

## DOCUMENT WITHDRAWAL RECORD [NIXON PROJECT]

| DOCUMENT NUMBER | DOCUMENT TYPE | SUBJECT/TITLE OR CORRESPONDENTS                                                                                                                    | DATE     | RESTRICTION |
|-----------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------|
| N-1             | Memo          | <del>Hoffman to Colson, re: Airline Industry [attached to cover memo, Colson to Caschen, 12/12/69]</del>                                           | 12/13/69 | C           |
| N-2             | Memo          | <del>Colson to Caschen, re: Agreement on Postal Reform and Postal pay [2 copies]</del><br>NI & ND were reintegrated from Contested Files on 8/1/06 | 12/16/69 | C           |

FILE GROUP TITLE

Colson

BOX NUMBER

51

FOLDER TITLE

Memorandums Concerning Postal Strike and Reform

## RESTRICTION CODES

- A. Release would violate a Federal statute or Agency Policy.
- B. National security classified information.
- C. Pending or approved claim that release would violate an individual's rights.
- D. Release would constitute a clearly unwarranted invasion of privacy or a libel of a living person.

- E. Release would disclose trade secrets or confidential commercial or financial information.
- F. Release would disclose investigatory information compiled for law enforcement purposes.
- G. Withdrawn and return private and personal material.
- H. Withdrawn and returned non-historical material.



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| N-1<br>[152]    | Memo          | Hoffman to Colson, re: Airline Industry [attached to cover memo, Colson to Cashen, 12/12/69] | 12/13/69 | C           |
| N-2<br>[153]    | Memo          | Colson to Cashen, re: Agreement on Postal Reform and Postal pay [2 copies]                   | 12/16/69 | C           |

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**Presidential Materials Review Board**

**Review on Contested Documents**

**Collection:** Charles W. Colson  
**Box Number:** 51

**Folder:** Memorandums Concerning Postal Strike & Reform

| <u>Document</u> | <u>Disposition</u> |
|-----------------|--------------------|
| 152             | Retain Open        |
| 153             | Retain Open        |



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|--------------------|------------------|-----------------------------------------------------------------------------|---------|-------------|
| 1                  | Memo             | Colson to Ehrlichman (2p.) w/memo Ehrlichman to Colson 3/16/70              | 3/17/70 | B (S)       |
| 2                  | Memo             | Colson to Ehrlichman (2p.) attached to cover memo Ehrlichman to Colson 4/27 | 3/17/70 | B (S)       |

FILE GROUP TITLE

WHSF SM&OF Charles Colson

BOX NUMBER

51 61

FOLDER TITLE

MEMORANDUMS CONCERNING POSTAL STRIKE AND REFORM

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## POSTAL DISPUTES PRODUCE TOP LOBBY SPENDING IN 1969

Pressure groups reported spending more than \$5.1 million to lobby Congress in 1969, a 21-percent increase over the preceding year and the second highest total since 1951.

Much of the increase was attributable to controversy over proposed pay raises for postal employees, which brought the nation's first mail strike this year, and over proposals to revamp the postal service. Tax legislation also contributed to the rise in reported spending for lobbying purposes.

A total of 269 organizations listed spending of \$5,114,709 to influence Congress on legislation in 1969, up from the \$4.2 million reported by 266 organizations in 1968. The 11 groups which spent more than \$100,000 apiece accounted for more than a third of the total reported for all groups. The 25 organizations reporting the largest spending in 1969 accounted for \$2,975,930, more than half the total.

The figures were compiled by Congressional Quarterly from quarterly reports filed with the House File Clerk by lobby groups under the 1946 Federal Regulation of Lobbying Act. The figures represent a fraction of the sums spent in efforts to influence Congress. A 1954 Supreme Court ruling exempted from reporting those organizations which do not solicit or receive money for the "principal purpose" of influencing Congress. Self-policing aspects and divergent interpretations of provisions of the Federal Regulation of Lobbying Act on which the courts have not ruled add to uncertainties concerning the accuracy with which the spending reports reflect pressure group activities.

Political campaign activities, which comprise a significant portion of some interest groups' efforts to affect Congressional action, fall under a separate law.

**Biggest Spenders.** The National Association of Letter Carriers (AFL-CIO) jumped from 19th in 1968 to first place among reported lobby spenders in 1969. A second postal union, the United Federation of Postal Clerks (AFL-CIO), while dislodged from the top spending spot it had occupied from 1966 through 1968, also increased its lobby spending substantially and ranked second.

The 210,000-member Letter Carriers union reported spending \$295,970, highest figure reported by a lobby group since the American Medical Association reported \$1,155,935 for 1965, the year Medicare was enacted over AMA opposition. The Letter Carriers devoted much attention to ultimately successful efforts to get a pay raise for postal workers and partly successful efforts to block the Administration's proposed establishment of a postal corporation in place of the existing Executive department. Nearly half the union's spending—\$144,641—went for printed materials. Another \$89,333 was reported for public relations and advertising services. The union's spending more than quadrupled from its reported \$63,797 lobby spending in 1968.

The Postal Clerks, with interests generally similar to those of the Letter Carriers, spent \$250,827 in 1969, compared with \$170,784 which topped all organizations in 1968.

The Realty Committee on Taxation, an organization representing about 100 of the largest investment builders, reported the third largest spending at \$229,223. Its only legislative interest was an accelerated depreciation provision in the Tax Reform Act of 1969, which it sought unsuccessfully to retain.

Loopholes in the Regulation of Lobbying Act, inaccuracies in the reports and varying methods of calculating reported lobby spending totals make comparisons hazardous. Lobby group spokesmen say the fact that an organization ranks high on the list may simply reflect greater detail in reporting rather than higher spending.

### Reporting Methods

Organizations filing reports on spending under the 1946 Federal Regulation of Lobbying Act use varying criteria in determining what to report.

The lobby organizations themselves determine what portion of their total yearly expenditures should be attributed to lobbying. The law designates no Federal officials to check the accuracy and completeness of reports. The Clerk of the House simply acknowledges that a report has been received and files it.

Spending report forms provided by the Clerk of the House and Secretary of the Senate list blanks for eight spending categories:

- Public relations and advertising services.
- Wages, salaries, fees, commissions (other than public relations and advertising).
- Gifts or contributions made during the quarter.
- Printed or duplicated matter, including distribution cost.
- Office overhead (rent, supplies, utilities, etc.).
- Telephone and telegraph.
- Travel, food, lodging and entertainment.
- All other expenditures.

Most organizations list only part of their total yearly expenditures as lobby spending. But there is little agreement among methods used to determine what amounts to attribute to lobbying.

The American Legion regularly reports the full budget of the Legion's legislative commission in Washington.

The National Association of Postal Supervisors made a change in its bookkeeping procedures which led to reporting of additional spending for 1969 previously left unlisted.

Other groups report varying percentages of their overall expenditures or of staff members' salaries, depending on group officials' determination of the ratio between lobbying and the group's total activities. For example, the National Association of Home Builders of the United States not only listed its total spending in 1969 but also reported its lobby spending at 75 percent of the associa-



tion's legislative budget "plus an estimated percentage of the other expenditures...which may conceivably be considered 'in connection with the legislative interest'."

The American Farm Bureau Federation in 1969, as previously, reported 5 to 50 percent of various officers or employees' salaries, depending on the time devoted to lobbying activities.

One form of error is common. This results from the lobby organization's listing of the total quarterly spending in the wrong space on the reporting form. When

this occurs, the figure is disregarded by the printers and listed in the *Record* as "none." The result is that each year some organizations are shown in the *Record* as having reported no spending under the lobby law, although they have done so. For the list which follows, CQ has used the original reports to substitute the reported totals where the word "none" has appeared in the *Record* listing.

**References:** *Congress and the Nation*, Vol. II p. 925; *Congress and the Nation*, Vol. I p. 1585; 1969 *Weekly Report* p. 1128.

## Legislative Interests of Top Lobby Spenders

**Letter Carriers.** Major efforts aimed primarily at gaining a pay raise for postal workers and also at blocking creation of a postal corporation vaulted the National Association of Letter Carriers (NALC) from 19th place in 1968 to first place in reported lobby spending in 1969. The 210,000-member union reported expenditures of \$295,970—up from \$63,797 in 1968.

The union was unsuccessful during 1969 in both its main objectives. Delays in connection with a Federal employees' pay raise bill (HR 13000), which passed House and Senate in significantly differing forms, and disagreement over the Administration position linking pay raise to postal reform accounted for part of Congressional inaction on the issue in 1969.

On March 18, 1970, the Manhattan-Bronx local of the NALC staged a wildcat walkout which spread in three days to more than 600 post offices in the nation's first postal strike. Four months later Congress had granted postal workers and most other Government employees a 6-percent raise and was in the final stages of enacting a postal reorganization measure which would give post office workers an additional 8 percent raise (HR 17070). The bill, in conference since mid-July, also provided for collective bargaining between unions and the management of a new postal service, set up in HR 17070 as an independent Government agency.

An agreement in December 1969 between union president James H. Rademacher and President Nixon on a modified corporation plan of postal reform in exchange for an 11-percent pay raise and other benefits backfired on Rademacher during the strike when the compromise was shouted down at NALC locals. But as negotiations became imminent on March 24 he was able to reverse himself and support separation of the salary issue from the corporation. (1970 *Weekly Report* p. 839)

In waging its battle last year the NALC said it spent \$144,641—almost half its reported total—for printed materials, and another \$89,333 on public relations and advertising services. Salaries of \$41,950 were also reported.

**Postal Clerks.** Number one spender in reports for 1966 through 1968, the 300,000-member United Federation of Postal Clerks (AFL-CIO) reported spending of \$250,827 in 1969. That was \$80,043 more than its 1968 spending.

The union conducted "intensive activity to beat" the Administration's postal corporation proposal (HR 11750), public relations counsel Stanley Allen said, adding: "And we won that fight."

But victory was not total. The union had to take a postal reorganization plan acceptable to the Administration in order to gain an additional 8-percent pay raise.

The postal service plan and the pay hike are in HR 17070, which was in conference in mid-July.

The union had supported a pay raise bill (HR 13000), which granted up to a 5.4-percent increase. The bill had passed both houses in significantly differing form, but conferees never met.

Much of the 1969 spending, Allen said, was connected with the union's "public education" campaign, aimed in part at countering efforts on behalf of the postal corporation by the Citizens Committee on Postal Reform.

The union reported spending of \$112,727 on printed materials and \$16,836 on public relations and advertising in 1969. Salaries were reported at \$59,649.

The union was among seven postal unions to join in negotiations with the Administration in March after striking postal workers were back on the job. A number of its locals participated in the strike.

Provisions in the pay raise-postal reform bill would allow compensation and working conditions to be set through collective bargaining as in private industry and apply national labor-management legislation to the new postal service and postal unions. (1970 *Weekly Report* p. 1434, 1526)

"This has been the busiest two-year period in memory," Allen said. "It's odd that much of what we've fought for for years has come to a head within the last two years."

**Realty Committee.** The Realty Committee on Taxation, an organization representing about 100 of the nation's largest investment builders, was third-largest lobby spender in 1969, on an unsuccessful cause.

The committee reported spending \$229,223 in its first year. Its only legislative interest was Section 311 of the Tax Reform Act of 1969 (HR 13270—PL 91-172). Secretary Lester Eisner said the committee sought unsuccessfully to prevent any change in accelerated depreciation provisions of the law. Congress changed the law to eliminate accelerated depreciation except for housing. Many committee members own the office buildings and commercial and industrial developments they build.

Eisner said the law change means investment builders who retain ownership must depreciate their properties over a longer period at a lower rate than heretofore. Eisner attributed what he called the "sluggishness" in the realty market partly to changes in the accelerated depreciation provisions. "But the worst problem remains high interest rates," he said.

Salaries of \$78,035 were the largest expenditure reported. Publicity was reported at \$40,500 and printing at \$10,964.

Eisner indicated the committee would continue in existence to seek amendment to the 1969 tax reform law.



**AFL-CIO.** The union, representing 13.5 million workers, reported spending \$184,938 in 1969, a \$30,000 increase over 1968 spending for lobby purposes. The union ranked fourth in lobby spending for the year.

Among the most active lobby groups on general matters as well as labor legislation, the AFL-CIO devoted a major effort to opposing confirmation of Clement F. Haynsworth Jr. as Associate Justice of the Supreme Court. It also lobbied heavily on the Tax Reform Act (HR 13270—PL 91-172), saying the House version was not strong enough in plugging loopholes for certain income groups.

The AFL-CIO reported no public relations and advertising costs in 1969. Salaries represented the largest expense, at \$143,433 for seven employees, followed by \$31,925 for printing and distribution services.

The AFL-CIO supported bills (S 2193, HR 3809) to set national labor health and safety standards; to establish new mine safety standards (S 2917—PL 91-173); to set a \$2 minimum wage (HR 10948, S 2070); to bring farm workers under the National Labor Relations Act (S 8); and to allow common-site picketing on construction projects (HR 100).

The AFL-CIO supported an unsuccessful rider to the supplemental appropriations bill (HR 15209) to permit the Comptroller General to withhold funds from construction projects that hire workers under a quota system set up by the Labor Department's "Philadelphia Plan." The union opposed the plan as discriminatory against the construction industry.

**American Farm Bureau.** The American Farm Bureau Federation reported spending \$146,337 last year, fifth-highest among lobby groups reporting.

The bureau, representing 1.86 million member families, supported bills (HR 9633, HR 11528) to phase out acreage controls and subsidy payments, in competition with several bills sponsored by a farm group coalition which would make existing farm programs permanent (HR 14014 and others). The bureau also offered new proposals on farm labor, but no action was taken in 1969 beyond the holding of hearings.

Salaries of 11 and sometimes 12 officers or employees of the Farm Bureau, reported at \$89,306 in 1969, comprised the largest category of the group's expenses. The organization reported from 5 to 50 percent of individuals' salaries, depending on the time devoted to lobbying activities. The other major expense item was printing, at \$40,137. No expenses were reported for publicity.

The Farm Bureau backed a 10-year extension of the Great Plains conservation program (HR 10595—PL 91-118). It opposed the potato promotion and research bill (HR 2777), defeated by the House.

The group supported the "district plan" of electoral reform, opposing the direct election system (H J Res 681) passed by the House but not yet taken up in the Senate.

The bureau sought unsuccessfully to eliminate the 50-50 shipping restrictions on commercial shipments of grain to the Soviet Union and eastern Europe (HR 4293—PL 91-184). The group was interested in a number of provisions of the tax reform bill (HR 13270—PL 91-172), successfully backing provisions to clamp down on "hobby farmers" but unsuccessfully opposing changes in existing depletion allowances. A key concern was retention of the investment credit, repealed in the final bill passed Dec. 22.

**National Committee for the Recording Acts.** The committee, representing performers in sound recordings, reported spending \$139,726 in 1969, up substantially from \$25,949 in 1968.

A spokesman said the committee's only legislative interest was the copyright revision bill (S 543), especially provisions to establish copyright protection for sound recording artists.

Public relations and advertising of \$93,605 constituted the largest expenditure of the committee. Travel was next at \$21,191. Salaries and printing were reported at about \$8,000 each.

The organization was active in 1968 when a copyright revision bill passed the House and was not taken up in the Senate.

**Home Builders.** Reported lobby spending for the National Association of Home Builders of the United States nearly doubled in 1969. The \$138,472 total jumped the group from 17th to seventh among the reported lobby spenders.

Burton Wood, legislative director, said the association's Washington office was understaffed in 1968. He said a "call to action" had brought about 1,000 builders to Washington in September 1969 "to bring home to Congress what was happening in the home building industry." Wood cited a "disastrous decline in housing starts and shortage of mortgage funds" as the basis for the September lobbying effort.

The association, in an unusual disclosure, reported its total spending in 1969 at \$4,814,030. In lobby spending, the association's 1969 total was reported as 75 percent of "the expenditures of the Legislative Department of the Association plus an estimated percentage of the other expenditures...which may conceivably be considered 'in connection with the legislative interest....'"

The association supported efforts in 1969 leading to the Emergency Home Financing Act of 1970 (HR 17495—S 3685), to make additional mortgage money available to home buyers. The bill was signed (PL 91-351) by President Nixon July 24.

The association was active in 1969 in support of legislation to increase mortgage availability and to increase the building industry's access to timber.

**United States Savings and Loan League.** The league, representing 5,000 savings and loan associations, reported it spent \$126,421 on lobbying in 1969, the eighth biggest figure listed. The league lobbied successfully for two major pieces of legislation: A provision in the mortgage credit bill (S 2577—PL 91-151) to increase to \$20,000 the savings and loan insurance accounting ceiling (same as for banks), and a provision to make available \$4 billion in backup for the Treasury Department to support mortgage lending.

The largest expense category reported for the league was that of lobby-related salaries for 16 employees at \$64,283. Printing costs were reported at \$45,832 with nothing reported for publicity. Travel, food, lodging and entertainment expenses totaled \$1,976 for the last three quarters of 1969 and \$11,281 in the first quarter. The larger figure represented the league's annual legislative conference in Washington in February, legislative director Stephen Slipper said.

The league failed to win approval of a Federal Home Loan Bank secondary mortgage market authority and



## 25 Top Spenders

The 25 top spenders of the 269 organizations that filed lobby spending reports for 1969 are listed below, with the amounts they reported spending in 1969 and 1968.

| ORGANIZATION                                                                                                  | 1969      | 1968      |
|---------------------------------------------------------------------------------------------------------------|-----------|-----------|
| National Association of Letter Carriers (AFL-CIO)                                                             | \$295,970 | \$ 63,797 |
| United Federation of Postal Clerks (AFL-CIO)                                                                  | 250,827   | 170,784   |
| Realty Committee on Taxation                                                                                  | 229,223   | —         |
| AFL-CIO (headquarters)                                                                                        | 184,938   | 154,466   |
| American Farm Bureau Federation                                                                               | 146,337   | 147,379   |
| National Committee for the Recording Arts                                                                     | 139,726   | 25,949    |
| National Association of Home Builders of the United States                                                    | 138,472   | 70,095    |
| United States Savings and Loan League                                                                         | 126,421   | 119,784   |
| Record Industry Association of America Inc.                                                                   | 115,334   | 111,394   |
| American Legion                                                                                               | 114,609   | 141,134   |
| Council for a Livable World                                                                                   | 112,603   | 154,022   |
| National Education Association, Office of Government Relations and Citizenship                                | 97,537    | 84,146    |
| National Housing Conference Inc.                                                                              | 95,562    | 96,935    |
| American Medical Association                                                                                  | 91,355    | 56,374    |
| Railway Labor Executives Association                                                                          | 86,286    | —         |
| National Association of Theatre Owners                                                                        | 84,049    | —         |
| Citizens Committee for Postal Reform                                                                          | 83,951    | —         |
| Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express and Station Employees (AFL-CIO) | 80,985    | 93,456    |
| American Trucking Associations Inc.                                                                           | 80,896    | 121,399   |
| Liberty Lobby Inc.                                                                                            | 79,927    | 75,807    |
| National Federation of Independent Business Inc.                                                              | 75,528    | 102,455   |
| National Farmers Union                                                                                        | 73,264    | 95,639    |
| National Association of Postal Supervisors                                                                    | 68,365    | 35,694    |
| National Council of Farmer Cooperatives                                                                       | 62,496    | 57,832    |
| National Federation of Federal Employees                                                                      | 61,269    | 57,148    |

failed to obtain for savings and loan associations trustee power in handling estates.

The group was successful in advocacy of certain provisions of the Tax Reform Act of 1969 (HR 13270—PL 91-172), including one maintaining special bad-debt deductions and liberalizing rules for savings and loans seeking to qualify for those deductions.

**Record Industry Association of America.** (Represents about 55 record companies.) Centering its efforts on one piece of legislation in 1969, the association reported spending \$115,334 under the Lobbying Act. The 1968 total was \$111,394.

The legislation backed was an amendment by Sen. Harrison A. Williams Jr. (D N.J.) to the copyright revision bill (S 543). The amendment would establish a schedule

of royalty payments to musical performers and record companies for use of their material in jukeboxes or on the air. The bill has been reported favorably by the Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights, with no action in the House.

The association reported \$109,834 in salary expenditures in 1969. No expenditures were listed for publicity or printing.

**American Legion.** (Represents about 2.5 million veterans.) Expenditures in 1969 were reported by the Legion at \$114,609, down from \$141,134 in 1968. Both figures represented the full budget of the Legion's legislative commission.

The Legion's major interest last year was a bill (S 1471—PL 91-96) raising benefits to widows and children of veterans who died of service-connected causes.

The Legion's largest reported lobby expense in 1969 was \$81,294 for salaries of seven to eight employees. That was followed by \$26,797 for travel, food, lodging and entertainment; \$24,352 for printing and duplicating, and \$17,829 for office overhead.

The Legion supported bills to authorize (S 2546—PL 91-121) and appropriate funds for the antiballistic missile system (ABM), increase educational benefits for Vietnam veterans (HR 11959—PL 91-219); bar Communists from employment in defense plants (HR 12699); curb drug abuse (S 2637, S 1895); limit the distribution of obscene materials (S 2057, HR 10877); and authorize grants to states for communicable disease control (S 2264).

The Legion also supported an amendment to the foreign aid authorization bill (HR 14580—PL 91-175) to repeal economic sanctions against Rhodesia. The House deleted the amendment on the floor.

**Council for a Livable World.** The council's reported lobby spending in 1969 dropped to \$112,603 from a 1968 total of \$154,022, despite heavy involvement in the debate over deployment of the antiballistic missile system (ABM) (S 2546—PL 91-121).

The organization has several thousand contributors interested in arms control and disarmament. It supported Senatorial candidates in 1968 who were sympathetic to arms control or against the ABM, which the council has opposed since 1965. The council last year arranged anti-ABM seminars for Senators and aides, channeled information and arranged for scientists opposed to the ABM to testify before Congressional committees and lobby Senators on the issue.

The council's largest reported expense in 1969 was \$41,841 for salaries; \$28,485 was reported for printing, none for public relations and advertising, and \$20,554 fell under "all other expenditures."

The council, though most of its energies went to the ABM issue, also backed defense cuts and a start to U.S.-Soviet strategic arms limitation talks and opposed multiple warhead (MIRV) missiles.

**NEA.** The National Education Association's office of government relations and citizenship reported spending of \$97,537 to lobby in 1969. It reported \$84,146 in 1968.

Primary concern of NEA in 1969 was the Labor-Health, Education and Welfare fiscal 1970 appropriations bill, vetoed by President Nixon Jan. 26, 1970, as inflationary. The House sustained the veto 226-191 Jan. 28, with 52 votes to spare. (*Weekly Report* p. 256)



The President had been bested in two bouts prior to his resort to the veto—House and Senate passage of the \$19.7-billion Labor-HEW bill—in large part by a new alliance of educators headed up by NEA. They were instrumental in getting \$1.2 billion added to the President's education request, which Mr. Nixon called inflationary in his veto message.

The Emergency Committee for Full Funding of Education Programs, including about 70 groups, was initiated in April 1969 by John Lumley, director of NEA's office of government relations and citizenship. The committee called hundreds of grassroots lobbyists to Washington Jan. 26-28, 1970, to press Congress to override President Nixon's veto. It did not, but the House-passed Labor-HEW money bill is well above the Nixon requests. (*Weekly Report p. 348*)

"I guess Mr. Nixon now has guaranteed that the committee will go through 1971," Lumley said.

NEA reported \$86,485 in salaries and \$1,452 in printing as major expenses for lobbying in 1969. Nothing was reported for publicity. A spokesman said the association employs eight fulltime lobbyists.

A spokesman said the NEA has also supported the 18-year-old vote (HR 4249—PL 91-285); revision of copyright laws (S 543), to determine what is "fair use" of published materials mechanically reproduced for classroom use; appropriations under Title IV of the Civil Rights Act to assist local school districts in desegregation; authorizations under the General Federal Aid bill (HR 10833) to assist states in problems they identify; and legislation to grant the Office of Education status as a separate department of the Executive Branch.

**Housing Conference.** The National Housing Conference Inc., representing about 4,000 Federal and local housing officials, builders, architects and other professionals, reported 1969 lobby spending of \$97,665, almost unchanged from 1968.

The conference's legislative interest last year involved provisions of the Housing and Urban Development Act of 1969 (S 2864—PL 91-152), housing appropriations, and the 1969 Tax Reform Act (HR 13270—PL 91-172).

The tax reform bill included a provision on depreciation of rental housing which the conference said preserved a tax advantage for moderate- and low-income housing, though its extension was not as long as the group wished.

**American Medical Association.** The AMA reported spending \$91,355 to lobby in 1969. The amount in 1968 was \$56,374.

The medical association was credited with one of the big lobby victories of the year when Dr. Roger O. Egeberg was named as Assistant Secretary for Health and Scientific Affairs in the Department of Health, Education and Welfare (HEW). The appointment ended a five-month effort by HEW Secretary Robert H. Finch to gain the post for Dr. John H. Knowles. The AMA was reported to oppose Dr. Knowles because it considered his view on health care too liberal.

The AMA reported \$48,062 for salaries and \$20,000 for printing and duplicating in 1969. Nothing was reported for advertising and public relations. The AMA reported its full legislative commission budget.

A second major lobby victory came for the AMA when the House June 25 and the Senate June 30 overrode President Nixon's veto of June 22 on the bill extending the

Hill-Burton hospital act (HR 11102—PL 91-296). The Medical Facilities Construction and Modernization Amendments of 1970 authorized \$2.79 billion over three years for grants and loans to hospitals and other medical facilities. The President said the bill was too expensive and would hinder his management of the Federal Budget. (*Weekly Report p. 1680*).

The AMA also supported a bill (HR 14252) to authorize Federal grants for drug abuse education. The AMA said grants should include education on abuses of alcohol.

**Railway Labor Executives Association.** The RLEA reported expenditures of \$86,286 last year, ranking the organization 15th among reported spenders in 1969.

Legislation (HR 15733) backed by the RLEA last year to raise temporarily railroad retirement benefits by 15 percent and the interest rate on obligations where railroad retirement funds are invested passed the House April 7, 1970, and the Senate, with amendments, June 30, 1970. (*Weekly Report p. 1681, 1009*)

Now in conference, the two versions differ on when the provision granting the increase is to expire. The Administration is opposed to the legislation.

A second RLEA-backed bill (S 1933) to create uniform Federal railroad safety standards passed the Senate Dec. 19 and now awaits action on the House calendar.

**Theater Owners.** The National Association of Theater Owners reported expenditures of \$84,049 in 1969, principally to lobby once more against pay television.

The association, representing about 10,000 theater owners, backed a bill (HR 420) to make the broadcast of subscription television illegal.

The theater owners also joined in a court challenge to a Federal Communications Commission (FCC) plan to authorize pay TV in specific locations and with limitations on programming. A Federal appeals court rejected the theater owners' challenge, but the FCC agreed to a request from the House Interstate and Foreign Commerce Committee to delay implementation of the pay TV plan until after Jan. 30, 1970.

The group also lobbied against extension of the minimum wage to theater employees on grounds owners would have to dismiss part-time help working below the base wage.

**Citizens Committee for Postal Reform.** The committee, initiated last year as the Citizens Committee for a Postal Corporation, Inc., by former Postmaster General Lawrence F. O'Brien and former Sen. Thruston B. Morton (R Ky., 1957-68), reported spending \$83,951 in 1969 to lobby for reorganization of the Post Office Department.

The committee reported \$37,518 in salaries in 1969; \$24,518 for public relations and advertising, largely newspaper advertisements and the expense of their preparation; \$5,747 in its own printing expenses; and \$13,164 in office overhead.

The group initially backed postal reform embodied in the Administration bill (HR 11750) creating a postal corporation, but a spokesman said the committee was "not unhappy" with proposals setting up an independent postal agency.

Another spokesman said the committee generally favored the combination 8-percent pay raise and reorganization bill (HR 17070) now in conference, with preference for the House version of postal rates and pub-



lic service sections. That bill would turn the Post Office into an independent corporation-like structure to be run by a nine-member commission appointed by the President (*Weekly Report* p. 1290)

The spokesman said that once such legislation is enacted, the committee will disband.

O'Brien, still listed as reform committee cochairman, is also chairman of the Democratic National Committee. Postal Reform cochairman Morton was chairman of the Republican National Committee, 1959-61.

**Railway Clerks.** The Brotherhood of Rail, Airline & Steamship Clerks, Freight Handlers, Express and Station Employees (AFL-CIO) reported less lobby spending in 1969, dropping to \$80,985 from \$93,456 in 1968.

The union successfully backed railroad retirement legislation making permanent a supplemental annuities program and providing an excise tax on railroads to cover its cost beginning April 1, 1970 (HR 13300—PL 91-215). Also in the law was a provision providing a mandatory retirement at age 68 and by 1973, at age 65. (*Weekly Report* p. 733)

Another retirement bill (HR 15733), in conference in mid-July, had the union's support in 1969. It would temporarily raise railroad retirement benefits by 15 percent and increase the interest rate on the obligations in which railroad retirement funds are invested. The benefits increase would expire on December 31, 1971, in the House version and on July 1, 1972, in the Senate version.

A union spokesman said the union also backed airline safety and general labor and consumer legislation.

**American Trucking Associations Inc.** The organization representing 50 state trucking associations and 13 trucker conferences, cut its reported lobby spending from \$121,399 two years ago to \$65,757 in 1969. The ATA dropped from sixth-largest spender to 20th.

The ATA strongly supported a bill (HR 11870) to increase the weight and width limits of trucks using interstate highways, but the legislation has not been reported out of committee. The group sought the same limits increase in 1968 without success.

**Liberty Lobby.** The group reported 1969 spending at \$61,009. It ranked 24th among lobby spenders, compared with 1968 when it was 16th.

The 240,000-member lobby group, in an active year a legislative aide viewed with "guarded enthusiasm," supported authorization and appropriations for the antiballistic missile system (ABM); the Whitten amendment to the fiscal 1970 Labor-HEW appropriations bill (HR 13111) to allow "freedom-of-choice" school desegregation plans; and the Murphy amendment (rejected in conference) to a bill (S 3016) extending the Office of Economic Opportunity two years. The amendment would have given Governors the power to veto legal services projects in their states.

The Liberty Lobby opposed measures raising the Federal debt ceiling to \$365 billion (HR 8508—PL 91-8); changing the name of the House Committee on Un-American Activities to House Internal Security Committee (H Res 89—approved); extending provisions of the National Labor Relations Act to farm workers (S 8); extending the income tax surcharge six months (HR 13270—PL 91-172); and extending the Voting Rights Act of 1965 for five years (HR 4249—PL 91-285).

The group supported the nominations of Clement F. Haynsworth Jr. as Associate Justice of the Supreme

Court (rejected) and Otto F. Otepka to the Subversive Activities Control Board (confirmed). It opposed the nomination of James E. Allen Jr. as Commissioner of Education and Assistant Secretary of Health, Education and Welfare (confirmed). Allen was fired by President Nixon June 10, 1970, after remarks by Allen critical of Administration positions on education policy and school desegregation and the Presidential decision to invade Cambodia. (*Weekly Report* p. 1515).

**Independent Businesses.** Reported spending dropped from \$102,445 in 1968 to \$75,528 in 1969 for the National Federation of Independent Business Inc., representing 275,000 small businessmen and professionals.

The federation strongly supported an amendment, dropped in conference, to the Tax Reform Act of 1969 (HR 13270—PL 91-172) which would have provided small businessmen with a maximum \$1,400 savings. The amendment was to maintain the investment credit of 7 percent for investment up to \$20,000. The Administration opposed the amendment as representing an estimated long-run revenue loss of more than \$700 million a year.

The federation supported several bills (HR 13244, HR 14346, S 721) to restrict mailing of unsolicited credit cards. No action was taken on the bills in 1969, but the Senate passed its credit card bill April 15, 1970, (*Weekly Report* p. 1102).

**National Farmers Union.** The organization reported lobby spending of \$73,264 in 1969. The union took a leadership role in a 24-member farm coalition seeking permanent extension of the 1965 Food and Agriculture Act, due to expire at the end of calendar 1970.

The coalition bill, the Agriculture Stabilization Act of 1969 (HR 14014, S 3068), was one of three major proposals before the House Agriculture Committee at session's end last year. A rewritten bill (HR 18546) was reported (H Rept 91-1329) by the House Committee July 23.

Another major issue, still unresolved, was food stamp reform as supported in S 2547, which passed the Senate Sept. 24, 1969. The bill would give free stamps to the neediest of the poor. No legislation has emerged from the House Agriculture Committee.

The NFU lobbied successfully for extension of the agricultural conservation and school lunch programs in the 1970 agricultural appropriations bill (HR 11612—PL 91-127). The Administration had recommended both programs be terminated.

**Postal Supervisors.** The National Association of Postal Supervisors filed lobby spending reports totaling \$68,365 in 1969, nearly double the figure for 1968.

President Fred J. O'Dwyer said the increase stemmed from revised bookkeeping procedures which included reporting additional expenses under the Federal Regulation of Lobbying Act, and from two legislative conferences the association conducted in Washington.

O'Dwyer said both conferences, which brought several hundred of the association's 35,000 members to Washington, were attempts to ensure that the association would have "consultative rights" in its relations with the proposed postal service.

A plan for an independent postal service, which includes an 8-percent pay raise and collective bargaining for nonexecutive postal employees, is a part of HR 17070. The bill was in conference in mid-July.



O'Dwyer said the association had been opposed to any postal reform plan that would change the Post Office from a department of the Executive Branch to a Government agency, as HR 17070 and the Administration corporation plan would do.

Backing the idea of postal reform in general, O'Dwyer said his association favored a restructuring of funding and financing within the existing Post Office Department. O'Dwyer said that while both versions of HR 17070 provide for recognition of the Postal Supervisors as an organization, he has no assurance that the proposed new Postal Service would respond to Postal Supervisors' positions on wages, fringe benefits, employee-management relations, grievances and appeals.

The association also supported legislation affecting retirement, life insurance and health and hospitalization benefits in 1969.

**Farmer Cooperatives.** The National Council of Farmer Cooperatives, a group of 100 of the largest regional agricultural cooperatives, reported spending \$62,496 in 1969. The membership represents about \$5 billion a year in total combined sales, public relations director Russ Tall said.

The council successfully sought deletion of a section of the Tax Reform Act of 1969 (HR 11750—PL 91-172) that would have increased the cash which cooperatives must pay out each year in order to deduct such payments from their Federal income tax. Instead of the presently required 20 percent, a cooperative would have had to pay at least 50 percent of its refund in cash—20 percent with in the same year, 30 percent over a period of years.

Tall said the council's other legislative interests included import quotas, under consideration in the House Ways and Means Committee in mid-July; transportation, regarding freight rates; and pesticide control.

**Federal Employees.** The National Federation of Federal Employees, with about 100,000 members and representing an additional 90,000 on an exclusive recognition basis, reported spending of \$61,269 to lobby in 1969.

Benn Hinden, legal counsel, said the federation backed legislation (HR 13008—PL 91-216) which established a separate unit within the Civil Service Commission to prepare a job evaluation and ranking plan for all Federal position classifications. (*Weekly Report* p. 734)

The law did not go as far as the federation had wished. In testimony before the House Post Office and Civil Service Commission, federation president Nathan T. Wolkimir said the Commission had performed inadequately on position classification. He suggested the bill be amended to "establish more specific guidelines...and to place the Commission in a more restricted role." (1969 *Almanac* p. 428)

The union successfully supported legislation (HR 9825—PL 91-93) to strengthen the financing of the Civil Service Retirement and Disability Fund and to liberalize some benefits available under the fund. The union has sought enactment of legislation (HR 10000, HR 11000, HR 12124) revamping Federal pay schedules, including provisions to make cost-of-living increases automatic. Another bill (HR 12823) would establish a procedure to readjust public employees' salaries annually to keep them comparable with private industry.

## 269 Lobby Groups List Their Spending for 1969

### Business

#### Ad Hoc Committee for the Construction Industry

|                                                   |          |
|---------------------------------------------------|----------|
| Advancement Funds                                 | None     |
| Aerospace Industries Association of America Inc.  | \$26,450 |
| Aircraft Owners and Pilots Association            | None     |
| Air Traffic Control Association                   | None     |
| Air Transport Association of America              | 23,344   |
| American Association of Fund Raising Counsel Inc. | 1,500    |
| American Committee for Flags of Necessity         | None     |
| American Gas Association Inc.                     | None     |
| American Hotel & Motel Association                | None     |
| American Industrial Bankers Association           | 6,600    |
| American Institute of Merchant Shipping           | 22,626   |
| American Insurance Association                    | 49,661   |
| American Landowners Association                   | 400      |
| American Life Convention                          | 474      |
| American Maritime Association                     | 854      |
| American Mutual Insurance Alliance                | 2,372    |
| American Paper Institute Inc.                     | None     |
| American Petroleum Institute                      | 42,919   |
| American Pulpwood Association                     | None     |
| American Short Line Railroad Association          | 2,897    |
| American Society of Travel Agents Inc.            | 476      |
| American Stockyards Association                   | 3,900    |
| American Textile Machinery Association            | None     |
| American Textile Manufacturers Institute Inc.     | 52,267   |
| American Trucking Associations Inc.               | 80,896   |
| American Unsubsidized Lines                       | 25,206   |
| American Waterways Operators Inc., The            | 14,836   |
| Arkansas Railroad Association                     | 92       |
| Associated Credit Bureaus Inc.                    | 25,276   |

|                                               |        |
|-----------------------------------------------|--------|
| Associated General Contractors Inc.           | 13,600 |
| Associated Railroads of New Jersey            | 350    |
| Associated Third Class Mail Users             | 2,719  |
| Association of American Railroads             | 43,811 |
| Association of Broadcasting Standards         | None   |
| Association of Japanese Textile Imports Inc.  | 4,000  |
| Association of Mutual Fund Plan Sponsors Inc. | 42,582 |
| Association of Oil Pipe Lines                 | 1,155  |
| Association of Western Railways               | 990    |

### Breakdown by Category

The 269 organizations that reported lobby spending for 1969 included six main types of organizations. Spending totals by category are listed below.

| Category                     | Number Reporting | Amount Reported    |
|------------------------------|------------------|--------------------|
| <b>Business</b>              | 143              | \$1,832,828        |
| <b>Citizens</b>              | 57               | 850,434            |
| <b>Employee and Labor</b>    | 30               | 1,333,326          |
| <b>Farm</b>                  | 16               | 430,679            |
| <b>Individuals</b>           | 1                | 1,468              |
| <b>Military and Veterans</b> | 6                | 128,760            |
| <b>Professional</b>          | 16               | 537,214            |
|                              | <u>269</u>       | <u>\$5,114,709</u> |







## Lobby Report - 9

|                                                                     |        |
|---------------------------------------------------------------------|--------|
| Friends Committee on National Legislation                           | 44,473 |
| International Economic Policy Association                           | 22,589 |
| Japanese-American Citizens League                                   | 960    |
| Legislation for Animal Welfare Inc.                                 | 1,070  |
| Legislative Action on Smoking & Health                              | 1,310  |
| Liberty Lobby Inc.                                                  | 79,927 |
| National Association for the Advancement of Colored People          | 48,817 |
| National Association of Polish Americans Inc.                       | None   |
| National Association of Railroad Passengers                         | 17,720 |
| National Association of Single Taxpayers                            | 1,299  |
| National Association of Social Workers                              | 3,000  |
| National Committee to Abolish HUAC/HISC                             | 6,506  |
| National Committee for Research in Neurological Disorders           | 5,000  |
| National Congress of Parents and Teachers                           | 750    |
| National Cystic Fibrosis Research Foundation                        | 6,000  |
| National Housing Conference Inc.                                    | 95,562 |
| National Multiple Sclerosis Society                                 | 3,199  |
| National Reclamation Association Inc.                               | 11,084 |
| National Rehabilitation Association Inc.                            | 5,001  |
| National Rural Electric Cooperative Association                     | 3,321  |
| National Tax Equality Association                                   | 7,052  |
| National Telephone Cooperative Association                          | 6,423  |
| Nationwide Committee on Import-Export Policy                        | 34,534 |
| Potomac Basin Federation                                            | 342    |
| Research to Prevent Blindness                                       | 3,000  |
| Rural Small Town, Small City Coalition                              | 9,171  |
| Single Persons Tax Reform Lobby                                     | 931    |
| Six Agency Committee (public water agencies in Southern California) | 12,180 |
| Society for Animal Protective Legislation                           | 14,211 |
| Trustees for Conservation                                           | 918    |
| United Cerebral Palsy Associations                                  | 5,767  |
| Universal Exchange, The                                             | 1,571  |
| Urban Coalition Action Council                                      | 648    |
| War Singles (not War Widows)                                        | 782    |

## Employee and Labor

|                                                                                                               |         |
|---------------------------------------------------------------------------------------------------------------|---------|
| Amalgamated Association of Street, Electric Railway & Motor Coach Employees of America (AFL-CIO)              | 26      |
| Amalgamated Transit Union, (AFL-CIO) Division 689, (District of Columbia)                                     | None    |
| AFL-CIO (national headquarters of the American Federation of Labor-Congress of Industrial Organizations)      | 184,938 |
| AFL-CIO Government Employees Council                                                                          | 20,797  |
| AFL-CIO Industrial Union Department                                                                           | 28,907  |
| AFL-CIO Maritime Committee                                                                                    | 25,730  |
| American Federation of Musicians (AFL-CIO)                                                                    | 10,833  |
| Atlanta Committee for DRIVE (Teamsters)                                                                       | 22,410  |
| Brotherhood of Painters, Decorators & Paper-hangers of America (AFL-CIO)                                      | 7,300   |
| Brotherhood of Railway, Airline & Steamship Clerks, Freight Handlers, Express and Station Employees (AFL-CIO) | 80,985  |
| Canal Zone Central Labor Union & Metal Trades Council (AFL-CIO)                                               | 3,680   |
| Commercial Telegraphers' Union International                                                                  | None    |
| Employee Relocation Real Estate Advisory Council                                                              | 4,892   |
| International Association of Machinists & Aerospace Workers (AFL-CIO)                                         | 2,019   |
| International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America                         | 42,801  |
| International Hod Carriers, Building and Common Laborers Union of America                                     | 32,259  |
| International Union of District 50                                                                            | 3,270   |
| Junior Order of United American Mechanics, National Council                                                   | 17      |

|                                                                              |         |
|------------------------------------------------------------------------------|---------|
| Labor Bureau of the Middle West                                              | None    |
| Labor-Management Maritime Committee                                          | 24,113  |
| Laborers' Political Action League                                            | 8,697   |
| National Association of Letter Carriers (AFL-CIO)                            | 295,970 |
| National Association of Postal Supervisors                                   | 68,365  |
| National Council of Naval Air Stations Employees Organizations               | 1,048   |
| National Federation of Federal Employees                                     | 61,269  |
| National Rural Letter Carriers Association                                   | 22,658  |
| Organization of Professional Employees of the U.S. Department of Agriculture | 3,161   |
| Railway Labor Executives Association                                         | 86,286  |
| Retired Federation of Civil Service Employees of the U.S. Government         | 40,068  |
| United Federation of Postal Clerks (AFL-CIO)                                 | 250,827 |

## Farm

|                                                   |         |
|---------------------------------------------------|---------|
| American Farm Bureau Federation                   | 146,337 |
| American National Cattlemen's Association         | 3,554   |
| Associated Dairymen Inc.                          | 590     |
| Forest Farmers Association Cooperation            | 365     |
| Maryland State Fair and Agricultural Society Inc. | 535     |
| Midland Cooperative Dairy Association             | None    |
| National Campaign for Agricultural Democracy      | 15,415  |
| National Council of Agricultural Employees        | 16,673  |
| National Council of Farmer Cooperatives           | 62,496  |
| National Farmers Union                            | 73,264  |
| National Grange                                   | 37,400  |
| National Independent Dairies Association          | 899     |
| National Livestock Feeders Association            | 21,048  |
| National Milk Producers Federation                | 27,374  |
| National Wool Growers Association                 | 20,679  |
| Plains Cotton Growers Inc.                        | 4,050   |

## Individual

|                  |       |
|------------------|-------|
| Daniel S. Bedell | 1,468 |
|------------------|-------|

## Military and Veterans

|                                                            |         |
|------------------------------------------------------------|---------|
| American Legion                                            | 114,609 |
| Disabled American Veterans (National Service Headquarters) | 1,365   |
| National Association of Uniformed Services                 | 2,408   |
| Reserve Officers Association of the United States          | None    |
| Retired Officers Tax Credit Committee                      | 423     |
| Veterans of World War I, USA Inc.                          | 9,955   |

## Professional

|                                                                                 |         |
|---------------------------------------------------------------------------------|---------|
| Actors' Equity Association                                                      | 5,000   |
| American College of Radiology                                                   | 5,863   |
| American Dental Association                                                     | 20,668  |
| American Hospital Association                                                   | 53,039  |
| American Medical Association                                                    | 91,355  |
| American Nurses Association                                                     | 30,562  |
| American Optometric Association Inc.                                            | 17,610  |
| American Podiatry Association                                                   | 3,068   |
| American Society of Consulting Planners                                         | 4,500   |
| American Veterinary Medical Association                                         | 506     |
| American Vocational Association Inc.                                            | 750     |
| Association of American Physicians & Surgeons Inc.                              | 2,000   |
| National Committee for the Recording Arts                                       | 139,726 |
| National Education Association, Office of Government Relations and Citizenships | 97,537  |
| National Federation of Business and Professional Women's Clubs Inc.             | 10,608  |
| National Society of Professional Engineers                                      | 54,422  |







December 24, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: JOHN EHRLICHMAN  
FROM: HENRY CASHEN AND CHUCK COLSON  
SUBJECT: MEMORANDUM TO THE PRESIDENT RE POSTAL PAY  
AND REFORM

We have prepared the enclosed memorandum to bring the President up to date on the developments of the last week with respect to the Postal Pay/Reform Bill.

Realistically speaking our chances look very good although we have pointed out all the negatives in the attached memorandum for the President.

There is going to continue to be negotiation in order to attempt to accommodate the different problems of the different unions. To keep our coalition of union support intact is critical. We will continue to keep you advised and will continue to coordinate with the Postmaster General.



December 24, 1969

FOR: THE PRESIDENT

FROM: HENRY CASHEN AND CHUCK COLSON

SUBJECT: STATUS OF POSTAL PAY/REFORM LEGISLATION

1. Following the meeting with you, Mr. Rademacher (Government Employees Council and Letter Carriers) announced his support publicly for the pay and reform package, which we had negotiated with him and Congressman Udall. The effect of this was to accomplish what was at least our first and most pressing objective - HR 13000, the Federal Pay Bill was detoured to conference rather than being accepted by the House in the form passed by the Senate. The strategy has been and continues to be to get a pay/reform proposal to you before HR 13000, which covers all Federal employees, is acted upon.
2. Rademacher's announcement created some initial adverse reaction. Both Senator McGee and some of the other unions (of lesser importance) were resentful about being upstaged.
3. The other unions are now being quieted. Some have fallen in line; others will. We met Friday with all concerned unions. We met today with the leaders of the other principal union, the Clerks. They seem to be coming into agreement with us although more negotiation is necessary.
4. On the day after the meeting in your office, the House Committee met but could not report out the compromise pay/reform bill because the committee print had not been returned from the Government Printing Office. An informal vote count was taken, however, and had the committee acted on the bill, it would have passed with a comfortable majority. Chairman Dulski issued a statement saying that the bill would be acted upon immediately after the return of Congress in January. Timmons' head count of Republicans confirms that the votes are there.

...



December 24, 1969

5. The Senate is a problem because McGee wants to write his own reform package. The union leaders we have dealt with, however, tell us that they can bring McGee around. We think they are correct if the unions are strongly behind us.
6. The compromise could still fail:
  - a. if the Democratic leadership should decide to bring out HR 13000 first, although the unions are working with us to prevent this;
  - b. if proposed postal rate legislation creates an adverse Congressional reaction;
  - c. if the unions begin to fight each other and become fractured;
  - d. if the Postmaster General does not agree to certain modifications which may be made in the legislation, and/or
  - e. if a general Federal pay rider is attached in the Senate.

7. Summary:

Our prospects for success depend upon holding together a shaky coalition of unions, all of whom are jealously fighting for position. The outlook is very good in the House because of the leadership of Udall and Dulski. A considerable effort must be made with McGee and Fong in the Senate but, once again, the unions appear to hold the key to this. Quick Congressional action is essential if we are to avoid the general pay question. A smooth final draft of the bill will be printed and ready on the day the Congress returns.



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December 24, 1969

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December 15, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: JOHN EHRLICHMAN

FROM: HENRY CASHEN  
CHARLES COLSON

SUBJECT: FEDERAL POSTAL AUTHORITY AND POSTAL PAY

A. BACKGROUND

HR 13000, the Federal and Postal Pay Bill which was passed by the Senate on Friday will go to conference. The previous plan had been for the House to accept the Senate version and send it to the President. HR 13000 would have cost \$750 million in the last half of fiscal year 1970. The bill was sent to conference because of the opposition we generated among the postal unions and because of the promise of a postal pay/reform bill which evolved last week in meetings with union leaders.

B. PROPOSAL

The following compromise has been agreed to by the National Association of Letter Carriers and key members of the House Post Office and Civil Service Committee.

1. Creation of a Federal Postal Authority

- a. The postal service will be organized as a public authority; all assets of the Department will be transferred to The Authority on October 1, 1970. It will be governed by a thirteen member executive council, seven members to be appointed by the President with Senate confirmation(not more than four from the same political party). These seven will serve 7 years with staggered terms. They would appoint a Deputy and Deputy Director, also to be members of the Council and to serve at the pleasure of the presidentially appointed members. The remaining four are to be appointed from the Congress -- two from each party and two from each body.



- b. The Council is to have full authority over postal rates, wages and service. (New rates would automatically become effective unless both Houses of Congress by majority vote reject them within 60 days.)
- c. An Advisory Council will be established consisting of eleven members - four appointed from the leadership of the postal employees organizations, four from among the major mail users and three from the public at large. The Advisory Council will meet with the Executive Council on all matters of administration of the service.
- d. Wages, working conditions and fringe benefits will be determined following collective bargaining, with first contract to be effective January 1, 1971. Contracts could be for no less than two years. If agreement cannot be reached by the expiration date of any contract, there is to be a 90 day cooling-off period during which mediation and fact finding efforts could be pursued. If no agreement results, there would then be binding arbitration.
- e. Employees for the first two years will continue in the Civil Service. Subsequently changes could be made in any civil service benefits or rates only as the result of collective bargaining. Labor/management practices will be governed for the first two years by incorporating in the statute (for postal employees only) the provisions of Executive Order 11491, signed October 29, 1969.
- f. Most other provisions of the original reform proposal would remain substantially intact.

## 2. Postal Pay Effective January 1, 1970

In the first six pay grades of the postal field service, the initial two pay steps are to be eliminated, and two pay steps are to be added at the top of each grade. The effect is a 5.4% increase which will cost \$155.2 million in fiscal year 1970. (Postal workers would not be included in HR 13000 if and when it is later reported out in the Senate and House Conference. It will be held in Conference at least until this bill is acted upon.)

...



### C. POSSIBLE OBJECTIONS

Mr. Mayo does not believe that postal pay can be enacted alone. He believes that the bill will ultimately include a federal pay package and therefore will cost an additional \$750 million in this fiscal year and after the expected July comparability, \$2.725 billion in fiscal 1971. This is a possibility. Thus far, however, we have the agreement of the most powerful unions and key members of Congress to keep this compromise separate; they recognize that the President would veto a comprehensive pay bill and the postal workers who have a special case at this time would lose everything. There may be a separate federal pay bill which will follow the postal pay/reform bill as a political gesture but this could then be vetoed without losing the postal corporation. Congressman Udall expressing the sentiments of the House members indicated that if the pay/reform bill passes an effort will be made to hold HR 13000 in conference until next summer.

The Postmaster General may object to three things essential to the compromise:

1. The fact that this legislation will give only broad enabling authority on certain relatively non-controversial but detailed sections of the bill. (This is in the interest of speed.)
2. The fact that the Congressional members of the Council would have a vote on postage rates. (He does not object to the Congressional veto provision.)
3. The incorporation of Executive Order 11491 as a temporary provision covering labor/management practices.

### D. RECOMMENDATION

We strongly recommend that the Administration support this compromise vigorously because:

1. There is a rationale for postal pay at this time.
2. It is, comparatively speaking, a low price to pay for postal reform. Beginning in October next year the postal deficit would be removed from the federal budget.

...



3. There may never be a better opportunity to get the reform bill passed.
4. If we do not support this compromise now, the Congress will pass a much larger pay bill and we are confronted with the danger of having a veto overridden whereas by supporting a compromise the issue should not be raised at least for some time.



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The following compromise has been agreed to by the National Association of Letter Carriers and key members of the House Post Office and Civil Service Committee.

1. Creation of a Federal Postal Authority

- a. The postal service will be organized as a public authority; all assets of the Department will be transferred to The Authority on October 1, 1970. It will be governed by a thirteen member executive council, seven members to be appointed by the President with Senate confirmation(not more than four from the same political party). These seven will serve 7 years with staggered terms. They would appoint a Deputy and Deputy Director, also to be members of the Council and to serve at the pleasure of the presidentially appointed members. The remaining four are to be appointed from the Congress -- two from each party and two from each body.



- b. The Council is to have full authority over postal rates, wages and service. (New rates would automatically become effective unless both Houses of Congress by majority vote reject them within 60 days.)
- c. An Advisory Council will be established consisting of eleven members - four appointed from the leadership of the postal employees organizations, four from among the major mail users and three from the public at large. The Advisory Council will meet with the Executive Council on all matters of administration of the service.
- d. Wages, working conditions and fringe benefits will be determined following collective bargaining, with first contract to be effective January 1, 1971. Contracts could be for no less than two years. If agreement cannot be reached by the expiration date of any contract, there is to be a 90 day cooling-off period during which mediation and fact finding efforts could be pursued. If no agreement results, there would then be binding arbitration.
- e. Employees for the first two years will continue in the Civil Service. Subsequently changes could be made in any civil service benefits or rates only as the result of collective bargaining. Labor/management practices will be governed for the first two years by incorporating in the statute (for postal employees only) the provisions of Executive Order 11491, signed October 29, 1969.
- f. Most other provisions of the original reform proposal would remain substantially intact.

## 2. Postal Pay Effective January 1, 1970

In the first six pay grades of the postal field service, the initial two pay steps are to be eliminated, and two pay steps are to be added at the top of each grade. The effect is a 5.4% increase which will cost \$155.2 million in fiscal year 1970. (Postal workers would not be included in HR 13000 if and when it is later reported out in the Senate and House Conference. It will be held in Conference at least until this bill is acted upon.)

...



ADMINISTRATIVE AND OTHER INFORMATION - page 11100

### C. POSSIBLE OBJECTIONS

Mr. Mayo does not believe that postal pay can be enacted alone. He believes that the bill will ultimately include a federal pay package and therefore will cost an additional \$750 million in this fiscal year and after the expected July comparability, \$2.725 billion in fiscal 1971. This is a possibility. Thus far, however, we have the agreement of the most powerful unions and key members of Congress to keep this compromise separate; they recognize that the President would veto a comprehensive pay bill and the postal workers who have a special case at this time would lose everything. There may be a separate federal pay bill which will follow the postal pay/reform bill as a political gesture but this could then be vetoed without losing the postal corporation. Congressman Udall expressing the sentiments of the House members indicated that if the pay/reform bill passes an effort will be made to hold HR 13000 in conference until next summer.

The Postmaster General may object to three things essential to the compromise:

1. The fact that this legislation will give only broad enabling authority on certain relatively non-controversial but detailed sections of the bill. (This is in the interest of speed.)
2. The fact that the Congressional members of the Council would have a vote on postage rates. (He does not object to the Congressional veto provision.)
3. The incorporation of Executive Order 11491 as a temporary provision covering labor/management practices.

### D. RECOMMENDATION

We strongly recommend that the Administration support this compromise vigorously because:

1. There is a rationale for postal pay at this time.
2. It is, comparatively speaking, a low price to pay for postal reform. Beginning in October next year the postal deficit would be removed from the federal budget.

...



3. There may never be a better opportunity to get the reform bill passed.
4. If we do not support this compromise now, the Congress will pass a much larger pay bill and we are confronted with the danger of having a veto overridden whereas by supporting a compromise the issue should not be raised at least for some time.



December 12, 1969

TO: HENRY CASHEN

FROM: CHUCK COLSON

Please note Postal Reform point  
raised in Hofgren's memo(attached)



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 3, 1969

TO: Chuck Colson

FROM: Dan Hofgren <sup>74</sup>

RE: Airline Industry

Roger Doulens of PanAm was in to see me regarding the Postal Reform Bill. Apparently the Supplementals have tacked on an amendment giving the Postmaster General the authority to use Supplementals for mails even where a scheduled carriers serve, which is contrary to the existing law.

In the course of this discussion he mentioned that Larry O'Brien often used the airline industry in town for help on Republicans. Needless to say this was not the case with the Johnson Administration. The point being that they all worked even though it was for a Kennedy bill because of "certain favors" that would come their way later on.

I think this is a useful lesson.



December 10, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: HENRY CASHEN  
FROM: CHARLES COLSON  
SUBJECT: AGREEMENT ON POSTAL REFORM AND POSTAL PAY

I have just completed the following agreement with Jim Rademacher of the National Letter Carriers Union.

1. The Federal Pay Bill will pass the Senate today. Rademacher will see to it that the House does not accept the bill as had been the plan but will rather see to it that the House asks for a conference.
2. The House and Senate conferees will not meet until we have had an opportunity to prepare a package reform and pay bill.
3. Rademacher and someone representing the Administration will discuss the details of the agreed plan with Senator McGee and Congressman Dulski and Senator Fong and Congressman Udall next week. The effort will be to have both committees favorably report the agreed upon package.
4. HR13000, the Pay Bill, will remain in conference with no action taken until after the Pay and Reform Bill is brought up.

I have every reason to believe that Rademacher can control the situation as he claims. We must be cautious, however, because he may not have that capacity and he always, of course, might double cross us. I have talked with the Deputy PMG, who agrees, however, that we should take this gamble.

By following this course, there is the additional advantage that our Administration supporters in the Senate will not be on the spot and the President will not be faced with a veto prospect at least at this time. We also have a fighting chance of getting the package approved as a package.

bcc: Haldeman, Cole, Harlow, Cowen, Klassen



December 10, 1969

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FROM: CHARLES COLSON  
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bcc: Haldeman, Cole, Harlow, Cowen, Klassen



December 9, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: H.R. HALDEMAN  
FROM: C. W. COLSON  
SUBJECT: POSTAL REFORM

The fact that the Senate yesterday reported out a Federal Pay Raise Bill does not mean that we have failed to negotiate a compromise package with the unions. In fact, the unions tried very hard over the weekend to get Senator McGee not to report the bill out.

We have agreement in principle with the top union leader as to the reform package.

The postal unions, by the way, are not lobbying for the Senate Bill and, in fact, will make no attempt to override the President's veto. The reason is that they regard the pay raise as inadequate for postal employees and excessive for other Federal employees in view of the fact that Federal employees have already had a substantial raise this year.

This is just to let you know that the compromise plan I discussed with you Saturday is not off the track; in fact, it is going quite well. I will have for you tomorrow a draft letter which I would like to propose that the President send to postal union leaders and the Postmaster General.

bcc: Ken Cole, Ken BeLieu, Henry Cashen



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 5, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: H. R. HALDEMAN

FROM: C. W. COLSON *WC*

SUBJECT: ANSWER TO POSTAL EMPLOYEES' LETTER

I have been working with the postal employees groups on both the postal pay raise issue and, more importantly, the postal reform issue. As you know, several hundred thousand letters have been written to the President regarding postal pay, HR 13000.

I suggest for your consideration that it might be wise to have the President address a letter to all postal employees through the Postmaster General outlining his position on postal pay (in a positive way because, after all, he proposed it first), postal reform and its desirability for the employees and, incidentally, wishing them a Merry Christmas.

I have discussed this with Henry Cashen, who has the responsibility in Erlichman's office for the legislation, and he concurs that this would be a good idea.

I think it would be worthwhile for two reasons. First, I think it would have a very positive impact but, second, and perhaps more important, we have made so much of the President's receiving letters on Vietnam that if we ignore these letters we seem to be applying a double standard; that is, we welcome those in favor of us and ignore those against us.



Dear Mr. Postmaster General:

It is becoming increasingly apparent that there is widespread misunderstanding among postal employees of the purposes of our plan for postal reform and its relation to the pending legislation to increase postal wages.

I am acutely conscious of the fact that postal pay, particularly in our larger cities, still lags behind the pay of many workers in private industry and local government. This is a long-standing problem, caused in part by the process by which their wages are set and by the fact that any increase for postal employees adds to the postal deficit and undermines the national effort to contain inflation.

The wage question, however, is but one of the serious problems faced by postal employees. Many of them work in antiquated, crowded and ill equipped facilities. Two-thirds of them spend their entire careers without receiving a promotion. They are part of an organization which, for reasons beyond the control of postal employees, is year by year less able to keep up with the mail service demands of our nation.

For this reason I have supported without qualification the effort begun by the last Administration to reform the Post Office



by removing it from partisan politics and making it a corporate-form government agency having the financial and managerial tools to cope with the staggering burden of the nation's mail.

The collective bargaining rights that would be granted under true postal reform can bring postal employees the wages and other benefits that have so long eluded them under the present system of Congressional wage-setting. They would achieve as well a voice in determining their conditions of employment and the pride that comes from belonging to a successful organization.

On the other hand, it would be a serious disservice both to the public and to postal employees to raise postal salaries again without taking steps to reform the postal service by removing it from its historic political environment.

Accordingly, I am absolutely convinced that <sup>any</sup> increase in postal pay ~~must be accomplished as part of~~ ~~should be enacted without~~ legislation establishing a government-owned Postal Service organization that will have the means of operating, ultimately, on a self-sustaining basis.

I am sure you will continue to stand ready to work out with the committees of Congress whatever differences might remain in the positions of various parties on the two issues of postal pay and postal reform. There is no need to delay further the resolution of these related issues so vital to the postal employee and the American public.



*Initial report*

UNITED STATES CIVIL SERVICE COMMISSION

December 5, 1969

From the Office of the Chairman

Memorandum for Henry Cashen  
Deputy Counsel to the President  
The White House

I have sent the original of this memo to  
John Ehrlichman direct. Please call  
me after you have seen it.



Robert E. Hampton  
Chairman





CHAIRMAN

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D. C. 20415

DEC 5 1968

MEMORANDUM FOR: Honorable John D. Ehrlichman  
Assistant to the President  
for Domestic Affairs

The three Civil Service Commissioners have met with our top staff to review the Bureau of Labor Statistics wage survey data. These data (to be released in summary form by the Bureau of Labor Statistics next week) show an average increase of about 5.8% between the summer 1968 rates and the summer 1969 rates for the jobs covered in the survey. The Commission considered with the staff in depth a variety of alternative ways of using this pay data to develop new rate schedules for Federal employees including postal workers as required by current law.

During this review the Commissioners were deeply disturbed by the realization that the data will show an even greater difference between the industry average rates and the pay line rate we could recommend under current practice at the GS-5 and PFS-5 grade level. It is this gap which was a direct cause of the vigorous attack by the postal unions on the President's pay decision effective July 1, 1969. Probing into this problem it is apparent to me that there needs to be a significant amount of change in the way in which we both collect and use data of this kind in the future.

My colleagues and I considered with the staff various possible actions that would be available to us as recommended by the Salary Survey Liaison Committee (a joint BOB/CSC staff group). After a 2-hour intensive discussion, I feel that any attempt to use these data either in the same way as we have in the past or in somewhat different ways will further strain the already seriously disturbed relations between us and employee union leadership. Our credibility would definitely be subject to attack or at least serious question.

So far I have been talking about the problems we face in the use of new data just being made available in the construction of pay proposals for discussion with the unions and presentation to the Congress early next year. In the middle of all this, we face the present controversy now centered in the Senate Committee on Post Office and Civil Service over H.R. 13000.



Viewing this total situation it seems to me that there may well be a solution which would be palatable both to the Administration, the Congress, and the unions -- a solution which would give us the time we badly need to work out improvements in the pay-fixing machinery so that we are not faced with the attacks which can be levelled at us if we continue along the lines of the past. This solution would run along the following lines:

1. A 5.8% flat across-the-board increase for all Federal employees including postal workers effective April 1, 1970. This would be in lieu of the usual pay line construction process which is so fraught with difficulty this year, but it would not abandon the principle of comparability. The amount of the increase would be justified by the Bureau of Labor Statistics data to be published next week.
2. The legislation should provide a positive direction to the Administration to consult intensively with the unions in the development of more satisfactory pay-fixing machinery to make the comparability process acceptable and understandable to both the unions and the Congress. I would anticipate that such machinery would provide for special treatment of postal employees since the current process is admittedly not providing data regarding salaries in private enterprise for jobs comparable to the work done in the key postal jobs.
3. The April 1 date would be justified as a significant reduction in the time lag between the collection of pay data and its application to Federal employees. It might well be that the Congress would wish to provide a portion of this 5.8% increase, for example, 2% of it, in January to offset the decreases in take-home pay that employees will otherwise suffer as a result of increased costs of retirement and health benefits programs effective in January. The total cost implication of such a package assuming 2% January 1 and 3.8% April 1 would be \$825 million, in fiscal 1970, including military pay.
4. Finally, it seems to me imperative that any such plan (to be acceptable to the Committee) must ignore the question of postal reorganization. I am convinced that neither the Senate or the House Committees will be willing to link these two issues in one piece of legislation.

The great advantage to this approach would be to provide a cooling off period during which I feel confident we will be able to make real progress



toward a proposal for permanent legislation which the unions and the Administration could back together in going to the Congress.



Robert E. Hampton  
Chairman

John - Please keep this confidential  
at this point. We certainly  
need discussion.



December 3, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: HENRY CASHEN  
FROM: CHUCK COLSON  
SUBJECT: POSTAL REFORM

I understand that Postal Reform comes within your wide ranging bailiwick. This is simply to keep you posted. Dan Hofgren and I are going to do some work with the Post Office Department and outside groups in an effort to get some steam built up behind the Postal Reform package and also to try and help with the Ray ~~Raise~~ Issue.

Anytime you would like to be filled in on what we are doing, give me a growl.



December 1, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: DAN HOFGREN

FROM: CHARLES COLSON

SUBJECT: AMERICAN SOCIETY OF ASSOCIATION EXECUTIVES  
AND POSTAL REFORM

This operation is prepared to write an article on Postal Reform. Would you please talk to the appropriate people in P.O. to get something put together -- Bill Dunlap can be reached at 961-8185.

MEMORANDUM TO FILE:

RE: American Society of Association Executives  
2011 Eye Street, N. W. (James P. Lowe, Executive Vice Pres.)

CWC met with James P. Lowe on Tuesday, November 25, 1969.  
He is a registered Republican and has been active in local Congressional campaigns.

His counsel is George Webster of Austin, Miller and Gaines, who worked with Tom Evans on Lawyers for Nixon. Webster apparently is a well thought of tax lawyer who has a large practice with Trade Associations and a number of ties with major groups.

This is particularly important group because it has access to 3000 trade associations across the country. It publishes a monthly magazine, which goes out to every trade association with a suggestion that material can be reprinted in their magazines. It is an excellent network for reaching a broad base of the public. Obviously the issues have to be selected carefully--  
Postal Reform would be an excellent one.

In fact, Lowe said that if we would have an article prepared he would get it published.

We have planned two things with Mr. Lowe: First, a meeting in President's EOB Office with photographs, perhaps Herb Klein present and others, which can be run in the American Society of Association Executives Magazine to show that there is contact and communication with the White House staff. This is preferable in my mind to the kind of story that Lowe wanted to write which described my functions.

Second: Bring in the Executive Committee of the Association since this is the 50th Anniversary Year (1970) of the Trade Association Movement. Because of the extreme influence of this group, I think this should be done.



August 5, 1970

MEMORANDUM FOR DWIGHT CHAPIN

SUBJECT: Postal Reform Bill

When the Postal Reform bill is sent to us, you should be aware of the fact that all of the postal unions are having their conventions next week and very few of the postal leaders could be present for the signing. The union leader that we would definitely like to be present is Rademacher. In view of his role in the earliest days, it would be tragic if he were not present. If the signing can be next Monday, we can still have the leaders here (I realize the bill might not be here, however.) If not, we should at least consider putting it off until the week after when the union leaders will be available.

Charles W. Colson

THE WHITE HOUSE  
WASHINGTON

Date 5/12

For Chuck Colson

From Tod Hullin

*For your files*



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 20, 1970

MEMORANDUM FOR BOB HALDEMAN

Attached is a copy of the talking paper you handed me during our last discussion. In view of the PMG's sensitivity, I have stayed out of the postal settlement, notwithstanding the instructions of the President.

You will recall you were going to ask the President what he wanted us to do under the circumstances.

There is a very serious situation which involves not just me, but I think everyone in the White House, as far as the PMG is concerned. Example: I scheduled a speech before Chamber of Commerce executives and all of the leading Washington corporate reps this week for Thursday a.m. (about 200 real movers and doers). I asked the Post Office Department PR people to prepare a draft speech for me. The PMG called Wednesday night, blue with rage. His major point was that no one in the White House had any business talking about the affairs of the Post Office Department and that if any speeches were to be given, they should be given by Post Office people. His other point, which was definitely secondary, was that since my speech was at 8 a.m. and the President's announcement was not to be made until 11 a.m., I should not be speaking on postal reform. Even when I assured the PMG that I would not be discussing anything related to the settlement, he was still adamantly opposed. Rather than start another brouhaha I spoke on the ABM.

Cashen tells me that he is having very similar problems. My only point is that if we are going to get the settlement approved in the Congress, it is going to take some skillful maneuvering and a well coordinated effort that includes all of our resources here in the White House.

I hate to raise this point because I know it sounds petty in view of the problems I have had with the Good General. The fact is I think there is a problem that is much more severe than just his sensitivity towards me.



Charles W. Colson



April 20, 1970

MEMORANDUM FOR BOB HALDEMAN

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Charles W. Colson

cc - Cashen



TALKING PAPER

COLSON

The President wants you to take overall charge for keeping the upper hand in the whole postal settlement project, especially keeping the Congress going on the great accomplishment of this settlement.

One simple way to put this into position is to point out the situation before the strike, when the Congress was set to pass H. R. 13000, providing an across-the board exorbitant pay increase with no reform and no postage increase. Now we have reform, plus a rate increase. Through our handling of the settlement, we got reorganization, we got a rate increase to cover the pay increase, and we got the pay increase that we always have felt that the postal workers deserve.

In other words, Congress was prepared to give everything away with nothing in return to pay for it. We've got to be sure that this line gets set right, and the President feels that you are the best one to ride herd on this and not let it go.

4/6/70

HRH