THE WHITE HOUSE
WASHINGTON

① P.I.O. re Talks (gov.-wide)

② Comparability
Fringe

③ Reform

④ other labor problems:
PATCO

THE WHITE HOUSE
WASHINGTON

Poll

NG used to del mail

yes 58 nat'l
no 29

65 women
22

Fed emplee rt strike?
35 yes
55 no

Fire them?
55 no
38 yes

John —
I plan to push hard on
simplified and consolidated
state plans along the lines
we talked when
— at this meeting today

MORANDUM
OF CALL

TO: JE

- [x] YOU WERE CALLED BY— Klassen
- [ ] YOU WERE VISITED BY—

OF (Organization)

- [x] PLEASE CALL → PHONE NO. CODE/EXT.
- [ ] WILL CALL AGAIN
- [ ] IS WAITING TO SEE YOU
- [ ] RETURNED YOUR CALL
- [ ] WISHES AN APPOINTMENT

MESSAGE

Would like to report on his meeting with Sen ~~Mr.~~ McGee.....

1) Paying for this -
2) when process this? Comm here
3) ple

[Doesn't know about 10¢]

RECEIVED BY JH | DATE 4/2 | TIME 6 40

STANDARD FORM 63
REVISED AUGUST 1967
GSA FPMR (41 CFR) 101-11.6

* GPO: 1968 O—318-527

63-108

Mr. Ehrlichman:

Mr. Blount called here after he talked to you at the hotel. He left this message: The Unions feel that they cannot be actively in support of a stamp increase because this is a management perogative. However, we can get their tacit approval.

2:26

ab 4-2

THE WHITE HOUSE
WASHINGTON

no recurrance -

Days of strike - = dock -
most - chg v annual leave
(5 days)

Economic Package =
12% retro to Oct

Jas. Blaisdell

THE WHITE HOUSE
WASHINGTON

Econ

Amnesty
Pay for strike time -
Illegal strike - SUCCEEDED

(1) No blanket amnesty
(2) No plans for crim. action v rank & file
(3) reserve - ringleaders
- officials
(4) unfair lab prac chgs reserved v locals.
(check-off)
(5) waive civil suits
(6) discipline v rank & file not planned if demostr.

In order to move this at 10 a.m. tomorrow (Friday), I will need your corrections on this draft by 8 a.m. Friday.

Todd

I'd like to run it by T first - 8:30 OK?

Facts and figures (budget, etc.)

## Budget Cost of Alternative Pay Options

## Total Civilian and Military

| Type of Adjustment | Pay Increase Percent | Effective Date: Budget | Options I | Options II | Options III | F.Y. 70 I, II | F.Y. 70 III | F.Y. 71 I | F.Y. 71 II, III | F.Y. 72 I, II, III |
|---|---|---|---|---|---|---|---|---|---|---|
| 2 Within-grade steps - Postal | 5.4% | Jan.1970 | Jan.1970 | Jan.1970 | Jan.1970 | $ 167 | $ 167 | $ 335 | $ 335 | $ 335 |
| Comparability - 1969 - Actual | 5.75 | Jan.1971 | Oct.1970 | July 1970 | Apr.1970 | - | 595 | 1,786 | 2,382 | 2,382 |
| Comparability - 1970 (est.) | 6.00 | - | Apr.1971 | Jan.1971 | Jan.1971 | - | - | 638 | 1,277 | 2,552 |
| Comparability - 1971 (est.) | 5.00 1/ | - | Jan.1972 | Jan.1972 | Jan.1972 | - | - | - | - | 601 |
| Total costs | | | | | | $ 167 | $ 762 | $2,759 | $ 3,994 | $ 5,870 |

1/ Civilian costs only: Military pay to be converted to all-voluntary force basis whose costs cannot be estimated at this time.

NOTE: None of the above costs include the cost of the proposed accelerated within-grade progression which will begin in F.Y. 1972. Employees will advance from bottom to top of pay range in 8 years instead of 21 years.

BASE POSITION FOR NEGOTIATIONS

1. 6% retroactive January 1, 1970
(.06% increase)
Cost -- $1.2 billion (Postal workers alone approximately $212 million)

2. 5.7 comparability October 1, 1970 (If this were done it would require comparability for all Federal employees - BOB would not object to this.) July 1, 1970 is also possible but I think too high a concession.
Cost -- $270 million

3. Compression 21 years to 8 years. We could possibly give some on this but I don't think we need to and I believe the Unions are satisfied with 8 years.

4. Negotiations and binding arbitration.

5. Federal Government providing Health benefits only as a final yield to get reform.

6. Post Office an Independent Authority as developed in H.R. 4.

7. Amnesty, but again this is a big yield as far as the public is concerned in the face of an illegal strike. This could be traded off but should be hooked to reform. We will give this anyhow but could make it a big concession.

8. In general, I think the only way the Administration can save face is to tie any pay and benefit concessions to reform. As you know all Federal employee organizations are watching the negotiation results to determine if wildcat strikes are the way to get pay.

   a) The negotiations should not knit-pick over minor benefits which will not be publicly played up. Red has a strong tendency to do this.

9. If we recommend only a pay increase as a result of the negotiations, I think reform is dead. The time is right with the public and the press for reform.

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( .06% increase)

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a.) The negotiators should not knit-pick over minor benefits which will not be publicly ~~[illegible]~~ played up, but has a strong tendency to do this.

9. If we recommend only a pay increase as a result of the negotiations, I think Reform is dead. The time is right with the public ~~for Reform~~ and the press for Reform.

① 6% retroactive 1/1/70
gov't wide!

② Reform w/ union Support

③ 10¢ 1st class stamp

④ 6% floor under postal
collective bargaining after
reform

⑤ 21 to 8 compression
floor under coll. bargaining
after reform

— it's apparently close —

AIR

F. Lee Bailey will go on TV today
to tell PATCO to return to
work in consideration of
a week's continuance of his
contempt hearing —

Cost of Raises

(1) 6% government-wide
Effective January 1, 1970

| | FY '70 | FY 71 | FY 72 |
|---|---|---|---|
| | 1.25 Bil. | 2.5 Bil. | 2.5 Bil. |
| Income tax offset* | 162.5 mil. | 325 mil. | 325 mil. |
| Net cost to govt. | 1.0875 bil. | 2.175 bil. | 2.175 bil. |

1.535
600 MM

(2) 6% postal only
Effective July 1, 1970

| | | | |
|---|---|---|---|
| | - | 372 mil. | 372 mil. |
| Income tax offset | | 48.3 | 48.3 |
| Net cost to govt. | | 323.7 mil. | 323.7 mil. |

(3) Compression
Effective July 1, 1970

| | | | |
|---|---|---|---|
| | | 250 mil. | 500 mil. |
| Income tax offset | | 32.5 | 32.5 |
| Net cost to govt. | | 217.5 | 467.5 |

| | | | |
|---|---|---|---|
| Total Net Cost | 1.087 bil. | 2.716 bil. | 2.966 bil. |

---

* Any government wage increase creates 17% tax income

| | | |
|---|---|---|
| 1. | Expedite Excise and Income Tax withholding (planned for FY 71) to FY 70 by a new mailing to 50,000 employers: | $1 billion |
| | Reduces FY 71 by this amount | |
| 2. | Then speed up Estate and Gift Taxes: by legislation for FY 71 | $1.0 to 1.6 billion |
| 3. | Excise on leaded gasoline (NOT in Trust Fund): (FY 71 @ $800mm/cent) (declining in following years) | 1.6 billion |
| | May have legal problems | |
| 4. | Charges for use of Federal lands | Revenue unknown |
| 5. | Two-tier system of postal delivery (fast-slow choice) | 1.5 to 2.0 billion |

# COST of RAISES

(1) 6% Government-wide effective 1-1-70

| | FY 70 | FY 71 | FY 72 |
|---|---|---|---|
| | 1.250 BIL. | 2.5 BIL. | 2.5 BIL |
| Income Tax offset* | 162.5 MIL. | 325 MIL. | 325 MIL. |
| Net cost to Gov't | $1.0875 BIL | $2.175 BIL | $2.175 BIL |

(2) 6% Postal only effective 7-1-70

| | | | |
|---|---|---|---|
| | — | 372 MIL | 372 MIL |
| Income Tax offset | | 48.3 | 48.3 |
| Net Cost | | $323.7 MIL | $323.7 MIL |

(3) Compression effective 7-1-70

| | | | |
|---|---|---|---|
| ITO | | 250 MIL | 500 MIL |
| | | 32.5 | 32.5 |
| NC | | 217.5 | 467.5 |
| Total Net Cost | 1.087 BIL | 2.716 BIL | 2.966 BIL |

then

2. ~~1~~ 1 <u>Speed up Estate and Gift Taxes</u>:
by legislation for FY'71: ~~1.0 to 1.6 Billion~~
$1.0 To 1.6 Billion

1. ~~2~~ Expedite Excise and Income Tax w/holding (planned for FY 71) to FY'70 by a new mailing to 50,000 employers:
$1 Billion

Reduces FY 71
by this amount.

3. Excise on leaded gasoline
(<u>NOT</u> in Trust Fund):
FY'71 (@ $800MM/cent) = $1.6 Billion
(declining in following years)

May have legal problems.

4. <u>Charges for use of Federal lands</u>

Revenue unknown

5. Two-tier system of postal delivery (fast-slow choice)

$1.5 to 2.0 Bil

---

*

~~6~~. Any gov't wage increase creates 17% Tax income

7

## CHANGES IN THE FY 71 BUDGET

| ITEMS | | BALANCE |
|---|---|---|
| SURPLUS FORECAST IN FY 71 BUDGET | | +$1, 331 |
| **Top Priority Claims** | | |
| Air and Water Pollution Control | $ 188 | |
| Veterans education benefits and medical care | $ 299 | |
| Labor-HEW appropriations, effect of 1970 enacted bill on 1971 budget | $ 248 | |
| Disaster Relief | $ 50 | |
| Right-To-Read and other education amendments | $ 162 | |
| Education aid to racially impacted areas, totaling $500 million (portion that cannot be redirected from other programs.) | $ 150 | |
| Subtotal | $1097 | +$ 234 |
| **Changes in Response to Major Problems In the Economy** | | |
| Withdrawal of voluntary State-local construction deferral | $ 625 | |
| Housing interest subsidies and home ownership assistance | $ 81 | |
| Subtotal | $ 706 | -$ 472 |
| **Legally Required Changes** | | |
| Dairy price supports | $ 120 | |
| Interest on Public Debt | $ 100 | |
| Health benefits for Federal employees | $ 91 | |
| Subtotal | $ 311 | -$ 783 |
| **Additional Expenditures by the Congress For It's Own Operations** | $ 21 | -$ 804 |
| ~~Government Workers Pay~~ 2,135 | ~~$1,300~~ | -$2,104 ~~-$2,104~~ |
| ~~DEFICIT~~ NOW FORECAST | | -$2,104 |

*In millions of Budget ~~Authority~~ Outlays

71 Budget

175MM FY '70 exp retro.
POSTAL

1.4 Bil Budget govt-wide
(only 200 MM PO)
335 est. PO.

1¢ = 560

860 MM pay raise
700 compression

1 + 3 = $1.5 Bil

1 - Service Acad. Chapel suits

| | 1971 | |
|---|---|---|
| Orig Outlays est. | 200.8 | |
| 6% pay | 1.3 | (400 is postal) |
| Postal pay 8% compression | 496<br>250 (est) | .746 |
| other est. outlays | 1.35 | 1.146 PO<br>6 |

6% — 3.0
1.3
+ 1.7

200.8
.746
1.3
202.846

PO 2.7
1.7 exp.
1.0

204.2
202.85
1.35

1.3
2.7 +
4.0

Acceleration of Estate and Gift Tax - producing $1.5 billion in FY 71

## EXPLANATION

(1) Presently allow a period of 15 months from death to payment of estate tax.

(2) We are proposing that a declaration of the estate value and the tax due be made within 6 months after death. 80% of the tax due must be paid at the time that the declaration statement is submitted.

This will produce $1.4 billion in FY 71 which normally would have been received in FY 72.

(3) Presently a tax on gifts is due on April 15 of the year after which you receive the gift. This period is being compressed to between 30-60 days (specifics being worked out by Treasury).

This will produce $.1 billion in FY 71 that we normally would have received in FY 72.

(4) This all will produce a total of $1.5 billion in FY 71 that would have been received in FY 72.

(5) These changes require legislation.

From Weidenbaum, Treasury
April 3, 1970, 10:15 a.m.
To Tod Hullin

PAY AND REVENUE CHANGES

| | Budget F. Y. 1971 | Postal | Other | Revised Budget |
|---|---|---|---|---|
| Receipts | 202.1 | +1.4 | 1.7 | 205.2 |
| Outlays | 200.8 | .6 | 1.3 | 202.7 |
| Totals | +1.3 | 0.8 | 0.4 | * +2.5 |

| | FY 1970 | | | |
|---|---|---|---|---|
| Receipts | 199.4 | -- | -- | 199.4 |
| Outlays | 197.9 | .2 | 1.0 | 199.1 |
| | +1.5 | -.2 | -1.0 | +.3 |

*Does not include any estimate for a comparability increase January 1, 1971 for military ~~on~~ and non-postal civilians.
(Could be about $1 billion)

## POSTAL PAY INCREASE

| | Total Cost | | Cost in Budget | Costs Not in Budget |
|---|---|---|---|---|
| 6% January | 200 | in '70 | 200 | 0 |
| 6% FY '71 | 400 | in '71 | 325 | +75 |
| 8% FY '71 | 496 | | -- | 496 |
| Acceleration | 200 | | -- | 200 |
| | 1296 | | 525 | +771 |

## NON-POSTAL PAY INCREASE

| | Total Cost | | In the Budget | Not in the Budget |
|---|---|---|---|---|
| FY 70 Jan. 70 - Nonpostal 6% | 1.1 | '70 | 0 | 1.1 |
| FY 71 July 70 - " 6% | 2.1 | '71 | 1.1 | 1.0 |
| | 3.2 | | 1.1 | 2.1 |

2.871

| | |
|---|---|
| First Class Mail | $2,280 |
| Second Class | 16 |
| Third Class | 66 |
| Parcel Post | 125 |
| Government Mail | 89 |
| Total | $2,576 |
| Less amount presently in FY'71 Budget | $1,174 |
| Net Increase in Postal Rates Rev | $1,402 |

not in Budget.

UNITED STATES GOVERNMENT

# *Memorandum* • POST OFFICE DEPARTMENT

SUBJECT:

DATE: April 3, 1970

FROM: J. W. Hargrove

IN REPLY REFER TO:

YOUR REFERENCE:

APR 4 1970

TO: Dr. Harper

Tod Hullin

This is a corrected version of the fact sheet relating to the proposal on postage rate increases.

Attachments

This information was not handed out yesterday, but I thought you might want it for your (JDE's) files

Ed

POD Form 31A
July 1964

| | |
|---|---|
| First Class Mail | $2,280 |
| Second Class | 16 |
| Third Class | 104 |
| Parcel Post | 125 |
| Government Mail | 89 |
| Subtotal | $2,614 |
| Less amount presently in FY '71 Budget | $1,174 |
| Net Increase in Postal Rates | $1,440 |

| | |
|---|---|
| First Class Mail | $2,280 |
| Second Class | 16 |
| Third Class | 104 |
| Parcel Post | 125 |
| Government Mail | 89 |
| Subtotal | $2,614 |
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| Net Increase in Postal Rates | $1,440 |

| | |
|---|---|
| First Class Mail | $2,280 |
| Second Class | 16 |
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| Parcel Post | 125 |
| Government Mail | 89 |
| Subtotal | $2,614 |
| Less amount presently in FY '71 Budget | $1,174 |
| Net Increase in Postal Rates | $1,440 |

POSTAL WAGE DEMAND

| 70 | 71 | 72 | | | Item |
|---|---|---|---|---|---|
| 545 | 738 | 753 | PFS | A twelve per cent across-the-board wage increase for PFS-1 through PFS-11, retroactive to October 1, 1969. | 1 |
| 678 | 956 | 956 | GS | | |
| 1260 | 1680 | 1680 | MIL | | |
| 2522 | 3374 | 3389 | Total | | |
| - | 450 | 459 | | A further adjustment to be effective on July 1, 1970, to bring the rate of PFS5, Step 4, equivalent to the average rate for the comparable grade as reported in the Labor Department's Survey of private enterprise salaries (National Survey of Professional, Administrative, Technical and Clerical Pay, June 1969), Other PFS Grades to be adjusted accordingly in relation to their current linkage to PFS-5. | 2 |
| - | 250 | 500 | | Each employee on July 1, 1970, subject to the Postal Field Service Schedule and each employee subject to the Rural Carrier Schedule who has not reached the highest step for his position shall be advanced successively to the next higher step as follows:<br>(A) to steps 2, 3, 4, 5, 6 and 7 - at the beginning of the first pay period following the completion of 26 calendar weeks of service; and<br>(B) to steps 8 and above - at the beginning of the first pay period following the completion of 52 calendar weeks of service. | 3 |
| 2522 | 4074 | 4348 | | **Page Total** | |

| 70 | 71 | 72 | | | Item |
|---|---|---|---|---|---|
| - | 261<br>58<br>319 | 262<br>57<br>319 | 1. | Time and one-half for Saturday service and double time for Sundays and Holidays. | 4 |
| - | 12 | 12 | 2. | Increase in equipment allowance from 12¢ per mile to 14¢ per mile, with a daily minimum of $5.60 for rural letter carriers. | 5 |
| - | 1 | 2 | 3. | Uniforms for all 40-hour regular Mail Handlers. | 6 |
| - | 1 | 1 | 4. | That all vehicle maintenance employees be supplied uniforms by the Post Office Department and that they be maintained as provided for in HR-10167. | 7 |
| - | 2 | 2 | 5. | Uniforms for <u>all</u> Maintenance employees. | 8 |
| - | 3 | 3 | 6. | Upgrading of MPE Mechanic PFS-6 to PFS-8. | 9 |
| | | | 7, | Upgrading of MPE Mechanic PFS-7 to PFS-9. | 10 |
| - | 197 | 201 | 8. | Government pay 100% of the cost of Health and Life insurance. | 11 |
| - | - | - | 9. | Increase per diem expense reimbursement for mobile clerks and motor vehicle employees from the present $9.00 per day to $17.00 per day, as proposed in legislation sponsored by Representative Thaddeus J. Dulski in the 91st Congress. | 12 |
| - | 535 | 540 | | Page total | |

| 70 | 71 | 72 | | Item |
|---|---|---|---|---|
| - | - | - | On or before June 30, 1970, the Civil Service Commission will determine those areas where immediate wage adjustments have been determined to be necessary in compliance with law and wherein a shortage category exists and turnover is excessive. Representatives of the Exclusive Postal Unions shall be consulted prior to any decisions being made. | 13 |
| - | 30e | 30e | Optional retirement following twenty (20) years of service at any age. | 14 |
| - | (21) | (21) | (After 30 years' service) | |

| | | | |
|---|---|---|---|
| 2522 | 4074 | 4348 | Page 1 |
| - | 535 | 540 | Page 2 |
| - | 30 | 30 | Page 3 |
| 2,522 | 4,639 | 4,918 | Totals |

1% = 425 MM

6% retro. to 1/1/70
Govt-wide

| FY 70 | Cost | Budget | Excess over Budget |
| --- | --- | --- | --- |
| | ~~[illegible]~~ 1.3 Bil | .175 | (1.125) |
| FY 71 | 2.55 | 1.535 | (1.015) |

1.335
1.2

1.300
.175
1.125

2.55
1.535
1.015

per R. Jones 3/27/70
9AM

ph to H ✓✓

UNITED STATES GOVERNMENT U.S. CIVIL SERVICE COMMISSION

# Memorandum

Subject: Government Contributions for Retirement, Life Insurance, and Health Benefits

Date: March 26, 1970

In Reply Refer To: R:AR:ccm

Your Reference:

From: Andrew E. Ruddock, Director
Bureau of Retirement, Insurance, and Occupational Health

iR 3/26/70

To: Chairman Hampton

Retirement

| | | | |
|---|---|---|---|
| Employee deductions | - - | $1.6 billion | (7%) |
| Agency Contributions | - - | $1.6 billion | (7%) |
| Total | | $3.2 billion | |

In addition, Government will amortize, over a 30-year period, any unfunded liability created by new legislation. For example, a pay raise of $1.00 creates retirement liability of $2.55. A pay raise of $1 billion would require retirement appropriations of about $135 million a year for 30 years.

Government will also pay, by transfers to the retirement fund, for annuity disbursement related to military service and for interest on the existing unfunded liability. For fiscal year 1971, the payment (10% of total) will be $236.5 million.

Life Insurance (Regular)

| | | | |
|---|---|---|---|
| Employee deductions | - - | $236 million | (2/3) |
| Agency contributions | - - | $118 million | (1/3) |
| Total | | $354 million | |

If government were to contribute 50% of total ($177 million), government cost would be increased by $59 million.

Health Benefits

| | | | |
|---|---|---|---|
| Employee deductions | - - | $726 million | (76%) |
| Agency contributions | - - | $232 million | (24%) |
| Total | | $958 million | |

We have recommended increasing Government contribution to 38% of the average high-option premium of 6 big plans. At present premium rates, this would increase Government's cost by $138 million a year. Assuming a 12% premium increase in January 1971, our 38% proposal would increase Government's cost for calendar year 1971 by $182 million.

At present premium rates, it would cost $227 million to increase the Government's contribution to 50% of premium. Again assuming a 12% premium increase in January 1971, Government cost for calendar year 1971 would be increased by $314 million if the Government contribution were fixed at 50% of the average high-option premium of 6 big plans.

Fringe benefits - Private industry and Government

Attached report of the 1966 BLS study of fringe benefits in private industry and the Federal Government showed private industry at 24.5% of base pay, and Federal Government at 23.8% of base pay.

We have revised the Government column to show the increase in agency retirement contributions from 6.5% to 7.0%, and have changed the item "Life, accident, and health insurance" from 1.4% to 2.0% to reflect the current picture on life insurance and the effect of our proposal to increase Government's health benefits contribution to 38% of high-option average.

The effect of these changes is to increase Government's total to 25.0%.

We do not know what changes have occurred in other Government figures, or in those for private industry.

Attachment

cc: Mr. Oganovic

| Compensation practice | Expenditures as a percent of basic wages and salaries: Private industries [1] (Calendar 1966) | Federal Government (Fiscal 1967) |
|---|---|---|
| Total, all supplements except penalty pay | 24.5 | ~~23.8~~ 25.0 |
| Total paid leave except sick leave | 8.1 | 11.5 |
| Vacations and holidays | 7.9 | 11.2 |
| Vacations | 5.0 | 8.2 |
| Holidays | 2.8 | 3.0 |
| Civic and personal leave | .2 | .4 |
| Health benefit programs | 4.9 | ~~5.2~~ 5.8 |
| Legally required work-connected disability programs | .7 | .4 |
| Other legally required programs | ([2]) | ([3]) |
| Sick leave | .9 | 3.4 |
| Life, accident, and health insurance | 3.3 | ~~1.4~~ 7.0 |
| Retirement programs | 8.6 | 6.8 7.3 |
| Legally required programs | 3.9 | .3 |
| Private pension and retirement plans | 4.7 | ~~6.5~~ 7.0 |
| Unemployment programs | 1.5 | .3 |
| Legally required programs | 1.3 | .2 |
| Payments to employees | .1 | .1 |
| Payments to funds | .1 | ([3]) |
| Nonproduction bonuses (including awards) | 1.1 | .1 |
| Savings and thrift plans | .3 | ([3]) |

[1] Industry coverage is the same as for the BLS national survey of professional, administrative, technical, and clerical pay (the data relate to nonoffice workers as well as to office and related workers in both private industry and Government).

[2] Less than 0.05 percent.

[3] No such program in Federal Government.

NOTE: Because of rounding, sums of individual items may not equal totals.

(From BLS Report 350, Employee Compensation in Selected Industries, 1966)

JDE notes of meetings, etc.

3.31.70 8^{00}A ph

PMG Blount:

Decided term
2 am ended

very close to acc in prin

9^{30} unions
11^{00} negotiation

1 6% ret 1.1.70
2 add min 6% eff 7/1/70 after
agreed reorg adoptn
3 immed resump coll barg
after reorg

4 21-8 compression

Klassen magnificent

10¢ stamp a decided factor -
- source of money
-

Usery priceless -
gt team

Blount
Klamen
Shultz
E

3/30/70
9 AM

comparability

| Wages | | Postal | ≠ | Gov. wide |
|---|---|---|---|---|
| FY | 70 | 6% 7/1/70 | | 6% |
| | 71 | 6% by 7/1/70 | | ? |
| | 72 | + | | |

Fringes

Bargaining
Regional Δ'al
Collective

Amnesty

Reorganization

Postal Rates

Gov committed to =

Union 12% (retro to Oct)

5.4 PO workers

5.75 1/71 (read is 7/70)

SoL

Amt. When?

1 Gov-wide pay

2 Add'l pay for PO

3 ~~[illegible]~~ How rationalize Bal -
~~θ~~: Postal reform -

4 Postal Reform -

5 The effect of bargaining on PO workers
promise ahead

6 NPU & Alliance problem

* Leaders are not in control
- big offer or
- strike
needed

* They think they have 12%

9 35/A

π phones

B: PO workers feel they had 12%

they: retro to 10/69
we: later, only Q: when?

Tough bargaining positn -
we've offered 6% for all-Gov
would discuss 6% for
PO if reform -

they now: if nothing by noon, a
strike - we think
it's a bluff -

1 - avoid a strike
2 - Have a suffic offer on
the table to be in
good PR posture -

π: whatever done will have
Gov-wide effect -

Stretch-out is more inflationary -

Get it tied to reform

comparability

B: 2 issues
1 - 12%
2 - compression

we maneuver = can't treat PO separate
- validates Gov strike

seek sep PO justification -

No 12% gov-wide -
6%

Then more for PO -

π: can't give them a hard #
B = Usery had private mtgs -
re reform

good job -

A delicate prob putting whole pkg tog -

Prob can't get reform for only 12% -

π: will cost more gov-wide -

Shultz = Usery feels → negot. (delicate)
12% at various times
has to be given - can get
some kind of reform -

π: Amnesty card kept -
B = set aside for later
π = we'll be playing hard if they do -
Air Controllers, this a precedent -
Sh = Good to get money on table
1st -

π

B = 10 AM - Critical day -
could bring it to showdown -

Π = How about other Gov workers?
Shultz = Talking to other unions -
Hampton too
Depends on ① PO raises
description

Π - Gov. wide raise + Γ for reform

② Treatm't of other
unions

③ Hampton
Hodgson in touch
Shultz w/ them
Π: Keep in
contact - Try
will be made
to embarrass us

Today's mtg -
Π: Threat of walkout - old hat -

Sh = union leaders can't control
members now -
Sh = V. Π - Gets control by ① - results
> bargain or ② - if 2
days of no-results &
wildcats begin, he
leads the strike -

B: HR 13000 will pass - weakens
our bargaining position

Sh = Klassen good bargainer
Usery good mediator -

π = Let them try today -
can't impose judgment from afar -
good combination -

Sh = you have 6% all - gov
6% for PO

How & when of 2d 6% up
to Negotiators -

we want Reform - Keep it
in picture -

π - if they get HR 13000 they wont get
more -
Reform yields more later -

B = wont ~~get~~ reform for 12%
π = cant give them a number -
S = Ted will get something for the
2d 6%

B = Today - Put the 2d 6%
into reform package -

π = they dont have it yet -
we'll go to the mat on 12%
w/o reform -