Postal Reform

Colson

BIRMINGHAM, ALA.
NEWS
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MAR 21 1970

Editorial Protested

I am taking the liberty of answering your editorial of March 2 ("Just What the Mails Don't Need") personally, because you have seen fit to make a personal attack upon me.

It would be difficult to imagine an editorial in a respected newspaper being more factually inaccurate than this.

I have not conspired with the chairman of the House Post Office Committee to have things our own way in regard to postal reform. Mr. Dulski and the National Association of Letter Carriers find ourselves in considerable disagreement as to the manner in which postal reform should be carried out, though we are both determined that meaningful postal reform is a necessity.

As you so slightingly suggest, President Richard M. Nixon did call me into his office last December and, between us we hammered out a proposal for postal reform which would be viable for postal management, postal employees and, most important of all, for the American people. The proposal calls for establishment of a Postal Authority, which would be able to accomplish just about everything the Corporation might have been able to accomplish, but which does not establish a dictatorship over the mails (as the Corporation plan would have done) and which keeps the Post Office —the most important system of communications in the free world—basically in the hands of the people it is established to serve.

The Postal Authority concept retains the service philosophy in regard to the Post Office. The Corporation bill denigrates service and, in fact, proposes that the Postal Corporation would be obligated to serve only "as nearly as is practicable" all the people of America. The appointed rulers of the Corporation, of course, would define the words "nearly" and "practicable" as they saw fit.

I am sufficiently old-fashioned (and so are the letter carriers of the United States) to believe that in a free society the postal service should be accessible to every citizen, no matter where he lives, and at prices he can afford.

I might say that the former proponents of the Corporation idea are dwindling in number these days as they finally have got around to reading the legislation which would establish the concept. More and more, the publishers and large corporations and industries, which previously favored the proposal, are now shying away from the idea because of the dictatorial powers which would be given to the appointed managers over rates, service and conditions of employment.

Mr. Dulski has not, as yet, seen fit to favor the Postal Authority concept. He prefers to reform the Post Office within the present structure of the organization. We, too, have favored that position in the past, but we are now convinced that the only way we can get a decent living wage for postal employees, PLUS decent and modern conditions of work, PLUS a meaningful reform of the postal service is to support President Nixon's Authority proposal.

So, you are basically and factually wrong when you link my name with that of Chairman Dulski in this context. We have very good reason to admire Mr. Dulski, but we are strongly advocating the reform proposal of the President of the United States.

JAMES H. RADEMACHER,
President,
National Assn. of Letter Carriers,
Washington, D. C.

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THE NEW YORK TIMES, SATURDAY, MARCH 21, 1970

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Postal Reprieve

Secretary of Labor Shultz represented the nation's interest ably in winning union agreement to end the outlaw postal strike before it was pushed to the disaster point. The country could not have tolerated a total stoppage of the mails, but neither could it have bowed to illegal force by committing itself to any concessions as a condition for restoration of normal service.

Secretary Shultz rightly insisted that no negotiations of any kind on wages or other issues would be held until all the unions had reasserted internal discipline and sent their members back to work. Once they are back, there is every sound warrant for talks covering all the legitimate grievances of the 750,000 postal employes—grievances that never would have reached the explosion point without inexcusable fumbling by both the Nixon Administration and Congress.

It will be a tragedy if the resolution of these grievances is blocked by rank-and-file intransigence in New York or other cities. The strikers will forfeit any claim to public sympathy if they add to defiance of law and court order a repudiation of their own responsible leaders. The Government's necessary course then would be to restore deliveries with the aid of troops, a course the Shultz formula obviates.

The only flaw in the official settlement is the five-day time limit for reaching a final agreement that local leaders of the National Association of Letter Carriers hitched onto their ratification of the pact between Mr. Shultz and the heads of all seven major postal unions. This raises the spectre of another illegal walkout, a threat that has no place in governmental labor relations.

* * * *

In terms both of equity for postal workers and of improved postal service for all Americans, the best outcome of the forthcoming talks would be swift arrival at a formula for establishment of the proposed independent postal authority.

The legislation for such an authority cleared last week by the House Post Office Committee not only provided for a 5.4 per cent postal pay increase retroactive to Jan. 1, but also authorized negotiations for additional pay increases, with binding arbitration as the way out of any deadlocks.

The unions want the legislation to guarantee a second pay increase in July, comparable to the general 5.75 per cent raise all other Federal employes are currently scheduled to get at that time. Unfortunately, all consideration of the second boost has been obscured by the ill-advised inclusion in President Nixon's budget message of a suggestion that Congress defer the general pay increase for Federal workers until next Jan. 1.

* * *

Certainly, if the revolt of the postal workers has served no other purpose, it must have convinced the White House of the folly of inviting more turmoil in all branches of the civil service by continuing to press for this utterly unwarranted and unrealistic postponement. The increases already voted for Federal employes are increases they are entitled to receive on the basis of comparability with workers in private industry.

The release yesterday of Federal figures showing another sharp increase in living costs last month, both nationally and in New York City, makes it plain that Government workers cannot be asked to wait six months longer for increases which, even on the present schedule, will leave them a full year behind the pay parade.

The mail strike has called particular attention to the low level of wages in this vital service. Now that the men are going back to work, it is time for both the Administration and Congress to prove that they will get fair treatment through respect for lawful process.

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The Evening Star
WITH SUNDAY MORNING EDITION

WASHINGTON, D. C., SATURDAY, MARCH 21, 1970—36 PAGES

Nixon Vows Mail to Go Through To Act If Expanding Walkouts Are Not Stopped by Monday

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Workers Ignore Accord for Talks; Chicago Is Struck

The burgeoning postal workers' walkouts today spread to more cities including Chicago, and Boston, threatening to envelop the entire nation as workers defied back-to-work pleas by union leaders and the Nixon administration's agreement to discuss wage demands.

In New York this morning, the Manhattan-Bronx letter carriers — who started the strike Wednesday — overwhelmingly shouted down the proposal from Washington.

Local president Gus Johnson outlined to the carriers the agreement worked out yesterday between postal union leaders and Labor Secretary George P. Shultz. It called for a return to work by Monday while a wage increase was negotiated.

Screaming "no!" as it was read, several thousand postmen stamped their feet and chanted "strike! strike!"

"Only President Nixon can intervene and bring about a settlement," Johnson said.

Senate Democratic Leader Mike Mansfield also told reporters today Nixon ought to intervene personally to get postal workers back to work if the dispute is not resolved quickly. "We can't allow it (the walkout) to go on untrammeled," Mansfield said.

Chicago's main post office is the central distribution point for the nation's mail, and the walkout there could drastically affect mail service to other sections of the country.

The strike there meant mail services were halted in three of the nation's five largest cities: New York, Chicago and Philadelphia.

—Associated Press

A Boston postal worker loads another bag of Philadelphia-bound mail —embargoed because of the strike—into a railroad car.

Detroit Votes to Return

In Detroit, where a wildcat strike had closed 22 of that city's 33 substations, officers of the local union voted unanimously last night to return all employes to work as soon as possible.

Los Angeles workers were not striking, although there were walkouts in four suburbs.

In Boston, a postal official said carriers had walked off their jobs today at about half the district's 90 stations and branches.

Among other cities with populations of more than 100,000 affected by the strike in varying degrees are:

Cleveland, Cincinnati, Columbus, and Akron, Ohio; Dallas; Pittsburgh; Milwaukee; Denver; Minneapolis, St. Paul and Duluth, Minn.; Dearborn and Lansing, Mich.; Buffalo, Yonkers and Albany, N.Y. Some San Francisco carriers also walked out yesterday, but officials said there was no disruption of service.

Vote Shatters Accord

In addition, service was still halted in virtually all of Connecticut and New Jersey, although mail carriers in New Brunswick, N.J., withdrew picket lines to let other postal work-

See MAIL, Page A-3

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Believes Most Employes Will Stay on the Job

By GARNETT D. HORNER
Star Staff Writer

President Nixon said today that he will take action Monday "to see that the mails go through" if the postal work stoppage continues.

The President told a surprise press conference in his office, however, that he believes there is a chance to work out a settlement.

He said a great majority of postal workers in the country are still at work and he believes they will stay on the job and let their grievances be negotiated.

Despite a vote today by the Manhattan-Bronx Letter Carriers Union to stay on strike, the President said he was waiting until Monday to take action to allow opportunity for efforts to work out a settlement.

'We Have the Means'

Nixon refused to say directly whether he would order the Army to deliver the mail if the strike continues.

"We have the means to deliver the mail," he said. "We will use those means."

He said he did not want to indicate what means he would use because that might be a disturbing element in efforts to reach a settlement.

He emphasized that he was "not threatening anything," but merely stating that the President has a constitutional obligation to see that the mails go through and he is going to meet that obligation.

Nixon said he recognizes and appreciates the fact that postal workers in many areas have legitimate grievances. "We are prepared to discuss those grievances," he said.

But he stressed that "under no circumstances" will the government hold discussions with any employes on an illegal strike, as he said the striking postal workers are.

Constitutional Oath

In a formal statement distributed after his press conference, he said the postal workers "have taken the same oath to uphold and defend the Constitution of the United States as I have taken."

He added that the "proud tradition—that the mails must go through—dates to the earliest days of the Republic."

"I expect that both the oath and the tradition will be honored, as they are now being honored by the overwhelming majority of postal employes who have remained on the job."

MAIL

Postal Workers Strike in Chicago

Continued From Page A-1

ers go back to their jobs pending a vote on whether to continue their strike.

The accord to halt the spreading walkouts pending negotiations was reached in Washington yesterday afternoon by postal union leaders and the administration. But it was shattered when the Chicago workers voted to strike.

Mail service continued uninterrupted in Washington. In suburban Bowie, Md., 40 of the city's 69 mail carriers last night voted to walk out, but postal officials this morning talked them into not striking, a post office spokesman said.

Baltimore members of the National Alliance of Postal and Federal Employes last night voted to authorize a strike in conjunction with the letter carriers' walkout, giving the leadership power to call a strike if it's considered necessary.

Local president Henry Zych of the National Association of Letter Carriers (NALC) made no recommendation at the meeting last night, when he made a brief report to the membership on the meetings yesterday with Postmaster General Winton M. Blount and Shultz.

He was interrupted several times by boos and shouts of "strike, strike!" and after the vote he said, "I will lead you because you are morally right."

Robert E. Hymer, a postal official, said the Chicago walkout would idle 5,000 letter carriers and about 25,000 clerks if they refuse to cross picket lines.

"We will come to a grinding halt," he said. "We may be able to keep some of our out-of-town systems moving, but local mail will be completely stopped.

Blount Statement

Even while the apparent upsurge in strike sentiment was being recorded, Blount released this statement after meeting with presidents of the seven postal unions:

"I remain convinced that the vast majority of postal workers are loyal, dedicated citizens. I feel certain that they will accept in good faith their national officers' plea that they return to work at once, so that meaningful negotiations can commence."

James H. Rademacher, president of the Letter Carriers, the largest postal union, said he was confident of a settlement within the five-day deadline imposed by the unions and complimented the administration "for recognizing the problem and working quickly to get settled."

Rademacher warned, however, if a settlement is not reached in five days of talks, he would call a nationwide strike, despite federal law banning strikes by government workers.

The mailmen, who now make a starting salary of $6,176 a year and $8,442 after 21 years, are seeking a pay scale of $8,500 a year to start and $11,700 after five years.

Continuation of the strikes in spite of federal laws against them and in the face of federal injunctions, already granted in some cities, could result in penalties of one year in jail and $1,000 fines.

The ultimate aim of the postal workers is passage of Post Office pay raises and reform legislation now before Congress. Sen. Gale McGee, D-Wyo., chairman of the Senate Post Office Committee, rejected what seemed to be an ultimatum from Rademacher that he would call a nationwide strike unless the legislation is promptly passed.

After the accord was reached between Shultz, Blount and the union leaders, however, McGee promised early consideration to whatever settlement is reached.

Meanwhile, undelivered mail formed paper mountains in Eastern post offices and the Post Office Department declared full or partial embargoes on mail destined for New Jersey and Connecticut and many cities to prevent a bigger pileup.

Census Bureau Readies Forms for Mailing

By United Press International

The U.S. Bureau of the Census is continuing preparations to put 98 million questionnaires in the mail next week, keeping a wary eye on the spreading postal strike.

"We're looking at it very carefully',' a spokesman said yesterday. "We feel like we don't have to make a decision until March 28." That is the day the census wants to mail out the questionnaires that "with the exception of a few places all would have to be hand-delivered by mail carriers."

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National Associatio

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Bulletin No. 1

The Only Package Acceptable to NALC

The statement below is reproduced from NALC Bulletin No. 33. It contains the provisions of an agreement proposed to all postal organizations by Representative Morris K. Udall who has been attempting to reach an agreement on postal pay-reform for many months. In a special meeting at the White House, NALC President James H. Rademacher was assured by President Richard M. Nixon that this package proposal can be signed into law. The President declared that without some means of increasing productivity through modernization machinery and through other reforms, a wage increase by itself must be considered inflationary. President Nixon felt that he could satisfy the budgetary ramifications of a wage increase if some semblance of reform accompanied the pay provisions. President Nixon agreed that the new plan does not convert the Postal Establishment to a Corporation and was very pleased with the agreement that had been reached. We must remind NALC members and all other postal workers that no such agreement would have ever been reached if the President had not received more than three million letters urging support of H.R. 13000, all of which had been generated by advertisements sponsored by letter carriers throughout the Nation. President Rademacher has reiterated his statement which has appeared in the past half dozen bulletins—"*We are not concerned about who receives the credit, we want action and we want it now. We cannot win this legislative battle through envy and name-calling. It requires complete support by all unions and organizations.*"

Congress Must Still Approve Measure Which Creates New 'Postal Authority'

The provisions of the package proposal establish a Federal Postal Authority and, at the same time, authorize pay increases in the same general language as contained in H.R. 13000. The tentative proposal governing the establishment of the Federal Postal Authority include the following:

- A 13-member Executive Council would be established for the purpose of operating the postal system. It shall commence operations on January 1, 1971.
- Seven members of the Council shall be appointed by the President and shall serve for a staggered seven-year term. (Not more than four such Presidential members shall be from the same political party.)
- These seven shall appoint a Director and a Deputy Director who shall be members of the Council and who shall serve on a full-time basis to run the Postal Establishment.
- The other four members of the Council shall be selected from the Congress, one each to be selected by the Speaker, the House Minority Leader, the President of the Senate and the Minority Leader of the Senate. Each Congressional member shall serve for two years.
- The President shall appoint an Advisory Council of 11 persons; four to be nominated from labor organizations required as collective bargaining representatives for postal employees, four representatives of the major mail users and three representatives of the public at large.
- The Executive Council shall consult with and receive the advice of the Advisory Council regarding postal rates, services and compensation of employees.

so that employees currently in Steps 10 and 11 will be able to secure the same top pay as other workers, the two new steps have been added. No employee in Level 5 will receive more than $412 annually effective January 1, 1970, but all employees will have an opportunity to reach the top pay of the schedule.

- Any wage increases granted to the Federal employees during 1970 will also be granted postal workers. Current BLS statistics indicate a 5.7% increase which can be paid postal and other Federal workers effective July 1, 1970, or earlier. This then brings the combined two-step increase and comparability raise to an average 11.1% during the next six months.
- Effective January 1, 1971, the new Authority will be mandated to establish a pay schedule whereby employees reach the top steps following eight years of service.
- Also in January 1971 the first contract between the Postal Authority and unions will be negotiated and will provide for a 1971 pay increase.

NALC OBJECTIONS ELIMINATED

For the past two years NALC has vigorously opposed the proposal to convert the Postal Establishment to a Goverment Corporation. Some of the objections of the NALC were: (1) Employees would be removed from Civil Service status; (2) We would be bargaining with a Board of Directors with no economic weapon including no right to strike or binding arbitration; (3) The Postal Service would be removed entirely from the hands of the Congress. The new proposal eliminates those three major objections. It allows employees to remain under Civil Service status until there is mutual agreement

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of Letter Carriers

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January 9, 1970

WHITE HOUSE REAFFIRMS AGREEMENT WITH NALC

Administration officials at the White House have assured NALC President James H. Rademacher and Vice-President J. Stanly Lewis that the agreement reported in NALC Bulletin No. 33 on December 19, 1969, has in no way been altered. Several postal organizations are continuing to be critical of the agreement which had unanimous approval on December 17 but which since that time has been attacked by unions other than NALC.

Commenting on the situation President Rademacher declared: "Our membership generally has had trust and confidence in all actions of their leadership. When we published the contents of the new reform-pay package on December 19, 1969 we reported the agreement that had been reached with Representative Udall, all AFL-CIO postal organizations and President Richard M. Nixon. Since that time for reasons of their own, spokesmen for these other organizations have attacked the package proposal generally because of their distrust and the fact that NALC initiative in the recent newspaper advertising campaign can be considered responsible for the meaningful package."

Elsewhere in this bulletin we are again publishing the facts so that the members of all organizations might read the truth as to the agreement that has been reached. NALC leaders today made it very clear and emphasized the point that **UNLESS THE FINAL PACKAGE CONTAINS THE PROVISIONS OUTLINED IN BULLETIN NO. 33 AND REPRINTED ELSEWHERE IN THIS BULLETIN, NALC WILL NOT AGREE TO THE BILL.**

A number of questions have been raised by members who have read the misinformation contained in other publications. For one, there has been the assumption they would lose Civil Service status and Civil Service retirement under the new "Federal Postal Authority." Nothing could be further from the truth. At no time will NALC agree to terminate Civil Service retirement benefits. Civil Service **retirement** must be guaranteed for the complete career of all members before NALC would ever agree to the package proposal. That assurance has been given and reiterated at the White House as late as January 5, 1970.

Civil Service **status** has no meaning unless it is accompanied by meaningful benefits. NALC would only agree to the termination of Civil Service **status** providing better safeguards were offered in exchange. For example, during negotiations we might ask for a union shop with built-in protection concerning reductions in force, grievance and adverse action appeal procedures and a floor on benefits of no less than those which are being enjoyed by other Federal workers. NALC would only agree to the package proposal if Civil Service status shall continue and be retained until such time as it is MUTUALLY agreed to terminate same. (We so stated in Bulletin No. 33.)

Much is being published about a so-called "Committee Print" which allegedly carries the provisions of the new package proposal. **THERE IS NO PENDING LEGISLATION ENCOMPASSING THE PROVISIONS AS OUTLINED IN BULLETIN NO. 33 AND ELSEWHERE ON THIS PAGE AND THE ONLY PRINTED INFORMATION WAS A PROPOSAL GENERALLY AUTHORED BY REPRESENTATIVES OF THE POSTMASTER GENERAL.** NALC cannot accept the content of that "Committee Print" and is ignoring it completely while awaiting the true Bill which will contain all of the agreed-upon provisions.

Other organizations are telling their members that top pay will not be reached in eight years while NALC has a firm commitment that such a provision will be written into law. (That provision was outlined in Bulletin No. 33.) NALC will reject any package proof negotiations knowing that any disagreement can be referred to fact-finding mediation and finally binding arbitration. This will mean that we will try to negotiate into a contract immediately such important fringe benefits as true overtime for holiday work, religious holidays, increased health insurance contributions, a shorter work week, earlier retirement, and other benefits which have long been resolutions approved by conventions of the NALC. One of the most important accomplishments in having the new package proposal enacted is the elimination of linkage with Federal employees and the Military Service. No longer will the cost of a Federal employee and military pay increase be charged against postal workers. No longer will we be carrying the load for the entire Government service on our backs. No longer will we be spending a year and more in testifying and awaiting Congressional action on legislation.

Because postal workers are so far behind industrial workers we do not anticipate that there would be any unfavorable arbitration decisions. We do not fear to seek an arbitrator's decision knowing that the inequities of postal employment would greatly influence any reasonable arbitrator.

NALC has been most humble and extremely conservative in announcing the package proposal. It was only because of the magnificent effort on the part of the membership and our branches as well as the assistance of our Ladies' Auxiliaries that caused the President of the United States to summon the President of the NALC. When the President of the NALC refused to accept the corporation proposal in exchange for no Presidential veto, the Administration knew that there had to be some compromise reached. A veto of a Pay Bill is not a popular decision for any President to make. On the other hand after months of wrangling, it was also evident that neither Congress nor the unions would accept a corporation type of Postal Service. NALC then found itself in the following position which continues to prevail today.

- H.R. 13000 is presently in conference. Senate and House conferees will determine a compromise solution which under no condition can be better than the following: (1) A one-step increase January 1, 1970 for postal workers; (2) A 3% increase January 1, 1970 for all postal and Federal workers; (3) A minimum of 3% July 1, 1970; (4) Union officials will be permitted to sit down with Administration officials to evaluate the BLS statistics before the July increases are recommended. There is no possibility that the eight-year top pay provision will be agreed to.
- The President has assured the NALC personally that he will veto any Bill produced by the conferees.
- If the conferees were to agree to the package mentioned above and which totals about 9% including the step increases, NALC would then be forced to attempt to override the veto. If we were successful (it is highly improbable in the Senate), President Nixon would be forced to immediately make sufficient enonomies within the Postal Service to recoup the cost of the Pay Bill. Similar economies would be effected in the Federal Establishment. At the end of 1970 after overriding a veto, postal employees would have 3.3% more wages than they would have by merely waiting for the July

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• A 13-member Executive Council would be established for the purpose of operating the postal system. It shall commence operations on January 1, 1971.

• Seven members of the Council shall be appointed by the President and shall serve for a staggered seven-year term. (Not more than four such Presidential members shall be from the same political party.)

• These seven shall appoint a Director and a Deputy Director who shall be members of the Council and who shall serve on a full-time basis to run the Postal Establishment.

• The other four members of the Council shall be selected from the Congress, one each to be selected by the Speaker, the House Minority Leader, the President of the Senate and the Minority Leader of the Senate. Each Congressional member shall serve for two years.

• The President shall appoint an Advisory Council of 11 persons; four to be nominated from labor organizations required as collective bargaining representatives for postal employees, four representatives of the major mail users and three representatives of the public at large.

• The Executive Council shall consult with and receive the advice of the Advisory Council regarding postal rates, services and compensation of employees.

• The Postal Authority shall negotiate two-year contracts with unions representing postal workers commencing January 1, 1971. Any impasses relative to working conditions, fringe benefits, wages resulting from such negotiations shall be referred to fact-finding and mediation during a 90-day cooling off period.

• Any impasses remaining after the 90-day period shall be referred to a three-man Board of Arbitration; one to be appointed by the unions, one to be appointed by management and the Chairman to be appointed by the appointees. The decisions of the Arbitration Board shall be final and binding as well as retroactive to the date of the contract.

• Other proposals relative to revenue, transportation, political appointments are to be spelled out at a later date.

WAGE INCREASES AND BENEFITS

The new proposal would provide for the following wage package and other benefits:

• Effective January 1, 1970, a new wage scale shall be established with the present Step 3 becoming Step 1 and the Steps 12A-12B of H.R. 13000 becoming Steps 11 and 12. There will be just 12 steps and the pay will range from $6588-$8856 annually. This is just the two-step increase originally provided for in H.R. 13000. However,

• Any wage increases granted to the Federal employees during 1970 will also be granted postal workers. Current BLS statistics indicate a 5.7% increase which can be paid postal and other Federal workers effective July 1, 1970, or earlier. This then brings the combined two-step increase and comparability raise to an average 11.1% during the next six months.

• Effective January 1, 1971, the new Authority will be mandated to establish a pay schedule whereby employees reach the top steps following eight years of service.

• Also in January 1971 the first contract between the Postal Authority and unions will be negotiated and will provide for a 1971 pay increase.

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Another provision yet to be worked out is that which is to provide for a sound Labor-Management policy by law. It is presently intended to incorporate Executive Order 10988 into law for a one-year period so that a workable union recognition policy can be adopted by Congress.

The Executive Council of the National Association of Letter Carriers has tentatively agreed to the principles of the new package since NALC objections have been eliminated and because the provisions of the original H.R. 13000 have generally been contained. The membership is urged to await additional information but is reminded that Congress shall now recess until January 19, 1970. Members are also reminded that President Nixon has assured us that he will sign this type of bill retroactive to January 1, 1970, once Congress acts. Do not be misled by newspapers or other publications which are attempting to proclaim the victory for the Postmaster General or President Nixon. This proposal in no way establishes a Postal Corporation but is an overwhelming victory for the NALC which has vigorously opposed any such plan.

CAPITAL CAPTIONS

Minneapolis, Minnesota Branch 9 Member Norman Meissner has found that the contribution of blood to his local Blood Bank is one way to supplement his meager postal wages. Meissner feels the Department is getting "blood" on the job and making it necessary for him to sacrifice his blood off the job to provide the necessities of life. . . . Colton, California Branch 1431 has just doubled its monthly dues. . . . Mayor Earle Grueskin, of Sioux City, Iowa, proclaimed Christmas week as "Letter Carrier Week" in that city. . . . W. V. Gill has been selected as the Executive Director of the Central Labor Relations Council which has been created by Executive Order 11491. . . . Governor Calvin L. Rampton, of Utah, has withdrawn his name as a sponsor of the Postal Corporation Plan. . . . James H. Rademacher, Sr. is the most recent recipient of the NALC 50-year Gold Membership Card and has been congratulated on the achievement by President Nixon. The card was presented by son, President Jim, Jr. . . . Of the 1133 rural carrier positions filled to date under the new non-political policy, letter carriers received 489. . . . The Vermont Branch of the National League of Postmasters has passed a resolution declaring "It has been primarily the NALC, UFPC who have been generally responsible for the improved benefits and working conditions for all postal employees." State President Alice Parrish extended thanks in behalf of Vermont Postmaters. . . . The New Brunswick "SPOKESMEN" continues to urge its New Jersey readers to support postal pay raises. Its most recent full-page ad was published January 2, 1970 and we thank Publisher Frank J. Keenan for this support.

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Other organizations are telling their members that top pay will not be reached in eight years while NALC has a firm commitment that such a provision will be written into law. (That provision was outlined in Bulletin No. 33.) NALC will reject any package proposal that does not contain the eight-year top pay provision.

We are assured of language in the new Bill to guarantee that all benefits accrued by other Government workers will also be included for postal employees. For example, if Congress increases the health insurance contributions during 1970, postal workers will benefit from the new law. When other Federal workers receive 5.7% increase in wages in July 1970, all postal employees will receive the same average increase.

BENEFITS DERIVED FROM ARBITRATION

None of the other unions have weighed the benefits which will be derived from the provision calling for binding arbitration in all contracts commencing January 1, 1971. Some union leaders have objected to this provision because of their fear of losing their legislative jobs. NALC leaders welcome the challenge

for no Presidential veto, the Administration knew that there had to be some compromise reached. A veto of a Pay Bill is not a popular decision for any President to make. On the other hand after months of wrangling, it was also evident that neither Congress nor the unions would accept a corporation type of Postal Service. NALC then found itself in the following position which continues to prevail today.

- H.R. 13000 is presently in conference. Senate and House conferees will determine a compromise solution which under no condition can be better than the following: (1) A one-step increase January 1, 1970 for postal workers; (2) A 3% increase January 1, 1970 for all postal and Federal workers; (3) A minimum of 3% July 1, 1970; (4) Union officials will be permitted to sit down with Administration officials to evaluate the BLS statistics before the July increases are recommended. There is no possibility that the eight-year top pay provision will be agreed to.
- The President has assured the NALC personally that he will veto any Bill produced by the conferees.
- If the conferees were to agree to the package mentioned above and which totals about 9% including the step increases, NALC would then be forced to attempt to override the veto. If we were successful (it is highly improbable in the Senate), President Nixon would be forced to immediately make sufficient enonomies within the Postal Service to recoup the cost of the Pay Bill. Similar economies would be effected in the Federal Establishment. At the end of 1970 after overriding a veto, postal employees would have 3.3% more wages than they would have by merely waiting for the July comparability increase of 5.7%. In addition, at the end of 1970 we would again be supporting legislation seeking top pay after eight years of service. We would then go through the same lengthy legislative process with no guarantee whatsoever and operating with less employees at the same time we were suffering from greatly reduced services.
- The alternative to the above is to support the pay-reform package which **DOES NOT** convert the Postal Establishment to a corporation and which provides pay increases, achieving top pay in eight years, binding arbitration and other benefits defined elsewhere in this bulletin. So long as the new package proposal contains the provisions agreed upon, NALC is firmly supporting the package legislation irrespective of the envy, frustration and name-calling now taking place by leaders of some postal organizations.

PMG Admits Higher Productivity During Holiday Mailing Period

In a press release dated January 3, 1970, Postmaster General Winton M. Blount admitted higher productivity among the permanent postal workers. He cited figures which showed an increase of 71 million pieces of mail over the previous holiday season while the work hours were reduced 1.3 million. In his release Mr. Blount declared that Christmas mail volume had reached the second highest peak in history with close to eight billion pieces processed during the 1969 holiday season.

Meanwhile, another Department release projects mail volume during the next 20 years to reach 166 billion pieces, more than double the current volume. The Department expects to offset employment of a proportionate number of postal workers by mechanization including facsimile transmissions and scanning devices.

Postal Workers To Teach Disadvantaged Youths

The Post Office Department has announced a new educational program wherein postal employees will become teachers of the underprivileged, disadvantaged and school dropouts. A Postal Academy Program to give remedial education and job opportunities to youths age 16-21 will be inaugurated in Washington, D.C.; Newark, N.J.; Atlanta, Ga.; Chicago, Ill.; San Francisco, Calif., and Detroit, Mich. with a scheduled inauguration of early May 1970.

During the summer of 1969 a similar type of program was successful when 1,600 volunteer postal counselors guided 8,250 youngsters in a "buddy" system.

The cost of the new pilot program in the six cities exceeded $1 million including training of postal workers, rental of neighborhood stores and maintenance of small staffs. The program is jointly financed by the Post Office Department (10%), the Department of Labor and Office of Economic Opportunity. Under the direction of Asst. PMG Kenneth Housman, the academies intend to encourage continuity of education to 2,100 dropouts by mid-1971.

The program also includes the training of lower level postal workers to pass examinations for higher level positions. For example, custodial workers and mail handlers in the lower four levels could be trained to pass a clerk-carrier examination. This would cause the promotion of lower level employees rather than the appointment of new workers inexperienced in postal matters.

NALC DEMANDS HOLIDAY PAY FOR SUBSTITUTES

NALC President Rademacher has asked the Post Office Department to pay substitute employees for wages lost because of the special holiday proclaimed by President Nixon on December 26, 1969. The NALC leader said that substitute workers "are sick and tired of losing wages just because special holidays are declared." President Rademacher pointed out that on three special holidays in 1969 substitutes lost a total of more than $100. These special holidays were the funeral ceremony of President Eisenhower, the landing on the moon and the December 26 non-work day. NALC is the only postal union asking for such treatment for substitute workers.

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THE FEDERAL SPOTLIGHT

Blount Talk Fails to Clarify Postal Corporation Stand

By JOSEPH YOUNG
Star Staff Writer

Key Republican members of the House Post Office and Civil Service Committee had breakfast yesterday with Postmaster General Winton Blount and came away more confused than ever over whether the administration intends to make concessions to the unions in return for support of its modified postal corporation plan.

Blount gave no indication that the administration would agree to a 11.1 percent pay raise for postal workers as the unions were originally led to believe, nor did he give a commitment for a speedup in postal employes' in-grade pay so that they could reach the top of their grade in eight years.

Neither did he indicate support for written guarantees that civil service rights of postal workers would not be taken away in the future, nor did he support guarantees that present fringe benefits would not be lowered.

In summary, Blount's position seemed to be in support of the bill sponsored by Rep. Glenn Cunningham, R-Neb., whose measure contains none of the safeguards and liberalizations that postal employe leaders were led to believe would be included.

It's been reported that in making promises of concessions to postal employe unions, the White House went over Blount's head. President Nixon reportedly was tired of the stalemate on the postal corporation plan and initiated a compromise proposal in which concessions would be made to the postal unions in return for their support of a modified postal corporation concept.

But even a White House official at the breakfast yesterday said he knew nothing about Nixon's reported promises, leaving the Republican legislators completely at sea.

The administration bill in its present form would give postal workers a 5.4 percent raise retroactive to January and nothing more. Hence, they would be worse off than federal classified employes in matter of pay rises. Reportedly the administration's plan calls for another pay rise to be the subject of negotiation between the unions and postal management in October, when the proposed postal authority would be in operation and Congress would no longer have jurisdiction over postal pay and fringe benefits.

But the postal unions want none of that. They are insisting on a total 11.1 percent pay rise this year before switching over to the collective bargaining system on pay and fringe benefits in which they will have to negotiate with management. The unions feel there is no guarantee that the October pay negotiations would result in any raise.

On speeding up postal in-grade pay rises, Blount reportedly is agreeable to writing into legislation that it is the intent of Congress that it be the subject of negotiation between the unions and postal management.

Here, again, the unions object, saying this would be meaningless as far as negotiations are concerned becuase Congress would have no voice in the matter.

* * * *

MORE CIVILIANS URGED—President Nixon has directed administration officials to evaluate a government union leader's proposal to replace thousands of active duty servicemen with civilian workers.

Kenneth Lyons, president of the National Association of Government Employes, made the proposal to Nixon, saying that such a program would do much to ease the impact of the current civilian job cuts in Defense. He said civilians could be used to replace servicemen in such jobs as warehousemen, clerks, public information specialists, bus, truck and taxi drivers', guards, commissary workers and many others.

In reply, the White House said, "The President has directed that appropriate officials give careful attention to your recommendation and is looking forward to their evaluation of your plan."

* * * *

CSC LABOR APPOINTMENT—Anthony Ingrassia has been selected to head the Civil Service Commission's office of labor-management relations. He succeeds Vern Gill, who became executive director of the new Federal Labor Relations Council.

Ingrassia, 43, is highly regarded by federal and postal employe union leaders, both for his work in the labor-relations field with the CSC and previously with the Post Office Department.

* * * *

JOBS—Justice Department anounces the following job openings: auditors, GS-7 to 14; operations research analysits, GS-13 to 15; secretaries and clerk-stenographers, GS-3 to 6; accounting clerks, GS-5; employe relations specialist, GS-7 to 12; deputy U.S. marshals, GS-6; grants specialists and systmes analysts, GS-9 to 13; position classification specialists, GS-7 to 12; program assistants and research assistants, GS-6 to 9; law enforcement specialists, GS-9 to 13, clerk-typists, GS-2 to 4; teletype operators, GS-14; laborers, wage board-4.

Send complete SF-171 application forms to Justice's personnel office, Room 1220, 10th Street and Constitution Avenue, Washington, D.C. 20530. . . . Post Office Department headquarters needs clerk-stenos and secretary-stenos in grades GS-3 through 6. Bring application to Room 1146, 12th Street and Pennsylvania Avenue, NW.

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THE EVENING STAR
Washington, D. C., Friday, March 20, 1970

DAVID LAWRENCE

Letter Carriers Wages Unrealistic

The wildcat strike by the letter carriers and the chaos in mail delivery in the New York City area is most unfortunate. But the failure of Congress to recognize the plight of the men who carry the mail — their low wages — is a calamity, too.

The starting pay of a letter carrier is $6,176 a year, and rises to $8,442 after 21 years of service. How can a man with a family get along on such a wage today after paying federal and local taxes?

Congress had been working to improve the wage scales, but deferred action at the present session because of a plan to put the whole postal system into a new government corporation. While a reorganization of the method of handling the mails is desirable, the wages paid workers should have come first. It was just as important — if not more so — to raise their wages as to vote increases in pay last year to members of both houses and to officials in the executive and judicial branches of the government.

Congress finally is getting busy on the problem. Chairman Gale W. McGee of the Senate Post Office Committee says that he expects to bring the postal reform bill to the Senate floor next week and hopes that shortly thereafter the House and Senate can agree on a postal reorganization plan and a pay raise for employes.

Today the damage caused by the breakdown in the mail service is incalculable. In New York City alone, there are more than 30,000 postal workers who handle 35 million pieces of mail daily. Nearly 14,000 members of the letter carriers union are directly involved in the strike, and about 22,000 drivers and clerks have refused to cross picket lines. The walkout has spread to Connecticut, New Jersey, Westchester County and Long Island. Reports have been coming in that sentiment in favor of a strike is growing in other cities across the country, such as Milwaukee, Chicago, Kansas City and Houston.

When mail delivery is interrupted, American business suffers heavy losses. Many orders are placed by mail, and many are fulfilled the same way. Payments are made in large part by mail. Many companies instruct their salesmen in different parts of the country by mail. Private citizens also, of course, are hurt when personal mail — including social security or pension checks — is delayed in reaching them.

Congress has important business before it, but none more important than to take care of the welfare of federal employes who are underpaid. Court injunctions have been issued to order the strikers to return to their jobs, but it is doubtful whether regular mail service can be restored for several days. Some definite action by Congress is essential.

Respect for injunctions issued by the court will be difficult to obtain because many of the postmen will just stay at home. The federal government has rarely faced such an emergency, and the only answer to it is prompt action on the wage scales of postal workers, which have too long been neglected.

The citizens of America naturally expect the federal government to respond to the crisis and find the quickest solution possible, while taking measures to avoid such breakdowns in the future. With the rise in the cost of living, many federal employes who do not belong to labor unions have no means of expressing their complaints about wage rates. While there are a variety of new governmental projects deemed important for sociological reasons, none deserves the immediate attention that should be given to the human needs involving operations of the government itself.

Employes of the federal service have up to now rarely tried to engage in strikes. Indeed, these have been prohibited by law. The letter carriers are violating the law, but they would not go to the extremes being witnessed today unless their wage levels were unrealistic.

The pay scales for letter carriers are uniform throughout the country. But living costs are by no means the same everywhere. Congress might consider setting different salary scales for employes who must work in large cities, where living costs are often far above those in smaller communities. Letter carriers in New York City, for instance, have been asking for extra allowances for cities such as theirs.

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THE WALL STREET JOURNAL, FRIDAY, MARCH 20, 1970

Postal Revolt and Reform

The postal strikes in New York City and elsewhere call for a couple of comments, one for the present and another for the not-distant future.

When Congress declared strikes by Federal workers illegal, the presumption was that the workers' services were essential. While the presumption may be debatable in some Governmental areas, it plainly does apply to the postal service. So huge a nation simply cannot afford a protracted disruption of communications.

Since that is so, the Government's course now should be clear. It must enforce the law through court injunctions, as it has already begun to do. If the workers defy the law the Government must call on military and other personnel to help move the mails; however unhappy that action may seem to some, there simply would be no alternative.

For the future, both Federal officials and the workers should be doing some hard thinking about what brought the situation to the present pass.

Up to now most postal unions have seemed eager to leave the major matters of management to their "friends" in Congress, firmly opposing the Administration's proposal to create a semi-independent postal authority. Yet those alleged friends are largely responsible for the problems that so legitimately distress many postal workers.

Pay is only part of the problem, but obviously an important part. Workers everywhere in the country are paid on precisely the same scale, despite the vast variation in local conditions and living costs. A Congressman from Nebraska, when he votes a pay increase, may think more of winning support of postal employes in his state than of doing full justice to workers in some place such as far-off New York City.

A postal authority or corporation would have the flexibility to seek justice everywhere; for the first time, postal unions would have collective bargaining rights, though they still would not have the right to strike.

The authority, moreover, would dispense with the patronage that now puts political appointees in most top executive jobs. It could open avenues of advancement to career employes, so that fewer would feel they were stuck in dead-end jobs. The authority also could press the sort of modernization program that would make the service more efficient—and the workers' jobs more rewarding.

With the introduction of new machinery and methods, worker productivity could be expected to grow, and that's the sort of development that would fully justify higher pay. It has always worked that way in private industry, and there's no inherent reason why it won't work the same way in the postal business.

The House Post Office Committee, which for many months had seemed certain to do nothing of significance, has now reported out a bill along the lines of the Administration plan, and a Senate committee is considering a similar proposal. So there is a good chance for action.

A postal authority by itself does not guarantee sweeping improvement, of course. The Post Office still would be a massive business organization, faced with vast and constantly expanding demands and problems. Its task would be one that would try the ablest of managers.

The change, however, would at least offer hope, which is something that can hardly be said of the present setup. The illegal postal strikes should offer fresh proof of that.

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HOUSE UNIT BACKS POSTAL AUTHORITY

Panel, in a Reversal, Votes to Let Independent Agency Operate Mail Service

By The Associated Press

WASHINGTON, March 12 — President Nixon's plan to turn the mails over to an independent postal authority was approved today by the House Post Office Committee, which rejected the plan last year.

Several opponents asserted privately that the Administration had won the votes for the 17 to 6 approval through intensive political horsetrading. But none was willing to make the charge publicly.

The proposed corporation would be Government-owned but independently operated. It is designed to put the postal system on a self-suporting basis by 1976 and has been given high priority by the Administration as a way to wipe out postal deficits of as much as $1.2-billion a year.

Senate Panel to Act

The Senate Post Office Commitee plans to consider a similar bill next Thursday but prospects for final Congressional approval remain uncertain.

The surprise vote by the House committee came after Representative Thaddeus J. Dulski, upstate Democrat who is the panel's chairman, announced two weeks ago that all attempts to reach a compromise on the corporation plan had failed and his committee would not consider it unless he was overruled by fellow members.

Mr. Dulski, who favored reform of the Post Office Department within its present framework, was reportedly overruled by fellow Democrats at a caucus yesterday.

They voted nine to five in favor of the corporation on the final vote. Eight Republicans voted for the corporation and one against. Two Republicans and one Democrat took no stand.

"Although this does not represent my approach, it is a postal reform bill," Mr. Dulski said in a statement.

The postal authority, like the

Continued on Page 69, Column 8

Special to The New York Times

WASHINGTON, March 12— The Senate approved today, 64 to 17, legislation that would lower the voting age to 18 years in all elections.

The Senate vote represented the farthest Congress has gone in two decades of discussing the voting age. Whether the action will be sustained by the House remained problematical.

Bypassing the long-discussed route of a constitutional amendment on the issue, the legislation would provide that the voting age be reduced to 18 in all states for elections — Federal, state and local — starting in 1971.

The result would be to enfranchise about 13 million people. At present the minimum voting age is 21 in all states except Georgia and Kentucky, where it is 18; Alaska, where it is 19, and Hawaii, where it is 20.

The provision was an amendment attached to the voting rights bill. Once the legislation is passed by the Senate, it will return to the House, which last year approved a different version sought by the Nixon Administration.

Comprise Is Expected

In effect, the Administration version repeals the Voting Rights Act of 1965, which was aimed at Southern states, and replaced it with what is described as a nationwide approach to the problem of voter discrimination.

The Senate is expected to approve a compromise, extending the 1965 act for five more years but incorporating Administration proposals for a nationwide suspension of literacy tests and a reduction of residency requirements for voting in Presidential elections.

This evening, the Senate refused, 63 to 15, to eliminate two key provisions in the 1965 act that the Administration proposed to abolish.

One was the so-called triggering clause, which establishes a formula under which the

Continued on Page 14, Column 3

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THE WALL STREET JOURNAL,
Friday, March 13, 1970

House Panel, in Surprise Step, Approves A Postal Reform Plan Similar to Nixon's

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — In a surprise move, a House committee approved a sweeping reorganization plan for the Post Office that closely parallels the Nixon Administration's reform proposal.

The legislation, cleared by a 17-to-6 vote, would establish a semi-independent U.S. Postal Service Authority to replace the present Cabinet department. The public authority would be given broad operating powers as part of an effort to insulate it from political pressure.

Among other things, the legislation would empower the authority to set postal rates, subject only to a veto by Congress; to raise capital through the sale of bonds backed by the Government, and to negotiate wage contracts with postal unions. In short, the legislation essentially follows the Nixon recommendations to set up the Post Office as a corporation-type body free from Congressional control.

Such a reform plan first was outlined in 1968 by a commission named by President Johnson and headed by Frederick R. Kappel, retired chairman of American Telephone & Telegraph Co. Subsequently, the Kappel commission's proposal was embraced by President Nixon who sent the first reform bill to Congress in 1969.

But the bill has been bottled up in the House Post Office Committee for more than a year, primarily due to the fierce opposition of some unions. Indeed, earlier versions of the reform bill were tentatively rejected by the committee, which spent most of its time working on alternate proposals to reform the postal service within the present framework as a Government department. Intensive Administration lobbying, however, finally swung most panel members behind the bill to establish a semi-independent postal authority.

Calls for Wage Increase

In an attempt to offset union opposition, the reform bill includes provisions calling for an average 5.4% wage increase for postal workers retroactive to Jan. 1. This attracted support from the National Association of Letter Carriers, the largest postal union, but other postal unions have withheld their endorsement of the reform measure.

For a time, it seemed that the opposition of these other unions would keep the bill bottled up, but the committee finally decided to act. Some members said they were worried that some postal workers might strike unless action were taken soon to give them a pay increase.

Postmaster General Blount called the committee's action a "giant step" toward "meaningful reform of the postal system." He noted that the postal authority plan will "lodge the responsibility of running the Post Office with the management" of the 750,000-employe agency, allowing "better mail service with great economies."

The legislation probably won't be brought to the floor for at least a month, and committee members said there may be stiff floor fights over some key elements. Nonetheless, they said it now seems certain that the House will pass a comprehensive postal-reform bill this year. Similar legislation is pending before a Senate committee but it has been waiting for the House to act.

The House bill provides that the postal authority would start operating one year after enactment of the legislation. The authority would be under the general direction of a 13-member executive council, with one member acting as a full-time chief executive officer, to be called the director general.

The President would select seven of the 13 directors, with not more than four of these seven being from the same political party; these appointees would be subject to Senate confirmation. Four more directors would be chosen by Congressional leaders, with the majority and minority leaders in the Senate and House each making one appointment. The 11 directors thus selected would then choose the remaining two and designate one director as the director general.

Break-Even Goal

The legislation states a goal that the authority's revenue equal its costs by Jan. 1, 1978. Administration officials have expressed hope that postal operations, currently running a deficit of about $1.5 billion a year, could become self-supporting within five years after transition to a postal-authority setup.

The authority would be given the power to set postal rates, subject to veto by two-thirds of either chamber of Congress within 60 days after notification of the proposed rates. Before boosting rates, however, the authority would have to go through a complex rate-making procedure, to give interested parties a chance to comment.

Another key provision would empower the authority to sell up to $10 billion of debt obligations that would be guaranteed by the Government. The bill would allow the authority to sell up to $1.5 billion a year of obligations for capital improvements and $500 million a year for operating expenses.

The major thrust of other sections of the complex bill is to give the postal authority power to operate in a businesslike manner. The bill would replace present laws and regulations that reform proponents contend hobble transportation and labor-management policies.

The bill specifies that Congress will retain the power to allow free or reduced-rate mail for certain categories. All present categories of such mail would be continued by the bill, so it would take a separate act of Congress to change them. Congress would appropriate funds annually to reimburse the authority for the actual cost of handling free or reduced-rate mail.

In addition, the legislation would authorize a declining rate of appropriations to cover anticipated deficits attributable to regular mail operations from the time the authority is established until 1978, when it is supposed to be handling regular mail on a break-even basis. Thus, the bill authorizes appropriations ranging from 10% of the cost of regular mail service in 1972 to 2% of such costs in 1977.

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Accordingly, it is difficult for America to be objective and impartial when the obvious intent of the Arab states is to destroy Israel as a nation.

Israel, a bulwark of democracy, faces extinction if defeated by the Arab states which surround it. It is a nation born in a unique and fragile situation, and its determined and dedicated people have been steeled by two decades of war and peril. It is no wonder that the besieged nation feels compelled to lash out at its tormentors with such fury and effectiveness. The small, tough democratic state of Israel asks nothing but to be left in peace, and yet it must be geared for war if it is to survive.

In my humble opinion, America must leave no doubt in the collective mind of the Communist world as to where we stand in this issue. It is hypocritical for us to pretend to be objective and impartial, for we are not. Any military assistance given to its neighboring Arab states to wage war on Israel is an act of hostility toward that great little nation. Each time France or the Soviet Union or any other country provides the materials of war to the nations dedicated to the destruction and extinguishment of the nation of Israel, in my view, the United States can have no alternative but to provide additional arms to Israel as a means of its survival.

We are all only too keenly aware that at any time this conflict threatens to explode into a major war which could engulf France, the Soviet Union and the United States.

Mr. President, Americans admire you and know that neither you nor France is anti-Semitic; yet, we have such great difficulty in searching out and understanding the basic reasons for your aiding and abetting the enemy states which seek to extinguish the existence of Israel, a proud and productive nation created by the collective decision of the world powers in the United Nations a few short years ago. The tenacity and capacity of this determined young democracy, and its economic and social successes in the midst of continuing conflict with its belligerent and aggressive neighbors, stands as a testimonial to the character of its people, and provides a hallmark in history for the determination of the oppressed to preserve their identity as a nation and their dignity as a freedom-loving and God-fearing people.

May God love you and guide you and the great Republic of France.

Cordially, and with great respect,
HOWARD W. POLLOCK,
Congressman for Alaska.

POSTAL REFORM

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1970

Mr. DULSKI. Mr. Speaker, I am getting a little tired of the bleedings and misrepresentations which are being aired and published about our Nation's postal service and the current efforts to bring about meaningful reform.

Yesterday, on page E1617 of the RECORD, I cited for the House the misleading half-page advertisement published by the Citizens Committee for Postal Reform which called for a postal reform bill containing four key elements.

The citizens committee and its highly paid staff had failed completely to do their homework because the reform bill now nearing completion in our Post Office and Civil Service Committee already contains three of the four "key elements." We have not reached the part of the bill dealing with the fourth element—it should come up next week.

Why has progress been slower than we hoped?

Ask the incumbent Postmaster General who sits behind the big desk in the ornate headquarters office at 12th and Pennsylvania Avenue NW.

DOES HE REALLY WANT REFORM?

The Postmaster General has sought repeatedly to thwart our committee's efforts. He seems not interested in postal reform per se—only his own narrow version.

Why is it that he was excluded from postal reform conferences at the White House between the President, his staff and a key union leader? Obviously because those people, at least, have become aware that the Postmaster General is stubborn and completely uncompromising and uncooperative on this subject.

Mr. Speaker, the unyielding and naive approach to this legislative matter by the Postmaster General and his staff was understandable a year ago. Then, they were new and inexperienced. But now they have been in office a year or more and should have some understanding of the responsibilities of the legislative and executive branches of Government.

Our committee today completed action on title V of H.R. 4 and we already have provided the postal service with administrative and fiscal independence such as it has never had before.

FOLLOWS KAPPEL RECOMMENDATIONS

The bill to date follows very much the line of the Kappel commission report, except for keeping the postal service as an arm of the Federal Government rather than as a public corporation.

Postal reform? Certainly. Right down the line: Removal from politics, control of rates, control of finances, administrative latitude.

Those, including the Postmaster General, who criticize our work are simply not doing their own homework. They cannot see the woods for the trees in postal reform—and do not want to.

Mr. Speaker, another example of crass misrepresentation was exhibited the other day by the Wall Street Journal, one of the Nation's largest beneficiaries of postal subsidy and special treatment. The newspaper accuses me of pushing a reform measure which would provide "little or no change at all" from present law.

H.R. 4, as approved so far by my committee, makes as much change in the law as today's front page in that newspaper is different from yesterday's—in content, not format, that is. Indeed, maybe it is the newspaper's never-changing format that blinds its editors to changes that the average perceptive and objective person can see.

Mr. Speaker, we are proceeding with markup of a meaningful postal reform bill and I hope we can complete action in the next week or 10 days.

With my remarks, I include the text of the aforementioned newspaper editorial:

MR. DULSKI'S POSTAL PEAK

As might have been expected, taking politics out of the Post Office is proving extremely difficult. A plan proposed by Rep. Thaddeus J. Dulski, chairman of the House Post Office Committee, points up just how troublesome the task really is.

The Administration has urged that the Post Office be turned into a public corporation or authority, which would have power to set rates and postal wages. The Post Office, after all, is a huge business, with more than 500,000 employees and annual revenues exceeding $7 billion, and no business can function very efficiently with no control over its own prices and labor costs.

At present, of course, postal rates and pay are fixed by Congress, often for political reasons rather than for any considerations of sound management. It's actually astonishing that the agency functions as well as it does when it is subject to the whims of so many bosses.

Postal workers stand to gain more than anyone else from reform that turns the agency into an efficient organization, one that they can be proud to represent. But most of the postal unions appear to prefer the present setup, which allows them to lobby wage increases through Congress.

Many members of Congress favor meaningful reform. Mr. Dulski, however, is pushing his own measure that would continue Congress' power over postal rates and wages—in other words, little or no real change at all.

No one can be certain that a postal corporation could cope effectively with the rising demands on the Post Office. But everyone can be certain that a do-nothing approach will assure a continued steady deterioration of service.

NEW YORK CITY HEARING ON ATOMIC ENERGY AND THE ENVIRONMENT

HON. OGDEN R. REID

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 5, 1970

Mr. REID of New York. Mr. Speaker, on Friday, February 6, my distinguished colleague from New York (Mr. WOLFF) and I cosponsored in New York City a public hearing on atomic energy and the environment. I would like to include in today's RECORD the statements of three of the witnesses at that hearing, Mr. James Y. Paulding of Chappaqua, N.Y.; Mr. Herbert Lippmann of the American Institute of Architects; and Mr. Charles A. Wallerstein. The material follows:

STATEMENT OF JAMES Y. PAULDING

Congressman Reid: Thank you for the opportunity to appear before this Hearing. I am here as a resident of Westchester County. I have been involved with nuclear energy for approximately 15 years, initially as a member of the insurance industry that helped form underwriting pools to provide coverage for nuclear power plants. During part of this time I was directly involved in radiation safety and pollution control surveys. In 1966, I was one of the founders and officers of a nuclear service company providing waste disposal, decontamination, health physics and related services in connection with the handling of radioactive materials. This firm was, and is, headquartered in Westchester County, and is licensed to perform these services by the Atomic Energy Commission and the State of New York. For the past two years, I have been an independent management consultant serving financial institutions, insurance companies, and

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DAILY NEWS, THURSDAY, FEBRUARY 26, 1970 42

Fight in House May Spark 1st Postal Strike

Washington, Feb. 25 (NEWS Bureau)—The possibility of the first national postal strike in United States history was raised today after a reported compromise on President Nixon's postal reform and pay raise plan came unglued.

Chairman Thaddeus J. Dulski (D-N.Y.) of the House Post Office committee announced that after two months of fruitless bargaining his committee will complete drafting its own post office reform bill without attempting to include the administration's proposal that the Post Office be turned into some form of public corporation.

Rep. Thaddeus Dulski
Opposes reform plan

A spokesman for Dulski said the "Post Office Department insisted on its corporation package I spoke. We're further apart now than we ever were." Originally, the administration had attepted to ease passage o fits plan by promising a 4% pay raise to postal workers; postal employe unions then were supposed to drop their objections to the reform plan.

Weigh Nixon's Plans

The House committees move prompted speculation that Nixon will veto anything but his own plan. If this happens, the president of a postal workers union said, it could result in a nationwide strike by letter carriers.

James H. Rademacher, head of the 200,000-member National Association of Letter Carriers, told reporters:

"There's going to be a pay bill retroactive to last January or there's going to be a national postal strike. The minute Congress sustains a veto of a pay bill, I will poll my members on withholding their services."

Warning by Leader

Federal law prohibits strikes by public employes. But Rademacher maintained that "we have exhausted every legal means available to U.S. postal workers. No longer can we be the whipping boys and government scapegoats in the fight against inflation."

Dulski's office said today that it is "doubtful" whether a Nixon veto of the upcoming reform bill can be overridden. Rademacher has already said the President has told him personally that he will veto any pay bill that does not include his corporation plan.

Dulski's opposition to turning the Post Office into a private corporation centers on his contention that rural postal rates will skyrocket once the plan is enacted. Other complaints are that such things as lowered mail rates for servicemen and the jealously guarded franking privileges for congressmen will suffer if the Post Office becomes a profit making concern.

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Evening Star - Washington
Feb. 13, 1970

THE FEDERAL SPOTLIGHT

White House Hints at Shift In Pay-Postal Reform Row

By JOSEPH YOUNG
Star Staff Writer

White House officials hint that postal employe unions' support of the administration's postal reform package could lead to acceptance of a July 5.7 percent average comparability pay increase.

The July 1 date would apply to both postal workers and federal classified employes.

President Nixon has asked Congress to defer the 5.7 percent pay rise to next Jan. 1, but administration officials are hinting that if Congress approves the July 1 date—as seems likely—Nixon wouldn't veto the measure if he also gets postal reform.

Actually, postal workers would get a total rise of 11.1 percent under the postal reform plan—5.4 percent retroactive to Jan. 1 and another 5.7 percent rise either in July or the following Jan. 1.

However, in an effort to get the postal unions' support for the postal reform plan, the administration apparently is holding out the bait for the July 1 pay rise date.

On the other hand, administration officials say flatly that any 11.1 percent pay rise bill for postal workers without postal reform would be vetoed by Nixon.

Federal classified employes have a stake in this since their 5.7 percent increase is tied in with postal worker pay rises in the salary bills approved in different forms by the House and Senate last year, and awaiting action by House-Senate conferees.

White House officials say that the administration has agreed to the main demands made by postal employe unions in return for their support of the proposed postal authority.

This includes a 11.1 percent pay rise, compression of the postal pay scale so that an employe will reach the top of his pay level in eight years instead of the present 21, a guarantee against any loss of present rights or benefits unless both management and the unions agree to it.

However, the seven postal employe unions with exclusive recognition rights, which have been meeting with White House officials, still haven't made up their minds whether to support the plan.

* * * *

PROS AND CONS — James Rademacher, president of the National Association of Letter Carriers, strongly supports the plan.

He feels that postal workers will be much better off in the long run by being divorced from the jurisdiction of Congress in pay and fringe benefits and instead engage in collective bargaining with the proposed new postal authority.

Rademacher is convinced that postal workers will fare better at the bargaining table, with the right to have impasses settled by outside compulsory arbitration.

Rademacher feels that under the present system where Congress fixes pay and other benefits, postal workers are caught in a political crossfire which has adversely affected their pay and other benefits.

The NALC and the United Federation of Postal Clerks, are the two biggest postal employe unions.

However, the UFPC has serious misgivings about the postal reform plan and has not yet made up its mind about it. Some of the other postal craft unions are waiting to see what the UFPC does before they commit themselves.

UFPC appears hesitant about severing ties with Congress and not entirely sure that postal workers would fare as well at the bargaining table as they would in Congress — unless they are given strong bargaining rights and guarantees.

White House officials point to present postal pay scales and say it is inconceivable that postal employes would fail to do better at the bargaining table. They say that the new system would also result in modernization of pay practices by paying higher salaries to postal clerks and carriers with more responsible duties.

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National Association of Letter Carriers

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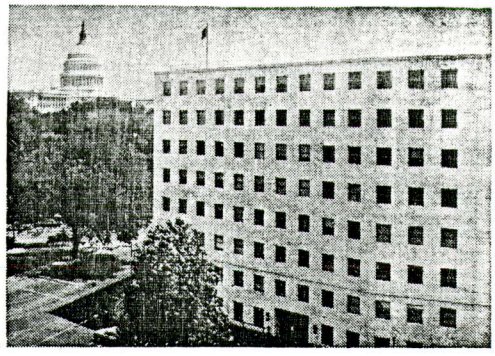
BULLETIN NO. 3 — JAMES H. RADEMACHER, Editor — FEBRUARY 3, 1970



Only Postal Pay Increase In Nixon's 1970 Budget

PRESIDENT APPROVES $412 HIKE JANUARY 1970; DELAYS COMPARABILITY 5.7% UNTIL 1971

PRESIDENT Richard M. Nixon has fulfilled his pledge to the NALC to provide in his new budget pay increases for postal employees averaging better than 5.4%. In the new Administration's budget released this week, President Nixon has approved postal pay increases retroactive to January 1, 1970 for postal employees only. Although the President kept his promise also concerning a 5.7% "comparability" increase, he chose to defer the pay increase due in July until January 1971. The President's action was declared to be for the "need to control and contain the inflationary spiral."

NALC President James H. Rademacher blasted the delay and accused the Administration of coming up with a budget which provides an excess in practically the exact amount of the cost of the July-January pay increase. The new budget allegedly anticipates $1.3 billion excess while the cost of the comparability increase for July-January would be $1.4 billion.

Rademacher charged that the Administration had further deteriorated the comparability process by establishing an 18-month gap between the compilation of BLS statistics and the effective date of a pay increase.

"The President is recommending an increase in January 1971 based upon statistics gathered in June 1969. There is no excuse for Government workers to again be made the scape goat for Administration bragging about the excess budget accomplishment," Rademacher declared.

The NALC leader assured letter carrier membership that "we will leave no stone unturned to make certain that Congress approves of the 5.7% increase in July of this year." He further stated that we cannot tolerate any longer to wear the economic straight jackets that engrip postal workers and their families. Rademacher

mid-February with the resultant action being a proposal to substitute the new pay-reform package for the actions that have taken place to date. Most of the reform proposals are already contained in H.R. 4. The pay proposals have been outlined in previous NALC bulletins. The membership is reminded that Civil Service retirement shall continue permanently as will Civil Service fringe benefits.

The membership is further reminded that a majority of the members of the House Committee will support the package and the President will sign the package after the Senate has acted. **PAY INCREASES CONTAINED IN THE REFORM PACKAGE ARE RETROACTIVE TO JANUARY 10, 1970.**

The one serious remaining difference comes in the determination of AFL-CIO postal unions to have Congress eliminate recognition now being granted to the National Postal Union. Several members of the Committee prefer that the Executive Order be used to terminate the recognition status of those organizations which have not achieved exclusive recognition. It does appear that the pay-reform package can be on the President's desk by mid-March

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The NALC leader assured letter carrier membership that "we will leave no stone unturned to make certain that Congress approves of the 5.7% increase in July of this year." He further stated that we cannot tolerate any longer to wear the economic straight jackets that engrip postal workers and their families. Rademacher pointed to the January 1970 increase which has not yet been approved by Congress as being only a partial downpayment of the true amount needed. He advised the NALC Executive Council meeting in Washington, D.C. this week that upon enactment of the new pay-reform proposal, NALC will spend every waking hour demanding that Congress overrule the President and provide immediate assurance that the comparability increase due in July be paid at that time.

NALC officers have contacted Congressional leaders to urge immediate attention to this problem and to insist that the comparability increase be paid in July. There is overwhelming favorable sentiment for the NALC demand. It should be noted that newspaper columnists covering the Washington scene report Capitol Hill will ignore the President's desire to hold the line on wages. Articles written by Columnists John Cramer of the *Washington Daily News* and Joseph Young of the *Evening Star* are published elsewhere in this bulletin.

Pay-Reform Package

Meanwhile, the House Post Office and Civil Service Committee is prepared to wrap up its executive sessions which have concerned H.R. 4. It is the intent to conclude these sessions in

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DEPARTMENT REJECTS NALC SUBSTITUTE'S PAY DEMANDS

The Post Office Department has turned down NALC demands for payment of wages to substitute employees who lost wages because of the special holiday proclaimed December 26, 1969. Portions of the Department rejection letter appear below:

"Your arguments in favor of the substitute employees have been very seriously considered by officials of this Bureau, other bureaus, and our General Counsel. In addition to examination of the law, the rulings of the Comptroller General that are applicable were specifically examined. We were persuaded to give this matter very exhaustive study and review by reason of your clear and vigorous presentation on behalf of the substitutes. However, I am sorry to advise that neither I nor the Postmaster General possess the administrative authority to grant your request.

"By statute, substitutes are paid (1) for work actually performed or (2) for approved leave charged on a work day. Where no service was performed on December 26—a holiday for pay and leave purposes—the status of substitutes did not conform to either one of the conditions cited above which would legally entitle them to compensation.

"In summary it would appear that it would require a change in the law to justify compensating substitutes who were excused from their previously scheduled duty station prior to reporting for duty on Friday, December 26, 1969."

Quotas From New Administration Budget

"New pay raises for Federal civilian and military employees are budgeted at $175 million in 1970 and $1.4 billion in 1971. These amounts reflect: (1) the pay adjustments accompanying postal reform; (2) the principle of pay comparability of civilian jobs with similar jobs in private industry; and (3) the legal requirement that military compensation be increased in pace with the salaries of Federal civilian employees. Because the need to control and contain the inflationary spiral is of paramount importance at this time, the President is recommending that the comparability pay raises (which require congressional action) be deferred six months beyond the recent pattern, and be made effective in January 1971."

"In order to make Federal salaries comparable to 1969 private enterprise rates, an average civilian and military pay increase of 5.75% is proposed effective in January 1971. An overall allowance of $1.4 billion is carried in the budget to cover this increase for 1971. This figure includes the 1971 cost for adjustments in postal field service pay accompanying postal reform."

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THE FEDERAL SPOTLIGHT

Hill Expected to Ignore Nixon on Pay Rise Delay

PRESERVATION COPY

By JOSEPH YOUNG
Star Staff Writer

Congress is expected to ignore President Nixon's request that government employe and military pay rises be delayed six months to Jan. 1.

All indications are that Congress will approve a 5.7 percent average pay increase for federal classified and postal workers effective July 1.

And postal workers could get another 5.4 percent pay rise retroactive to Jan. 1 if the administration's postal reform plan is adopted by Congress. Nixon provided for the 5.4 percent retroactive postal pay raise in his budget requests as part of the postal reform package.

Most Republicans as well as Democrats in Congress seem committed to the July 1 increase.

In fact, the House and Senate already have approved government pay rise bills that would give at least part of these raises before July 1. The House-approved measure would make them effective in April, while the Senate version would give part of the increase retroactive to Jan. 1 and the remainder on July 1.

In view of this, the feeling of some members is that Nixon will not veto a July 1 pay increase bill because it would be a compromise on the earlier pay rise dates contained in the House and Senate measures.

Sen. Gale McGee, D-Wyo., chairman of the Senate Civil Service Committee, said he felt Nixon used the Jan. 1, 1971, proposal as a means to "negotiate" with Congress. McGee predicted that Congress would approve the pay rise bill enacted by the Senate — a 4 percent raise for most employes retroactive to Jan. 1, 1970, and the remainder of the average 5.7 percent increase in July.

Some House members, however, feel that Congress will now approve an average 5.7 percent pay rise effective July 1, with no portion of the increase to go into effect before then.

Should Nixon veto the pay bill the feeling is that in this election year Congress would override the veto.

It was pointed out that the President won on his veto of the Labor-HEW appropriations bill last week when Congress did not muster enough votes to override, but that he would be pressing his luck if he vetoed a government pay increase bill.

There are more than six million government employes and military personnel, not counting members of their families. Thus, this means a bloc of at least 10 million to twelve million votes that the Republicans chance to lose if there is no July 1 pay raise.

For this reason, the consensus on Capitol Hill is that the Republican leadership will either convince Nixon to sign the bill, or if it is vetoed, enough Republicans would join Democrats in overriding a veto.

The arguments for a July 1 pay increase is that there is no excuse for making government employes and military personnel the "sacrificial lambs" in the fight against inflation when private industry workers are getting substantial pay increases.

Also, federal pay already trails comparable industry salaries by one year, and another six months' delay would put government employes 18 months behind industry, in contrast to Nixon's campaign pledge that he would close the comparability gap.

Washington Evening Star, Feb. 3, 1970

U.S. Workers Taking Lumps For Cost of Inflation

By JOHN CRAMER

Once again, Federal employees are being asked to bear more than their share of the cost of inflation.

President Nixon, in his budget message yesterday, proposed that pay raises averaging 5.75 per cent

Almost certainly, the President anticipates this. More importantly, there have been signals that he probably would not veto an earlier effective date.

That, of course, remains to be seen. If inflation worsens, the signals could change

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Washington Evening Star, Feb. 3, 1970

U.S. Workers Taking Lumps For Cost of Inflation

By JOHN CRAMER

Once again, Federal employees are being asked to bear more than their share of the cost of inflation.

President Nixon, in his budget message yesterday, proposed that pay raises averaging 5.75 per cent for postal and classified (white collar) Federal employees, originally projected for July 1, be postponed until next Jan. 1.

He conceded that this amounted to a recommendation that the increases "be deferred six months beyond the recent pattern."

He justified it on the grounds that "the need to control and contain the inflationary spiral is of paramount importance at this time."

CONGRESS MAY BALK

Congress isn't apt to see it that way. Congress, in an election year, is almost certain to recommend an effective date earlier than Jan. 1. It's about 75 per cent certain to recommend the original July 1 date.

Almost certainly, the President anticipates this. More importantly, there have been signals that he probably would not veto an earlier effective date.

That, of course, remains to be seen. If inflation worsens, the signals could change.

The 5.75 per cent raise would bring Federal employees to the national average private enterprise level of June, 1969, as disclosed in a recent Bureau of Labor Statistics survey.

If effective July 1, it would leave employees lagging 13 months—and perhaps 6 per cent—behind private rates.

WIDENING LAG

If deferred until Jan. 1, the lag would be 19 months, and perhaps 9 per cent.

As a candidate, Mr. Nixon specifically pledged himself to reduce the time lag. And as late as seven months ago, his spokesmen were proposing to do something about it.

Washington Daily News, Feb. 3, 1970

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CAPITAL CAPTIONS

Letter carriers will be permitted to drive vehicles without wearing head gear under a new policy agreed to by postal officials. Wearing of hats will continue to be required except for vehicle drivers. Watch for official regulations covering this subject! . . . New statistics covering assaults on postal workers have been published and it is noted there is a tremendous increase on the number of attacks. In fiscal 1969 there were 665 arrests made of assailants of postal workers compared to 256 in the previous year. . . . We salute the *Queens County* (New York) *Times* which has continued to urge postal patrons to support pay wages for postal workers. They have republished the appeal which appeared in November throughout the country as a public service. . . . In the presence of the NALC Executive Council, Washington, D.C. Branch 142 President Elliott Peacock received a plaque from his Board of Officers for his outstanding contribution to the cause of his membership. . . . The Department has answered at a recent Labor-Management meeting the question of whether or not substitutes should be detailed to preferred assignments over equally qualified unassigned regulars. The answer is "No, all other conditions being equal."

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Threaten Pay-Rise Strike

JOSEPH YOUNG
Star Staff Writer

Fist-fights and chair throwing climaxed a tension-filled angry meeting of the large Manhattan and Brooklyn branches of the National Association of Letter Carriers as they voted to go out on strike unless a 11.1 percent postal pay rise and other benefits are enacted by Congress without delay.

National postal employe union leaders say that anger and impatience is spreading among workers throughout the country over the delay in acting on their pay rises and that strikes are apt to occur throughout the country.

No one was hurt in the New York melees, except — ironically—a member who sought to serve as a peacemaker and got a bloody nose for his trouble.

The Manhattan and Brooklyn memberships demanded that the Nixon administration keep all of its promises regarding 11.1-percent postal pay raises and a speedup of automatic increases so that postal workers can reach the top of their pay level in 3 years instead of the present 21.

Postal workers in some of the bigger cities are ready to defy the laws which forbid strikes by federal workers on the theory that the government couldn't fire all of them.

* * * *

MEDICAL EXPERIMENTS — Defense Department says that its civilian employes and military personnel are not required to participate in medical research experiments.

It made its reply to Sen. Sam Ervin, D-N.C., chairman of the Senate Constitutional Rights subcommittee, who protested against use of civilian and military personnel in these projects.

Defense replied that participation was on a voluntary basis only and that any employe "may withdraw without prejudice at any time during or before the period of the studies." Further, Defense said, "No adverse entry is made in any civilian or military person's record or change in their status for refusal to participate."

Defense conducts medical tests on new drugs and vaccines, such as for meningitis and influenza.

Concludes Defense, "It is the policy of the Defense Department that the principles established at Nuremburg, applicable to human experimentation, be observed at all times." Well, gee, this is nice to know.

* * * *

WATCHDOG GROUP — The Federal Bar Association has appointed a special "watchdog committee" to study and evaluate the operation of the new Executive Order 11491 on the government's labor-management relations program.

Robert J. Rosenthal, chairman of the FBA's council on labor law and labor relations, appointed Maj. Thomas V. Ball, chief of the tax, labor and utilities branch of the Air Force Judge Advocate General Corps, to head the watchdog group. Nine other members will be appointed from among attorneys in government, unions and the private sector.

Since the FBA has no particular ax to grind one way or the other in federal labor-management relations, its role as an impartial observer is expected to be an important one in assessing the new program and pointing out its shortcomings and what changes may be necessary.

* * * *

HELP FOR DISPLACED EMPLOYES — General Services Administrator Robert L. Kunzig has appointed a task force to help the 12,000 federal employes involved in the move from Main Navy and Munitions buildings to Northern Virginia.

Kunzig said the task force would do everything possible to locate "adequate housing for the lower and middle-income employes." Also, adequate public transportation and eating facilities and parking will concern the task force, the GSA chief said.

The task force is headed by William Donlin Jr., director of business affairs in GSA's region three office here. To make assistance readily available, GSA has established an information center. The phone number is 963-4147.

* * * *

PAY RECLASSIFICATION — The House yesterday approved and sent to the Senate the bill directing the Civil Service Commission to come up with a complete new government job classification system within two years after the measure becomes ...

lar Liberation Forces said the attacks resulted in two hours of "fierce fighting," then the commandos withdrew with one wounded.

Guerrilla spokesmen said the fighting ranged from the Allenby Bridge, 7 miles north of the Dead Sea, to a point 32 miles north of the Dead Sea, beginning with guerrilla artillery, rocket and machine-gun barrages.

Israeli spokesmen acknowledged that their forces fought a brief cross-frontier artillery duel near the Allenby Bridge late yesterday losing one man wounded, but denied reports of a full-scale battle.

An Israeli spokesman said Israeli warplanes raided Egyptian positions along the southern sector of the Suez Canal late yesterday and returned home safely as Moscow was pledging all the support necessary for the Arabs to defend themselves.

The Jordanian front is one the Arabs intend to build up to take some of the pressure off Egypt, according to reports from the Arab "confrontation summit" two weeks ago.

King Hussein of Jordan toured the front Sunday to brief

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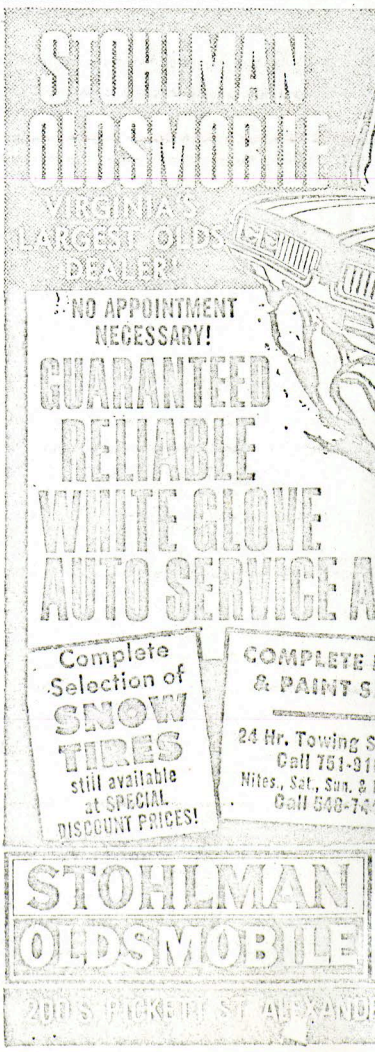

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MAJOR PROVISIONS OF THE POSTAL SERVICE ACT OF 1969

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ORGANIZATION

- CREATION OF A UNITED STATES POSTAL SERVICE WHOLLY OWNED BY THE GOVERNMENT, WHICH WILL BECOME SELF-SUPPORTING AS SOON AS FEASIBLE

- FORMATION OF A NINE-MEMBER BOARD OF DIRECTORS FOR THE POSTAL SERVICE, SEVEN APPOINTED BY THE PRESIDENT WITH THE ADVICE AND CONSENT OF THE SENATE

- SELECTION OF THE POSTAL SERVICE'S CHIEF EXECUTIVE OFFICER BY THE PRESIDENTIALLY APPOINTED DIRECTORS

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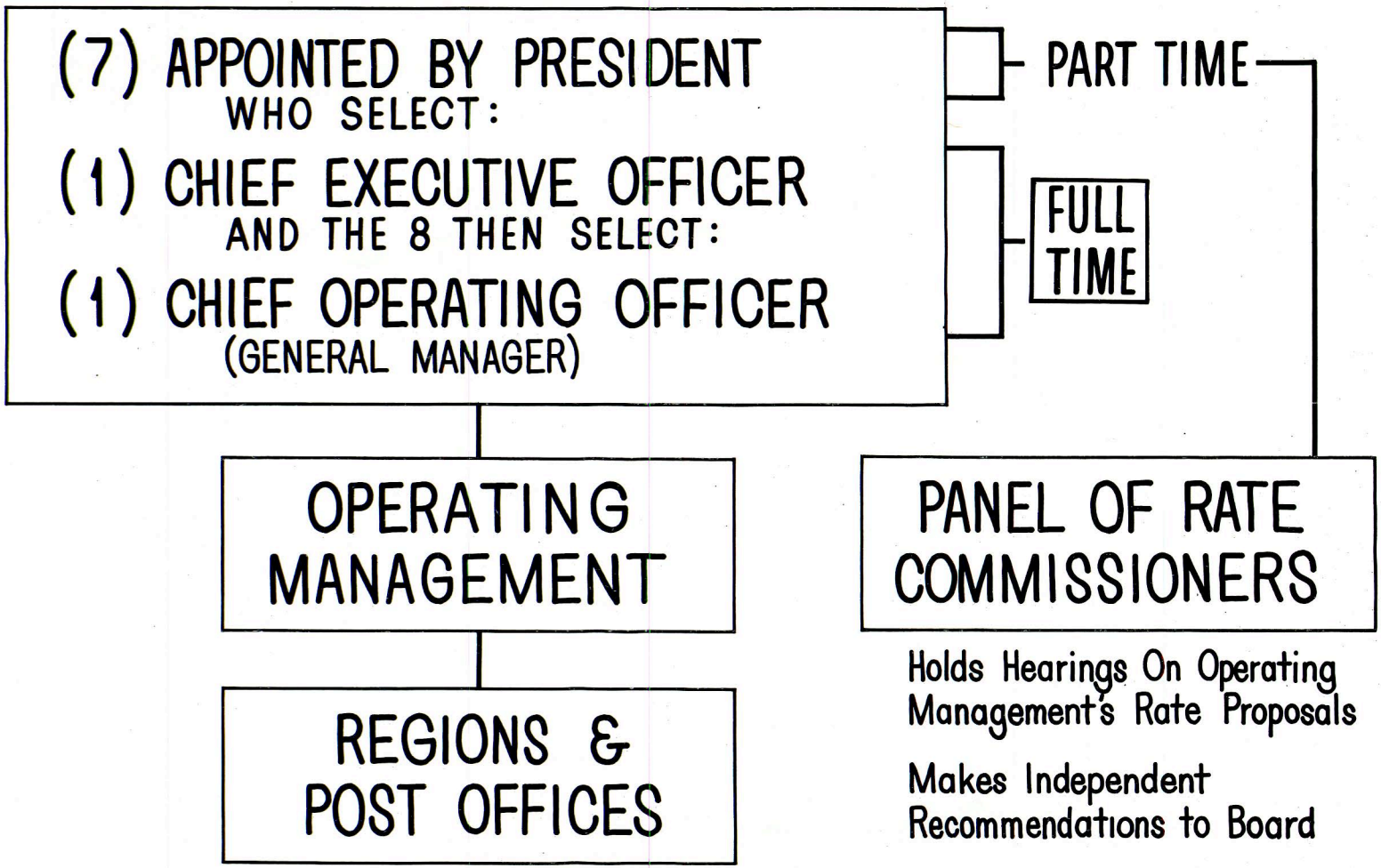
BOARD OF DIRECTORS
(9-MAN)



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POSTAL RATES AND CLASSES

- CHANGES IN POSTAL RATES AND CLASSES OF SERVICE TO BE ESTABLISHED BY THE BOARD AFTER HEARINGS BY A RATE PANEL INDEPENDENT OF OPERATING MANAGEMENT

- RATE CHANGES SUBJECT TO CONGRESSIONAL VETO FOR 60 DAYS

- PRESENT SCOPE OF SERVICES TO CONTINUE, UNLESS CHANGED AFTER HEARING BY RATE COMMISSIONERS

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FINANCES

- BROAD BORROWING AUTHORITY
- FUNDING BY APPROPRIATION TO POSTAL SERVICE FOR WHATEVER SUBSIDIES CONGRESS WISHES CONTINUED, E.G., NON-PROFIT MAILINGS

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PERSONNEL

- NON-POLITICAL APPOINTMENT OF ALL OFFICERS AND EMPLOYEES
- NEW CAREER SERVICE ESTABLISHED WITH FULL CIVIL SERVICE RETIREMENT BENEFITS RETAINED
- COLLECTIVE BARGAINING TO DETERMINE WAGES, BENEFITS AND WORKING CONDITIONS FOR UNION-REPRESENTED EMPLOYEES
- BINDING THIRD-PARTY ARBITRATION IN LIEU OF THE RIGHT TO STRIKE

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KEY ISSUES

- WHAT IS REAL PROBLEM ?
- WHERE WILL SAVINGS COME FROM ?
- HOW IS PUBLIC INTEREST PROTECTED ?

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REAL PROBLEM IS LACK OF MANAGEMENT SYSTEM

- NO ONE REALLY IN CHARGE
- POST OFFICES ADMINISTERED, NOT MANAGED
- SUPERVISION OFTEN INEFFECTIVE, INADEQUATE
- SUPERVISORS CAN'T BE BACKED UP WHEN UNCERTAINTIES OF POLITICS ENTER LABOR-RELATIONS
- CREATIVITY AND INNOVATION ESSENTIAL TO MANAGING AN ENTERPRISE, FROWNED ON BY PRESENT SYSTEM
- NO CONTINUITY OF POLICY

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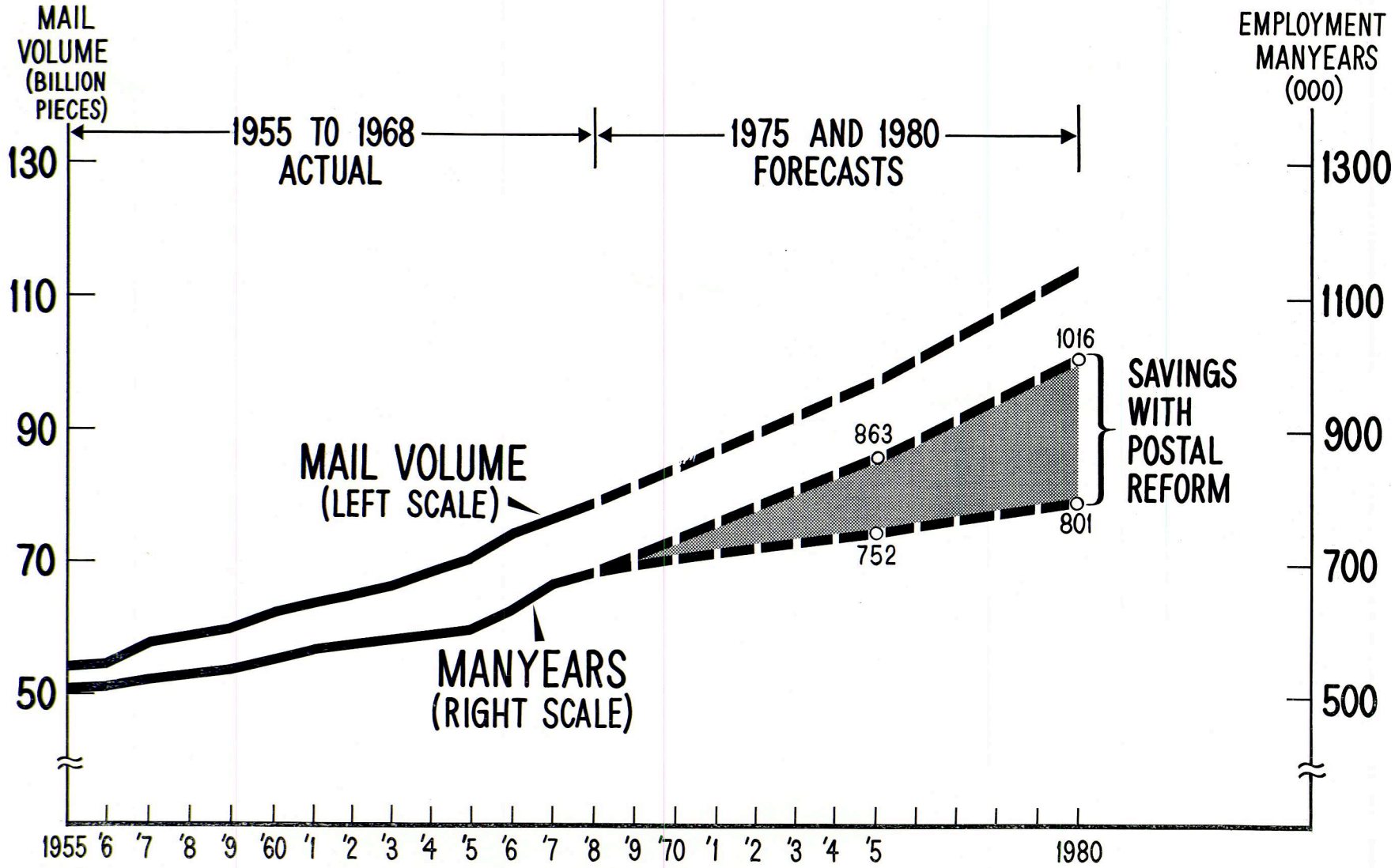
POSTAL EMPLOYMENT & MAIL VOLUME PROSPECTS



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HOW IS PUBLIC INTEREST PROTECTED?

- CHARTER GUIDELINES ENFORCEABLE IN COURT
- TOP MANAGEMENT CAN BE REPLACED AT ANY TIME
- PUBLIC HEARINGS ON RATE CHANGES
- RATE PANEL HEARS SERVICE CUTBACK COMPLAINTS - REPORTS FINDINGS TO BOARD
- SUMMARY REVIEW OF BUDGET EACH YEAR
- ANY OR ALL PROVISIONS OF CHARTER CAN BE CHANGED BY LAW AT ANY TIME
- CRIMINAL LAWS (FRAUD, OBSCENITY, THEFT OF MAIL, ETC.), CONTINUE IN FORCE AS STATUTES
- EXISTING WAGES, RATES, CLASSIFICATIONS AND RULES CONTINUE UNTIL MODIFIED BY PRESCRIBED PROCEDURES

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Warning signal on the railroads

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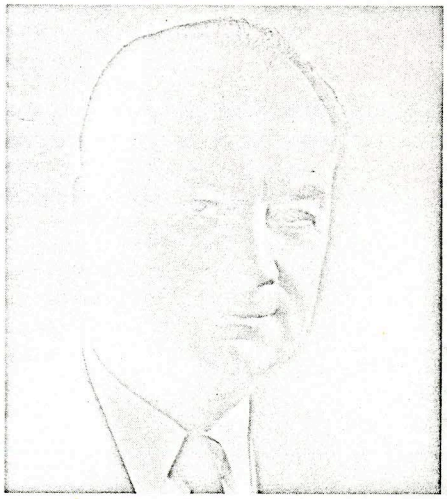

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Despite that, President Nixon has warned postal workers that he will veto any legislative proposal (one is now before Congress) that would give postal employees a "catch-up" increase of 5.4%; he insists it would be inflationary.

According to Rademacher, postal workers are not likely to do anything "drastic" until Congress has had a chance to pass their wage-increase bill and, if necessary, to override a Presidential veto. But if legislation does not bring the union the relief it seeks, then Rademacher says a slowdown could trigger "the greatest catastrophe that ever hit the postal service."

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National Association

Bulletin No. 33

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NIXON AGREES TO 11.1%

Two-Step, 8-Year Top Includ

THE FEDERAL SPOTLIGHT

Postal Workers Appear To Have Won Pay Victory

By JOSEPH YOUNG
Star Staff Writer

Postal workers appear to have won a stunning victory in the concession of allowing a 11.1 percent postal pay increase made by the Nixon administration in its anxiety to get even a water-down version of its postal corporation plan.

However, federal classified employes don't stand to benefit much from the considerably higher postal pay raises agreed to by the administration. Federal classified workers next year probably would get increases ranging from 5.7 to 7 percent, effective sometime between January and July.

In conversations with employe leaders, President Nixon warned that he will not stand for any move to liberalize the contemplated pay raises for federal classified employes. He said that higher postal pay raises were justified because they were part of a proposal that would improve the postal service and bring economies in the long run.

Hence, federal classified employes can expect a pay raise next year that will range from 5.7 to 7 percent and occur in two stages in January and April, January and July or April and July, or a one-stage raise in April. This is the range of possibilities in the bills approved by the House and Senate.

The administration, apparently panicked by more than 3 million postcards and letters that flooded the White House during the past few weeks in support of postal pay raises, and the specter of Congress overriding a presidential veto, has agreed to a two-stage postal pay increase averaging 11.1 percent—5.4 percent Jan. 1 and 5.7 percent in July.

And it has indicated it will support a speedup of postal automatic in-grade pay rises starting Jan. 1, 1971, in which postal workers would reach the top of their grades in eight years instead of the present 21 years.

In return, a new postal authority would be created that would have the authority to raise funds for postal modernization through issuance of bonds and the right somewhat along these lines next year appears good.

The committee decided to wait until Congress returns next year to get further details on the plan.

* * *

COMPARISON—With the exception of removing postal pay from the jurisdiction of Congress as well as fringe benefits, and making them the subject of collective bargaining between the proposed postal authority and postal unions, the postal authority plans notes not differ greatly from the postal reform measure that was being drafted by the House Committee.

The postal authority would be a regular government agency instead of an independent corporation.

Also, postal workers would remain under civil service and be guaranteed protection against illegal removal from their jobs as well as against any loss of their present benefits.

Further, any improvement of federal employes' fringe benefits also would apply to postal workers. Only when postal workers wanted additional benefits not granted by Congress would they go to collective bargaining with the postal authority.

An exception would be—all future pay adjustments after the 11.1 percent increase in 1970 would be the subject of collective bargaining and would not have any relationship with what Congress does with federal classified pay.

The previous Kennedy executive order on labor-management would apply to the proposed new postal authority for one year, until Congress could write into the law a system of collective bargaining for the postal unions.

The plan is for the unions and management to use fact-finding and conciliation in contract negotiations and in pay and other impasses during a 90-day "cooling off" period. Then, the parties would be obliged to submit the issues to three-member outside arbitration boards whose decisions would be binding and f...

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of Letter Carriers

December 19, 1969

CREASE; NO CORPORATION

With Binding Arbitration

Congress Must Still Approve Measure Which Creates New "Postal Authority"

In a dramatic pre-Christmas announcement, the White House has given tentative approval to legislation about to be sponsored by Chairman Thaddeus J. Dulski and Representative Morris K. Udall which will accomplish postal pay reform and establish a semblance of other reform within the Postal Establishment.

After learning that the House P.O.&C.S. Committee had agreed to send H.R. 13000 to conference, NALC leaders were elated to learn that a new, more meaningful proposal was in the offing. Following a review of the provisions of the Bill by Representative Udall at NALC Headquarters on December 17, tentative approval was registered by other postal organizations in addition to NALC. A subsequent meeting was held at the White House and leaders of postal organizations were advised of the President's position on the Bill.

The provisions of the package proposal establish a Federal Postal Authority and, at the same time, authorize pay increases in the same general language as contained in H.R. 13000. The tentative proposal governing the establishment of the Federal Postal Authority include the following:

- A 13-member Executive Council would be established for the purpose of operating the postal system. It shall commence operations on January 1, 1971.
- Seven members of the Council shall be appointed by the President and shall serve for a staggered seven-year term. (Not more than four such Presidential members shall be from the same political party.)
- These seven shall appoint a Director and a Deputy Director who shall be members of the Council and who shall serve on a full-time basis to run the Postal Establishment.
- The other four members of the Council shall be selected from the Congress, one each to be selected by the Speaker, the House Minority Leader, the President of the Senate and the Minority Leader of the Senate. Each Congressional member shall serve for two years.
- The President shall appoint an Advisory Council of 11 persons; four to be nominated from labor organizations required as collective bargaining representatives for postal employees

13000 becoming Steps 11 and 12. There will be just 12 steps and the pay will range from $6588-$8856 annually. This is just the two-step increase originally provided for in H.R. 13000. However, so that employees currently in Steps 10 and 11 will be able to secure the same top pay as other workers, the two new steps have been added. No employee in Level 5 will receive more than $412 annually effective January 1, 1970 but all employees will have an opportunity to reach the top pay of the schedule.

- Any wage increases granted to the Federal employees during 1970 will also be granted postal workers. Current BLS statistics indicate a 5.7% increase which can be paid postal and other Federal workers effective July 1, 1970 or earlier. This then brings the combined two-step increase and comparability raise to an average 11.1% during the next six months.
- Effective January 1, 1971 the new Authority will be mandated to establish a pay schedule whereby employees reach the top steps following eight years of service. Negotiate
- Also in January 1971 the first contract between the Postal Authority and unions will be negotiated and will provide for a 1971 pay increase.

NALC OBJECTIONS ELIMINATED

For the past two years NALC has vigorously opposed the proposal to convert the Postal Establishment to a Government Corporation. Some of the objections of the NALC were: (1) Employees would be removed from Civil Service status; (2) We would be bargaining with a Board of Directors with no economic weapon including no right to strike or binding arbitration; (3) The Postal Service would be removed entirely from the hands of the Congress. The new proposal eliminates those three major objections. It allows employees to remain under Civil

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the House and Senate.

The administration, apparently panicked by more than 3 million postcards and letters that flooded the White House during the past few weeks in support of postal pay raises, and the specter of Congress overriding a presidential veto, has agreed to a two-stage postal pay increase averaging 11.1 percent—5.4 percent Jan. 1 and 5.7 percent in July.

And it has indicated it will support a speedup of postal automatic in-grade pay rises starting Jan. 1, 1971, in which postal workers would reach the top of their grades in eight years instead of the present 21 years.

In return, a new postal authority would be created that would have the authority to raise funds for postal modernization through issuance of bonds and the right to use its revenue to operate the postal service. It still would need supplemental appropriations by the Congress.

The postal authority could set increases in postal rates, but these increases could be vetoed by Congress.

The postal authority would deal directly with the postal unions on future pay raises and fringe benefits.

* * *

OUTLOOK GOOD—Although the House Post Office and Civil Service Committee yesterday refused the administration's somewhat naive request that the compromise be approved immediately so that it could be enacted into law this year, the outlook for a compromise after the 11.1 percent increase in 1970 would be the subject of collective bargaining and would not have any relationship with what Congress does with federal classified pay.

The previous Kennedy executive order on labor-management would apply to the proposed new postal authority for one year, until Congress could write into the law a system of collective bargaining for the postal unions.

The plan is for the unions and management to use fact-finding and conciliation in contract negotiations and in pay and other impasses during a 90-day "cooling off" period. Then, the parties would be obliged to submit the issues to three-member outside arbitration boards whose decisions would be binding and final. There would be no right to strike.

The postal authority would be headed by a director general appointed by the President and confirmed by the Senate. He would head a 13-member council, seven members to be appointed by the president and four to be members of Congress (probably the chairman and ranking minority members of the Senate and House Post Office and Civil Service Committees) plus the director general and the deputy director general.

Since the postal employes would be under civil service, it is not contemplated that any union shop would be permitted.

Washington Evening Star, December 19, 1969

POSTMASTER GENERAL APPEALS NO-STRIKE OATH DECISION

The Post Office Department through the Department of Justice has appealed to the U.S. Supreme Court for a "Writ of Certiorari." The Department hopes that four Justices will be sufficiently interested to have it heard in the Supreme Court. Meanwhile, the Department has been successful in causing the U.S. District Court to issue an Order to delay final action on its decision.

If four Justices do not agree to hear the appeal the lower court decision is permanent. The Department appealed on the very last date permitted by the lower court. NALC intends to fight all the way for the District Court decision.

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CAPITAL CAPTIONS

The Post Office Department through the Justice Department intends to appeal the U.S. District Court decision which knocked out the no-strike oath. The Supreme Court will be asked to determine whether or not the lower court acted properly. NALC will battle to the highest level in support of the court decision. . . . Detroit, Michigan Letter Carrier Chester C. Abrams was found shot to death in a burning building. . . . An Arlington, Virginia lady letter carrier has been successful in local court in having an assailant fined $250 for an attack on her over the use of dog spray. The judge placed the assailant on probation and asked to be personally informed if the patron's dog was ever on the loose again. . . . There shall be an open season for purchase of regular and optional life insurance in March 1970. The premium on the special $10,000 insurance, offered by the Civil Service Commission last year, has been greatly reduced. For example, the present monthly premium for $10,000 term insurance for employees age 40 is $13 and the new premium in April 1970 will be only $5.20. . . . President Rademacher has rejected the request by Florida Senator Edward J. Gurney for a contribution of the NALC to the National Right to Work Legal Defense Fund. . . . The New York City Council has passed a resolution urging Congress and the President to enact H.R. 13000. The 70th Precinct Youth Council of Brooklyn, New York has taken similar action. . . . Hats Off Department: To San Juan Branch 869 President Julio Diaz who very skillfully translated the newspaper mat into Spanish so that the NALC advertisement could be published in the Spanish newspaper "El Mundo." In addition, the able branch leader prepared 1,000 loose leaf petitions which were signed by many and forwarded to President Nixon . . . a 32-page insert will be contained in the January POSTAL RECORD describing the complete schedules of the NALC Health Benefits Plan. In the same publication there will be printed NALC testimony regarding the Postal Corporation and Postmaster General Blount's reply. For the first time there has been a complete analysis of NALC lobbying activity published in the **Congressional Quarterly** and we shall reprint it in the January RECORD. . . . Our error—Eastern Airlines did not insert cards in employee pay checks but one of the unions at Eastern urged their members to fill out the cards. . . . Our special thanks to the Independent Press, Berkeley Heights, New Jersey, which published a full-page advertisement as a contribution to the NALC legislative campaign. . . . The Boston Regional Director has apologized for a cartoon which appeared in a recent regional bulletin and which implied that employees were malingering during working hours in order to be paid overtime wages. Rep. Daddario, of Connecticut, had strongly objected to the editorial. . . . Receipt is acknowledged for contributions to the "Million Dollar Kitty" from Beloit, Wisconsin Branch 715; Washington, Pennsylvania Branch 586; Ronkonkoma, New York Branch 5464; Bill Vinsil of Coshocton, Ohio; Branch 121, Nevada, Missouri.

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- These seven shall appoint a Director and a Deputy Director who shall be members of the Council and who shall serve on a full-time basis to run the Postal Establishment.
- The other four members of the Council shall be selected from the Congress, one each to be selected by the Speaker, the House Minority Leader, the President of the Senate and the Minority Leader of the Senate. Each Congressional member shall serve for two years.
- The President shall appoint an Advisory Council of 11 persons; four to be nominated from labor organizations required as collective bargaining representatives for postal employees, four representatives of the major mail users and three representatives of the public at large.
- The Executive Council shall consult with and receive the advice of the Advisory Council regarding postal rates, services and compensation of employees.
- The Postal Authority shall negotiate two-year contracts with unions representing postal workers commencing January 1, 1971. Any impasses relative to working conditions, fringe benefits, wages resulting from such negotiations shall be referred to fact-finding and mediation during a 90-day cooling off period.
- Any impasses remaining after the 90-day period shall be referred to a three-man Board of Arbitration; one to be appointed by the unions, one to be appointed by management and the Chairman to be appointed by the appointees. The decisions of the Arbitration Board shall be final and binding as well as retroactive to the date of the contract.
- Other proposals relative to revenue, transportation, political appointments are to be spelled out at a later date. L-M too!

WAGE INCREASES AND BENEFITS

The new proposal would provide for the following wage package and other benefits:

- Effective January 1, 1970 a new wage scale shall be established with the present Step 3 becoming Step 1 and the Steps 12A-12B of H.R.

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Another provision yet to be worked out is that which is to provide for a sound Labor-Management policy by law. It is presently intended to incorporate Executive Order 10988 into law for a one-year period so that a workable union recognition policy can be adopted by Congress.

The Executive Council of the National Association of Letter Carriers has tentatively agreed to the principles of the new package since NALC objections have been eliminated and because the provisions of the original H.R. 13000 have generally been contained. The membership is urged to await additional information but is reminded that Congress shall now recess until January 19, 1970. Members are also reminded that President Nixon has assured us that he will sign this type of bill retroactive to January 1, 1970 once Congress acts. Do not be misled by newspapers or other publications which are attempting to proclaim the victory for the Postmaster General or President Nixon. This proposal in no way establishes a Postal Corporation but is an overwhelming victory for the NALC which has vigorously opposed any such plan.

H.R. 13000 Goes to Conference

Chairman Thaddeus J. Dulski of the House Post Office and Civil Service Committee and Representative Morris K. Udall, Chairman of the Pay Compensation Subcommittee, have joined with the entire Committee in recommending that H.R. 13000 go to conference. The text of the message of the Committee is contained below:

"The pending version of the Federal Salary Comparability Act of 1969—previously passed by the House and now returned to the House after major surgery in the Senate—bears little resemblance to our original legislation.

"The bill was drafted and sponsored by the gentleman from Arizona (Mr. UDALL) and a bipartisan group of 17 colleagues on our Post Office and Civil Service Committee. It passed the House on October 14 by a record vote of 311 to 51.

"The Senate has completely revised the concept of our bill and approved only token provisions. Final action in the Senate came by voice vote after short discussion last Friday evening.

"There is pressure from some sources, notably in the Senate, for the House to accept the Senate version and send it to the White House for Presidential action.

"However, White House disapproval is foredoomed.

"The President has made it clear he will veto any employee pay bill lacking provision for a postal corporation. The Vice President reiterated the veto promise in a speech to the Governors' Conference over the weekend.

"Thus, if the House were to accept the Senate version and send it to the White House before adjournment, it would be an act of futility. The President could pocket-veto the bill, and the House and Senate would have no chance to consider overriding the veto. All the efforts of the two Houses would go down the legislative drain.

"The only logical approach for the House, therefore, is to send H.R. 13000 to conference with the Senate. In that way, the conferees can work their will and report back to their respective Houses.

"When the final version goes to the White House early next year, the Congress again will be in session and will be prepared to act accordingly if the President should exercise his veto power.

"No one will gain anything by sending the present emasculated Senate version to the White House this week.

"We have no intention of asking our Committee to start out from scratch in the new year. H.R. 13000 will remain alive by our decision."

Meanwhile, the Speaker has appointed the following House Conferees: Congressmen Dulski, Henderson, Udall, Olsen, Corbett, Gross and Button. Conferees for the Senate will be Senators McGee, Randolph, Yarborough, Fong and Boggs. The conferees, undoubtedly, will not meet until late in January and must decide the fate of H.R. 13000. As reported previously, the Senate-passed Bill provides only 4% for all Government workers on January 1, 1970 and no less than 3% in July 1970. If the proposal relative to reform and pay reported elsewhere on this page is accepted by the Congress, the conferees will need only to report legislation affecting Federal workers.

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Postal Reform

THE FEDERAL SPOTLIGHT

Pay Rise Bill Appears Out This Year

By JOSEPH YOUNG
Star Staff Writer

It now appears that no government pay rise bill will be enacted into law this year.

Apparently, it will be at least the early part of next year before pay legislation is enacted by Congress and even then it will face the threat of a presidential veto.

While the Senate is expected to approve before adjournment this year the pay bill reported by its Post Office and Civil Service Committee, the House reportedly will not agree to accept the Senate version and will insist on going to conference. The House-approved bill is the more liberal one as far as postal workers are concerned.

There will be no time for a conference before adjournment this year — it cannot be held until at least the latter part of January.

When the Senate committee approved its pay bill (providing for a Jan. 1 pay increase of 4 percent for federal classified employes in the first nine grades and for postal clerks and letter carriers, 1 to 3 percent increases for employes in the middle and higher grades and a minimum 3 percent increase for all employes next July 1) it hoped to get the bill approved by Congress this year.

This was based on the assumption that the House would agree to accept the Senate bill so that it could be approved in time for President Nixon to sign or veto it. If the President vetoed it, then Congress would have had a chance of overriding it.

But the powerful postal employe unions, bitterly disappointed in the bill, have persuaded the key members of the House Post Office and Civil Service Committee to request a conference on the bill.

* * * *

NIXON'S VETO PLANS — The postal unions acted after they learned that President Nixon would veto the Senate committee's pay bill even though it is considerably less liberal than the House measure.

Nixon reportedly conferred with his top advisers prior to his televised press conference Monday night and was prepared to announce, had he been asked the question, that he would veto the Senate committee's bill on the grounds that it was inflationary and that any pay raise should be coupled with a postal corporation measure. The question was never asked the President.

Another reason the postal unions want no part of the Senate bill is that they have been bombarded with letters, phone calls and telegrams from their members urging that "they go for broke" and seek a more liberal compromise by having the House and Senate go to conference.

* * * *

STRATEGY — The unions feel that a House-Senate conference will produce a bill at least somewhat closer to the House measure, which provides for a 5.4 percent postal pay raise retroactive to last Oct. 1, a 5.8 percent average federal classified and postal employe raise in April and a speedup of postal in-grade pay adjustments starting next July.

Should this bill be vetoed, the unions would mount a campaign to override, and they feel that in an election year they would have a chance of succeeding.

If not, they would seek still another pay bill, this time tied to a postal reform measure although not providing for a postal corporation.

They feel that the administration is so desirous of postal reform, even if it isn't in the form of a postal corporation, that it would be agreeable to a more liberal pay bill.

Some key members of the Senate Post Office and Civil Service Committee feel the postal unions may be making a mistake. They declare that it would be better to try for a pay raise bill this year, and salary increases in January and July, rather than to take a chance on getting something better next year and winding up with less.

But the postal employe unions, which initiated the present pay-raise battle, say they would be betraying their memberships by settling for a bill that falls far short of what they feel would provide a decent standard of living for postal workers and their families.

The federal employe unions such as the American Federation of Government Employes did some skillful lobbying of their own in persuading the Senate group to come up with pay raises for federal classified employes that are more liberal in most respects than those provided in the House bill.

But the angry postal unions appear to have the last word as far as rejecting the Senate committee's bill is concerned and deciding to take a chance next year.

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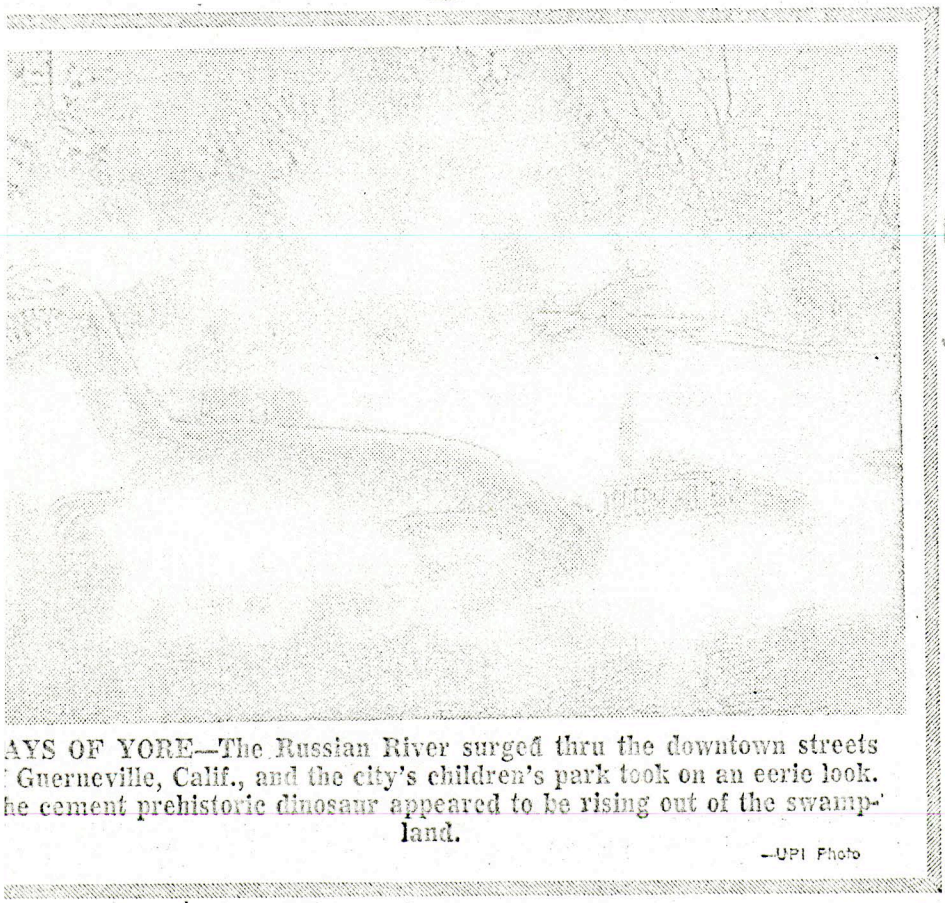
Cement F16

ns at high road



AYS OF YORE—The Russian River surged thru the downtown streets Guerneville, Calif., and the city's children's park took on an eerie look. he cement prehistoric dinosaur appeared to be rising out of the swamp-land.

—UPI Photo

nd $10 billion in the next five years for of water pollution.

IE WAR

President confirmed what Atty. Gen. N. Mitchell had previously disclosed — is new budget would propose to double ederal funds to assist state and local au-es to fight crime. He renewed his plea to ess to pass 13 "major" crime proposals sent up.

obably most of his crime proposals are titutional and will never be passed," hairman Emanuel Celler, D-N. Y., of the Judiciary Committee to which most of ls were referred. The Senate, today, con-its consideration of several of those.

Marlow Cook, R-Ky., said he thought ixon was "far stronger on crime than ess," and Sen. Richard S. Schweiker, R-aid Congress "will respond to his crime l appeal."

Nixon again blamed the previous Demo-Administrations for causing inflation by ng $57 billion more in the 1960s than they collected in taxes. He said he will recommend a balanced budget in a message to Congress tentatively scheduled for Jan. 30.

"Millions of Americans are forced to go into debt today," he said, "because the Federal Government went into debt yesterday."

Republican National Chairman Rep. Rogers C. B. Morton, Md., said he thought Mr. Nixon's address — in stressing sound fiscal management and environment — would set the tone for the 1970 congressional campaign.

House Democratic Leader Carl Albert, Okla., said the President failed to make specific proposals for getting the country out of its present condition of "unprecedented inflation" and a "declining economy." Senate Democratic Leader Mike Mansfield, Mont., said Mr. Nixon should "consider wage, price and profit controls."

Sen. Robert P. Griffin, R-Mich., hailed the "commitment to our children." Sen. Sam J. Ervin Jr., D-N.C., complained that Mr. Nixon "painted a beautiful rainbow but didn't tell us how to get rid of the garbage and crime."

9 to 4:30

Seven unions reach accord on pay plan

By JOHN CRAMER

After weeks of in-fighting, the seven major AFL-CIO postal unions finally have a united front in support of the postal pay raise-postal corporation package plan.

Now they'll try to sell it — first of all to the House Civil Service Committee, and then, hopefully, to the rest of Congress.

The package was worked out by James Rademacher, president of the Letter Carriers, in negotiations with White House aides.

It would combine hefty postal pay raises — up to 11.1 per cent by July 1 — with Administration-sought legislation converting the postal service into a corporation-type Federal Postal Authority.

DETAILS SOUGHT

But for a time the plan floundered against the skepticism of six unions, most notably the Postal Clerks, who refused to believe the Rademacher-White House agreement was everything it appeared to be . . . and insisted that it be spelled out in more detail.

The spell-out now has been basicly completed. In its current version, it's almost exactly as Mr. Rademacher described it in the beginning.

It's acceptable to the Skeptical Six — the Clerks, Mail Handlers, Maintenance Workers, Special Delivery Messengers, Motor Vehicle Employes, and Rural Carriers.

And they now will join the Carriers in attempting to persuade Congress it's a good package.

CHANCES GOOD

Their chances should be fairly good. The postal unions have gone all-out for bigger-than-usual raises. The Administration has been putting big pressure behind its corporation proposal.

But in the words of Rep. Morris Udall, who played a leading role in working out the package: "The Administration had a veto over postal pay. The postal unions had a veto over the corporation."

(Continued on Page 59)

om 'policeman' to 'partner'

lew direction for foreign policy

R. H. SHACKFORD
ps-Howard Staff Writer

sident Nixon's foreign policy goal is to the so-called Guam doctrine to U.S. poli-

was interpreted then as applying primarily to Asia.

CALLED OBSOLETE

an argument long used by the Senate Foreign Relations Committee.

"We shall be faithful to our treaty com-mitments, but we shall reduce our involvement

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Switcheroo contest

That's our SWITCHEROO song title. To unscramble say it over and over. Listen to the Fred Fiske Show on WWDC tomorrow between 9 and 10 a.m., when the selection will be played. The first person who then phones 589-7100 and identifies it as the SWITCHEROO song will win a library of popular albums.

27 arrested in three-county raid

In a closely-timed series of raids, police in three Maryland counties swooped down on 19 locations yesterday, arresting 27 persons on charges ranging from possession of lottery slips to possession of untaxed cigarets.

The simultaneous raids in Prince Georges, St. Marys and Charles Counties, which began at 3:05 p.m. on a "prearranged signal," according to state police, netted a "large quantity of lottery slips, money, a small safe" and bootleg cigarets.

State police alleged Wilmer's Park, Brandywine, one of two places raided in Prince Georges was a "counting house" headquarters for a three-county lottery operation, and that gambling was underway at the time of the raid.

Eleven locations in St. Marys County at Mechanicsville, Valley Lee and Lexington Park, and six in Charles County in Hughsville and Waldorf were raided.

Police said the investigation would continue and said there would be more arrests.

29 deaths blamed on cigaret

COLUMBUS, Ohio Jan. 23 (UPI) — The state fire marshal's office reported yesterday that a discarded cigaret was the probable cause of a Marietta, Ohio, nursing home fire in which 29 elderly patients died.

Fire Marshal Tom Side said the Jan. 9 fire was believed to have started in the room of a patient who told authorities he sometimes stamped cigarets out on the floor.

German planes crash in air

KAUFBEUREN, Germany Jan. 23 (UPI) — Two F104G Starfighter jets of the West German Air Force collided in the air here yesterday raising to 115 the number of the American-built planes lost in accidents since they were placed in service here.

Pilots of both planes parachuted after the collision, police reported, but one died shortly afterward of injuries. The planes fell into an open field.

(Continued From Page 2)

Now they'll work together for a change.

The Skeptical Six won one major victory in the spell-out. They got united union support for legislative language setting up a postal employe labor relations system by law — a pet project of the Clerks.

In the original plan, this was to have been deferred until later.

The spell-out includes language guaranteeing unions almost all of the protections of the Taft-Hartley and Landrum-Griffin laws which control labor relations in private enterprise.

There also is language, implicit in the original package but not previously spelled out, guaranteeing that postal employe fringe benefits will not be less than those of other Federal employes.

OTHER PROVISIONS

Among other things, the package provides:

- A two-step within-grade increase for postal employes, retroactive to Jan. 1. For the big clerk-carrier group, this will be worth $412 per year, 5.4 per cent.
- Increases next July 1 to match any raises given Classified (white callor) employes who are expected to receive an average of 5.7 per cent.
- A speedup in within-grade promotions after the proposed Federal Postal Authority comes into being Jan. 1, 1971. The Authority would be bound to negotiate an agreement cutting time to top-of-grade from 21 to eight years.
- Postal employes to remain under the Civil Service Retirement System, with full benefits of any future liberalizations of the System.
- Present labor relations agreements with the seven unions, all of whom have national exclusive bargaining rights, to remain in effect temporarily — pending Congressional action on the package plan. The agreements expire March 1.
- Biennial contract negotiations with the proposed new Federal Postal Authority, with the first starting next Oct. 1 if the package is approved.
- Contract negotiations to cover all items of working conditions, hours and pay.
- Fact-finding and mediation, plus binding arbitration, in contract disputes, with decisions retroactive to the Jan. 1 start of each two-year contract period.
- Binding arbitration of contract arbitration disputes, grievances, etc.

That's the package the seven unions have agreed on. Reportedly, it's acceptable to the White House.

Now it's up, first of all, to the House Civil Service Committee.

Appointed...

... Millard Rappleyea, Franconia insurance man and a Republican, to a Fairfax Electoral Board vacancy, giving Republicans control for the first time.

JANUARY CLEARANCE

L to WALL CARPETING

MPLETELY INSTALLED over our HEAVY WAFFLE PADDING

COMPLETELY INSTALLED

SERVING MARYLAND-

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WALL STREET JOURNAL
January 21, 1970

Nixon Willing to Concede Postal Unions Big Raise for Backing on Agency Reform

By KENNETH H. BACON
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—The Nixon Administration is ready to pay the price of a fat postal pay boost to insulate the Post Office from politics by turning it into a public corporation.

Meetings between a White House aide and one of the politically powerful postal unions have roughed out a compromise calling for 5.4% annual wage increase retroactive to Jan. 1 in return for the union support deemed necessary to pass the Administration's postal-reform plan. While some details remain to be worked out, Administration, Capitol Hill and union sources give the pay-reform package a good chance of clearing Congress this session.

The reform plan, first outlined by a Johnson Administration commission headed by Frederick R. Kappel, former chairman of American Telephone & Telegraph Co., would generally free the Post Office from control of Congress and set up a corporation-like body. Congress now sets rates, wages and allocates construction funds, leaving the Post Office little power over its own revenue, expenses and facility modernization. Proponents say the reform proposal would also replace antiquated laws and regulations that hobble transportation and labor management policies.

Officials estimate that if the deficit-ridden Post Office could operate as efficiently as a well-run business, savings could amount to 20% of postal costs at today's mail volume. This would mean eventual savings of roughly $1.6 billion out of annual expenditures of around $8 billion.

Unions Had Opposed Plan

Until their new-found somewhat tenuous, accommodation, the postal unions and the Administration had been threatening to thwart each other's objectives. The unions, wielding strong influence as Congressional lobbyists, had dug in their heels against the postal reform plan the Administration proposed last spring; they don't like the idea of having a new corporate employer to deal with in place of the lawmakers they're accustomed to lobbying with for pay raises.

President Nixon, on the other hand, had vowed to veto as inflationary a House-passed bill that would give postal workers a 5.4% pay increase effective last Jan. 1, noting that they along with other Federal employes would be in line for a boost in July 1970 estimated at 5.7%, to make their pay comparable with private-industry wages.

The Administration also strongly objected to elements of the House pay bill it said would complicate the way Federal salaries are set. The Administration plans to introduce its own pay plan later this year, White House sources say.

"The hard fact is," explains Rep. Udall (D., Ariz.) who introduced the pay bill and the Nixon reform plan, "postal employes had a veto over postal reform, and the Administration had a veto over the kind of pay raise the unions want.'

To end the stalemate, James H. Rademacher, president of the National Association of Letter Carriers, the largest postal union, and Charles W. Colson, a Presidential aide, held a series of meetings in which they roughed out a bill combining elements of the House-passed pay bill and the reform plan.

It is understood that Postmaster General Blount remained behind the scenes while the White House representative negotiated the compromise. After several "ups and downs" with the unions and with Congress, Mr. Blount thought it better to switch the focus away from the department, a lawmaker reports.

"Everybody Wins"

Mr. Rademacher says the compromise makes sense because "everybody wins and nobody loses." But just how much the unions will win hasn't been settled yet, other union men say, noting that the size of the later increase isn't known.

The compromise gives the unions most of what they wanted from the pay bill, without saddling the Administration with provisions of the bill pertaining to Federal pay setting. Postal workers will get the same 5.4% pay increase, effective Jan. 1, 1970, that the House-passed pay bill would provide. The raise will cost the Post Office $360 million a year, officials figure.

But the unions, as part of the price of going along with the postal corporation plan, would also like a guarantee of another specific wage boost before the new corporation's 13-member executive council takes over postal operations, which would be next Jan. 1 under the Nixon plan. The tentative compromise provides that postal workers will get an additional increase to make their pay comparable with salaries for workers outside the Federal Government, without getting into a specific percentage raise.

Some postal unions, led by the second largest, the United Federation of Postal Clerks, still hope to pin down the date and size of such an increase, but the White House says it can't commit itself to any specific figures.

The unions also want a costly reduction, from 21 to eight years, in the amount of time it takes a worker to reach the top salary in each job grade. At present, the pay-reform package doesn't provide for such pay compression, although Administration officials say it will be included. The question is how it will be implemented. The Postal Service Authority, as the corporation would be called, wants flexibility to negotiate personnel management policies affecting the nearly 750,000 postal workers.

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Firm Commitments Wanted

Postal union leaders, some of whom face elections this summer, want firm commitments on the second pay increase and on the salary-compression issue. "A union would be out of its mind to accept promises, promises," an official of the Clerks Union exclaims.

Rep. Udall and Mr. Rademacher, prime backers of the compromise, say the differences can be worked out.

Another unresolved issue concerns Congressional veto power over increases in postal rates. As the compromise currently stands, Congress wouldn't have such power, but it is likely that some Congressional say on rates will be written in later.

The Postal Authority would establish a commission to consider rate proposals in much the same way a Federal regulatory agency hears rate matters. However, the proposed 13-member executive council, composed of seven Presidential appointees, the authority's two top officers and four Congressmen, would have the final decision over rates.

The authority would be allowed to borrow up to $10 billion. Revenue and borrowing proceeds would go into a revolving fund and be made available as necessary, thus freeing the Post Office from the limitations of the Government fiscal year.

One thorny issue, parties agree, will probably have to be solved by Congress. It concerns a union feud and the number of bargaining units the Postal Authority would have to deal with next January when it would start collective bargaining, subject to arbitration, with the nine postal unions, led by the powerful Letter Carriers and Clerks.

As the compromise stands, all nine unions would survive the transition period to the planned authority. But the Clerks insist they won't back any reform package that doesn't provide for a switch to a bargaining arrangement that would reduce by two the number of postal unions the authority would deal with. It is expected that under such an arrangement the National Postal Union, an offshoot and bitter competitor of the Clerks Union, would be one of the two eliminated.

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such regulation for six years; the Senate bill would bar it indefinitely.

The Tobacco Institute would have preferred a voluntary withdrawal of cigarette commercials on radio and television, Kloepfer said, rather than the prohibition on such ads beginning Jan. 1, 1971, as specified in the Senate version of HR 6543. The cigarette manufacturers had requested an antitrust exemption to allow them to withdraw all broadcast advertisements simultaneously. *(1969 Weekly Report p. 2616, 1056, 441)*

Toy Manufacturers of America. (Represents 325 manufacturers.) The group concentrated in 1969 on the Toy Safety Act (S 1689—PL 91-113), signed Nov. 6. The Act was designed to increase protection for children from toys which contained thermal, electrical or mechanical hazards. The group asked that specific standards be set as a guide for industry. *(1969 Weekly Report p. 2183, 586)*

United States Savings and Loan League. (Represents 5,000 savings and loan associations.) The league was successful in lobbying efforts for two major pieces of legislation passed in 1969. The mortgage credit bill (S 2577—PL 91-151) supported by the league included a provision to increase to $20,000 the savings and loan insurance accounting ceiling, a provision adjusting the cost of account insurance to the same cost level as that of banks, and a provision to make available $4 billion in backup support for the Treasury Department to support mortgage lending. The league failed in its attempt to have approved a Federal Home Loan Bank secondary mortgage market authority and failed to obtain for savings and loan associations trustee power in handling estates. The group also lobbied successfully for provisions in the Tax Reform Act of 1969 (HR 13270—PL 91-172) including a measure maintaining special bad-debt deductions and liberalizing rules for savings and loans desiring to qualify for those deductions. A league representative said the group had not prevented higher taxes from being imposed on savings and loans, but that taxes under the proposal adopted were not as high as those under some other proposals would have been. *(1969 Weekly Report p. 1721, 1493, 1491, 1340, 1135, 1130, 434)*

Citizens

American Association of Retired Persons. (Represents 1.8 million retired persons.) The association was concerned primarily with Social Security legislation in 1969. It supported successfully the 15-percent increase in Social Security included in the Tax Reform Act (HR 13270—PL 91-172), as well as additional measures which were eliminated by Congress from the final legislation. The association unsuccessfully sought an updating of retirement income tax credit authorization included originally in S 2968, introduced by Sen. Abraham Ribicoff (D Conn.), and another Ribicoff bill (S 2969), to enable elderly persons who had not qualified for Social Security by January 1969 to receive Medicare benefits. Also unsuccessful was a campaign to have the cost of prescription drugs included in Medicare expenses and to increase the minimum Social Security premium to $120 a month. The association also supported a provision permitting FHA financing of mobile homes, included in the mortgage credit bill (S 2577—PL 91-151) cleared Dec. 19 for the President's signature, and an extension (HR 11235—PL 91-69) and amendments to the Older Americans Act of 1965 (PL 89-73), cleared by the House for the President's signature on Sept. 3. *(1969 Weekly Report p. 1784, 1253, 1188, 555)*

American Civil Liberties Union (ACLU). (Represents 90,000 members.) The ACLU opposed provisions of most of the crime bills to be presented by the Nixon Administration or in Congress; none cleared Congress in 1969. Specifically, it opposed the organized crime bill (S 30), the "no knock" provision of the drug control bill (S 3246), and the District of Columbia crime bills concerning preventive detention and criminal law changes (S 2600, S 2869). The group favored extension of the existing Voting Rights Act (PL 89-110) over the Administration's bill (HR 4249), although it backed several of the positions in the President's voting rights package. The group also opposed various bills and amendments dealing with campus demonstrations. The group opposed a provision added by the House to the military construction authorization bill to bar demonstrations on federal property (HR 13018—PL 91-142); the Senate dropped the section, and conferees upheld the Senate position. *(Weekly Report p. 51, 36; 1969 Weekly Report p. 2693, 2613, 1181)*

American Security Council. (An independent organization sponsored by business and private contributions and interested in a strong military and foreign policy.) The council in 1969 was in the thick of the Congressional debate over the antiballistic missile (ABM) system (S 2546—PL 91-121). The organization had supported a ballistic missile defense for several years and in 1969 issued a widely discussed book, *The ABM and the Changed Strategic Military Balance,* which supported the ABM. Some 20,000 copies of this publication were distributed to Members of Congress, journalists, Pentagon officials and council members. The contents of the book were widely used in the Congressional debate and quoted in full-page newspaper ads supporting the ABM during the debate. The council also supported the project and other military programs on a daily radio program it distributed. A leading commentator on the radio show was former Rep. Walter H. Judd (R Minn. 1943-63). *(See 1969 Weekly Report p. 845.)*

Americans for Democratic Action (ADA). (Represents 75,000 members.) Although the ADA did not succeed in freezing funds for the antiballistic missile (ABM) system in the military procurement authorization bill (S 2546—PL 91-121), its spokesmen felt that the ABM battle served as the opening wedge in "unmasking" military spending to Congressional criticism. The ADA supported the two-year authorization for the Office of Economic Opportunity (S 3016—PL 91-177) and the national commitments resolution (S Res 85). It opposed the nomination of Clement F. Haynsworth Jr. to the Supreme Court and the Administration voting rights bill (HR 4249). *(1969 Weekly Report p. 2682, 2613, 2608, 2310, 1432)*

Citizens Committee for Postal Reform. (A new group formed in 1969 to press for postal reform as embodied in the Administration bill (HR 11750).) The House Post Office and Civil Service Committee voted in October against the corporation plan, but by the end of 1969 had not completed marking up another reform bill (HR 4). A spokesman for the committee said the group was "not unhappy" about the reform bill even though the corporation section was not included in it. *(1969 Weekly Report p. 1992)*

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POSTAL REORGANIZATION

Splitting Mail Into 10-Cent Speedy Class And 7-Cent Delayed One Is Mulled by Nixon

THE WALL STREET JOURNAL,
Wednesday, January 7, 1970

By KENNETH H. BACON
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—First-class mailers would have to choose between paying a little more for slower service and paying a lot more for faster service under a plan the Nixon Administration is mulling.

The options of this "two-tier" mail system would be:

—Premium service costing the same 10 cents an ounce currently charged for airmail and almost assuring, planners contend, overnight delivery anywhere in the U.S.

—Regular service costing seven cents an ounce and getting a distinctly lower priority than is currently given to six-cent first-class mail.

Such downgrading of regular mail would save the Government money through more efficient use of postal manpower while permitting faster handling of letters getting priority treatment at the high rate, the plan's proponents argue. And the alternative, they say, is going to an eight-cent rate for first-class mail. Costs already have overtaken President Nixon's request of last year, still pending in Congress, to boost the rate to seven cents, officials contend.

Still, they fret over the awesome task of convincing Congress and the public that the two-tier scheme constitutes progress. "It represents a deliberate slowing down of the service," concedes one Post Office Department planner, lamenting that "we run a real risk of public misunderstanding."

That One Letter in Five

The key premise of postal authorities is that people wouldn't care if most of what travels as first-class mail took a day or two longer to reach its destination provided that overnight delivery were assured for the approximately one letter in five for which speed is really important. One of the first questions Postmaster General Blount asked when he took over last January, an aide recalls, was: "Do we have to treat all mail equally—is it all urgent?"

Noting that more than 70% of the mail comes from business, he concluded that much of the effort to achieve one-day service is wasted on such routine items as utility bills and other commercial correspondence. Thus, Mr. Blount ordered a two-tier blueprint drawn up, and a decision is expected soon on whether to propose it to Congress this year.

If the proposal is sent to Capitol Hill, a big selling point is expected to be the promise of a premium, or priority, class of mail that will almost guarantee the kind of one-day service airmail usually doesn't achieve.

Nixon men like the term "priority mail" for this class, an insider says, but probably will use some other term, such as premium, to avoid confusion with the "priority mail" plan proposed by the Johnson Administration. That plan, later withdrawn by the Nixon Administration, called for merging airmail and first-class mail into one category at a seven-cent-an-ounce rate—recognition that a good proportion of first-class volume currently moves by air anyway. But the Johnson proposal gave all this mail equal priority, Nixonites note, while their plan would slow the routine mail in order to speed the urgent letters.

They envision 20% of the mail traveling in the premium class at the higher rate, up from 3% that currently goes airmail. The increase in volume of 10-cent mail would bring the deficit-ridden Post Office up to $400 million a year in additional revenue, an official estimates.

End to the Late Rush

The plan also promises new operating efficiency by enabling the Post Office to sort mail evenly throughout the day rather than concentrating most processing in several frantic, early evening hours, as is the case presently.

"There's a huge surge of mail during the evening, yet post offices are almost vacant during the day," an official notes. This is because most letters are mailed in the afternoon and processed in the early evening to leave the post office in time for next-day delivery elsewhere. The two-tier system would change that.

Only the premium mail would be sorted at night for next-day delivery. Regular mail picked up too late to be processed during the day would be stored overnight and handled the next morning.

Smoothing the daily mail peak would allow the Post Office to boost worker productivity, planners assert, by letting more of the postal force work during the preferred daytime hours. As employes receive a 10% premium for night work, it would also cut the department's huge wage bill.

At present, about 75% of the postal employes who process the mail work at night. As many take this night work only until they can find day jobs, and others hold daytime jobs elsewhere in addition to their night postal jobs, the Post Office has trouble maintaining a stable and efficient night work force, an official says.

Despite the plan's advantages, the Post Office anticipates that selling the two-tier idea to Congress and the public won't be easy. The increase to seven cents will create an "inescapable association in the public mind" between higher rates and the slower service the non-premium mail will get, one official fears.

But the other choices are worse, postal planners contend. Aside from raising the first-class rate to eight cents, an official says, the Post Office could be forced to cut costs by eliminating Saturday delivery and letting service deteriorate in other ways. "If it takes days to get a letter across town, that'll be too bad," he comments.

Refining the Proposal

Faced with these undesirable options, Nixonites are working to refine the two-tier plan to where they're satisfied that it will fulfill its objective of next-day delivery for almost all premium mail.

That won't be easy, officials concede. Figures compiled by the Post Office show that 86% of the first-class mail and 74% of airmail takes longer than one day to deliver, despite the department's goal of one-day delivery. Research indicates that the Post Office can do better and that the two-tier plan's problems are "solvable," an official asserts.

The department thinks that by processing only premium mail at night, along with rearranging transportation schedules and cutting the number of times a letter in transit has to be transferred from one vehicle to another, it can realize next-day service for top-class mail. It expects to complete its tests by spring.

Although the two-tier plan isn't expected to appear in the budget President Nixon will send Congress later this month, insiders say the system, if approved in time, could be in operation by July, thus helping to offset a postal wage increase expected then.

Post Office to Test Job, Study Plan for Dropouts

By a WALL STREET JOURNAL *Staff Reporter*

WASHINGTON — Postmaster General Blount outlined a plan to increase job opportunities for high school dropouts by sharpening their reading and writing skills in the classroom while offering them part-time Post Office work after school hours.

The work-study program will begin in six cities on a pilot basis in May. The Post Office will run it and provide teachers and counselors for students at storefront schools in inner-city ghettos. The Labor Department and the Office of Economic Opportunity will pay 90% of the program's $2.7 million annual cost, Mr. Blount said.

The schools will be staffed by specially trained Post Office employes familiar with inner-city problems. Mr. Blount said the Post Office is in a unique position to run such a program because many of its workers live and work in the inner city.

The small pilot program, which the Post Office hopes will serve as a model for larger programs, will have trained 2,800 students by June 30, 1971, Mr. Blount said.

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