

APR 9 1970

Bowers

THE WHITE HOUSE

WASHINGTON

April 6, 1970

Dear Willard:

Thanks ever so much for your good letter of March 19th. I appreciated also your call with the suggestion that we seek volunteer assistance in manning the post offices during the recent work stoppage. The idea was thoroughly considered and we decided against it, principally for the reason that it would create insurmountable security problems in simply having people come in off the street to work in the post office. Ninety-nine percent of the people would be well motivated, but we simply couldn't afford the risk on the other one percent. It was a good idea, however, and I appreciate the call.

The President has written Sol Young along the lines that you and I and he discussed in my office. I hope that this letter will be helpful in getting through some of the bottlenecks you've encountered in various Government agencies. *Received! Thank you.*

I would welcome any suggestions you have with respect to top flight personnel that we might consider using here in the White House.

Whenever you have any recommendations, send them in. *Will do.*

Best personal regards.

Sincerely,

*Terry Fox was #1.
@ Can you use him?
@ Would prefer Steve Hess
use him - he needs him,
in my opinion.*

TO: Charles W. Colson
Special Counsel to the President *WB*

Mr. Willard W. Garvey
300 West Douglas
Wichita, Kansas 67202

*We will run some
more YPO prospects
thru. Hope we break
the ice soon. WB*

Cy: Sol Young

after

April 6, 1970

Dear Willard:

Thanks ever so much for your good letter of March 19th. I appreciated also your call with the suggestion that we seek volunteer assistance in manning the post offices during the recent work stoppage. The idea was thoroughly considered and we decided against it, principally for the reason that it would create insurmountable security problems in simply having people come in off the street to work in the post office. Ninety-nine percent of the people would be well motivated, but we simply couldn't afford the risk on the other one percent. It was a good idea, however, and I appreciate the call.

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Best personal regards.

Sincerely,

Charles W. Colson
Special Counsel to the President

Mr. Willard W. Garvey
300 West Douglas
Wichita, Kansas 67202

cc: Bob Haldeman

WILLARD W. GARVEY
300 WEST DOUGLAS
WICHITA, KANSAS 67202

19 March 1970

Mr. Charles Colson
Special Counsel to the President
The White House
Washington, D.C.

Mr. Colson, Sol Young and I greatly appreciated the visit with you 19 March. Sol commented that your visit was by far our most constructive of the dozen or more we have had in Washington over the past eight months.

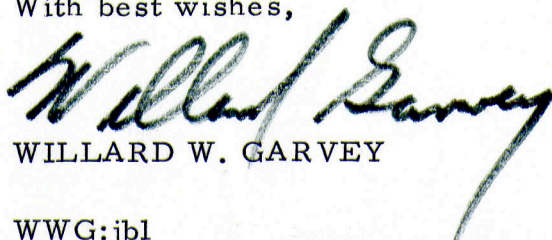
We had a pleasant visit with Roger Jones of the Budget Bureau (and formerly in the Civil Service) on the legal bottlenecks and how to attack them so YPO members may serve in government.

Meanwhile, Sol will try to provide a project manager for one White House job. It is my suggestion you take on these YPOers in the White House on a 90 day trial basis.

We've learned in the International Executive Service Corps (and I also practice this in my own business) to try candidates on a 90 day basis. Then determine whether they may be breaking too much china, etc. If not, make a new longer term arrangement.

In any event, look forward to working with you. Meanwhile, attached is a little talk on the Project Manager Concept which I think relates to our present discussions. You want project managers, do you not?

With best wishes,


WILLARD W. GARVEY

WWG:jbl

Encl: Project Manager Concept



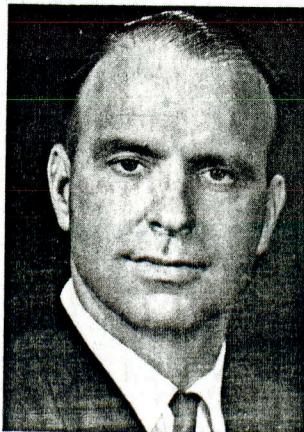
Project Manager Concept

AND WICHITA'S FUTURE

Willard W. Garvey

Air Capital Management Conference,
5 February 1966, Wichita, Kansas

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Willard W. Garvey, well known dynamic, young Wichita businessman has long been noted for his many and varied activities in petroleum, real estate, construction, ranching and farming operations, mortgage loans, communications media and foreign housing. He is equally active in promoting the private enterprise business system and in various civic affairs.

PROJECT MANAGER CONCEPT AND WICHITA'S FUTURE

I appreciate this opportunity to visit with you today. First, because I consider you Air Capital managers are Wichita's future. And second, I just passed a major milestone in my professional career and would like to share some conclusions and project goals with you.

It is twenty-five years since I graduated from the University of Michigan in 1941. Four years in the army in Europe, fifteen years with my father and, since his death, six years in a four-way decentralized operation of some forty-four corporations and a hundred other taxable entities, with my brother in Fort Worth, my brothers-in-law in Lincoln, Nebraska and Topeka, and with my mother as our capable chairman.

Now on January 5, 1966, after more than two years of preparation, we divided ownership of these corporations which permits us complete autonomy, and exposes me to my own "no place to hide" theory of management.

Air Capital managers are the multiplier to achieve the results we all desire: a greater and more dynamic Wichita, a better place to live, raise our families, and prosper economically, politically, and socially.

My subject today is "The Project Manager Concept and Wichita's Future."

First, the Project Concept: To me, life is a project broken down into sub-projects. Each of us must define our goals, what we wish to do and how we wish to do it. My new-found friend the computer with its systems programming requirement really puts teeth in being precise. We can always tell the other fellow what to do. But when viewing ourselves we become more emotionally involved.

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Second, the Manager Concept: After we define the results we desire to achieve, we must decide (a) do I wish to do this myself or (b) do I wish to do it through others? This man is the project manager. There is nothing else to running a business than having the right man in charge, the right partner in a foreign operation, the right officer, superintendent, foreman, or worker on the project. Communicating with and motivating him is the key.

The basic human equation is $I = AM$. The individual equals his abilities times his motivation. . . Proprietorship, sense of achievement, approbation or recognition and power.

The Project Manager Concept: Men build projects. Projects build men. Ideas are cheap. Implementing them is what counts.

Wichita's future, then, depends purely upon each of us managers conceiving and implementing projects.

We learn in two ways: First, by experience, trial and error. Second, by example.

Like most people, I have to learn the hard way. However, after two years study, my two basic goals are just now crystallized. I attended Stanford and Harvard Business School Seminars, the Aspen Institute for Humanistic Studies, IBM Executive Computer School, took a month's trip around South America with twenty-five of our Young Presidents' Organization members, and a ten weeks' trip around the world with my family, as well as numerous and lengthy visits with my staff and YPO friends.

My first goal is, in the next ten to twenty years, to have a profitable operation in each country to achieve our World Homes' goal of "Every Man a Home Owner." This is our ownership or ultimate-markets concept—since in turn it gives each proprietor an economic base, motivation, and purchasing power. My World Homes group of companies, including the wheat resources that we use to finance these ventures,

provides the organization axis. I plan joint ventures, acquisitions, mergers, partnerships, cattle and wheat sales and public stock offerings to provide financing and managers for these projects.

Second is my education and communication objective to help these people help themselves fully realize the full political-economic authority and responsibility that private property ownership permits.

These separate but parallel projects apply in Wichita, Kansas, just as much as they do in any other area of the world.

The problem is vast so the communication opportunity is great.

For forty years we doers in the private sector have failed to tell our story. Meanwhile the planners took our government and created crises faster than we could achieve solutions. Government is ninety per cent propaganda and ten per cent performance, to paraphrase Will Rogers. Business is ninety per cent performance and ten per cent propaganda. We lose nine to one in the communications arena.

Use "G-N-P" to measure news. Mark articles "G" for Government. "N" if Negative—crime, etc. "P" for Private—constructive examples—less than ten per cent of the news is positive.

We don't argue with the market. We believe a vacuum exists which provides demand for media: radio, television, newspapers, books, magazines, seminars, and politics.

My communications projects include, first, as President this year of the Young Presidents' Foundation, I am promoting our purpose of the private enterprise environment through our 2,000 members in thirty-two countries through several project managers.

Second, my television, radio, publishing and production properties I plan to consolidate with a major publishing manager and become a director of his group.

Third is a proposed Presidents College project here in Wichita. We envision this as a downtown four year college which will not compete with either Friends or Wichita State. It has five goals and a five point program. My purposes, I feel, I share with every person in this room:

(1) Education is the greatest growth business of the next twenty years and the major one that I can help bring to Wichita.

(2) Land development, my Rotary Classification, seeks the highest and best use of the land. I have gleaned ideas from throughout the world. I have found nothing that even remotely approaches the potential for downtown or urban renewal use that a downtown college promises. It taps unused capacity of downtown churches, YMCA, YWCA, libraries, civic centers, recreational, commercial and business facilities.

(3) Like everyone else on this globe, I have far more ideas than managers to carry them out. We need constant economic and business education and training for college students as well as for our project managers. A work-study program such as Antioch's permits a student to attend school two semesters and work one. Rotating with other students will fill a year-round job in Wichita businesses and will provide graduate managers.

(4) If we do not find private solutions to these public problems, our property and other taxes promise to double in Kansas in the next ten years for higher education alone.

(5) Since ninety-five per cent of the students in this program are recruited from out of state, the dynamics of bringing new people into the state, involving them in the Wichita community, and probably marrying Wichita girls and boys should reverse our present export of talent. Outsiders help create a dynamic Dallas-like environment of creative and promotional talent.

For five years, I have observed Dr. Millard

Roberts implementing Beardsley Ruml's idea at Parsons College in Fairfield, Iowa, and recently joined his Board of Trustees. In ten years he took a school with 235 students, \$2,800 professors, and \$150,000 deficit to 4,300 students, a \$16,000,000 budget, a million and a half dollar annual operating surplus, and \$18,000 professors. Some fifteen Wichita corporation presidents and about a dozen of my YPO national members have agreed to serve on my Board of Trustees.

I have been tempted from time to time to move to San Francisco, Washington, or New York, but concluded that I had roots here and would strive to help Wichita grow. Consequently I constantly seek ideas elsewhere to bring back here—the Japanese system—"copy the best."

Technological innovation insures Wichita's future. The jet plane, non-stop flights to major cities, direct dial telephone, IBM electronic data phone, closed circuit TV, computers—all help Wichita compete with other major cities.

Another project, which has been delayed for several years, is utilizing the old courthouse. Putting all the scattered civic, cultural, charitable, and non-profit groups into one building would generate a dynamic project. Over twenty United Fund agencies registered interest in the courthouse space. We would remodel two floors for offices and use the four grand courtrooms for special civic affairs and expositions. The old jail could house Goodwill Industries, Junior Achievement, and similar projects at no expense to the taxpayer. The ultimate thought was that the voluntary United Fund groups could screen each welfare recipient to see if we could help him and prevent another \$10,000,000 addition to our tax bill.

Comparing the two sectors, government and private, suggests another project opportunity.

I learned Parkinson's Law in the army where we increased a headquarters from twenty-six

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officers and fifty-two enlisted men to 600 officers and 1900 enlisted men in less than a year with no increase in function. I learned in home building, government public housing costs fifty per cent more, rents for fifty per cent less and the taxpayer pays the difference. Forty to fifty per cent is added to the cost of doing business when working through the government. About half of our gross national product is spent by government or on lawyers and accountants in doing business with government. This means government overhead doubles the cost of products sold. Each citizen could better use his taxes to serve human needs more economically.

Waste is the cardinal sin. Government projects generally double time as well as the cost over equal private projects—witness the Wichita Civic Center. This is because there is no project manager or accountability, but rather bureaus, departments, committees, and anonymity. My conclusion is that the reason for government failure is it does not practice the project manager concept.

As a project, why not take on the management of the Wichita City Government for one-half of what private business practices could save each year? I understand a syndicate to operate the post offices for profit has been proposed.

Incidentally, many people ask how we run a multiple corporation entity. I use the project manager system. WDYR-PARD? WDYR: What Do You Recommend? PARD: Profit center, Agenda, Reading file, Discussion and decision.

A man's job description is a list of his projects. He develops each project along the army five paragraph form which I studied, learned and appreciate. Millions, and more recently billions, have been spent by rulers on their armies and administration over the centuries. I have spent twenty-five years reconciling it with each of the new management systems as

they come out and find it accommodates innovations very well. A copy of our "Tool for Solving any Problem" is at the back of this booklet.

One or more of our three man executive committee meets each week regularly to review top project managers' recommendations, problems, and results.

Monday is our Life Insurance, Ranching, and Grain. Tuesday is our Builders, Inc., World Homes, our joint ventures and partnerships. Wednesday is our seven Wichita Amortibanc operations in mortgage, insurance, equipment leasing, sales, rentals, construction, and investments. Thursday is the communications group, radio, TV, Washington World, the Public Service functions, and our executive committee. Friday is the management companies, Garvey, Inc., with our computer, Legal, Audit, Engineering, Traffic, and Lab sections, our Foundation, our Oil operation and our Farming.

Watching the example of my father and the performance of others has convinced me that undreamed of project potential lies within each of us. Since World War II, I helped my father, later joined by the rest of the family, develop from three employees to several hundred. One project and one man at a time he developed his wheat farming into the country's largest, our real estate operation into the largest in the state, our grain storage operation into the largest in the country and our oil exploration and drilling operation into the largest independent in the area. He thoroughly exhausted and implemented a pilot project in each instance, worked out the problems and then multiplied the result by duplicating the formula. He utilized the telephone, a half-time secretary and any people available.

Peter Drucker states "ordinary people can achieve extraordinary things." More recently a textbook, McGregor's "Theory Y" has documented this process. I subscribe completely and

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am trying to practice this results management concept.

A third major project relates to a 40,000 seat enclosed stadium. Everyone is now in this act. For some years we have had the land, leases and a workable financial plan, if and when the dust settles.

Other projects that are possible for Wichita are a dental school and eventually a medical school. K.U. is being squeezed out of Kansas City by the Missouri Medical School.

Wichita's 17,000 proprietors or managers and 140,000 workers, each in my view has a desire to do a better job or to improve himself. If this simple ingredient can be tapped on the project manager concept, no matter how small, the accumulative result and dynamics of the whole would jet propel Wichita's future beyond belief.

Spectacular advances were made by Wichita's businesses this last year. Bill Lear brought fifty million new dollars and 2,000 new jobs to Wichita's economy. He achieved this in the face of universal skepticism and at the risk of his entire personal fortune and credit. Wichita is extremely fortunate to have this dynamic new force within the community.

This is not to neglect, which we are too often prone to do, those who are already here. Dwane Wallace moved into a plant that was virtually closed in the '30's. He has built it into the greatest single private airplane exporter in the country, manufacturing more private planes than anyone else, \$100,000,000 of commercial business in '65. He is perhaps our best example of what a man who was educated in Wichita and went directly into business here can achieve.

Olive Ann Beech has extended Beech Aircraft sales world-wide and, like Sheldon Coleman, brings millions of dollars into Wichita from the far corners of the world and also brings im-

portant visitors and customers. \$450 million value was added by Wichita manufacturers in 1965. Over \$500 million in payrolls.

Personally, I have considered that the world is my oyster and I think Wichita should and will take the same view. We are and can continue to grow and develop into a truly world centered industrial, service, and educational center.

Our clinics and hospitals are an industry that generates more business than most realize. The St. Joseph Sisters have their headquarters here for their total organization including twelve hospitals and operations as far away as Japan. They have plans for new hospital expansion. The St. Francis and Wesley groups, the Wichita Clinic and other medical professions bring in thousands of patients and millions of dollars to Wichita each year. It is a regional center and, as mentioned, the logical site for the Kansas Medical Center from an educational standpoint as well as treatment. Just one of our medical clinics brings in more visitors and dollars to Wichita each year than all of the conventions.

A fourth project our company is developing on the edge of Wichita includes a million square feet of warehousing, industrial, commercial and recreational opportunities that derive from our grain storage decline. We plan an ice skating and hockey arena, indoor recreational facilities such as Sports Center-Kiddieland, carnivals, sports shows, bowling activities, miniature golf and the like as well as considerable manufacturing and distribution potential. We seek a project manager for this.

A fifth project, a partner generated an International Super Stores chain with six 100,000 square foot stores projected at \$4 million volume each in Texas, Nebraska, and next in California, in conjunction with Safeway, Fire-

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stone and half a dozen major national firms. My partner, Harvey Friedman in St. Louis, is the project manager and we provide the legal, financial, real estate and computer support.

A sixth similar project with a partner is Golden Age Lodges of America. Art Hann of Coffeyville has nine nursing homes and recently opened one in Wichita. He plans to grow at the rate of about a million dollars per year. Here are project manager opportunities.

I have mentioned our World Homes operation, I have not mentioned our project for a New Orleans port facility to expand our Chicago export operation in grain. This envisions a fleet of Liberty Ships with self-unloading facilities in the port of each import country to which we ship our commodities. We plan a general warehousing business as a bread-and-butter base for our other operations in those areas.

I think in the non-profit or "independent" private arena we should not overlook some of our more motivated fellow townsmen. Robert Love, with his efforts at the YMCA has quadrupled its activities on a self-supporting basis and now plans to expand them even further with a current fund drive. Bob, in addition, has been the prime mover in Wichita Collegiate School, pre-school through high school, which is also self-supporting and is serving as an example to school administrators, parents, and teachers locally as to what can be done in education.

Arthur Kincade with his banking philosophy and Wichita Plaza Building has done more for Wichita esprit de corps than any other individual in my opinion.

Rick Clinton is converting oil leases into a \$28 million stock company. He is bringing a \$12 million additional oil drilling program to Wichita this year which points the way for others.

Gerald McCarty was honored for the fabulous United Fund work he has done over the years. There are dozens, hundreds, and thousands of other examples I could cite.

My over all conclusion is that there are only private solutions to public problems. We must get over under-rating our own personal abilities and individual efforts. We must make the most of this hidden talent and motivation which is the greatest drive for Wichita's future to be found anywhere. Wichita has over 300,000 potential achievers. It is up to you and me to harvest this treasure.

Wichita's future lies in this room. Each of you decide:

- (1) What needs to be done (one project at a time).
- (2) Do you want to do it or do you wish to help others achieve it?

Let me know if I can help.

Thank you.

Willard W. Garvey

delivered
at the
Air Capital Management Conference,
5 February 1966, Wichita, Kansas

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TOOL FOR SOLVING ANY PROBLEM HISTORY

Twenty years ago, an ROTC colonel said that the Army's biggest problem was to get officers who could issue a proper "field order." The "field order" had evolved over several hundred years of military experience. It was reduced to a very simple five-paragraph form. It seemed simple enough to follow.

Having observed field orders ranging from, "Sergeant, put up the flag pole" to "Overlord" (the plans for the World War II invasion of Europe), as well as the day-to-day problems in a half dozen businesses, the significance of the colonel's remarks has become increasingly clear.

For some time the following "Tool for Solving Any Problem" has proved a most useful outline. On any assignment, no matter how simple, the man assigned the project must draft his own five-paragraph outline and answer all the questions he can himself or by inquiring elsewhere. **It is thus his own idea.** He then sits down with his supervisor to go over the draft and fill in any questions that he can't answer.

When all of this check list has been completed, the project is drafted in final form. He is expected to give a weekly accounting of progress on this project, in addition to his other projects, until each project has been completed. This also does away with "job descriptions"—simply, each man's name and a list of the projects on which he is working.

The principle is simple: Every problem in life, whether personal or business, is simply one more project (or "objective", in military parlance).

- FIRST —The problem must be defined and analyzed.
- SECOND—The goal or objective must be established.
- THIRD —It must be implemented or accomplished.
- FOURTH—It must be administered.
- FIFTH —It must stand the test of questions and performance.

As a modified five-paragraph Army Field Order, this has stood the test in a variety of university seminars, management clinics, government, civic and business groups. Like most simple instruments, the more it is used, the better it works.

I. PROJECT HISTORY—

"All the world is but a stage . . ."

- (Array) 1. The Problem - State is clearly, concisely, and completely in one brief sentence. (If you don't understand the problem, maybe you are part of it?)
- (Analysis) 2. Brainstorm it: A. Against, B. For, C. Conclusions.

A. Against Negative - Problems, needs, liabilities.	B. For Positive - "Count your blessings," assets.	C. Conclusions "Look in the mirror." "What can I do?"
---	---	---
- (Synthesis) 3. Recommend best of conclusions: State it clearly, concisely, and completely. (If you can't or don't recommend, you are part of the problem.)

II. PROJECT GOALS—

"Idiot" goals - Li'l Abner says, "Any idiot can understand it. Ah can understand it."

- 1. Who - No. 1 is the man! 4. Where
- 2. What - No. 2 is the plan! 5. When
- 3. Why 6. How

III. PROJECT IMPLEMENTATION—

"Ideas are cheap - Implementing them is what counts."

- 1. Management - No. 1: Is this man the best available?
- 2. Men - Existing Organizations, Employees, Consultants, Associates, Directors.
- 3. Markets.
- 4. Materials - a. On hand, b. Purchase, c. Subcontract.
- 5. Money - Where is the money coming from?

IV. PROJECT CONTROL

- 1. Administrative - Clerical, Personnel.
- 2. Financial - Budgets, P&L, Balance Sheets, PO's, Sales Contracts.
- 3. Operational - Periodic Personnel Project Progress Reports for each person in III.
- 4. Material - Buildings, inventory, land, equipment, property.

V. PROJECT TESTING

- 1. Performance - "Judge by results."
 - a. Economic, b. Political, c. Socio-moral, d. Creative, e. Ideological.
- 2. "Dollar-return per dollar invested" - Weighing risk factor.
- 3. Is it an incentive to each individual?
 - A. (1) Direct - dependent upon the efforts of the individual concerned?
 - (2) Immediate - results or accomplishment measurable?
 - (3) Substantial - worthwhile or more important than other priorities?
 - B. (1) Satisfaction - challenge to the project producer?
 - (2) Recognition - approbation or some sense of achievement?
 - (3) Compensation - money, prestige, accomplishment, power, fringes, etc.?
- 4. Any questions?

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The White House
Washington

1970 MAR 27 PM 8 12

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PRINCETON NJER 27

CHARLES COLSON

THE WHITE HOUSE

GALLUP POLL WIRED RELEASE ON NEW POST OFFICE PLAN

MARCH 27, 1970

3
PRINCETON, N.J., MARCH 28--INITIAL PUBLIC REACTION IS
FAVORABLE TO SETTING UP THE POST OFFICE DEARTMENT AS AN
INDEPENDENT AGENCY, NOT DIRECTLY OPERATED BY THE FEDERAL
2
GOVERNMENT AS IS PRESENTLY THE CASE.

THE VOTE IS 41 TO 35 PER CENT IN FAVOR AMONG THOSE PERSONS WHO HAVE FORMED AN OPINION ON THE PLAN ENDORSED BY THE NIXON ADMINISTRATION, BUT MANY (24 PER CENT) HAVE NOT YET HAD A CHANCE TO WEIGH THE PROS AND CONS OF THE PLAN.

THESE FINDINGS ARE BASED ON A NATIONWIDE TELEPHONE SURVEY CONDUCTED TUESDAY NIGHT AND SUPPLEMENTED WITH IN-DEPTH INTERVIEWS CONDUCTED AT THE GALLUP POLL OPINION LABORATORY.

THE PRIMARY REASON CITED BY THOSE IN FAVOR OF THE PLAN IS THAT IT WOULD INCREASE THE OVERALL EFFICIENCY OF POSTAL SERVICE. OTHERS POINT OUT THAT THE PLAN WOULD MAKE THE POST OFFICE

↑

OPERATION SELF-SUPPORTING FINANCIALLY, AND NOT DEPENDENT ON
HEAVY GOVERNMENT SUBSIDIES. FINALLY IT WOULD REMOVE THE OPERATION
FROM POLITICAL INFLUENCE.

THOSE WHO OPPOSE CHANGING THE EXISTING POST OFFICE STRUCTURE CITE
THREE REASONS: (1) THE DELIVERY OF THE MAIL HAS HISTORICALLY
BEEN A GOVERNMENT FUNCTION; (2) DESPITE CRITICISM, THE GOVERNMENT
HAS DONE A GOOD JOB IN RUNNING THE DEPARTMENT; AND (3)
FEAR THAT POSTAL RATES WILL INCREASE WITH A NEW AGENCY WHICH
WOULD HAVE TO SHOW A PROFIT OR BREAK EVEN.

THE FOLLOWING QUESTION WAS ASKED OF A CAREFULLY DRAWN SAMPLE OF

545 ADULTS REPRESENTING ALL SECTIONS OF THE NATION:

CONGRESS IS NOW CONSIDERING SETTING UP THE FEDERAL POST
OFFICE DEPARTMENT AS AN INDEPENDENT AGENCY AND NOT
DIRECTLY OPERATED BY THE FEDERAL GOVERNMENT. DO YOU FAVOR
OR OPPOSE SUCH A CHANGE?

HERE ARE THE NATIONAL FINDINGS:

FAVOR

41 0/0

OPPOSE

35 0/0

NO OPINION

24 0/0

100 0/0

AS REPORTED EARLIER, EIGHT IN EVERY TEN PERSONS THINK CONGRESS

3969

↑

SHOULD VOTE HIGHER WAGES FOR POSTAL EMPLOYEES NOW. THE WEIGHT OF OPINION IS ON THE SIDE OF POSTAL WORKERS WHO LIVE IN AREAS WHERE LIVING COSTS ARE HIGHER SHOULD BE PAID MORE THAN THEIR COUNTERPARTS IN SMALL TOWNS. WHILE MANY PERSONS ARE SYMPATHETIC TO THE DEMANDS OF THE POSTAL WORKERS, A SIZEABLE MAJORITY (62 PER CENT) WERE FOUND TO SUPPORT PRESIDENT NIXON'S ACTION IN SENDING TROOPS INTO NEW YORK CITY POST OFFICES TO START MOVING ESSENTIAL MAIL

GALLUP POLL.

3

2

March 23, 1970

MEMORANDUM FOR SECRETARY SHULTZ

Believe you may want to consider inclusion of this unrecognized union.

Charles W. Colson

1970 MAR 23 PM 1 48

WA143 AE RX PDF

WASHINGTON DC 23 1257P EST

THE PRESIDENT

THE WHITE HOUSE

AS THE FIRST ORDER OF BUSINESS AT ITS EMERGENCY MEETING TODAY,
NATIONAL POSTAL UNION'S EXECUTIVE BOARD APPROVED THE FOLLOWING
"THAT THE NPU WILL NOT BE BOUND BY ANY AGREEMENT REACHED BY OTHER
UNIONS UNLESS IT IS A PARTY TO THE NEGOTIATIONS LEADING UP TO THAT
AGREEMENT". MORE THAN 50,000 OF OUR MEMBERS ARE PRESENTLY INVOLVED
AND WE URGE YOUR IMMEDIATE CONSIDERATION

DAVID SILVERGLEID PRESIDENT
NATIONAL POSTAL UNION.

45010

THE WHITE HOUSE

WASHINGTON

March 3, 1970

TO: CHUCK COLSON

FROM: HENRY C. CASHEN II

HCC

The attached is for your
information.

Postal Reform

February 17, 1970

Dear John:

This will acknowledge your letter of February 11 with which you forwarded a copy of your letter to the Postmaster General. You may be assured that this will be brought to the President's attention at the earliest opportunity.

With warm regard,

Sincerely,

Bill

William E. Timmons
Assistant to the President

Honorable John P. Saylor
House of Representatives
Washington, D.C. 20515

✓ bcc: w/incoming to Henry C. Cashen - FOR YOUR INFORMATION ✓

WET:EF:VO:cmf

1
JOHN P. SAYLOR
TWENTY-SECOND DISTRICT, PENNSYLVANIA

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
VETERANS' AFFAIRS

MEMBER:
NATIONAL FOREST RESERVATION
COMMISSION
PUBLIC LAND LAW REVIEW COMMISSION
AMERICAN REVOLUTION BICENTENNIAL
COMMISSION

Congress of the United States

House of Representatives

Washington, D.C. 20515

February 11, 1970

2-12
✓
SUBCOMMITTEES:
TERRITORIAL AND INSULAR AFFAIRS
IRRIGATION AND RECLAMATION
INDIAN AFFAIRS
PUBLIC LANDS
MINES AND MINING
NATIONAL PARKS AND RECREATION

COMPENSATION AND PENSIONS
HOSPITALS
INSURANCE

BT
The President
The White House
Washington, D. C.

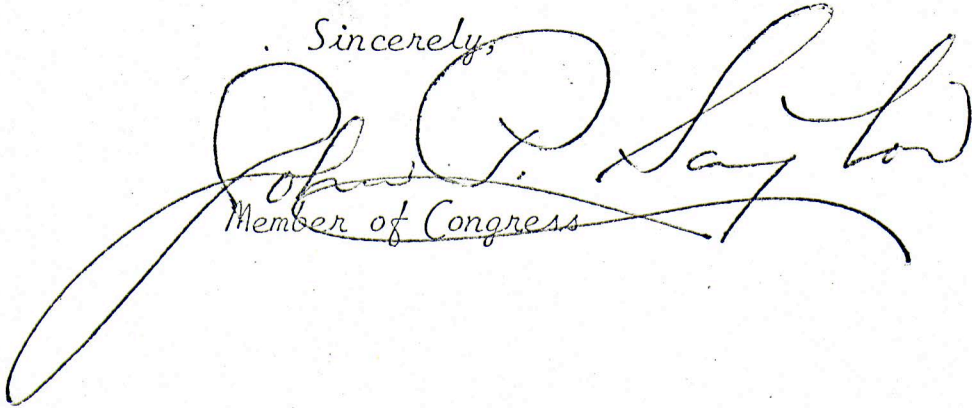
Dear Mr. President:

This is another example of how the
Postmaster General's decisions are playing
havoc with Republican Party members.

Only the Democrats are benefiting
at our expense. Why shouldn't they be happy?

With every good wish,

Sincerely,


Member of Congress

Incl.

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
VETERANS' AFFAIRS

MEMBER:
NATIONAL FOREST RESERVATION
COMMISSION
PUBLIC LAND LAW REVIEW COMMISSION
AMERICAN REVOLUTION BICENTENNIAL
COMMISSION

Congress of the United States

House of Representatives

Washington, D.C. 20515

February 11, 1970

SUBCOMMITTEES:
TERRITORIAL AND INSULAR AFFAIRS
IRRIGATION AND RECLAMATION
INDIAN AFFAIRS
PUBLIC LANDS
MINES AND MINING
NATIONAL PARKS AND RECREATION
COMPENSATION AND PENSIONS
HOSPITALS
INSURANCE

Honorable Winton M. Blount
Postmaster General
Post Office Department
Washington, D. C.

Dear Mr. Blount:

Your letter of January 20, 1970, leaves me appalled. This can not be a letter from a Cabinet Officer of the Nixon Administration to a Republican Member of Congress. After your verbal assurance that your "hand-picked" person would investigate the situation, I did not expect to receive a "whitewash" of the incident or I would not have wasted your time and mine. It is clearly evident that you do not share and understand the practical problems being faced by Republican Congressional incumbents, such as myself, or you would not have permitted such an answer to come to me over your signature.

To refresh your memory, I questioned the "non-political" appointment of Patrick F. O'Donnell, the No. 5 eligible, as Foreman of Mails at the Johnstown (Pennsylvania) post office. The Supervisory Eligibility List contained these names:

- No. 1 - John Lichtenfels (rural carrier), Republican
- No. 2 - Milton Dumeyer (letter carrier), Republican
- No. 3 - Leo Sanders (letter carrier), Republican
- No. 4 - Richard Barnes (window clerk), not registered
- No. 5 - Patrick O'Donnell (dispatch expeditor),
Democrat
- No. 6 - Fred Baumgardner, (letter carrier), Republican

Is it not odd that the only Democrat on the list was recommended by the Democratic-dominated promotion board and appointed by a Democratic postmaster? How can you call this "non-political" in nature? It sounds rather as if you were being hoodwinked by your own people.

- 6 -

The Republicans high on the list happily took you at your word when you announced last year that all promotions would be made within the postal service to the top-ranking and senior employees within the office for they have been waiting all too long for promotions to come their way on just this basis. This is all they ask, and all they expect. Yet, they are still getting a raw deal! The Nixon Administration -- whether you realize it or not -- takes the brunt of a situation like this.

Bearing in mind that you must realistically know that past practice did not allow a person to advance whose registration was Republican, let us compare the qualifications of O'DONNELL, the Democratic appointee, to those of just the two top candidates on the Supervisory list -- LICHTENFELS AND DUMEYER. It is true that O'DONNELL has acted as a Supervisor; but DUMEYER has also had such detail assigned to him. LICHTENFELS was never given the opportunity to display his qualifications. He was never "groomed," cited for Superior Accomplishment, or paid for beneficial suggestions, as judged by persons of the Democrat party. Why, because he was a Republican! LICHTENFELS started in the Johnstown post office in September 1945. He has taken supervisory examinations and been at or near the top for nearly 20 years but always passed over as politically unsatisfactory. In spite of this, he continued his allegiance to the Republican party.

I take biting exception to your comments that any other applicant "has qualifications superior to, or even equal to, those of the appointee." How can you state this? LICHTENFELS by careful examination was No. 1 and DUMEYER was No. 2 on the list. O'DONNELL was the inferior candidate, if you want it clearly spelled out, because his rank was No. 5 by the Post Office Department's own examination process, not mine. To further dispute your findings, LICHTENFELS carries P.O.D. form 1375 designating him by special authority as Acting Foreman Conemaugh Branch post office. He evidently received no consideration for many years of Army service both as an enlisted man and officer where his experience as Company Commander and Adjutant should be comparable at least to a Foreman's job.

Mr. DUMEYER has had experience as an acting supervisor in the main post office while the new edifice was being constructed. He was appointed Foreman of Mails on a temporary basis from August 1963 until June 1964. He also served as acting Supervisor on many occasions

previous to this appointment. As for experience and responsibility outside the post office, DUMEYER was commissioned in the Adjutant General's Department of the Army as a Postal Officer. He was an Assistant Tour Officer in the New York V-Mail Station which at the time had a complement of 300 enlisted personnel on tour. Also, he spent a short time as postal officer of A.P.O. 74 in the Philippine Islands where he had financial responsibility of \$75,000 in operating funds.

As for the personnel file which your confidant flaunted. Ask him who places all those commendatory letters and awards in the files? Naturally, the same people who are grooming a political buddy for a specific job. If this is a prerequisite for the next appointment, my Republican friends within the post office had better secure volumes of recommendations now! LICHTENFELS, for instance, has received a commendatory letter, but he has also submitted many cost-saving suggestions which were turned down. One suggestion, for instance, originated with him years ago and is now being tried by the Post Office Department on an experimental basis.

What should a sick leave record have to do with qualifications for and ability to do a Supervisor's job? How can the sick leave record of a clerk as O'DONNELL be compared to carriers who are out in all kinds of weather day after day, and to rural carriers who work a six-day week and have to use sick leave to go to the dentist or doctor? LICHTENFELS has 104 days of unused sick leave remaining, proving he does not abuse this privilege. DUMEYER used 72 hours in 1966, 23 hours in 1967, 48 hours in 1968, and 29 hours in 1969; yet he has an accumulated balance of 1,456 hours of sick leave remaining. Do you consider these abusive? Really now!

I reiterate my previous statement that your investigator gave this matter a "whitewash" when he went to Johnstown. He contacted and took the word of the same people who made the promotion, rather than seeking out the facts himself. With this type of investigation what other results could even you expect? I still maintain that your public statements should be your bond and be enforced -- it is either the top qualified individuals for promotion without regard to political affiliation, or it is not. Let's not make a mockery out of this Administration by standing still for this type of high-handed democratic effrontery on the local level.

I cannot sit idly by and see Republicans shunted aside while the Democrats continue to take every last vestige of power from us. It will not be the Democrats that will lose --- it will be the Republicans and action such as the last brushoff will bury us deeper and deeper.

Sincerely,

Member of Congress

P. S. -- Regarding Mr. Bernat, he was transferred to the branch office at Conemaugh. In fact, he was No. 7 on the previous eligibility list at the time, which shows the repetitive pattern of reaching down and appointing Democrats for all positions within the Johnstown office. Someone should be given the word in that office.

P.P.S. -- Still another inconsistency was the appointment of Mr. Burgo a member of the Supervisory Selection Board. If you are really interested in detecting a pattern of passing over all Republicans and selecting Democrats, you might check the old Civil Service Registers and see how far down they dug to make Burgo Superintendent of Mails.



United Federation of Postal Clerks, AFL-CIO

FEDERATION BUILDING, 817 14TH STREET, N.W., WASHINGTON 5, D. C.

PRESERVATION COPY

February 19, 1970

Dear Jim:

We have today sent the enclosed letter with the enclosures indicated to all Members of the House and Senate Committees on Post Office & Civil Service for their information and hopefully, support of our position.

Pat Nilan

Pat Nilan

PJN:111
Opeiu #2

Enclosures

*Jim: As mentioned to you at the
Wednesday A.M. "Breakfast", I
did send our "PACKAGE" to the
other House POCs Committee
members and also
the Senate!*

Pat
PRESERVATION COPY

United Federation of Postal Clerks

AFFILIATED WITH AFL-CIO

TELEPHONE
638-2304

Memorandum

817 - 14TH St., N.W.
WASHINGTON, D. C.

February 19, 1970

From the Desk of PATRICK J. NILAN
Legislative Director

We are writing to you as a Member of the Committee on Post Office and Civil Service to make certain there is no misunderstanding concerning the legislative position of the United Federation of Postal Clerks, in particular and also the other 6 EXCLUSIVE postal employee organizations on postal reform—postal corporation—any combination of reform with postal pay and collective bargaining.

Contrary to what you may read in the newspapers or may hear from White House officials and Postmaster General Winton M. Blount, UFPC and the other 6 postal organizations have NOT "bought" any postal corporation concept and have NOT agreed to accept any postal employee pay—collective bargaining "package" short of the employees' benefits' position statements enclosed in the file accompanying this letter. The 7 EXCLUSIVE postal organizations are urging your Committee to draft a postal reform bill which will include the postal employee benefits and guarantees referred to in this file.

I am today sending similar letters with our proposed postal employee benefits "package" statement to all Members of the Committee on Post Office & Civil Service for their information and hopefully, to avoid any possible misunderstanding concerning our collective and unified position on these matters. The statement contained in the enclosed file is our "MUST" legislative program concerned with any postal reform which your Committee may report. You will note this legislative statement is dated January 26, 1970—our position is the same today, as it was on January 26.

Also, our 7 EXCLUSIVE postal organizations as recently as one week ago on February 12 reaffirmed our absolute and total opposition to any reform legislation, such as, the postal corporation proposed in H.R. 11750. While I am addressing this letter and enclosures to you, particularly, on behalf of the United Federation of Postal Clerks, the enclosed postal employees' benefits "package" IS the legislative position of all 7 EXCLUSIVE postal employee organizations representing 700,000 postal workers in collective bargaining with the Post Office Department.

It is our hope that you will have an opportunity to carefully review EXHIBIT C, which is our proposed "Chapter 8—Labor-Management and Personnel Relations." Basically, the provisions in Chapter 8 have been taken from established labor laws, including the following Acts: Norris-LaGuardia, National Labor Relations, Taft-Hartley, and Landrum-Griffin. In addition, there are provisions from Executive Order 11491 signed by President Richard M. Nixon on October 29, 1969. Most of Chapter 8 would finally provide recognition of postal labor organizations, collective bargaining, and labor-management relations for postal employees similar to that established more than 30 years ago for management and labor in the private sector.

We are also enclosing for your information two editorials published in the February, 1970 issue of our UFPC Union Postal Clerk and Postal Transport Journal.

These editorials entitled, "Unfair Labor Practice" and "Who's Discriminating" effectively contradict and destroy the felonious arguments of the unaffiliated National Postal Union and National Alliance of Federal and Postal Employees, who are opposed to the EXCLUSIVE recognition and bargaining rights which our 7 Exclusive postal employee organizations originally won under the Kennedy Executive Order 10988 and presently provided for in the Nixon Executive Order 11491. We propose to have these rights become a matter of law through enactment of either the enclosed "Chapter 8 of EXHIBIT C, Chapter 47 of Title VII of H.R. 4", or "H.R. 4803 and S. 309.

We will appreciate your support of the enclosed position statements concerned with postal employee benefits and guarantees under any postal reform legislation approved by your Committee and equally important, opposition to the postal corporation concept proposed in H.R. 11750.

Your continuing interest in the legislative program of the United Federation of Postal Clerks and the other 6 EXCLUSIVE postal organizations referred to in this letter, and named below, is appreciated very much.

President Francis S. Filbey, United Federation of
Postal Clerks (AFL-CIO)

President James H. Rademacher, National Association
of Letter Carriers (AFL-CIO)

President Monroe Crable, National Association of
Post Office & General Services Maintenance
Employees (AFL-CIO)

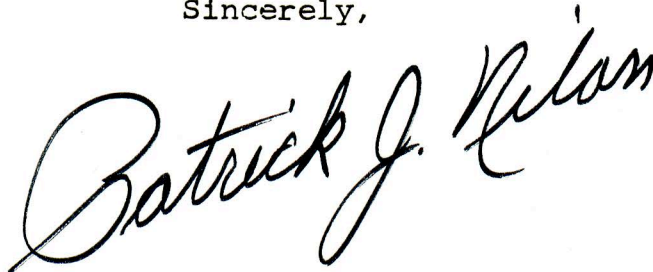
President Michael J. Cullen, National Association of
Special Delivery Messengers (AFL-CIO)

President Chester W. Parrish, National Federation of
Post Office Motor Vehicle Employees (AFL-CIO)

President Lonnie L. Johnson, National Association of
Post Office Mail Handlers, Watchmen, Messengers &
Group Leaders (AFL-CIO)

President Herbert F. Alfrey, National Rural Letter
Carriers' Association

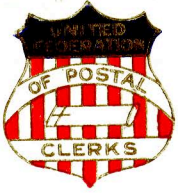
Sincerely,

A handwritten signature in black ink, reading "Patrick J. Nilan". The signature is written in a cursive, flowing style with a large initial "P" and a long, sweeping underline.

Patrick J. Nilan
Legislative Director

PJN:111
Opeiu #2

Enclosures



United Federation of Postal Clerks, AFL-CIO

FEDERATION BUILDING, 817 14TH STREET, N.W., WASHINGTON 5, D. C.



February 4, 1970

Mr. Charles Colson
Special Counsel to the President
Room 185
Executive Office Building
Washington, D.C.

Dear Mr. Colson:

I have been advised by President Francis S. Filbey that we will meet with you at 3:30, February 5 to discuss the position of our seven Exclusive postal employee organizations as to essential employee benefits and rights which we believe must be provided for in any postal reform legislation enacted by the Congress.

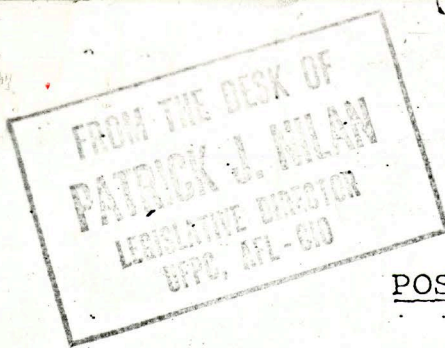
Please find enclosed two draft copies of the employee benefits package which reflect the collective position of the seven organizations which will be meeting with you on February 5. We are making these statements available to you in advance of our meeting with the hope that you will have an opportunity to review and better understand our position in this regard. We would also hope that with these statements made available to you in advance that you will be able to comment concerning our proposals more authoritatively than would otherwise be possible.

Sincerely,

Patrick J. Nilan
Legislative Director

PJN:js
opeiu#2

January 26, 1970



POSTAL REFORM & POSTAL PAY

The seven EXCLUSIVE postal employee labor organizations named at the conclusion of this statement agree that the employee benefits outlined in this position statement necessarily must be specifically provided for in any act which may result from pending postal reform & postal pay legislation.

I COMPENSATION

(a) EFFECTIVE JANUARY 1, 1970: A new wage scale shall be established with the present Step 3 becoming Step 1 and the Steps 12A-12B of H.R. 13000 becoming Steps 11 and 12. There will be just 12 steps and the pay will range from \$6588-\$8856 annually. This is just the two-step increase originally provided for in H.R. 13000. However, in order that postal employees currently in Steps 10 and 11 will be able to secure the same top pay as other workers, the two new steps have been added.

(b) EFFECTIVE JULY 1, 1970: The legislation must include an "iron-clad" agreement in the Act itself providing for a postal employee wage increase consistent with wages paid employees in the private sector and based on the most current B.L.S. wage survey report.

(c) EFFECTIVE JANUARY 1, 1971: The provisions of H.R. 13000, SECTION 4 (on pages 39 and 40) amending Section 3552 (a) of Title 39, U. S. Code to establish a new schedule of pay steps for postal employees shall be provided for.

II FRINGE BENEFITS

All so-called fringe benefits, including such items as annual leave, sick leave, health benefits, life insurance, workmen's compensation, uniform allowances, ets., in effect on December 31, 1970, shall be continued as minimum benefits for postal employees. Neither management nor employee labor organizations can subsequently bargain below such benefits as the status of each such item in effect on December 31, 1970, is established as the "floor."

III POLICY ON COMPENSATION & BENEFITS

Amend Section 805, page 57 of the Committee Print to read as follows:

"805. Policy on compensation and benefits and performance of service,

(a) "It shall be the policy of the Authority to maintain compensation and benefits for all employees on a standard of comparability to the compensation and benefits paid or to be paid under negotiated collective bargaining agreements in the private sectors of the economy, such compensations and benefits to be national in scope.

(b) "It shall further be the policy of the Authority that all services which the Authority is required to provide, or provides, under this Act shall be performed exclusively by employees of the Authority."

IV ADVISORY COUNCIL—LABOR REPRESENTATION

Amend Section 212(a)(1) (page 16) of the Committee Print to read as follows:

"(1) four persons from among persons nominated by those labor organizations recognized as national exclusive collective bargaining representatives for employees of the Authority."

V CIVIL SERVICE STATUS

- (a) Specific provisions shall make certain that ALL employees (those employed as of December 31, 1970, and in the future) SHALL be employed with the U. S. Civil Service status and protection. This status cannot be changed or eliminated by management and/or employee labor organizations.
- (b) Specific provisions shall make certain that ALL employees (those employed as of December 31, 1970, and in the future) SHALL continue as participants in the U. S. Civil Service Retirement System.
- (c) Employees of the Authority shall receive all future increases in Civil Service benefits such as, improvements in the Civil Service Retirement System.

VI COLLECTIVE BARGAINING

Executive Order 11491 shall be the instrument for collective bargaining between the Post Office Department and employee labor organizations during the 1970 transitional period:

A separate document is attached to this position statement as a substitute for existing language in "Chapter 8—Labor Management and Personnel Relations" of any postal reform-pay legislation.

VII EXISTING LAWS

Specific language must be inserted to retain all existing U.S. laws considered in the best interests of postal workers, particularly, in regard to protection of existing employee benefits and rights.

NO POSTAL REFORM-PAY LEGISLATION SHOULD AUTOMATICALLY REPEAL SUCH LAW!

VIII GENERAL AMENDMENTS

It will be necessary to have proper language prepared and inserted in the postal reform-pay legislative drafts as follows;

(a) Proposed amendment to transportation title as provided in EXHIBIT A.

(b) proposed amendment to appointment of rural letter carriers as provided in EXHIBIT B. Also, appropriate language inserted in Section 801 (a), page 50 of the Committee Print to require first consideration of career employees in the post office where postmaster or rural letter carrier vacancies occur when filling such vacancies.

(c) Proposed amendment as a substitute for existing language in "Chapter 8-Labor Management and Personnel Relations" as provided in EXHIBIT C (final language to come).

EXHIBIT A

Substitute the following language in lines 7 through 13 on page 95 of the Committee Print:

~(d) (1) Before contracting for transportation of mail under subsection (a) (4) of this section, the Postmaster General shall cause a cost study to be made of transporting such mail by Government-owned vehicle service. He may contract for such transportation of the mail only if the Government-owned motor vehicle service is higher than the cost of contracting.

(2) All mail moving between an airport and a post office at which there is established a Government-owned motor vehicle service of the Post Office Department shall, if possible, be transported by such Government-owned motor vehicles, provided that such mails need not be so transported when the distance between the post office and the airport is in excess of 35 miles.

EXHIBIT B

Amend the Committee Print to include the following language, as indicated:

Page 50, Sec. 801 (a)

"To provide career status as rural carrier to certain qualified substitute rural letter carriers of record. That, notwithstanding, any other civil law, rule, or regulation, each qualified substitute rural letter carrier of record who has rendered at least three years of satisfactory service in such capacity shall be made eligible to receive a career appointment upon satisfactory completion of a non-competitive examination, similar to that given other employees to determine eligibility for a rural route position.

Said appointment to be made to any rural route vacancy remaining unfilled after reassignment procedures of career employees at the local office have been completed."

NOTE: It is also essential that additional language, as appropriate, be introduced in Section 801(a) starting on page 50 of the Committee Print to require: that FIRST consideration shall be given to career employees within the post office where a postmaster or rural letter carrier vacancy occurs in making appointments to fill such vacancies.

January 25, 1970

The following is submitted as a substitute for Sections 807-809 and 111(d) of the proposed Postal Reform and Salary Adjustment Act of 1970.

"Chapter 8 - Labor-Management and Personnel Relations,

Section 801. Definitions, as used in this chapter--

(a) "Employee" means an employee of the Postal Service but does not include, for the purpose of this chapter, a supervisor;

(b) "Supervisor" means an employee having authority, in the interest of the Postal Service, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to evaluate their performance, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of authority is not of a merely routine or clerical nature, but requires the use of independent judgment;

(c) "Labor organization" means an organization of any kind in which employees participate and which exists for the purpose, in whole or in part, of dealing with labor disputes, wages, rates of pay, hours of employment, conditions of work, grievances, personnel policies and practices, or other matters affecting the working conditions of employees; but does not include an organization which--

(1) consists of management officials or supervisors; or

(2) discriminates with regard to the terms or conditions of membership because of race, color, creed, sex, age, or national origin;

(d) "Agency management" means the Executive Council and all other management officials, supervisors, and other representatives of the Postal Service having authority to act for the Postal Service on any matters relating to the implementation of the labor-management relations program established under this chapter;

(e) "Council" means the Federal Labor Relations Council established under Executive Order 11491;

(f) "Assistant Secretary" means the Assistant Secretary of Labor for Labor-Management Relations;

(g) "Professional employee" means

(i) any employee engaged in work (A) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (B) involving the consistent exercise of discretion and judgment in its performance; (C) of such a character that the output produced or the result accomplished cannot be standardized in relation to a given period of time; (D) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes; or

(ii) any employee, who (A) has completed the courses of specialized intellectual instruction and study described in clause (D) of paragraph (i), and (B) is performing related work under the supervision of a professional person to qualify himself to become a professional employee as defined in paragraph (i).

RIGHTS OF EMPLOYEES

Section 802. Employees shall have the right to self-organization to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and shall also have the right to refrain from any or all of such activities except to the extent that

such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in Section 803(a)(3).

UNFAIR LABOR PRACTICES

Section 803(a). It shall be an unfair labor practice for the Postal Service, agency management, or a supervisor--

(1) to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in Section 802;

(2) to dominate or interfere with the formation or administration of any labor organization;

(3) by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization; provided that nothing in this chapter or in any other statute of the United States shall preclude the Postal Service from making an agreement with a labor organization to require as a condition of employment membership therein on or after the 30th day following the beginning of such employment or the effective date of such agreement, whichever is the later,

(i) if such labor organization is the exclusive representative of the employees as provided in Section 804 in the appropriate collective bargaining unit covered by such agreement when made; provided further, that the Postal Service shall not justify any discrimination against an employee for non-membership in a labor organization

(A) if it has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or

(B) if it has reasonable grounds for believing that membership was denied or terminated for reasons other than

the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership;

(4) to discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this chapter, or in connection with any grievance or adverse action case;

(5) to refuse to bargain collectively with the labor organization representing its employees subject to the provisions of Section 804.

Section 803(b). It shall be an unfair labor practice for a labor organization or its agents--

(1) to restrain or coerce (A) employees in the exercise of the rights guaranteed in Section 802; provided, that this paragraph shall not impair the right of a labor organization to prescribe its own rules with respect to the acquisition or retention of membership therein; or (B) the Postal Service in the selection of its representatives for the purposes of collective bargaining or the adjustment of grievances;

(2) to cause or attempt to cause the Postal Service to discriminate against an employee in violation of Section 803(a)(3) or to discriminate against an employee with respect to whom membership in such organization has been denied or terminated on some ground other than his failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership;

(3) to refuse to bargain collectively with the Postal Service, provided it is the exclusive representative of the employees of the Postal Service subject to the provisions of Section 804.

(4) to require of employees covered by an agreement authorized under sub-section 803(a)(3), the payment, as a condition precedent to becoming a member of such organization, of a fee in an amount which the Assistant Secretary finds excessive or discriminatory

under all the circumstances. In making such a finding, the Assistant Secretary shall consider, among other relevant factors, the practices and customs of labor organizations in the Postal Service, and the wages currently paid to the employees affected.

Section 803(c). For the purposes of this section, to bargain collectively is the performance of the mutual obligation of the Postal Service and the labor organizations which are the exclusive representatives of its employees to meet at reasonable times and confer in good faith with respect to wages, hours, and other terms and conditions of employment, or the negotiation of an agreement, or any question arising thereunder, and the execution of a written contract incorporating any agreement reached if requested by either party, but such obligation does not compel either party to agree to a proposal or require the making of a concession, subject to the provisions of Section 815.

Section 803(d). The Assistant Secretary is empowered, as provided in Executive Order 11491, to prevent or remedy the commission of any unfair labor practice defined in this chapter. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise.

EMPLOYEE REPRESENTATION

Section 804. Labor organizations designated or selected for the purposes of collective bargaining by a majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment; provided, that any individual employee or group of employees shall have the right at any time to present grievances to agency management and to have such grievances adjusted, without the intervention of the bargaining representative, as long as the adjustment is not inconsistent with the terms of the applicable collective bargaining

contract or agreement in effect; provided, further, that the bargaining representative has been given opportunity to be present at such adjustment.

Section 805. Exclusive Recognition--

(a) The Postal Service shall accord exclusive recognition to a labor organization when the organization has been selected by a majority of the employees in an appropriate unit as their representative. The sole units which shall be appropriate for the purposes of collective bargaining under this chapter shall be the national craft units previously established under Executive Order 10988.

(b) All grants of recognition previously issued by the Post Office Department on other than a national exclusive basis are hereby declared to be null and void; provided, however, that contracts entered into pursuant to such grants of recognition shall be permitted to expire upon their normal expiration date but no later than March 31, 1970.

(c) Formal and informal recognition previously granted by the Post Office Department shall be terminated on the effective date of the enactment of this chapter, and all relationships thereby established shall immediately be terminated.

(d) Grants of national exclusive recognition and national agreements and supplements entered into by the Post Office Department pursuant to Executive Order 10988 and Executive Order 11491 shall be recognized by the Postal Service until altered or amended pursuant to the provisions of this chapter.

(e) Whenever a petition shall have been filed, in accordance with such regulations as may be prescribed by the Assistant Secretary--

(i) by an employee or group of employees or any labor organization acting in their behalf alleging that a substantial number of employees (A) wish to be represented for collective bargaining by a labor organization and that the Postal Service declines to recognize such labor organization as the representative defined in Section 805(a), or (B) assert that the labor

organization, which has been certified or is being currently recognized by the Postal Service as the bargaining representative, is no longer a representative as defined in Section 805(a); or

(ii) by the Postal Service, alleging that one or more labor organizations have presented to it a claim to be recognized as the representative defined in Section 805(a), the Assistant Secretary shall investigate such petition and if he has reasonable cause to believe that a question of representation exists he shall provide for an appropriate hearing upon due notice. Such hearing may be conducted by an officer or employee of the Assistant Secretary, who shall not make any recommendations with respect thereto. If the Assistant Secretary finds upon the record of such hearing that such a question of representation exists, he shall direct an election by secret ballot and shall certify the results thereof.

Section 806. No election shall be directed in any bargaining unit within which, in the preceding twelve-month period, a valid election shall have been held. In any election where none of the choices on the ballot receives a majority, a runoff shall be conducted, the ballot providing for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election. In the event of a tie vote, additional runoff elections shall be conducted until a majority vote has been achieved.

Section 807. A unit shall not be established which includes--

- (a) any management official or supervisor;
- (b) an employee engaged in Postal Service personnel work in other than a purely clerical capacity;
- (c) both professional and non-professional employees, unless a majority of the professional employees vote for inclusion in the unit.

Section 808. All elections shall be conducted under the supervision of the Assistant Secretary, or persons designated by him, and

shall be by secret ballot. Each employee eligible to vote shall be provided the opportunity to choose the labor organization he wishes to represent him, from among those on the ballot, or "no union," unless "no union" has been dropped from the ballot pursuant to Section 806.

Section 809. A petition filed under sub-section 805(a)(1) shall be accompanied by a statement signed by thirty per centum or more of the employees in the appropriate unit alleging they desire that an election be conducted for the purpose set forth in sub-section 805(a)(1).

Section 810. When a labor organization holds national exclusive recognition, the Postal Service shall deduct the regular and periodic initiation fees, dues, and assessments of the organization from the pay of all members of the organization in the unit of recognition: provided, that the Postal Service has received from each employee, on whose account such deductions are made, a written assignment which shall be irrevocable for a period of not less than one year; provided, however, that deductions being made by the Post Office Department pursuant to Standard Form No. 1187 (Request and Authorization for Voluntary Allotment of Compensation for Payment of Employee Organization Dues) on the effective date of this enactment, shall continue to be made by the Postal Service in accordance with the terms of such authorizations where the labor organizations which are the beneficiaries of such authorizations hold national exclusive recognition.

MISCELLANEOUS

Section 811. The Assistant Secretary shall have authority from time to time to make, amend, and rescind, in a manner prescribed by the Administrative Procedure Act, such rules and regulations as may be necessary to carry out the provisions of this chapter.

Section 812. Appeals from decisions of the Assistant Secretary regarding unfair labor practice proceedings, and representation proceedings made by the Assistant Secretary, may be taken to the Council in accordance with regulations issued by the Council in a manner prescribed by the Administrative Procedure Act.

STANDARDS OF CONDUCT FOR LABOR ORGANIZATIONS

Section 813. Labor organizations which are accorded national exclusive recognition under this chapter shall comply with the standards of conduct for labor organizations established under Executive Order 11491.

PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS

Section 814(a). Collective bargaining agreements between the Postal Service and bargaining representatives recognized pursuant to Section 805 of this chapter shall be effective for not less than two (2) years but no more than three (3) years.

Section 814(b). Collective bargaining agreements between the Postal Service and bargaining representatives recognized pursuant to Section 805 of this chapter may include any procedures for resolution by the parties of grievances and adverse actions, including procedures culminating in binding third-party arbitrations, or the parties may adopt any such procedures by mutual agreement in the event of a dispute.

Section 814(c). The Postal Service and bargaining representative recognized pursuant to Section 805 may by mutual agreement adopt any procedures for the resolution of disputes or impasses arising in the negotiation of a collective bargaining agreement. It is the intent of the Congress that the parties adopt such procedures and not rely on the procedures prescribed in Section 815 of this chapter.

Section 815. Disputes

(a) Where there is in effect a collective bargaining agreement no party to such agreement shall terminate or modify such agreement unless the party desiring such termination or modification serves written notice upon the other party to the agreement of the proposed termination or modification not less than ninety days prior to the expiration date thereof, or not less than ninety days prior to the time it is proposed to make such termination or modification. The party serving such notice shall notify the Federal Mediation and Conciliation Service of the existence of a dispute within forty-five days of such notice, provided no agreement has been reached by that time.

(b) In the event the parties fail to reach agreement or to adopt a procedure providing for a binding resolution of a dispute by the expiration date of the agreement in effect, or the date of the proposed termination or modification the Federal Mediation and Conciliation Director shall direct the establishment of a factfinding panel. For this purpose he shall submit to the parties a list containing no less than fifteen names of neutral, impartial persons from which list each party, within ten days, shall select one person. The two so selected shall then choose from the list a third person who shall serve as chairman of the factfinding panel. If either of the parties fail to select a person or if the two members are unable to agree on the third person within three days, the selection shall be made by the Federal Mediation and Conciliation Director. The factfinding panel shall after due investigation issue a report of its findings, with or without recommendations, to the parties no later than forty-five days from the date the list of names was submitted.

(c)(1) In the event no agreement is reached within ninety days after the expiration or termination of the agreement or date on which the agreement became subject to modification pursuant to subsection (b) of this section, or if the parties decide upon arbitration but do not agree upon the procedures therefor, an arbitration board shall be established consisting of three members, not members of the factfinding panel, one of whom shall be selected by the Authority, one by the bargaining representative of the employees, and the third by the two thus selected. If either of the parties fails to select a member, or if the members chosen by the parties fail to agree on the third person within five days after their first meeting, the selection shall be made by the Federal Mediation and Conciliation Director. In the event the parties do not agree on the framing of the issues to be submitted, the factfinding panel shall frame the issues and submit them to the arbitration board.

(c)(2) The arbitration board shall give the parties a full and fair hearing, including an opportunity to present evidence in support of their claims, and an opportunity to present their case in person, by counsel or by other representative as they may elect. Decisions of the arbitration board shall be conclusive and binding upon the parties.

(d) Costs of the arbitration board shall be shared equally by the Postal Service and the bargaining representative.

Section 816. The provisions of the Act of March 23, 1932, 47 Stat. 70 (29 U.S.C. §§ 101-15), shall be applicable with respect to a case growing out of a labor dispute between parties subject to this chapter.

Section 817. Except to the extent expressly provided herein, the provisions of Executive Order 11491 shall not be applicable to the Postal Service or its employees or the labor organizations who are their representatives with respect to matters arising under this chapter.

Section 818(a). Suits for violation of contracts between the Postal Service and a labor organization as defined in this chapter may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.

(b) Any labor organization which represents employees as defined in this Act and the Postal Service shall be bound by the acts of its agents. Any such labor organization may sue or be sued as an entity and in behalf of the employees whom it represents in the courts of the United States. Any money judgment against a labor organization in a district court of the United States shall be enforceable only against the organization as an entity and against its assets, and shall not be enforceable against any individual member or his assets.

(c) For the purposes of actions and proceedings by or against labor organizations in the district courts of the United States,

district courts shall be deemed to have jurisdiction of a labor organization (1) in the district in which such organization maintains its principal offices, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for employee members.

(d) The service of summons, subpoena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

Section 819. The provisions of Executive Order 11491 issued by the President on October 29, 1969, shall continue to apply in full to employees of the Post Office Department until January 1, 1971.

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POST OFFICE DEPARTMENT
THE EXECUTIVE ASSISTANT TO THE POSTMASTER GENERAL
WASHINGTON, D.C. 20260

January 8, 1970

Honorable Charles Colson
Special Counsel to the President
The White House
Washington, D. C. 20500

Dear Chuck:

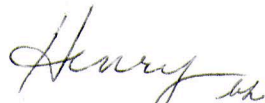
I would certainly be extremely grateful if you could supply me with a print of the picture that appeared in the January issue of the Postal Record on Page Nine, the full-page picture appearing directly across from the article on the postal reform bill which starts on Page Eight.

If you can get me such a print I would dearly love to have you autograph it to me with some comment along the lines that I was, to some degree, responsible for this meeting in the very early stages.

Anything you might come up with will be appreciated.

Kind personal regards.

Sincerely,



Henry R. Albert
Deputy Executive Assistant
to the Postmaster General

*August photo
sent 11/16/70*