 132.228a.

<sup>16</sup>Ibid., sec. 132.465.

<sup>17</sup>U.S. Post Office Department, "Forms Used for Taking Subscriptions to Second-class Publications in Connection with the Payment of Dues or Contributions," Washington, D.C., September 1969. (Form 3513, Mimeographed.)

<sup>18</sup>U.S. Postal Service, sec. 132.232c.

<sup>19</sup>Ibid., sec. 132.461c.

"10 percent of the total estimated weight of copies to be mailed to subscribers during the calendar year."<sup>20</sup> Any sample copies in excess of 10 percent must be mailed at the higher transient rate<sup>21</sup> which could be as high as 2,000 percent of the second-class nonprofit rate.<sup>22</sup> Any other nonsubscriber copies "are declared as samples" and are not to exceed the allowable limit.<sup>23</sup>

5. Advertisers' proof copies may be mailed, one complete copy of each issue per advertiser, as proof that the advertisement has been printed. The number of proof copies of each issue may not exceed the number of advertisers in the issue.<sup>24</sup>

6. Gift subscriptions, making up only a minor portion of the list,<sup>25</sup> may be given by individuals. "Subscriptions paid for by advertisers or other interested persons to promote their own interests and subscriptions given free by the publishers are not gift subscriptions; postage at the transient rate in 132.13 must be paid on these copies."<sup>26</sup>

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<sup>20</sup>Ibid., sec. 132.461b.

<sup>21</sup>Ibid., sec. 132.461e.

<sup>22</sup>A publication paying the minimum weight rate of 0.4 cents per piece could be charged the transient rate of 8 cents per piece, or twenty times the rate of second-class mail. Ibid., sec. 132.13.

<sup>23</sup>Ibid., sec. 132.461e.

<sup>24</sup>Ibid., sec. 132.466.

<sup>25</sup>There is wide discrepancy as to what is actually meant by a "minor portion" of a list. At present each postmaster is left to determine what in his opinion a minor portion may be. If the Postal Service does not clarify it, the point may have to be settled through litigation.

<sup>26</sup>U.S. Postal Service, sec. 132.463.

For minimum-weight, minimum-rate publications, this could amount to a rate twenty times higher than second-class.<sup>27</sup>

QUESTION. How is a church organization required to identify its member-subscribers?

ANSWER. The regulations do not specify any method. However, the Postal Service has published various guidelines. One of them, carried over from the old Post Office Department, stipulates that members must be identifiable by application forms on which they must indicate an assignment of a portion of their dues or assessments as payment for their subscriptions to the publication published by the organization of which they are members. A blank, similar to the following, must be produced on demand for all subscribers on the list so that postal inspectors may be able to verify that all subscribers have personally requested the publication and have agreed to pay for it through their dues or contributions to the organization:

When Contributing to Organizations or Institutions

4. If subscribers pay, or promise to pay, for their subscriptions when making contributions or pledges to organizations or institutions, the pledge or contribution forms used should include a clause like the following example:

I, \_\_\_\_\_, hereby transmit my contribution of (or hereby pledge to contribute) \$ \_\_\_\_\_ to the (Name of organization or institution to be printed here) for the year \_\_\_\_\_. \$ \_\_\_\_\_ of this amount is for a subscription to the (Name of the publication to be printed here) for one year. . . .

. . . Forms and Statements to be Furnished with Applications

6. Publishers should furnish with applications for second-class mail privileges printed copies of the forms which are to be used. The responsible official of the organization or institution should furnish his written assurance that the forms will be used for taking subscriptions.<sup>28</sup>

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<sup>27</sup> Ibid., sec. 132.13.

<sup>28</sup> U.S. Post Office Department, (Form 3513, Mimeographed.)

QUESTION. Is it permissible to identify members by code on a computer only as having requested the subscription without maintaining separate manual records?

ANSWER. According to Morris E. Bohannon, customer services officer at the Central Region of the United States Postal Service in Chicago, the subscribers' signatures must be available in addition to computer records. He commented that "Anybody could feed this kind of information into a computer. The original subscriber request or proof of payment must be available to an inspector."<sup>29</sup> Individual or bulk orders for subscriptions, receipts, stubs of receipts, or over-the-counter sales records are acceptable as proof of subscriptions.<sup>30</sup>

QUESTION. In organizations, including church organizations, how is the publisher identified and are subdivisions of the organization considered to be a part of the publisher's organization?

ANSWER. The publisher is the organization or person so designated in the masthead of the publication. Any subordinate organization or sister organization operated under the same articles of incorporation and/or board of directors is considered to belong to the publisher. If there is any interposing board of directors or any separate corporation involved, it must be considered separate and distinct from the publisher. Advertising from any of these sources cannot be allowed as "the publisher's own advertising" and could not appear in a publication that did not have actual subscribers. Such a publication could use advertisements from these sources only if it had actual subscribers.<sup>31</sup>

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<sup>29</sup>Morris E. Bohannon, Customer Services Specialist, U.S. Postal Service, Central Region, Chicago, Illinois. Interview, March 1974.

<sup>30</sup>U.S. Postal Service, sec. 125.662.

<sup>31</sup>Bohannon, interview, March 1974.

QUESTION. What types of material are considered to be advertising?

ANSWER. Religious publications that use the second-class mails and do not have actual subscribers must be certain what is and is not considered to be advertising or they could be charged the transient rate for all copies mailed dating back as far as the statute of limitations allows, according to Bohannon.<sup>32</sup> Display advertising and classified ads are obviously advertising and need not be so labeled unless they could be easily confused with editorial copy.<sup>33</sup> Editorial or other reading matter contained in publications entered as second-class mail, and for the publication of which a valuable consideration has been paid, accepted, or promised, is considered to be advertising and shall be marked plainly "advertisement" by the publisher.<sup>34</sup> Anything that advertises the newspaper or periodical or its services or any other business of the publisher, either in display form or in editorials or reading matter is advertising and will be charged the advertising mailing rate.<sup>35</sup> Although this regulation appears to have been made with profit-making publications in mind, no exceptions are included. This regulation is not being uniformly applied to the member-oriented publications which exist for the purpose of informing their members concerning the organizations' objectives and functions. This ambiguity needs clarification.

QUESTION. How do the regulations provide for subsidized publications such as are often found among church publications?

ANSWER. The regulations do not address themselves directly to

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<sup>32</sup>Ibid.

<sup>33</sup>U.S. Postal Service, sec. 125.52.

<sup>34</sup>Ibid., sec. 132.71.

<sup>35</sup>Ibid., sec. 125.52.

this situation. If any valuable consideration is given by any other corporate body no matter how closely related it is to the publisher, it must strictly be considered an advertiser, according to present terminology of the regulations and interpretations from the Central Region Office, and any editorial copy printed in consideration of the subsidy received must be labeled "advertising" and must be counted as part of the advertising space of the publication when figuring the second-class postage for that particular issue. If it is not so marked and reported, the publisher is liable for a fine of not more than \$500.<sup>36</sup> Advertising generally should not exceed 75 percent of the space in a publication.<sup>37</sup> The publisher must mark a copy of each edition of each issue indicating all advertising space and the percentage of the total space of the publication it occupies. It must be filed promptly with the postmaster of the entry office.<sup>38</sup>

### Suggested Changes and Clarifications

#### Subscriber-Members

From regulations printed in the Postal Service Manual it is established that:

1. Church members may receive subscriptions to their church publication as a benefit of membership.<sup>39</sup>
2. Money contributed by members to the church may be used to pay their subscription fees.<sup>40</sup>

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<sup>36</sup>Ibid., sec. 132.7.

<sup>37</sup>Ibid., sec. 132.226.

<sup>38</sup>Ibid., secs. 125.512 and 125.54.

<sup>39</sup>Ibid., sec. 132.232c.

<sup>40</sup>Ibid.

3. Half of the subscription fees may come from other sources [presumably subsidies].<sup>41</sup>

4. "Individual subscriptions or receipts are not required" for members who pay dues and assessments from which subscription fees are assigned.<sup>42</sup>

5. Actual subscriptions paid to the publisher may be accepted from anyone.<sup>43</sup>

6. Subscriptions may not generally be sent to members or nonmembers who have not paid or promised to pay for their subscriptions either directly to the publisher or through the church as part of their contributions. For exceptions, see Nos. 8-10.<sup>44</sup>

7. Exchanges between editors or publishers may be made without charging subscription fees.<sup>45</sup>

8. Sample copies may be mailed but must not exceed 10 percent of the circulation.<sup>46</sup>

9. Gift subscriptions paid for by members or other individuals may make up only a minor portion of the subscription list. They may be designated for anyone.<sup>47</sup>

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<sup>41</sup>Ibid.

<sup>42</sup>Ibid., sec. 132.232d.

<sup>43</sup>Ibid., sec. 132.232c.

<sup>44</sup>Ibid., secs. 132.225 and 132.232c.

<sup>45</sup>Ibid., secs. 132.232c. and 132.464.

<sup>46</sup>Ibid., secs. 132.232c. and 132.461.

<sup>47</sup>Ibid., sec. 132.463.



10. Gift or complimentary subscriptions may not be given by the publisher.<sup>48</sup>

11. Church publications containing no general advertising are "excused from [the requirement of] having a paid list."<sup>49</sup>

12. Bulk orders as well as individual orders are allowed.<sup>50</sup>

Variations have arisen in interpreting the provisions of the regulations and there is desperate need for clarification, simplification, and unification. Latitude is needed to allow for denominational differences in church organizations without disrupting the basic intent of the regulations. Ambiguous regulations and regulations that are not enforced only lead users to view the whole issue lightly, often ignoring other parts of the regulations as well.

Classification consultants in both Chicago and Washington, D.C., insisted that publications carrying general advertising must show a visible, tangible "audit trail" connecting subscriber and publisher. This trail may be by receipt, by pledge card promising to pay through the church, or by dues or assessment records. Classification consultants in Washington, D.C. stated that it may also be accomplished by having a local church body adopt an annual resolution subscribing for the church publication for each member of the congregation. This more liberal interpretation, however, does not alter the regulations. A local postmaster could still enforce the law as it reads in the Manual. Some type of revision should be made to provide for a congregation-plan subscription, details of which can be spelled out in bulletins. Many

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<sup>48</sup>Ibid.

<sup>49</sup>Ibid., sec. 132.212.

<sup>50</sup>Ibid., sec. 125.662.

publishers have made no effort to establish audit trails, partially because there is no provision for them in the regulations and because they do not receive Postal Service bulletins. Publications that do not have such audit trails are ineligible for second-class mail privileges. Violators may not only lose their second-class permits, but they may also be liable for heavy assessments of back postage figured at the transient rate.

One problem is that not all local postmasters are well acquainted with these interpretations, and few publishers are aware of them either. Guidelines have been printed, but they have not been widely publicized and are not being followed by many publishers.

Dennis Shoemaker, executive secretary of the Associated Church Press, told in a letter of his visit with postal officials in the Mail Classification Section at the U.S. Postal Service in Washington, D.C. He said they suggested a variety of ways subscriber-members in a church could be identified. Examples he said they gave include:

1. Church A includes on the pledge card given to every family a note to the effect that "\$2.50 of your pledge will be used to pay for the Witness, the official organ of the United Church of Christ."

2. Church B spreads a minute resolution in its records at each annual meeting: "The First Methodist Church votes in favor of the Every Home Plan of Today Magazine, and records \$2500 for the year, 1975, to pay for the subscription service."

3. Church C follows one of the above plans, and in addition sends 30 copies of its denominational magazine to nonmembers as gift subscriptions--this number being regarded as a minor portion of the total subscriptions.

4. Church D identifies certain subscriptions as "samples," clearly labeling each as such. . . .

5. Church E asks each subscriber to sign a prepared statement, authorizing the subscription, and indicating agreement to pay requested amount.

6. Church F provides a separate offering envelope for payment of subscription amount.<sup>51</sup>

Publications issued by church organizations, intended to be supplied to all of their members, are eligible for second-class mail privileges only when financial records are maintained. If the practices referred to by the Postal Service as illegal, are resulting in gross irregularities in the subscription lists and many ineligible persons are receiving the publications, stricter enforcement of the regulations would be understandable. However, if the regulations of the Postal Service cause little or no change in subscription lists but rather entail only busywork and repetitious, expensive recordkeeping for the publishers, the requirements would be indefensible, irresponsible, and would have an adverse effect on the nation at a time of economic crisis.

For publications intended for all church members, paid for from the members' contributions, proper identification of actual members can be accomplished much more efficiently and with less expense than by the method currently required by the regulations. In situations where the Postal Service has audited a publisher requiring a change in procedures, they admit that arrangements such as the congregation plan, or resolution plan is a substitute for the actual regulations on the books.

It is time for the Postal Service to take a new look at the regulations in an effort to bring them into harmony with what is being allowed in some places. Rather than adding more and more interpretations in the form of bulletins, this would be a good time to rewrite and modernize the entire Postal Service Manual, which for years has suffered from patches and repairs.

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<sup>51</sup>Dennis E. Shoemaker to Gordon Engen, 19 February 1975, personal letter.

Because of a wide difference between lodge dues and church offerings, a more simplified way of accounting for pledging and paying members of a church is needed. Bulk orders are allowed in Section 125.662 of the Postal Service Manual but are not explained anywhere in Section 132, which deals with second-class mail. It would seem appropriate, then, to suggest that individual churches could order bulk subscriptions for member households within the congregations, promising to pay through normal church channels for the cost of the subscriptions. The publisher would then be paid for subscriptions from these funds on the basis of the actual subscriptions sent to the members as a result of the audit by the churches. Enabling resolutions for each church could be on file in the office of the publisher and participating churches could update their lists of members perpetually with an annual printout to be verified and returned to the office of the publisher. This would satisfy the regulation prohibiting open-ended subscriptions. It would provide a specific audit trail for each subscription directly to a source for the actual payment of the subscription making the individual pledge or contribution forms unnecessary. An enabling church resolution could be similar to the following:

#### ENABLING RESOLUTION

The \_\_\_\_\_ (name) \_\_\_\_\_ Church located at \_\_\_\_\_  
 hereby authorizes the payment of a subscription price for the  
 \_\_\_\_\_ (Name of Publication) \_\_\_\_\_ for each family household in this  
 church to be paid from the contributions of the members of the  
 church through normal church channels to the publisher. We  
 further authorize \_\_\_\_\_ subscriptions to be paid from our  
 contributions to be used as gift subscriptions. The church  
 promises to furnish an annually updated list of member-subscribers  
 to the publisher with periodic revisions submitted during the year.

Authorized signature \_\_\_\_\_  
 Position \_\_\_\_\_  
 Date \_\_\_\_\_

As individuals move, become inactive, or drop their membership in various churches, the notification of these changes would be reflected in the publication's subscription list. Post office notices would alert the publisher similarly. From these two sources the publishers would be able to maintain a perpetually accurate list. A copy of the signed resolution would be kept with the verified membership list to serve as an audit trail for Postal Service inspectors.

Once the subscription audit trail is established, funds equal to the number of subscriptions from the churches must be transmitted to the publisher in order to complete the subscription transaction. The amount paid for each subscription must be no less than 50 percent of the actual subscription price. The remainder of the cost of publishing could be made up of church subsidies.

#### Subsidies and Advertising

Church publications are nonprofit publications printed by nonprofit church organizations. Church organizations differ widely in organizational structure; yet, a thread of similarity runs throughout them all. A parent church body has a direct affiliation with the various divisions on down to the local congregation. Others are organized from the local congregation on up to the highest level of the church organization. In both forms of organization, the ties between different levels are very close. It would be logical to establish a line of command for publishers that are official church organizations. The publisher should include all organizations that make up the entities within its area of jurisdictional control including the various conferences, churches, and institutions for which it is responsible. Subsidies from these entities should be considered part of the legitimate scope of the publisher. Funds to

provide space for the publication office, equipment, materials, and salaries for the staff could be properly subsidized by the parent church body or one of its divisions.

Advertising in a nonprofit publication is one of the few remaining means of offsetting the rapidly rising postal rates and other effects of inflation. It should be recognized that advertising is not carried for the purpose of making money, but rather to lessen the need for ever-increasing subsidies. Subsidies for nonprofit church publications should not be confused with the advertising issue.

Announcements of various types which appear in the publication often directly pertain to church programs and functions that serve to further the aims and objectives of the church organization. When no advertising charge is made and no valuable consideration is given or promised, it should not be considered to be advertising even though it deals with the business of the publisher--the work of the church. Under the present language, any editorial or reading matter that deals with any service or activity of the church (the publisher) must be marked "advertisement" and be included in the overall advertising portion of the publication, increasing the postage rates. Section 132.7 of the Postal Regulations should be modified to allow for the various types of nonprofit publications.

#### Gift Subscriptions

Funds authorized by churches to be used as gift subscriptions should not be viewed as subscriptions paid for by the publisher. The publisher should receive from authorized gift subscription funds the actual amount of the subscription price, such subscriptions comprising only a minor portion of the mailing list.

### Sample Copies

Sample copies are to be so marked, according to Section 132.461; yet, Section 125.662b seems to allow unclassified copies to be declared samples without being marked. Mr. Bohannon verbally acknowledged that all sample copies did not have to be so marked. No guidelines are indicated as to the frequency that sample copies may be mailed except for the limit on the total weight allowed annually. Again, it would seem that the sample copy provision is tailored for the publication, profit or nonprofit, that is attempting to gain new subscribers and has little relevance for the member-subscriber category. A limited use of sample copies by this type of church publication for various types of prospective members or former members would seem in keeping with the more commercial reasons for it.

## VI. SURVEY ANALYSIS

Mailers holding second-class nonprofit permits face a series of serious problems in the next few years regardless of whether or not they are aware of them. In order to discover the degree of awareness on the part of editors and publishers of religious periodicals concerning present and future rate increases, a survey was sent to seventy-eight publications selected from approximately 2,700 religious periodicals listed in Ullrich's International Periodical Directory.<sup>1</sup> Interest in this subject was evident by the fact that fifty-four responses were received, a 70 percent return.

The survey was not intended to be the central core of the study of second-class nonprofit mail, but rather to supplement it in order to discover how well editors and publishers understand laws that affect their very existence, and to reveal patterns and practices that may violate postal regulations.

The sample surveyed was of sufficient size to obtain a cross section of large and small publications. Twenty denominational and fourteen nondenominational groups responded. Comparisons by denomination were limited because there were numerous church categories with only one or two respondents. Where larger groupings or categories existed, such as nondenominational publications or high-level church publications designed to be circulated to every church member, patterns of operation

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<sup>1</sup>Ullrich's International Periodicals Directory (New York: R. R. Bowker Company, 1973), pp. 1,778-1,857.

as well as patterns of awareness of the postal rate problem became apparent.

### An Overview of Publications Sampled<sup>2</sup>

Over half (thirty) of the respondents represented high levels of church administration. The remaining twenty-four could be classified as independent publishers. Second-class mail was used by fifty-one of the fifty-four publications surveyed. Three papers were sent by nonprofit bulk mail.

Weekly and monthly publications were dominant. Of the six editors who listed their publications as being free, three used second-class mail, and three bulk mail. However, table 1 shows that from responses to other questions, 47.1 percent of all publications surveyed gave a substantial number of free subscriptions, a practice forbidden by postal regulations when general advertising is carried.<sup>3</sup> Twenty-one publications charged between \$3.01 and \$6.00 per subscription. Circulation fell into nearly equal parts: twenty-six with 50,000 or less, and twenty-eight exceeding 50,000. Forty-four (81.5 percent) were 8½ by 11 inches or less in size. The number of pages they contained fell into two main groups: 12 to 32 pages and 32 to 64 pages. A second color was generally used. Of the publications surveyed, 18.5 percent printed in one color of ink only; thirteen used two colors; and four said they varied from one to two colors in different issues for a total of 31.5 percent using two-color printing. Eight publications used color process throughout their magazines, twelve varied from one to four colors of ink depending on

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<sup>2</sup>See Appendix B for a frequency count of all responses to the Questionnaire.

<sup>3</sup>U.S. Postal Service, sec 132.232.

the issue, and seven used color covers for a total of 50 percent using color process.

Advertising was either barred completely or was limited to the publishers' own advertising in eighteen publications. It is not certain whether respondents were aware of the narrow interpretation the Postal Service has placed on the definition of the term publisher; therefore, some may have given invalid responses to that question.

The computer age dominated the mailing lists to a large degree. Eighty percent of the respondents maintained their mailing lists either on computers or with mailing services where computers were used.

#### Irregular Procedures

The Postal Service Manual forbids free-circulation publications to use second-class mail except for a specific group of nonprofit organizations that are excused from the prohibition provided they do not carry general advertising. They are allowed to carry only the publisher's own advertising. If that exceeds 10 percent of the space in the publication, a higher postal rate by zone is charged.

By selecting respondents from tables 1 and 2, it was determined which of the publications carried general advertising and which had no actual subscribers that met the Postal Service's definition of persons who had voluntarily subscribed. Table 3 shows the comparison of those two variables. Eighteen (35.3 percent) of the fifty-one second-class publications surfaced as being improperly mailed under second-class regulations.

There was uncertainty by some respondents over whether or not their publications ever made a charge for printing a contributor's copy. From comments given, it appeared that some respondents who read Question

TABLE 1

PUBLICATIONS WITH SECOND-CLASS PERMITS  
THAT DO NOT HAVE ACTUAL SUBSCRIBERS

(The same publication may appear in several of the responses.)

Responses by question number on the questionnaire	Number	Percent
10. Free distribution . . . . .	5	9.9
19. No specific amount designated . . . . .	2	3.9
19. Paid from general offerings . . . . .	9	17.6
19. Paid by a third party as a gift . . . . .	7	13.7
20. Signs once, gets publication for life . . . . .	2	3.9
20. Receives it as a member without signing . . . . .	12	23.5
20. Signs no pledge card, receives publication . . . . .	8	15.7
Total publications without actual subscribers . . . . .	24	47.2
Total publications with actual subscribers . . . . .	27	52.9

TABLE 2

PUBLICATIONS CONTAINING GENERAL ADVERTISING

(The same publication may appear in several responses.)

Responses by question number on the questionnaire	Number	Percent
15. Contains general advertising . . . . .	26	51.0
15. Contains restricted advertising . . . . .	10	19.0
16. Contains some paid editorial content . . . . .	4	7.8
17. Contains some paid announcements . . . . .	15	29.4
Total number containing general advertising . . . . .	35	70.6
Total number without general advertising . . . . .	15	29.4

16 hastily understood it to ask whether or not the publisher paid authors for copy they used. The reason this question was included was to determine whether or not any editorial copy was accepted from any paying source such as a church institution or conference that paid the publisher any valuable consideration, such as a subsidy, in return for having its material printed in the publication. Some publications follow the practice of allocating space to different divisions of the church on the basis of membership and subsidies. According to the regulations, such copy must

TABLE 3

COMPARISONS BETWEEN PUBLICATIONS CONTAINING GENERAL ADVERTISING  
AND THOSE WITH ACTUAL SUBSCRIBERS  
REVEALING IRREGULARITIES

51 Publications Using Second Class	With General Advertising		Without General Advertising		Row Total	Row Percent
	Number	Row Percent Column Percent Total Percent	Number	Row Percent Column Percent Total Percent		
Without Actual Subscribers	18	75.0 50.0 35.3	6	25.0 40.0 11.8	24	47.1
With Actual Subscribers	18	66.7 50.0 35.3	9	33.3 60.0 17.6	27	52.9
Col. Total And Percent	36	70.6	15	29.4	51	100.0

be marked "Advertising," and must be counted as paid editorial content when determining postage rates.<sup>4</sup>

Responses listed in table 2 were used to determine which publications accepted general advertising. If an editor accepted money for placing announcements in his paper, his publication was included in the category of those accepting general advertising. Any item, regardless of its form, must be counted as advertising if any valuable consideration has been given for it.<sup>5</sup> Even free announcements that look like ads may be classified by postmasters as advertising.<sup>6</sup> Restricting advertising to religious ads does not necessarily satisfy the regulation. If it comes from any other division of church administration, it must be considered advertising.

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<sup>4</sup>Ibid., sec. 132.7.

<sup>5</sup>Ibid., sec. 132.7 and 125.52.

<sup>6</sup>Ibid., 125.52.

Some editors were not aware of the narrow interpretation made by the Postal Service concerning actual subscribers. A few editors equated membership in a church with being a subscriber, not realizing that the regulations require specific subscriber-publisher contracts to be on file for postmasters to see. Membership records alone that have no annual assignments of specific amounts for subscriptions are insufficient to meet present postal regulations. Table 4 shows that religious publications are financed by various sources of church money, often from general church subsidies. The survey revealed that even though church money came from contributions by members, many publications had no direct subscriber-publisher audit trail that would identify actual subscribers. Records were neither made nor kept.

Table 5 shows interesting relationships that appeared when publications in violation of the regulations were compared within various categories.

Publications directly supervised by a high level of church

TABLE 4

SUBSIDIZED PUBLICATIONS RECEIVING SUPPORT  
FROM THE PARENT CHURCH ORGANIZATION

(The same publication may appear in several responses.)

Responses by question number on the questionnaire	Number	Percent
18. Receive direct subsidies from the parent church .	20	37.0
18. Receive subsidies from other church branches . . .	6	11.1
18. Salaries paid by the church organization . . . . .	13	24.1
18. Freewill offerings . . . . .	12	22.2
18. Business enterprises of the church . . . . .	3	5.6
18. Other (endowments, clubs, etc.) . . . . .	8	14.8
19. General church offerings . . . . .	9	16.7
19. Gift subscriptions . . . . .	7	13.0
Total receiving some type of subsidy from church funds	46	85.2
Total receiving no subsidies . . . . .	8	14.8

TABLE 5

COMPARISONS BETWEEN CATEGORIES OF PUBLICATIONS  
AND IRREGULAR MAILING PROCEDURES

51 Publications Using Second Class	With Mailing Irregularities		Mailed Properly		Row Total	Row Percent
	Number	Row Percent Column Percent Total Percent	Number	Row Percent Column Percent Total Percent		
PUBLISHER:						
High Level of Church Admin.	15	51.7 83.3 29.4	14	48.3 42.4 56.9	29	56.9
Independent Publisher	3	13.6 16.7 5.9	19	86.4 57.6 37.3	22	43.1
CIRCULATION:						
Low, Under 50,000	8	32.0 44.4 15.7	17	68.0 51.5 33.3	25	49.0
High, Over 50,000	10	38.5 55.6 19.6	16	61.5 48.5 31.4	26	51.0
ADVERTISING:						
Contains General Advertising	18	50.0 100.0 35.3	18	50.0 54.5 35.3	36	70.6
Contains No General Advertising	0	0.0 0.0 0.0	15	100.0 45.5 29.4	15	29.4
SUBSIDIES:						
Receives Church Support	17	38.7 94.4 33.3	27	61.4 81.1 11.8	44	86.3
Receives No Church Support	1	14.3 5.6 2.0	6	85.7 18.2 11.8	7	13.7
Col. Total/Percent	18		33		51	100.0

administration were almost equally divided between those abiding by and those violating postal regulations--fifteen (51.7 percent) were in violation and fourteen (48.3 percent) were not. Independent publishers had a better track record--three (13.6 percent) were in violation, nineteen (86.4 percent) were not. Of the violators, 83.3 percent were published by churches and 16.7 percent were independent.

Size of circulation seemed to have only a slight bearing on whether or not the publication was likely to be in violation. For this analysis, low circulation was considered to be under 50,000 and high circulation above 50,000. Eight of the twenty-five low-circulation publications (32.2 percent) were violators while ten of the twenty-six high-circulation journals (51 percent) were violators. Comparing violators with circulations, eight of the eighteen violators were low in circulation (44.4 percent), while ten (55.6 percent) were high.

Of the thirty-six publications containing general advertising, 50 percent were violators of the regulations.

#### Editors and Publishers View the Postal Increases

General concern was expressed over the effects of the postal rate hikes as compared with other rising costs as seen in tables 6 to 8. Six editors (11.1 percent) felt postal rates were less serious, twenty-three (42.6 percent) viewed them with equal concern, and twenty-five (46.3 percent) saw postal rate increases as more serious than other price rises. These attitudes, when compared with the concept of how the postal rate increases had actually affected them to date, showed that editors who were aware of the effects of postage increases on their own publications took a more serious view of the overall impact of the postal problem on the total cost picture. None of those using bulk mail felt that the

TABLE 6

## ATTITUDES BY CATEGORIES TOWARD RATE INCREASES (A)

	Total Count	Second Class	Bulk Mail	High Church Level (Includes Bulk)	Indepen- dent (Includes Bulk)	Nondenom- inational	Baptist	Catholic	Seventh- day Adventist
Total Responses in each category	54	51	3	30	24	11	6	4	8
Weekly	11	11	0	6	5	1	4	3	2
FREQUENCY OF Bi-weekly									
PUBLICATION: Monthly	3	3	0	2	1	1	0	0	1
Bi-monthly	27	26	1	16	11	6	1	1	3
Quarterly	6	6	0	3	3	3	1	0	2
19 a year	5	4	1	2	3	0	0	0	0
Less than quarterly	1	1	0	1	0	0	0	0	0
None	9	6	3	3	6	3	1	0	0
ADVERTISING Publisher's own									
CARRIED: General	9	9	0	4	5	4	0	0	2
Restricted	26	26	0	16	10	3	4	4	2
VIEW OF Less than other									
SERIOUSNESS Same as other	6	5	1	3	2	0	0	1	1
OF INCREASE: More than other	23	21	2	18	6	3	2	0	2
No answer	25	25	0	9	16	8	4	3	5
EFFECTS OF Slightly									
RATE HIKES Moderately	1	1	0	1	0	0	0	0	0
TO DATE: Seriously	2	2	0	0	2	2	0	0	0
May cause cutbacks	2	2	0	0	2	0	0	0	0
No answer	2	2	0	2	0	0	0	0	0
WHAT TO DO Moratorium									
ABOUT FUTURE With inflation	9	9	0	5	4	1	1	2	1
INCREASES: According to type	38	35	3	21	17	9	5	1	7
Congress regulate	3	3	0	0	3	1	0	1	0
ARE RATES No answer									
GREATEST Yes	3	3	0	1	2	1	1	0	0
CONCERN: No	30	30	0	15	15	8	3	3	6
	21	18	3	14	7	2	2	1	2

TABLE 7  
ATTITUDES BY CATEGORIES TOWARD RATE INCREASES (B)

	Total Responses in Each Category								Actual Subs. 27
	Weekly 11	Monthly 26	Ctr. Under 50,000 25	Ctr. Over 50,000 26	Without Actual Subs. 24				
FREQUENCY OF PUBLICATION:	Weekly	• • • •	• • • •	7 28.0	4 15.4	6 25.0	5 18.5		
	Bi-weekly	• • • •	• • • •	1 4.0	2 7.7	2 8.3	1 3.7		
	Monthly	• • • •	• • • •	13 52.0	13 50.0	10 41.6	16 59.3		
	Bi-monthly	• • • •	• • • •	1 4.0	5 19.3	4 16.7	2 7.4		
	Quarterly	• • • •	• • • •	3 12.0	1 3.8	1 4.2	3 11.1		
ADVERTISING CARRIED:	19 a year	• • • •	• • • •	• • • •	1 3.8	1 4.2	• • • •		
	None	• • • •	4 15.4	5 20.0	1 3.8	3 12.5	3 11.1		
	Publisher's own	• • • •	7 26.9	2 8.0	7 26.9	3 12.5	6 22.2		
	General	8 72.7	11 42.3	13 52.0	13 50.0	11 45.8	15 55.6		
	Restricted	3 27.3	4 15.4	5 20.0	5 19.3	7 29.2	3 11.1		
VIEW OF SERIOUSNESS OF INCREASE:	Less than other	1 9.1	3 11.5	4 16.0	1 3.8	4 16.7	1 3.7		
	Same as other	4 36.4	12 46.2	12 48.0	9 34.6	13 54.2	8 29.6		
	More than other	6 54.5	11 42.3	9 36.0	16 61.6	7 29.2	18 66.7		
	No answer	• • • •	• • • •	• • • •	1 3.8	1 4.2	• • • •		
	None	• • • •	• • • •	1 4.0	• • • •	1 4.2	• • • •		
EFFECT OF RATE HIKES TO DATE:	Slightly	2 18.2	4 15.4	6 24.0	3 11.6	5 20.8	4 14.8		
	Moderately	4 36.4	16 61.5	12 48.0	13 50.0	11 45.8	14 51.9		
	Seriously	6 54.5	4 15.4	5 20.0	8 30.8	6 25.0	7 25.9		
	May cause cutbacks	• • • •	2 7.7	1 4.0	1 3.8	• • • •	2 7.4		
	No answer	• • • •	• • • •	• • • •	2 7.7	1 4.2	1 3.7		
WHAT TO DO ABOUT FUTURE INCREASES:	Moratorium	2 18.2	4 15.4	4 16.0	5 19.2	4 16.7	5 18.5		
	With inflation	8 72.7	18 69.2	20 80.0	15 57.7	18 75.0	17 63.0		
	According to type of pub.	1 9.1	3 11.5	• • • •	3 11.6	• • • •	3 11.1		
	Congress regulate	• • • •	1 3.9	1 4.0	1 3.8	1 4.2	1 3.7		
	No answer	• • • •	2 7.7	• • • •	3 11.6	1 4.2	2 7.4		
ARE RATES GREATEST CONCERN:	No answer	• • • •	• • • •	• • • •	3 11.6	1 4.2	2 7.4		
	Yes	9 81.8	14 53.8	12 48.0	18 69.2	14 58.3	16 59.3		
	No	2 18.2	10 38.5	13 52.0	5 19.2	9 37.5	9 33.3		

TABLE 8

## ATTITUDES BY CATEGORIES TOWARD RATE INCREASES (C)

Total Responses in Each Category		With General Adv.		Without General Adv.		Violating Regulations		Properly Mailed		With Subsidy		Without Subsidy	
		36		15		18		33		46		8	
FREQUENCY OF PUBLICATION:		Weekly											
		Bi-weekly											
		Monthly											
		Bi-monthly											
		Quarterly											
		19 a year											
ADVERTISING CARRIED:		None											
		Publisher's own											
		General											
		Restricted											
VIEW OF SERIOUSNESS OF INCREASE:		Less than other											
		Same as other											
		More than other											
EFFECT OF RATE HIKES TO DATE:		No answer											
		None											
		Slightly											
		Moderately											
		Seriously											
		May cause cutbacks											
WHAT TO DO ABOUT FUTURE INCREASES:		No answer											
		Moratorium											
		With inflation											
		According to type of pub.											
		Congress should regulate											
ARE RATES GREATEST CONCERN:		No answer											
		Yes											
		No											

rate increases were among their greatest concerns, whereas 58.8 percent of the second-class mailers felt that they were. There was a definite correlation between concern over the increases and perception by editors of how the rates had affected their publications to date.

Similar patterns emerged from responses to question 30 which asked if postal increases were among their greatest concerns. Thirty (55.6 percent) said yes, twenty-one (38.9 percent) said no, and three (5.5 percent) did not respond. Categories with significant deviations from the norm, shown in table 9, indicate that publications with higher than average concern were weekly, high circulation, independent, non-denominational, and general advertising publications. Those with less than average concern were low circulation, high church level, and non-advertising publications.

There was consensus in attitudes toward the future of rate hikes as seen in tables 6 to 8. Most editors and publishers did not begrudge rate increases for the Postal Service as long as they kept in line with general inflation. Thirty-eight (70.4 percent) would allow that.

TABLE 9  
CHARACTERISTICS OF PUBLICATIONS CONCERNED  
OVER POSTAL RATE INCREASES

	Yes	No
QUESTION: Are Postal Increases Your Greatest Concern?	55.6	38.9
Weekly Publications . . . . .	81.8	18.2
High-circulation Publications . . . . .	69.2	19.2
Low-circulation Publications . . . . .	48.0	52.0
High-level Church Publication . . . . .	50.0	46.6
Independent Publication . . . . .	62.5	29.2
Nondenominational Publications . . . . .	72.7	18.1
Publications Containing General Advertising . . . . .	61.1	30.6
Publications Without General Advertising . . . . .	53.3	46.7

Editors who felt the greatest impact from the increases were also among those who felt that there should be a moratorium on all increases. Nine respondents (16.7 percent) favored a moratorium, three (5.6 percent) would set up a differing standard for increases based on size, and two (3.7 percent) would put the whole question back in the lap of the Congress. Of the fifty-four respondents, none felt that each mail classification should be required to pay its own way!

All respondents said they had taken measures to deal with general cost increases, and 40.7 percent said they had taken specific steps to counteract the postage increases. Additional belt tightening actions were anticipated by 87 percent of those responding.

In table 10 a frequency count of steps that have been taken and actions that are anticipated reveals what subscribers and advertisers can expect to see in future publications.

TABLE 10

## STEPS TAKEN AND ANTICIPATED TO MEET INCREASES IN POSTAGE

Steps	Steps Taken		Steps Anticipated	
		Percent		Percent
Increase subscription price . . . . .	29	53.7	24	44.9
Increase advertising rates . . . . .	19	35.2	16	29.6
Change to a cheaper paper . . . . .	17	31.5	5	9.8
Reduce the size of the publication	14	20.4	10	18.5
Reduce the frequency of publication	11	20.4	6	11.1
Increase church subsidies . . . . .	9	16.7	6	11.1
Invest in equipment to do more . .	8	14.8	9	16.7
Reduce color . . . . .	4	7.4	9	16.7
Change to a less expensive printer	3	5.6	7	13.0
Supervise the list more closely . .	1	1.9		
Seek an alternate method of delivery			2	3.7

Awareness of the Problem Caused by Increases in Second-Class Rates

How do various types of publishers and publications compare with one another on how they view the postal rate crisis? In tables 6 to 8 the following categories are compared:

1. Free-circulation publications
2. Subscriber-supported magazines
3. Publications that carry advertising
4. Publications that carry no advertising
5. Publishers who rely on church subsidies
6. Violators of second-class regulations
7. Nonviolators of the regulations
8. Journals issued from high church offices
9. Independent publishers

Publishers with the greatest degree of awareness of the seriousness of the postal rate crisis appear to be those who utilize general advertising (55.6 percent as opposed to 33.3 percent of those without advertising); those operating in harmony with the postal regulations (54.5 percent of the nonviolators as compared with 38.9 percent of the violators); publishers whose subscription lists are made up of actual subscribers (66.7 percent contrasted with 29.2 percent of publications not having actual subscribers); those whose circulations are in the higher brackets (61.6 percent as opposed to 36 percent of those with lower circulation), those operating without subsidies (62.5 percent compared with 43.5 percent of those with subsidies), and independent publishers (66.7 percent) and nondenominational publishers (72.7 percent compared with 30 percent of those published by a high level of church administration).

Views of editors concerning what should be done about future

postage increases did not vary greatly from group to group. Respondents who felt that a moratorium on all postal increases was in order ranged from 25 percent for the nonsubsidized publications to 9.1 percent of nondenominational respondents. All other categories fell between those percentages. Those who felt that second-class rates should keep pace with inflation ranged from 57.5 percent for the editors of high-circulation publications to 81.8 percent for the nondenominational respondents, the average percentage being 70.3 percent.

Three denominational groups included in table 6 contained sufficient responses to make comparisons meaningful--Seventh-day Adventists with eight, Baptists with six, and Roman Catholics with four. Baptists indicated that they had been affected more seriously by rate increases than the others: Baptists 66.6 percent, Catholics 25 percent, Adventists 12.5 percent. All three denominations were unanimous in considering postal increases more serious than other increasing costs: Catholics 75 percent, Baptists 66.7 percent, Adventists 62.5 percent. The Catholic and the Adventist presses felt a greater concern over the rate increases each reporting 75 percent while 50 percent of the Baptists expressed great concern.

Of the three bulk-mailed publications, none expressed great concern over postal increases. They said they had not been affected or had been affected only slightly by increases to date. All said they felt that increases should be allowed only in proportion to inflation.

## VII. SUMMARY AND CONCLUSIONS

### Postal Regulations

Recommendations made in Chapter V concerning postal regulations would ease the anxiety being felt by editors and publishers due to the ambiguities in the regulations. Audits of nonprofit publishers by Postal Service investigators has generated concern on the part of many publishers. The double-barreled blasts of rate increases and regulation requirements will hit nonprofit publications where they can least afford it--their pocketbooks.

Postal Service officials should recognize that they have tried to put new wine in old bottles by attempting to make regulations designed for one type of organization fit all others. Once they recognize this problem, it should be easy to establish guidelines for church organizations to follow while at the same time maintaining the integrity of the principles behind the postal regulations. Utilizing the church organizational structure already in existence, membership records should be sufficient to establish a list of bona fide member-subscribers without requiring expensive duplication of records and efforts. Church records normally indicate contributing members. With workable guidelines in effect, inactive or nonsupporting members can be dropped from the subscription lists either annually or on a perpetual basis.

A church organization, including its various divisions, should be recognized as synonymous with the publisher. Promotion of all

activities of the church should be considered a legitimate activity of the publisher rather than as advertising.

Subsidies from various church funds should not be construed as pay for editorial content of the publication. Provision should be made for publications subsidized up to 50 percent while at least 50 percent of the subscription price is paid by the subscriber through church contributions.

An enabling resolution by a local church should be granted latitude so as to satisfy the requirement that each individual member must sign a card, promising to pay for his subscription. This principle should also apply to other publications within the church, such as magazines for ministers, for church lay leaders, and others. The same regulations can cover interdenominational publications not published by specific church organizations but whose functions are identical to those of approved denominational organizations.

#### Rate Increases

The key word emerging from the furor over the rate increases is "service." From the multiplicity of rhetoric on both sides of the issue it appears that the new U.S. Postal Service has tried much harder than the Congress to make a business out of what once was considered to be a service. On the other hand, some of the competing business enterprises have become far more efficient at both the business and service aspects of mail handling.

Blind acceptance of figures representing costs of handling certain classifications of mail should be questioned closely and analyzed thoroughly before being accepted as fact.

The concept of the Postal Service as a subsidized governmental

function must not be discarded before all of the sociological implications are carefully considered. Once the corner is turned, it may be too late to resurrect or reconstruct channels of communication that have proven vital to the growth and development of the nation. The lack of a diversity of journals of thought and opinion available to the average citizen could be the forerunner of the demise of a free society. Other forms of government have capitalized on the print media as a means of indoctrinating the people of the world. And it wasn't on a pay-its-way basis. Can the free world afford to reduce the number of competing voices in the marketplace of ideas? Will others fill the gap? If so, who will they be?

Projected rate increases of 400 to 1,400 percent far outstrip even the wildest estimates of inflation. If there is any desire on the part of the government to hold down inflation, perhaps the best place to begin is with the Postal Service. There comes a point beyond which even the business mailers cannot pass on the cost of increases to customers, because other methods of communication become more economical. But when the nonprofit publisher is forced to give up his only means of communication, he has no other place to turn.

Editors and publishers themselves need to become educated as to what is taking place in the delivery process. Too many of them have been so deeply involved at their editorial desks that they have not kept pace with events that may completely remove them from the scene. One editor responded to the question regarding his attitude toward the rate increases by saying that his greatest concern was to do a good job of editing and to meet the deadlines. Perhaps when the cost of mailing surpasses the cost of publishing he may have second thoughts.

The consensus of editors and publishers was that rate increases

should certainly keep pace with inflation. Some felt that rates could advance even more rapidly if there was a commensurate improvement in the quality of the service. A significant number said that even an inflationary increase was unjustified until the Postal Service proved that it really was a service by improving its efficiency.

The Congress needs to readdress itself to the original enabling legislation that created the Postal Service to see whether the self-supporting concept should apply across the board as it is being implemented. If not, new legislation is needed to give direction to the Service, bringing it back into line with the original intentions of the Postal Reform Act.

Most of all, those who occupy the editorial seats should practice their professional communication skills by informing their readers and their representatives in government of the issues and the consequences of the course of action thrust upon them.

## APPENDICES

## APPENDIX A

The letter on the following page served as the cover letter for the questionnaire appearing as Appendix B. Of the seventy-eight questionnaires mailed, fifty-four were returned completed. Another five or six were returned blank.

# the lake union HERALD

BOX C • BERRIEN SPRINGS, MI 49103  
PHONE (616) 473-4541

December 30, 1974

Greetings:

Would you take a few moments to complete a questionnaire of vital concern to the fields that you and I are in--editing and publishing?

Postal rate increases and postal laws and regulations are two areas of great concern to non-profit religious editors and publishers. There have been dire forecasts as to the effects of escalating mail rates for small specialty publications. In addition, postal regulations make it virtually impossible for some religious journals to operate within the regulations.

The enclosed questionnaire is being sent to only 75 editors and publishers of selected religious publications in an effort to determine how the current postal increases as well as the planned increases will affect religious publications in general. It is also desired to know what steps are being planned to meet the forthcoming increases in postal rates.

As an editor myself, I have become acquainted with many of these problems and have developed a concern for finding solutions. I have selected the topic of Second Class Mail Rates and Postal Regulations for my master's thesis at the School of Journalism at Michigan State University.

In selecting your publication from among the thousands of religious journals, I have tried to sample a cross section of denominations as well as large and small publications. Because of the great variety in types of religious journals, questions are included which are intended to cover the entire spectrum of publications. If certain questions are not relevant to your publication, either leave them blank or indicate that the questions do not apply to your situation.

If for some reason you cannot fill out the questionnaire, please pass it on to the proper person. If this is not possible, I must find a replacement for your name immediately. Therefore, I am anxiously awaiting your reply, hopefully by return mail. Thank you so much for your help.

Sincerely yours,

Gordon Engen, Editor  
LAKE UNION HERALD

P.S. Please enclose a sample copy of your publication with your questionnaire in the return envelope which is enclosed.

## APPENDIX B

On the questionnaire appearing on the following pages is included a statistical summary of the responses. Although the sample taken was small, the responses revealed a number of interesting patterns.

Numerous tabulations and crosstabulations were made possible through the use of the Michigan State University computing facilities supported, in part, by funds from the National Science Foundation.

## RELIGIOUS PUBLICATION QUESTIONNAIRE

Please return to:

Gordon Engen, Editor  
LAKE UNION HERALD  
Box C  
Berrien Springs, Michigan 49103

### ABOUT YOUR PUBLICATION:

(Mark boxes as indicated)

- 54 1. Name of publication \_\_\_\_\_
2. Denomination \_\_\_\_\_
3. Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_
4. Editor \_\_\_\_\_
5. Publisher \_\_\_\_\_
6. Which one of the following most nearly describes the publisher?
- 26 ☐ Highest level of the parent church organization.
- 4 ☐ Wide area division of the church organization.
- ☐ Small local area of the church organization.
- ☐ Local church area.
- 11 ☐ Religious publisher independent of any specific denominational organization.
- 12 ☐ Independent publisher for this church body: \_\_\_\_\_
- 1 ☐ Other Service organization
7. Mail classification under which the publication is mailed:
- ☐ First class      51 ☐ Second class, non profit      ☐ Second class, profit
- ☐ Transient rate      ☐ Bulk rate, profit      3 ☐ Bulk rate, non profit
- ☐ Not mailed; private distribution used. ☐ Other \_\_\_\_\_
8. If second class is used, do you mail more than 50 per cent of the copies printed? 51 ☐ Yes      ☐ No
9. Frequency of publication:
- ☐ Daily 11 ☐ Weekly 3 ☐ Bi-weekly 27 ☐ Monthly 6 ☐ Bi-monthly 5 ☐ Quarterly
- 1 ☐ Other 19 times a year      1 Semi-annually
10. Subscription price per year:
- 6 ☐ Free      1 ☐ \$1.00 or less      13 ☐ \$1.01 to \$3.00
- 21 ☐ \$3.01 to \$6.00      8 ☐ \$6.01 to \$10.00      5 ☐ Above \$10.00
11. Circulation: ☐ Under 1,000 11 ☐ 1,000 to 10,000      15 ☐ 10,001 to 50,000
- 14 ☐ 50,001 to 200,000      10 ☐ 200,001 to 1,000 000      4 ☐ Above 1,000,000
12. Page size: 44 ☐ Magazine (8½ x 11 or less) 7 ☐ Tabloid      3 ☐ Full-size newspaper
- ☐ Other \_\_\_\_\_
13. Number of pages. (Mark the one nearest the average size even though there may be variation.)
- 7 ☐ 12 or less 20 ☐ 12 to 32 20 ☐ 32 to 64 8 ☐ Above 64
14. Usual use of color: ☐ One color of ink only      ☐ Two colors      ☐ Color process
- 4 ☐ Varies between one and two colors in different issues.
- 12 ☐ Varies from one to four colors with different issues.
- 7 ☐ Other Color covers only

## 15. Advertising policy:

- ☐ No advertising used.  
☐ Carry only the publisher's own advertising.  
☒ Carry general ads for outside firms or individuals.  
☐ Carry only ads pertaining to a specific church organization or work.  
☐ Other \_\_\_\_\_

## 16. Do you accept paid editorial content for which you charge an individual or organization for printing his non-advertising copy?

- ☐ Payment required for all copy used.  
☐ Payment required for some but not all copy.  
☒ No payment required for any copy. All copy used free.  
☐ Subsidies are received from one or more divisions of the church that support the publication.  
☐ Other *If copy is accepted, we pay authors* \_\_\_\_\_

## 17. Announcements:

- ☒ No charge is made unless announcements are submitted in display ad form.  
☐ No charge is made for announcements regardless of the form in which they are accepted.  
☐ No announcements from other sources are used.  
☐ Other *Limited to nondisplay format* \_\_\_\_\_

**ABOUT YOUR PUBLICATION'S FINANCING AND SUBSCRIPTION LIST:**

## 18. Financial support is received from the following sources (Check EACH answer which applies):

- ☒ From subscription fees paid directly by the subscriber to the publisher.  
☐ From subscription fees paid indirectly to the publisher through a church organization.  
☐ From advertising.  
☐ From subsidies from the parent church organization.  
☐ From subsidies from various corporate church bodies making up the church organization.  
☐ Salaries and incidentals are paid by the church organization or by the publisher.  
☐ From free-will offerings.  
☐ From other business enterprises of the church or publisher.  
☐ Other *Endowments, memberships, etc.* \_\_\_\_\_

## 19. How are subscription fees handled? (Check only ONE)

- ☒ All subscriptions are paid by the subscriber directly to the publisher.  
☐ The subscriber pays a specific annual subscription fee through the local church.  
☐ The subscriber pays no specific amount designated as a subscription fee.  
☐ Subscriptions are paid for in general from subscribers' offerings to the church.  
☐ Subscriptions are generally paid by a third party (gift subscriptions) although there are a few direct subscriptions.  
☐ Other *Church funds through the congregation plan* \_\_\_\_\_

## 20. If subscribers DO NOT pay direct subscription fees to the publisher, how do they subscribe? (Check EACH answer that applies.)

- ☐ Subscribers sign cards annually requesting the publication. Fees are paid out of general church offerings of members. These cards ☐ ARE/ ☐ ARE NOT kept on file.  
☐ Subscribers sign request forms only once and continue to receive the church publication as long as they are church members.  
☐ Subscribers sign no request forms but receive the church publication as long as they are contributing church members.  
☐ Yes ☒ No When persons become church members, do they sign cards assigning a specific amount of their church contributions to go for the church publication?

## 21. How is the mailing list file kept?

- ☐ Addressograph-type plates only.  
☐ Card file in addition to Addressograph plates.  
☒ On computer.  
☐ Other *Use a mailing service* \_\_\_\_\_

22. If your list is on computer, are any manual files maintained? **16** ☐ Yes **22** ☐ No

Explain \_\_\_\_\_

#### ABOUT POSTAL RATES AND SECOND-CLASS MAIL:

24. How do you view postal rate increases as compared with other rising costs of publishing?

**6** ☐ Less serious **23** ☐ About the same **25** ☐ More serious

☐ Other \_\_\_\_\_

25. How has the postal rate increase affected your publication financially? (Check only ONE)

**2** ☐ None at all **11** ☐ Only slightly **25** ☐ Moderately **13** ☐ Seriously **2** ☐ May cause cutbacks

☐ May result in killing the publication.

☐ Other \_\_\_\_\_

26. Which statement most nearly describes your feeling concerning postal increases?

**9** ☐ There should be a moratorium on all postal increases for an indefinite period.

**38** ☐ Postal increases should be allowed only in proportion to general inflation.

☐ Postal increases should be continued until each mail classification completely pays its own way.

**3** ☐ None of the above. My statement: *Should vary according to type of publication*

**2** *Congress should control it*

27. Concerning second-class mail privileges, do you agree or disagree with the following statements:

☐ Yes ☐ No Church publications should not use any mail services that require tax subsidy.

☐ Yes ☐ No Church publications should use a class of mail service other than second class.

☐ Yes ☐ No Government subsidy of mail service used by churches has no bearing on the church-state issue.

Comment \_\_\_\_\_

28. What have you done to keep pace with the postal rate increases? (Check EACH response that applies)

**32** ☐ Nothing specifically because of postal rate increases, but we have been forced to make changes because of general cost increases that include postal rate hikes.

**29** ☐ Increased subscription rates.

**19** ☐ Increased advertising rates.

**9** ☐ Increased church subsidies.

**17** ☐ Cut back to a cheaper paper.

**14** ☐ Cut down the size of the publication (dimensions or number of pages).

**4** ☐ Reduced color.

**3** ☐ Changed to a less expensive printer.

**8** ☐ Invested in our own typesetting equipment (or other equipment).

**11** ☐ Reduced the frequency of publication (dropped one or more issues).

☐ Dropped the publication.

**1** ☐ Other *Supervise the list more closely*

29. What additional steps do you anticipate taking to meet future postal increases? (Check EACH response that applies.)

**29** ☐ Nothing specifically because of postal rate increases, but we will be forced to take action because of general price increases which include postal rate hikes.

**24** ☐ Increase subscription rates.

**16** ☐ Increase advertising rates.

**6** ☐ Increase church subsidies.

**5** ☐ Cut back to cheaper paper.

**10** ☐ Cut down on the size of the publication (dimensions or number of pages).

**9** ☐ Reduce color.

**7** ☐ Change to a less expensive printer.

**9** ☐ Invest in more of our own equipment and do more ourselves.

- 2** ☐ Seek an alternate method of delivery.

☐ Drop the publication.☐ Other

30

21

Please give any comments or observations you have on the subject of postal increases and postal regulations.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**Please send me a copy of the findings when this study is completed.**

Name	Position
------	----------

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

## APPENDIX C

The following are Acts of Congress that have affected the mailing of newspapers and magazines. They are condensed from a handout supplied by the U.S. Postal Service for its employees.

Act of February 20, 1782. Fixed the rate for newspapers carried not over 100 miles, 1 cent, and over 100 miles, 1½ cents.

Act of May 8, 1794. Extended service to magazines and pamphlets.

Act of March 2, 1827. Required printed pamphlets and magazines having more than 24 pages on a royal sheet to be charged by the sheet; and double postage to be charged on pamphlets and magazines not showing on the outer pages the number of sheets they contain.

Act of July 2, 1836. Authorized a charge of one-half cent for delivery of each newspaper and pamphlet.

Act of March 3, 1847. Discontinued free postage for newspapers except those under frank or exchanged between publishers.

Act of March 3, 1851. Prescribed free postage in county for weekly newspapers sent by publishers to subscribers.

Act of August 30, 1852. Reduced postage by one-half when postage on newspapers or periodicals paid quarterly or yearly in advance, or for those newspapers or periodicals not weighing over 1½ ounces circulated within State in which published.

Act of March 3, 1863. Established three classes of mail:  
First class--Letters and matter wholly or partly in writing, except book manuscripts and corrected proof sheets.  
Second class--Publications issued at stated periods.  
Third class--All other mailable matter, including book manuscripts and corrected proof sheets.

Act of July 27, 1868. Weekly newspapers sent to subscribers in county where printed and published were free except that delivery by letter carrier was not authorized unless postage was prepaid at least quarterly in advance at 5 cents per quarter.

Act of June 23, 1874. Authorized second-class mail to be weighed in bulk and the postage to be paid by special adhesive stamps

affixed to the mail, or to the sack, or upon a memorandum of the mailing or otherwise as the Postmaster General may prescribe.

Act of July 12, 1876. Provided application of third-class rate for transient newspapers, publications designed primarily for advertising purposes, or for free circulation, or circulation at nominal rates and permitted limited inscriptions on such matter.

Act of March 3, 1879. Repealed all former laws relating to classification and set up four classes as follows:

First class: All written matter except such writing as authorized on mail of other classes

Second class: Periodical publications

Third class: Miscellaneous printed matter

Fourth class: Merchandise

Established specific criteria for admission of publications into second class, much of which is still effective today.

Act of July 16, 1894. Extended second class privileges to periodical publications of benevolent or fraternal societies organized under the lodge system with a membership of at least 1,000, and regularly incorporated institutions of learning and all publications of strictly professional, literary, historical or scientific societies including the bulletins issued by the State boards of health.

Act of June 13, 1898. Discontinued use of newspaper and periodical publication stamps.

Act of May 12, 1910. Directed that a notice be given the publisher of nondelivery of any copy of second class matter and to return any copies received five weeks after such notice but not unless at least two successive copies had been mailed.

Act of August 12, 1912. Revised and reformed law authorizing second class mail privileges for periodical publications of fraternal societies, trades unions, strictly professional, literary, historical, or scientific societies to include periodical publications of State Boards or departments of public charities and corrections. Extended right to carry advertising provided circulation through the mails is limited to copies paid for by members either as part of their dues or otherwise at not less than 50 percent of the regular subscription price. Directed that publishers of second class periodicals except religious, fraternal, temperance and scientific or "similar" publications to file twice yearly a statement of ownership, management and in case of daily newspapers average circulation of copies sold or distributed to paid subscribers.

Act of May 18, 1916. Reduced the minimum quantities of second and third class mail to 300 identical pieces and of fourth class mail to 250 identical pieces acceptable without stamps affixed.

- Act of July 7, 1932. Application for entry or additional entry of second class to be accompanied with prescribed fees.
- Act of July 9, 1943. Second class publications voluntarily suspending for duration of war not required to pay application fee upon resuming issuance.
- Act of August 4, 1947. Extended second class to bulletins issued by State conservation and fish and game agencies or departments.
- Act of June 8, 1950. Authorized further forwarding or return denied if addressee or the sender of second, third or fourth class matter refused to pay forwarding or return charges.
- Act of October 30, 1951. Established a minimum per piece charge for each individually addressed copy mailed at special second class rates.
- Act of July 26, 1955. Simplified second class privileges for church publications.
- Act of October 11, 1962. Extended second class nonprofit rates to publications of Associations of rural electric cooperatives and for single publication issued by the highway or development agency of a State and extended in county rates to copies mailed to a single county bordering on each independent city where published.
- Act of December 16, 1967. Admitted program announcements or guides of certain radio and television stations to second class; authorized certain messages printed on envelopes or wrappers of second class publications; and subjected bills for subscriptions to first class rate. Authorized Postmaster General to establish an air second class postage rate.<sup>1</sup>

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<sup>1</sup>U.S. Postal Service, Handout #1.

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