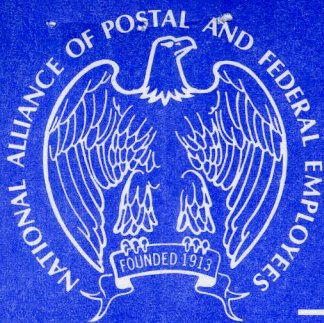




ALLIANCE

AN INDUSTRIAL LABOR UNION

no letter

Printed Matter

PRESS RELEASE

1644 11th Street, N.W.
Washington, D.C. 20001

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H

Immediate Release
March 25, 1970

POSTAL UNION LEADER WARNS STRIKE WON'T BE SETTLED
IF NIXON ADMINISTRATION NEGOTIATES ONLY WITH CRAFT UNIONS

The head of the nation's oldest industrial union of postal workers today warned the Nixon Administration that the current postal crisis will not be settled if it negotiates only with the seven AFL-CIO affiliated craft organizations.

Ashby G. Smith, President of the 57-year-old National Alliance of Postal and Federal Employees, in a telegram to Secretary of Labor Shultz and Postmaster General Blount, said that he is under pressure from members of his organization to insist that any settlement include revision of President Nixon's Executive Order 11491 so as to protect the representation and bargaining rights of industrial and independent unions of workers in the Federal civil service, "Unless this is done", Smith said, "those of our members who refused to cross the picket lines during the strike are threatening to begin picketing themselves until this issue which so greatly concerns them is settled. While such action would not conform to the present national policy of this union, I have no doubt that these wildcat picket lines would be observed by the other postal workers whom these members have just supported in the strike."

The Alliance is engaged in a life-or-death fight against the provision in President Nixon's Order which would end "formal" recognition of industrial and independent unions in the federal civil service and confer "exclusive" recognition on craft-type unions. Beside denying the Alliance and other independent unions

now representing over a half million Federal and postal workers the right they have to bargain and represent their membership, the new Executive Order would take away the right unions having "formal" recognition now have to negotiate dues withholding (checkoff) agreements.

Smith said that the Alliance, which is larger than five of the seven AFL-CIO craft unions whose heads were invited to negotiate with Administration representatives on the pending postal pay and reform legislation, has an equal interest in and an equal right to be heard respecting all the terms of any settlement of the postal strike.

"Since we are the postal union with the largest membership of black workers, "Smith said," we cannot help but wonder if the Administration's failure to include us in its negotiations is not a direct discrimination against minority employees in the Federal government. This seems all the more likely to be the case in view of the provisions in the Presidents Executive Order which after October 1 would deny our 40,000 black members their present right to be represented by the union of their choice. Those provisions should be changed in any settlement of the current postal crisis, because I assure you that our union will not allow the right of its members to choose the union they wish to represent them to be destroyed by this Order, even if it means either a continuation of the present strike or a new postal shutdown at a later date should an effort be made to put the provisions of Executive Order 11491 into effect.

"We have the support of the National Association for the Advancement of Colored People, the National Urban League and other civil rights organizations in our fight to amend Executive Order 11491 which black workers can only interpret as discriminatory to their interests. For this reason, I am confident that our organization can also count on the full support of the 200,000 black employees of the Post Office Department in any action which may be necessary to protect the rights of our membership under the Executive Order."



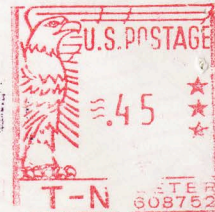
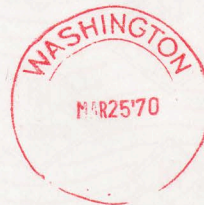
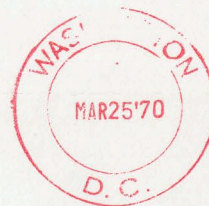
National Alliance of Postal & Federal Employees

LEGISLATION

1644 - 11TH STREET, N. W.
WASHINGTON, D. C. 20001

Hon. Richard Nixon, President
United States
White House
Washington, D.C.

SPECIAL DELIVERY



MARCH 26, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

WINTON M. BLOUNT, POSTMASTER GENERAL

AT 1:44 P.M. EST

POSTMASTER GENERAL BLOUNT: Gentlemen, I have just spent over an hour conferring with the President on the state of our negotiations with the postal unions. The President, of course, is deeply concerned about this matter. I spent a long time conferring with him last evening.

The President, as you know, is experienced in this area. He feels that the postal employees have returned to their jobs, they have done their part of this thing and it is up to us to forthwith proceed as fast as we can with understanding to face up to the problems they have and do our part of the job which we intend to do.

We have been meeting with the leaders of the postal unions. We have a good atmosphere of discussion. We have been frankly exchanging views about matters that concern us all.

I am very hopeful that we are going to be able to reach agreement very soon. There is no way to put a timetable on that. We are going to proceed and work very hard, as many hours as it takes to come to grips with these problems.

If there are any questions, I would be glad to answer them.

Q (Inaudible).

POSTMASTER GENERAL BLOUNT: I might say that we are keenly conscious of the fact that Congress has a vital role to play in this. I think that it is very fine that the Congress has expressed the attitude that they have, that they would like to have the Administration and the members of the postal union see if they can reach agreement on this matter.

The President has stated that once we do come to this agreement that he is personally committed to do everything he can to get Congressional approval.

So, I feel that the Congressional interest, the Administration's interest and the interest of the employees themselves is being dealt with and is going to be served in the course of these negotiations.

Q Are you pretty certain that there will be a settlement within the five days?

MORE

POSTMASTER GENERAL BLOUNT: We are not operating under any time limit. We are going to proceed as fast as we can to deal with these problems. We are going to work as many hours as it takes.

As the President stated, the postal employees have returned to their jobs. They have done their part of this thing. We are going to do ours. We are going to do it as quickly as we can, but we are going to do it in an orderly manner.

Q Are the talks in some kind of recess at this moment?

POSTMASTER GENERAL BLOUNT: I can't tell you because I have been here for something over an hour. But I suspect that they may well still be going on. We intend to be back in meetings shortly after I leave here.

THE PRESS: Thank you.

END

(AT 1:48 P.M. EST)

MARCH 30, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

WINTON M. BLOUNT, POSTMASTER GENERAL
THE ROOSEVELT ROOM

AT 6:30 P.M. EST

POSTMASTER GENERAL BLOUNT: Ladies and gentlemen:

I did have a long meeting with the President about the negotiations that have been in process now for a number of days. We have talked about all of the problems. We have had suggestions from all sides of the table in these negotiations, and we have been trying to be responsive to the suggestions. And this is a continuing effort to continue meeting with the President and keeping him advised about all the matters that have been going on in developing the Government position in this matter.

I will be glad to answer any questions.

As you may know, there is a recess in the discussions at this time and we will come back together at 8 o'clock tonight to continue our discussions.

Q Do you think you are making progress?

POSTMASTER GENERAL BLOUNT: I believe we have had good-faith discussion on both sides. I think progress has been made in an effort to narrow the issues so that we certainly have found a basis for negotiation. We are trying to come to grips with it as fast as we can to resolve the matter.

Q How much have the unions said they will work for and how much have you offered to pay them?

POSTMASTER GENERAL BLOUNT: Both parties have taken the position that we would not discuss publicly the matters under discussion between us.

Q Do you feel, General, that you are working under any kind of a deadline?

POSTMASTER GENERAL BLOUNT: No, we are not negotiating under any kind of deadline or timetable. We are working very hard to conclude these matters as fast as we can.

Q How close are you to a settlement?

POSTMASTER GENERAL BLOUNT: I would not speculate about that. I would be delighted if we could conclude tonight. I would not be disappointed if it takes another day or so; but we are going to continue to work very hard to conclude as quickly as possible.

MORE

- 2 -

Q If the unions accept your proposal, do you think that would conclude the problem of pay?

POSTMASTER GENERAL BLOUNT: I don't know that it would conclude it. Pay is a continuing thing with people. What we really are trying to do is to face forthrightly the issues that are before the parties and resolve them in such a manner that it will form a good basis for future discussions of this type.

Q Isn't the situation you now have a proposal on pay before them which is an amended version of your original one and if they accept that they would have the settlement on pay?

POSTMASTER GENERAL BLOUNT: I would not comment on whether there is an amended version of the amended version as you indicate. There are discussions between the parties and I hope we can conclude them as soon as possible, but obviously I cannot discuss the meat of our conversations.

Q Was the President asking a lot of questions in this meeting or was he mostly listening to your filling in?

POSTMASTER GENERAL BLOUNT: He, indeed, asked a lot of questions. We reported to him in detail about what was going on. He has strong views on these matters. He has been involved in negotiations and is experienced in this area. He understands some of the things we are faced with and he is very hopeful that we can conclude it soon.

Q Without asking about the meat which I am precluded to ask about, may I ask if the proposal now before the unions would require any change in the budget?

POSTMASTER GENERAL BLOUNT: There are a number of matters we are discussing. The principal matter does include pay. Whatever the conclusion of these discussions is, it would involve some changes that we would have to face up to.

Q Did the President give you any kind of a new go-ahead on any new proposals or any compromises?

POSTMASTER GENERAL BLOUNT: Well, I would not comment about the President's instructions. He did give us new instructions and we are going to go back and hope we can be responsive to the matters we have been talking about. We hope that the representatives of the employees are also considering these matters at this time and will be responsive to some of the suggestions we have made to them.

THE PRESS: Thank you, sir.

END AT 6:35 P.M. EST

MARCH 30, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE

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THE PRESS: Thank you, sir.

END AT 6:35 P.M. EST

APRIL 2, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE
OF
JOHN D. EHRLICHMAN
COUNSEL TO THE PRESIDENT
AND
RONALD L. ZIEGLER
PRESS SECRETARY TO THE PRESIDENT

THE BRIEFING ROOM

AT 5:37 PM EST

MR. EHRLICHMAN: The President had some remarks for those attending the meeting and I will try and paraphrase them for you from my notes.

He, of course, began by congratulating them on their making the process of collective bargaining work. He told them that he firmly believes in the process of collective bargaining and he also firmly believes that in the ordinary labor dispute there should be no governmental interference.

He noted that in situations where the government was involved as a party, the government employees were involved, the law provided that there should not be work stoppages. He feels that where the law makes a provision of that kind denying a normal avenue to a group of employees, then the government has a corresponding obligation to treat the employees fairly, provided there is no violation of law.

In this instance, once the work stoppage had been terminated, the government moved ahead toward bargaining in good faith and in that spirit.

He then asked the Postmaster General to describe in general terms the terms of the agreement and there was considerable colloquy after that.

I think the points that deserve emphasis in this situation are first of all that there was not any negotiation so long as the stoppage continued, consistent with the principles that the President stated in the meeting; that the concept of a concurrent responsibility, on the one hand the government employees continuing at work and on the other hand the responsibility of the government to accord fair treatment, to accord good faith negotiations, has been carried out in this instance.

The basis of the government-wide pay raise that has been agreed upon is essentially that of comparability, consistent with the provisions of the Federal law.

The Bureau of Labor Statistics, I don't know whether you call it an index or an indication of comparability, at least, at last measure was about 5.7 percent, as I recall, maybe 5.4 percent. We will have that figure for you in the morning.

MORE

In any event, the 6 percent government-wide pay raise, which the President will recommend, takes into account some increase in the interval. One of the problems that has been noted in this experience, of course, is the lag in obtaining an effective comparability. Once the determination is made as to what comparable wage is in the government to similar employment in private industry there is an undue lag in bringing that into reality for the government employee.

The Secretary of Labor commented on that in this meeting, not in those specific terms, but in general terms in the observation that this experience points up that there are a number of things that can be given immediate attention to toward the correction of disparities in the manner of employee and labor relations in the Federal government.

The President stressed that these pay raises that are contemplated in this settlement will be essentially non-inflationary in that they will be accompanied by a pay-as-you-go message to the Congress. In the morning around 10 o'clock we will have the President's message to the Congress for you and will be able to provide you with some background on the significance of that message. I am not prepared to get into the details of the message with you at this time because there are clearance procedures and other activities that will be going on in connection with it, so that I cannot make it available to you right now. But it is prepared. It is ready to go and we will have it for you in the morning.

Q John, does that mean that we are talking in terms of postal increases, that is, for stamps and shipping of mail?

MR. EHRLICHMAN: Those are the kinds of things I cannot get into with you tonight.

Q Without asking for details, that is what you are talking about?

Q In other words, pay-as-you-go?

MR. EHRLICHMAN: Pay-as-you-go could be a number of things, a general tax increase, user charges or all kinds of things. What it will be specifically in the message we will have to wait until morning for.

Q This 6 percent, I am sorry, I came in after the President had begun and maybe he already said this, but this 6 percent begins when and applies for how many employees?

MR. EHRLICHMAN: The 6 percent begins the 27th of December 1969, which is the beginning of the pay period which covers January 1 of 1970 and covers all of the Government employees.

Q How many are there?

MR. EHRLICHMAN: I don't know the exact number. We will have it for you in the morning.

Q Do you mean those people who make \$33,000 now are going to get that, too?

MORE

MR. EHRLICHMAN: No. We are talking here about the classified employees, GS-8, GS-9, GS-10 and so forth.

Q Aren't they classified, too? You said all classified employees. Where does this stop?

MR. EHRLICHMAN: Classified grades.

Q Is the compression of the pay scales of the postal worker from 21 years down to 8 years, is it accurate to describe that as an approximate 2 percent pay hike for them?

MR. EHRLICHMAN: Yes. I don't think we are prepared to translate that into dollar amounts for you at this time. As a matter of fact, as I understand it, in the first year or so there will not be very much dollar amount and then it increases.

Now. Roger Jones from the Bureau of the Budget will be here in the morning and will be prepared to give you those kinds of numbers.

Q Could you give us a price on the 6 percent increase for all employees?

MR. EHRLICHMAN: Well, there again, I will have to give that to you in the morning. It is about \$1 billion for fiscal 1970 and about \$2.5, as I recall, for fiscal 1971, \$2.5 billion or \$3 billion. I am sorry I didn't bring those numbers with me. I believe it is a total of \$3 billion for fiscal 1971.

Q How about the 8 percent for the postal workers alone?

MR. EHRLICHMAN: I can't give you those numbers now. We will have them in the morning.

Q Does the Administration still foresee a surplus in the budget if Congress approves?

MR. EHRLICHMAN: Yes, on the basis of pay-as-you-go.

Q I got in late, too, and I don't want you to have to repeat anything, so don't, but this is the only pay raise in this proposal, 6 percent across the board?

MR. EHRLICHMAN: No. These things were not announced here. They were announced over at the AFL-CIO as the number of terms of this settlement agreement and you will have to pick that up off the wire.

Q The AFL-CIO is announcing what the government is doing?

MR. EHRLICHMAN: That is the place where the announcement was made.

Q I thought the White House was a place, too.

Q Was there an announcement on amnesty for the strikers?

MR. EHRLICHMAN: Yes, that was also announced as to how that would be handled.

MORE

Q Do you mean to leave the impression that there may be a Presidential recommendation for a general tax increase?

MR. EHRLICHMAN: No, that was a hypothetical review of a lot of things that one has to speculate on now, not knowing for sure.

Q Can we rule that out or in?

MR. EHRLICHMAN: I would not rule it out or in.

Q As I understand this now there is another pay increase in this, but you will not tell us about it, we have to go to the AFL-CIO?

MR. EHRLICHMAN: I am not telling you any of the details, Miss McClendon. I don't propose to tell you anything of that in this briefing. I am sure it is on the wire and I would rather have you get it there because I was not there.

Q The 6 percent that begins and is retroactive until about January 1, when was the last time before that there was a general increase for Federal employees?

MR. EHRLICHMAN: We will check that.

Q Was this sounded out with the Congressional postal people, this settlement, per say?

MR. EHRLICHMAN: Do you mean people on the committees?

Q Yes.

MR. EHRLICHMAN: Well, in some cases, but not all cases. That is what is going on now, as a matter of fact, at this particular time.

Q Can you tell us what cases?

MR. EHRLICHMAN: No.

Q The other day Mr. Dulsky said that he had not been invited to the White House for consultation on any of these matters at any time. Can you tell me why?

MR. EHRLICHMAN: No, I can't.

Q I thought you and the President seemed to be in agreement that the method of making this pay-as-you-go has been arrived at. Now I am confused.

MR. EHRLICHMAN: Yes, it has.

Q Would it not be possible for you at least to guide our thinking as to whether it will be higher postal rates or a general tax increase?

MR. EHRLICHMAN: As to those increases which relate to the post office, other than the general government-wide increase, they will involve steps to be taken by the new reorganized post office after the reorganization, so that it will be on a pay-as-you-go basis as a unit. The government-wide pay increase will be handled through additional proposed revenue devices of various kinds.

MORE

Q Mr. Ehrlichman, is this message tomorrow the message that is referred to in this document as that legislation which will be submitted no later than April 10?

MR. EHRLICHMAN: No, that refers to a process that was discussed in this meeting that I should have mentioned.

The representatives of the Post Office Department, representatives of the postal union, will sit down together and prepare legislation relating to the reorganization of the Post Office, which they will then more or less jointly recommend to the Congress.

The message tomorrow is a message from the President to the Congress on the subject of the pay increases which he, the President, recommends based on these deliberations and his proposals to the Congress for paying for them.

Q Then there would be two separate bills, at least, reorganization and the six percent pay increase?

MR. EHRLICHMAN: Yes, at least two and perhaps more.

MR. ZIEGLER: Two answers the question.

The last increase was July 1, 1969, and in response to an earlier question on what classifications would be affected by this raise, it would be GS-1 through 18.

Q That means the people who make \$33,000 will get the six percent increase, too?

MR. ZIEGLER: That is correct, GS level 1 through 18.

Q What is the dollar range on that, the salary range?

MR. ZIEGLER: GS-18 is \$33,000, as Miss McClendon has pointed out on several occasions. GS-1, we will have to get for you, but it is below \$4,000.

Q At any time did they consider the possibility of giving some of the civil servants a raise without giving the higher paid civil servants a raise?

MR. EHRLICHMAN: I was not in the negotiations. I cannot say what was considered there.

Q Mr. Ehrlichman, you quoted the President as saying the increases would not be inflationary. By that do you mean that they are not going to unbalance the budget, or the \$3 billion additional purchasing power to Government employees would not be inflationary?

MR. EHRLICHMAN: Of course that is saying the same thing in a sense, because to the extent that you give Government employees additional purchasing power and you balance the budget, you are taking it out of some other area of the economy. So it is the same either way you slice it.

MORE

Q Why is it \$1 billion for fiscal 1970 and \$3 billion for 1971? Ordinarily it would be twice as much.

MR. EHRLICHMAN: That is one of these mysterious anomalies of Government budgeting that I must say I share your question about. Let me pass that question. I am afraid I am not expert enough at some of these numbers to really vouch for the logic of that.

Roger Jones, who lives with those kinds of things, will be here tomorrow morning and I am sure that he can make a plausible answer to that question.

Q Could it be that the \$3 billion includes the postal raise?

MR. EHRLICHMAN: Well, there are some postal workers involved in that six percent across the board, and they have some catch-up in there. So there is a sort of a geometric effect that operates in that somewhere, I think. Let me beg off that. Anything I say on this is going to be misleading, I am afraid.

Q You are not saying that this excludes postal workers?

MR. EHRLICHMAN: No, it is across the board.

Q The current fiscal year is only six months that is why it is only half as much.

Q This includes the military?

MR. EHRLICHMAN: Yes. There is military pay in this and the various classified Government workers and the postal workers.

MR. ZIEGLER: We will have the message available at 10:00 tomorrow and we will brief here at 10:30.

John referred to some figures, \$1.2 billion for 1970 and \$2.5 billion for 1971. The \$1.2 billion is already in the 1971 budget, which was put in the 1971 budget to cover a comparability increase for January 1, 1971. There are some 2.9 million Government employees who will be affected by this increase. About 2.6 million of those are full time. There are some temporaries in this. GS-1 begins at \$3,889. There are ten steps under GS-1.

Q Ron, your figures on the number of people covered don't make sense. It cannot include the military.

MR. ZIEGLER: I am sorry. GS-1 through 18 is 2.9 million.

Q The \$2.5 billion for 1971 is in addition to the \$1.2 billion already?

MR. ZIEGLER: No, it is \$2.5 in 1971. Of that amount, \$1.2 billion has already been put into the budget to cover comparability increases which were to be effective January 1, 1971.

MORE

Q The increase is \$1.3 billion?

MR. ZIEGLER: Yes.

Q That means that for 1970 and 1971 you will have to find additional revenue of about \$1.2 billion or \$1.3 billion?

MR. EHRLICHMAN: A little less than that in 1970. There is some pay increase budgeted for 1970 already, a matter of a couple of hundred million, as I recall.

So in round numbers, we have to find about \$1 billion for fiscal year 1970.

Q Isn't the \$1.2 billion over and above what you have already budgeted?

MR. EHRLICHMAN: No, in round numbers it is \$1 billion that is involved in the increase.

Q Have you ruled out a further extension of the surcharge?

MR. EHRLICHMAN: Yes.

Q How many military personnel?

MR. ZIEGLER: There are about three million military.

Q So that is approximately five million?

MR. ZIEGLER: Yes.

Q What is the GS-18 salary?

MR. ZIEGLER: \$33,495, which is the highest step under a GS-18.

Q So it is about six million people who will get results?

MR. ZIEGLER: These are approximate. It is 2.9 million and about 3 million military, but out of the 2.9 million you should really cut that down to about 2.6 million or 2.5 million because of the pay board and so forth.

Q That message will be for noon release tomorrow?

MR. ZIEGLER: Yes.

THE PRESS: Thank you.

END

(AT 6:00 P.M. EST.)

Postal reform

FOR RELEASE AT 12 NOON, EST

April 3, 1970

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

Yesterday, the government negotiated a settlement with its postal employees.

This settlement could not properly be made in isolation from the needs of all Federal employees. In dealing with the special needs of the postal workers, the government representatives took into account the context of the Federal government's relations with its entire work force.

It should be noted that this negotiation took place only after the postal work stoppages had ceased.

One who works as a government employee agrees not to strike. But, concomitantly, the government has an obligation to insure each of its employees fair treatment so long as each lives up to his or her obligations.

The government is committed by law to a pay policy of comparability; that is, pay levels should correspond to those in business and industry. The agreed-upon government-wide pay increase complies with this standard.

This Administration is committed to a policy of pay-as-you-go. I believe that we have an obligation to provide revenues to meet the increased expenditures involved in this settlement. This is only good business and it is insurance against inflation.

1. I propose that the Congress enact a pay increase of 6% for all Federal employees, paid under statutory salary systems, including members of the armed forces, retroactive to the last pay period at the end of calendar 1969.

2. At the same time, I urge the Congress to take action to reform the postal service. Had this action been taken earlier, the postal work stoppage would have been averted.

The Congress must recognize the need to modernize the postal system, to improve working conditions and to give employees and management an effective medium for bargaining.

more

The proposed postal reform will be worked out in an agreement between the postal unions and Department representatives. The settlement provides that this work will be completed by April 10. I feel confident that a reorganization can be agreed upon which will meet our mutual goals.

3. Immediately upon enactment of postal reform, the process of collective bargaining will begin. In recognition of improvements in postal operations, the results of such bargaining will include an increase in wages of at least 8% in addition to the government-wide increase.

4. It has also been agreed in negotiations this week that the inequities created by the need to wait 21 years to move from the entry to the top rate in a job classification should be removed by reducing this to an 8-year period.

Postal revenues: To pay as we go for the postal salary increase and to eliminate the current postal deficit of about \$600 million, I urge that the Congress raise first class postal rates to 10¢ for regular first class mail as soon as possible. This increase will produce added revenues of approximately \$2.3 billion.

We are going to move to bring all rates except those for the blind and non-profit organizations to levels where they will cover at least their demonstrably related costs. As a first step under this policy we are proposing measures which will increase second and third class postal revenues \$120 million in FY 71.

An adjustment in the schedule of parcel post rates will also be sought to produce \$125 million in revenues. Government mail reimbursements will be increased by \$89 million.

In all, I am proposing added postal revenues by Congressional and administrative action of \$2.6 billion. These revenues are essential to meet the salary needs of postal workers, to wipe out the postal deficit, and to contribute to the efficiency of the postal system.

General revenues: To pay for the 6% increase to all government workers, which will cost \$1.2 billion in fiscal 1970 and 1.3 billion additional over the \$1.2 billion already included in the fiscal 1971 budget, I propose that the Congress consider further actions which will result in some modification of our 1971 budgetary program. The 1970 additional outlays can be met from budgeted and surplus funds.

At the beginning of my Administration I made the basic decision that the Federal government must start to live within its means. The long inflation that began after 1965 had its roots in a string of unbalanced budgets capped by the \$25 billion deficit in FY 1968. To restore order in the economy the Federal government's first responsibility was to restore order in its own finances.

more

The tax program which I put before the Congress a year ago called for a balanced set of reforms, at the same time making provision for total revenues that would match the prospective outlays.

Prospective revenues for FY 1971 in the tax bill that finally reached my desk last December were more than \$3 billion below what my own recommendations a year ago would have provided. I expressed my grave misgivings about that revenue shortfall. I finally decided that, time having run out for the last session of the Congress, there was no alternative but to sign the bill and put before the Congress in my Budget Message a program of expenditures consistent with these reduced revenues.

That was done. It was an austere program. Important programs were sharply curtailed or entirely eliminated. A major omission was the overdue pay increases to Federal workers.

This tax bill has forced on the Federal government a level of wage outlays that is inconsistent with any reasonable estimate of wage level decisions in this session of the Congress.

Yet I cannot and will not participate in an excursion into fiscal irresponsibility. That would re-awaken skepticism about our determination to quell inflation, just when clear evidence of progress is in sight. And savings diverted into financing a deficit mean reduced funds and resources for housing, for State and local government projects, and for the capital formation essential to our on-going productivity and economic progress.

Therefore, I call upon the Congress and the Nation to face in future years the realities of our Federal budget. We must pay the bills for the wages that we vote. We must pay just wages in government. These involve more outlays than the revenues that last year's tax bill would produce.

I firmly believe that, given the facts, the American people will support the Congressmen with the courage to do what is right.

Putting the public interest first, it is right to build confidence in the integrity of the dollar, which we will do by redeeming our pledge of an anti-inflationary budget.

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Putting the public interest first, it is right to insist on a course of economic stability that will lead to price stability, job stability, and a balanced use of our resources.

I propose the following additional revenue which will neither require extending the surtax nor raising income tax rates: The 1971 budget forecasts the collection of \$3.6 billion of estate and gift taxes in the coming fiscal year. I propose to accelerate collection of these taxes, which would add an estimated \$1.5 billion in receipts in fiscal 1971. As a result of the pay increases recommended in this message, I estimate that \$180 million per year will return to the government in personal income taxes.

The total of these added revenues to the fiscal 1971 budget would be about \$1.7 billion.

It will be recognized that this estate and gift tax acceleration will only provide additional revenue for one year. It will be necessary for the Congress to consider and adopt permanent revenue measures for FY 72 and following years to meet these additional wage outlays.

Within the next 10 days, legislation will be prepared to achieve the recommended wage increases, the reorganization of the Post Office Department, the postal rate changes and the 1971 gift and estate tax revenue measures described.

I cannot stress too strongly my support of early adoption of all of these inter-dependent and necessary actions. Each will relate to and depend upon the others. I request the Congress to act upon all, at once, to afford deserving employees an equitable pay adjustment, to provide badly needed reorganization to our postal service and to adopt the proposed pay-as-you-go revenue program to support these needed changes.

RICHARD NIXON

THE WHITE HOUSE,

April 3, 1970.

#

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET

I. General pay increase, effective July 1, 1969.

1. Average civilian increase was 7.4%, ranging up from 4.7% for postal workers to 9.1% for other civilians. (Postal had had larger increases in 1968.)

Average military increase in total compensation was 9.1%, but the increase was applied entirely to base pay, resulting in an increase in base pay of approximately 13%.

2. Effective date-- July 1, 1969.
3. Total cost: approximately \$3.0 billion for F. Y. 1970 -- almost equally divided between civilian personnel and military personnel (\$1.5 billion each).
4. Total persons affected -- Military 3.5 million
Civilian 2.1 million
5. The breakdown of civilian costs:

General Schedule	\$1.1 billion
Postal	.3 billion
Other	.1 billion
<u>TOTAL \$1.5 billion</u>	

II. Pay increase now proposed (to attain comparability with private enterprise as of July 1, 1969)

1. Amount -- 6% to cover all civilians under statutory pay systems and all military personnel. (As in 1969, military personnel increase will be applied to base pay only, or 8.2% increase in base pay.)
2. Effective date January 1, 1970 or last pay period beginning in December 1969.
3. Total costs F. Y. 1970 -- \$1.2 billion (approximately \$.6 billion each for civilian and military)
Note: No provision was made in the Budget for any further pay increase in F. Y. 1970.
4. Total costs F. Y. 1971 \$2.5 billion (approximately \$1.3 billion civilian; \$1.2 billion military)
Note: The 1971 Budget included \$1.2 billion for a comparability pay increase effective January 1, 1971. This results in a net increase in the 1971 Budget of \$1.3 billion for pay in the next fiscal year.
5. Total persons affected -- Military 3.2 million
Civilian 2.1 million
6. The breakdown of civilian costs F. Y. 1971

General Schedule	\$.8 billion
Postal	.4 billion
Other	.1 billion
<u>TOTAL \$1.3 billion</u>	

APRIL 16, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

Postal Reform

THE WHITE HOUSE
PRESS CONFERENCE
OF
WINTON M. BLOUNT, POSTMASTER GENERAL
AND
GEORGE MEANY, PRESIDENT OF AFL-CIO
THE BRIEFING ROOM

AT 12:10 P.M. EST.

POSTMASTER GENERAL BLOUNT: Ladies and Gentlemen:

This is a rather historic day for the Postal Department. There has been wide recognition for a number of years that some form of reorganization of the Post Office Department was badly needed. The argument has been over what form that reorganization should take.

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This agreement represents a major step toward enactment. Also embodied in this plan are procedures for the first true collective bargaining for public employees, which represents a major step in modernizing the relationship between Government and its employees.

I cannot overemphasize how important the reforms embodied in this plan are to every American who is interested in better postal service, to every postal employee who is interested in better career opportunities and to every taxpayer who is interested in the efficiency of the Post Office Department.

Upon enactment of this plan into law, the postal management will have, for the first time, the authority to effectively manage the postal system. For the first time we will have sufficient funds for modernizing outdated postal facilities by virtue of the authority to issue bonds and for the first time Federal employees can function within modern labor relations framework as their counterparts in the private industrial sector have for so many years.

Finally, the provisions of this plan for the settlement of impasses which include a cooling off period, fact finding, and final resort to binding arbitration, will work to prevent another work stoppage of the kind we recently experienced.

This agreement, however, represents only the first step. Final action must be taken by the Congress, and I join with President Nixon and Mr. Meany and the Presidents of all of the postal unions in urging the Congress to take prompt and favorable action on this important measure.

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The negotiators have worked long and hard in drafting this reorganization plan, but without the statesmanlike leadership and cooperation of Mr. Meany and Mr. Kirkland and the other members of the AFL-CIO and the Presidents of the postal unions, we would not have gotten it accomplished.

We are deeply indebted to those who have participated in a willing spirit on both sides and deeply grateful to Mr. Meany for his leadership in this area.

Mr. Meany.

MR. MEANY: This is one of the most significant events in the history of collective bargaining. This legislation which the Administration will introduce and which we will support in Congress, is proof positive that collective bargaining is viable and effective.

Employees of the Government have exactly the same desires and aspirations as do employees in the private sector of our economy. They have the same need for self-expression and self-determination and the process of collective bargaining on the conditions under which they labor is just as valid in public employment as it is elsewhere in labor or management relations.

This bill will bring to postal workers a measure of economic justice which has long been delayed. As soon as it becomes law, and we trust that day will be soon, postal workers will receive an eight percent wage increase, and the time it takes a worker to reach the top of his grade will be compressed from an intolerable 21 years to a realistic eight years, or perhaps less.

In the negotiations which have just been successfully concluded, the fundamental ingredient of collective bargaining, good faith on both sides of the table, was demonstrated to marked degree and it is a pleasure to publicly today report this fact.

We in the AFL-CIO, quite candidly, see these negotiations as setting the stage for the future. We believe that collective bargaining can be and should be extended to all workers in the Federal Government.

On behalf of the AFL-CIO, I want to express our appreciation to President Nixon, to the Postmaster General and his associates and to the leaders of the seven postal unions involved. The commitment they all made to the democratic principle of free collective bargaining marks a new day in Federal employee relationships.

We will join with the President in urging the Congress to give this measure in its entirety the prompt and favorable support it deserves so that the President can sign the bill into law in the every near future.

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Q Mr. Meany, this message talks about the need to prohibit strikes in the postal service, and talks about binding arbitration between the framework of collective bargaining. Does that represent a change on your part about the right to strike?

MR. MEANY: No, it does not represent a change on our part. These are Federal employees and they do not, under the law, have the right to strike, but we are very practical people, and we realize, and I am sure that everybody in Government must realize, that whether you have a law prohibiting strikes, unless you have economic justice, you are going to have strikes anyway, as witness what happened about three weeks ago.

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Q Could you give us some idea what the main ones are, Mr. Blount? Why is it more acceptable now than it was before?

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(AT 12:25 P.M. EST)

APRIL 16, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

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OF
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OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
WINTON M. BLOUNT, POSTMASTER GENERAL
AND
GEORGE MEANY, PRESIDENT OF AFL-CIO
THE BRIEFING ROOM

AT 12:10 P.M. EST.

POSTMASTER GENERAL BLOUNT: Ladies and Gentlemen:

This is a rather historic day for the Postal Department. There has been wide recognition for a number of years that some form of reorganization of the Post Office Department was badly needed. The argument has been over what form that reorganization should take.

With the development of the plan that has been distributed to you today, representatives of the employee unions and the Administration have come to an agreement through the collective bargaining process on the form of this reorganization, which we intend to recommend to the Congress.

This agreement represents a major step toward enactment. Also embodied in this plan are procedures for the first true collective bargaining for public employees, which represents a major step in modernizing the relationship between Government and its employees.

I cannot overemphasize how important the reforms embodied in this plan are to every American who is interested in better postal service, to every postal employee who is interested in better career opportunities and to every taxpayer who is interested in the efficiency of the Post Office Department.

Upon enactment of this plan into law, the postal management will have, for the first time, the authority to effectively manage the postal system. For the first time we will have sufficient funds for modernizing outdated postal facilities by virtue of the authority to issue bonds and for the first time Federal employees can function within modern labor relations framework as their counterparts in the private industrial sector have for so many years.

Finally, the provisions of this plan for the settlement of impasses which include a cooling off period, fact finding, and final resort to binding arbitration, will work to prevent another work stoppage of the kind we recently experienced.

This agreement, however, represents only the first step. Final action must be taken by the Congress, and I join with President Nixon and Mr. Meany and the Presidents of all of the postal unions in urging the Congress to take prompt and favorable action on this important measure.

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The negotiators have worked long and hard in drafting this reorganization plan, but without the statesmanlike leadership and cooperation of Mr. Meany and Mr. Kirkland and the other members of the AFL-CIO and the Presidents of the postal unions, we would not have gotten it accomplished.

We are deeply indebted to those who have participated in a willing spirit on both sides and deeply grateful to Mr. Meany for his leadership in this area.

Mr. Meany.

MR. MEANY: This is one of the most significant events in the history of collective bargaining. This legislation which the Administration will introduce and which we will support in Congress, is proof positive that collective bargaining is viable and effective.

Employees of the Government have exactly the same desires and aspirations as do employees in the private sector of our economy. They have the same need for self-expression and self-determination and the process of collective bargaining on the conditions under which they labor is just as valid in public employment as it is elsewhere in labor or management relations.

This bill will bring to postal workers a measure of economic justice which has long been delayed. As soon as it becomes law, and we trust that day will be soon, postal workers will receive an eight percent wage increase, and the time it takes a worker to reach the top of his grade will be compressed from an intolerable 21 years to a realistic eight years, or perhaps less.

In the negotiations which have just been successfully concluded, the fundamental ingredient of collective bargaining, good faith on both sides of the table, was demonstrated to marked degree and it is a pleasure to publicly today report this fact.

We in the AFL-CIO, quite candidly, see these negotiations as setting the stage for the future. We believe that collective bargaining can be and should be extended to all workers in the Federal Government.

On behalf of the AFL-CIO, I want to express our appreciation to President Nixon, to the Postmaster General and his associates and to the leaders of the seven postal unions involved. The commitment they all made to the democratic principle of free collective bargaining marks a new day in Federal employee relationships.

We will join with the President in urging the Congress to give this measure in its entirety the prompt and favorable support it deserves so that the President can sign the bill into law in the every near future.

POSTMASTER GENERAL BLOUNT: Are there any questions?

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Q What assurance do you have from the Chairman of the Committees in Congress that they will approve this legislation and put it through Congress?

POSTMASTER GENERAL BLOUNT: We have made an effort to keep the Members of Congress, particularly the Chairmen and ranking members of both committees, advised of the discussions that we were having with the unions. We have made an effort to incorporate as much of the language and the various ideas in the different bills that have been proposed into this bill as possible, and I am very hopeful that not only the committees but the entire Congress will take prompt action.

Q Mr. Meany, this message talks about the need to prohibit strikes in the postal service, and talks about binding arbitration between the framework of collective bargaining. Does that represent a change on your part about the right to strike?

MR. MEANY: No, it does not represent a change on our part. These are Federal employees and they do not, under the law, have the right to strike, but we are very practical people, and we realize, and I am sure that everybody in Government must realize, that whether you have a law prohibiting strikes, unless you have economic justice, you are going to have strikes anyway, as witness what happened about three weeks ago.

Q Mr. Blount, what is the difference between this corporation in this proposal and the original corporation that the President proposed? Is there any substantial difference?

POSTMASTER GENERAL BLOUNT: There are a number of differences, and we have tried, as I said, to incorporate as much language as possible from the various proposals, some from the Senate proposals and some from the House proposals.

This is not a corporation. This is an independent establishment within the Executive Branch of the Government. There are a number of technical differences involved.

Q Could you give us some idea what the main ones are, Mr. Blount? Why is it more acceptable now than it was before?

POSTMASTER GENERAL BLOUNT: Well, I think that one of the things that we have talked about since introducing this legislation was that it affected not only the 200 million people in this country, but it affected all of the 750,000 employees of the Post Office Department, and it would require a great deal of examination by all of these interested groups of this new procedure and new approach.

I think what we are reporting here today is complete agreement on the part of the Presidents of the seven exclusive unions and the AFL-CIO on this package. I think that significant difference implies the soon acceptance by the Congress.

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Q Mr. Meany had an answer for the same question. Could we hear that?

MR. MEANY: Well, my answer was very simple, that the big difference between what you had in Kappel report and the previous recommendations is that here and now one basic area of disagreement has been completely removed; the Government and the unions are in agreement. That is the difference.

Q The section on the pay and other employee benefits leaves the compression of the pay scale from one to eight years as a matter to be negotiated. It does not stipulate that this will be done as part of the pay increase.

MR. MEANY: This will part a part of the legislation.

POSTMASTER GENERAL BLOUNT: It stipulates it will be accomplished, but the manner in which it will be accomplished will be negotiated as far as details.

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Q Will the bonds of this new agency be guaranteed by the Treasury of the Federal Government?

POSTMASTER GENERAL BLOUNT: We will have a call on the Treasury Department for \$2 billion of the \$10 billion we are authorized to borrow. The Treasury is authorized to purchase, if they so choose, but they are not required to. Then we will be required to seek sale of these bonds in the public market without the full faith and credit of the Federal Government.

Q How will local post office officials be appointed or named?

POSTMASTER GENERAL BLOUNT: Strictly on the merit system.

Q The President has set a 1972 deadline to put the new service on a self-sustaining basis. I think before we talked about self-sustaining in five years.

POSTMASTER GENERAL BLOUNT: I believe it was 1978.

Q I meant 1978. Is this a pullback from your earlier anticipation as self-supporting in five years?

POSTMASTER GENERAL BLOUNT: This is similar legislation as was passed out of the House Post Office Committee where we adopted a transitional rate-making philosophy over a period of between now and January 1, 1978.

Q This provides for a transitional support of the budget of 10 percent from the general taxation. How does that compare with the present deficit?

POSTMASTER GENERAL BLOUNT: In the first year it is 10 percent and it reduces each year until January 1, 1978. What we have remaining is the public service subsidy for reduced rate mail that the Congress chooses to have the Department carry.

Q How would that 10 percent compare with the current deficit that is financed out of taxation?

POSTMASTER GENERAL BLOUNT: It will be very similar at the present time. Next year it will be less and on a reducing scale, unless it phases out.

Q Why do you feel you need this 13-member advisory council in addition to the 11-member commission, and are the members of that advisory council also subject to Senate confirmation?

POSTMASTER GENERAL BLOUNT: No, they are not subject to Senate confirmation. I think this advisory council will serve a purpose in bringing together not only the views of the major users of the post office, but the representatives of the labor union groups as well as members representing the public at large. I think it will provide a very valuable service to the management of the new Postal Department.

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Q How much in dollars will this 10 percent subsidy amount to?

POSTMASTER GENERAL BLOUNT: The first year, \$850 million.

Q What is the cost of public service mail to the Post Office Department?

POSTMASTER GENERAL BLOUNT: Under the legislation we are submitting, we are going to seek reimbursement for the cost of carrying mail at reduced rates on what is called the revenue foregone principle. Under that principle the subsidy as of today, if this principle went into effect, would be about \$300 million a year. However, under the law that exists now which is not on the revenue foregone principle, the subsidy is around \$800 million.

Q Would it be possible for the unions to negotiate union shop contracts that would require postal workers to join a union?

POSTMASTER GENERAL BLOUNT: Generally, all matters that are subject to bargaining in the private sector will be subject to bargaining between these parties. That is true in most areas. That is a bargainable issue.

Q Do you have any timetable for when you expect this bill to be enacted and put into force?

POSTMASTER GENERAL BLOUNT: Well, we would hope that it will be enacted fairly promptly. You must remember that the Congress has been having hearings on this legislation now for almost a year. We have had extensive hearings in both houses. This agreed bill incorporates most of the principles that we have been dealing with. There is a principal factor involved here and that is that the 8 percent pay increase for postal employees goes into effect as soon as this bill is enacted into law and we are hopeful that it will be passed very soon.

Q General Blount, are the revised postal rate proposal and the reform bill going to be single legislation or are they separate bills?

POSTMASTER GENERAL BLOUNT: They will be separate bills. The matter of rate legislation is not a matter on which we had collective bargaining with the unions. That will be separate legislation and a responsibility of the President to send up. Although it may be in the same message, the bills themselves will be separate.

Q Is this new revised rate proposal an admission that the earlier proposal had no support at all?

POSTMASTER GENERAL BLOUNT: No. What it does is incorporate the transition of the rate-making philosophy that I described earlier. Instead of going to an immediate pay-as-you-go basis, it gives us time to reach a pay-as-you-go status over a period of a few short years.

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Q What is your anticipated deficit for fiscal 71 under the new revenue proposals?

POSTMASTER GENERAL BLOUNT: Well, without the new revenue proposals the anticipated cash deficit is about \$1.5 billion. These revenue proposals will, of course, tend to reduce that, but at the same time the cost increases, because of these wage increases, will tend to increase it. Let me state positively that if this legislation is enacted, not only the rate bill, but the reorganization bill, the Post Office Department will then be in a break-even position.

Q General Blount, in the President's message he refers to the fact that less than two weeks ago he proposed a plan for raising first, second and third class mail. I don't recall any second class mail proposal.

POSTMASTER GENERAL BLOUNT: It did provide for about a 15 percent increase in second class.

Q I thought that was parcel post.

POSTMASTER GENERAL BLOUNT: Parcel post was also raised, but the proposals did include second, third and first class increases.

Q Are you saying that if this rate proposal is passed and the reorganization with the wage increase is passed you will have no deficit in 1971?

POSTMASTER GENERAL BLOUNT: Because of the built-in 10 percent subsidy that we have in the reorganization legislation.

Q That subsidy is the deficit; isn't it?

POSTMASTER GENERAL BLOUNT: The Post Office Department will, for its rate-making purposes, not have a deficit.

Q How much is the subsidy going to amount to?

POSTMASTER GENERAL BLOUNT: About \$800 million in the first year. That will be reducing until 1978 when it phases out.

THE PRESS: Thank you.

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(AT 12:25 P.M. EST)